

SUMMARY CONSOLIDATED AUDITED FINANCIAL REPORT

Changes in working capital, excluding taxation

FOR THE YEAR ENDED DECEMBER 31, 2019



TRINIDAD CEMENT LIMITED

SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS				
TT \$'000	UNAU	DITED	AUDITED	
	Three Months		Year	
	0ct to 2019	2018	Jan to Dec 2019 2018	
Revenue	389,554	420.771	1,670,883	1,721,123
Cost of sales	(319,135)	(327,220)	(1,204,872)	(1,245,591)
Gross profit	70,419	93,551	466,011	475,532
Operating expenses	(41,010)	(61,240)	(243,397)	(253,007)
Impairment of trade receivables	1,085	(2,846)	847	2,415
Operating earnings before other expenses, net	30,494	29,465	223,461	224,940
Other expenses, net	(24,637)	(44,103)	(73,702)	(77,337)
Operating earnings (loss)	5,857	(14,638)	149,759	147,603
Financial expense	(4,054)	(8,447)	(97,204)	(93,402)
Financial income and other items, net	606	1,951	666	1,958
Earnings (loss) before taxation	2,409	(21,134)	53,221	56,159
Taxation credit (charge)	2,442	(14,974)	(38,295)	(63,171)
Net earnings (loss) from continuing operations	4,851	(36,108)	14,926	(7,012)
Net earnings from discontinued operations	423		423	
NET INCOME (LOSS)	5,274	(36,108)	15,349	(7,012)
Non-controlling interest	(4,048)	(13,507)	(25,730)	(30,650)
CONTROLLING INTEREST	1,226	(49,615)	(10,381)	(37,662)
Basic and diluted (loss) earnings per share - cents (Note 3):	0.3	(13.2)	(2.8)	(10.0)

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TT \$'000	UNAUDITED		AUDITED	
	Three Months		Year	
	Oct to Dec		Jan to Dec	
	2019	2018	2019	2018
NET INCOME (LOSS)	5,274	(36,108)	15,349	(7,012)
Items that will not be reclassified subsequently to the statement of profit or loss				
Net actuarial gains (losses) from remeasurements of				
defined benefit pension plans	53,783	(24,530)	53,783	(24,530)
Taxation recognised directly in other comprehensive income	(16,459)	7,615	(16,459)	7,615
	37,324	(16,915)	37,324	(16,915)
Items that are or may be reclassified subsequently to				
the statement of profit or loss Effects from derivative financial instruments designated				
as cash flow hedges	(697)	(4,395)	(697)	(3,976)
Currency translation results of foreign subsidiaries	11,060	37,937	(16,774)	(5,622)
	10,363	33,542	(17,471)	(9,598)
Total items of other comprehensive income, net	47,687	16,627	19,853	(26,513)
TOTAL COMPREHENSIVE INCOME (LOSS)	52,961	(19,481)	35,202	(33,525)
Non-controlling interest	(40,282)	(21,723)	(52,574)	(28,829)
CONTROLLING INTEREST	12,679	(41,204)	(17,372)	(62,354)
Out of which:				
COMPREHENSIVE INCOME FROM DISCONTINUED OPERATIONS	423	-	423	-
COMPREHENSIVE INCOME (LOSS) FROM CONTINUING			<i>(</i> 1-----)	(00 07 V)
OPERATIONS	12,256	(41,204)	(17,795)	(62,354)
DIBECTORS' STATEMENT				

DIRECTORS' STATEMENT

We are pleased to report on the progress the Group has made cement and concrete in Trinidad and Tobago. As per the fourth performance under challenging regional economic conditions.

The health and safety of our employees and associated stakeholders remain our top priority. We continue to raise awareness of safe industry best practices through training of our labour force, monitoring and evaluation of results aligned with the Zero4I ife initiative. This effort continued to have a positive impact in 2019, resulting in zero fatalities and a 50% reduction in lost time incidents (LTIs).

Additionally, we remain dedicated to outreach and engagement in the communities that we serve. In 2019, we completed various community projects such as the Vulnerable Road User programme for students at the primary level that involved staging road safety demonstrations and raising road users' awareness. Scholarship programmes were launched in Trinidad & Tobago for primary Secondary Examination Assessment (S.E.A.) students. This programme will culminate in July 2020 with the presentation of book and uniform vouchers to twenty-five deserving students, while in Jamaica, grants and scholarships were awarded to twenty eligible students. Social responsibility initiatives were executed across all communities in which we operate, positively impacting many lives.

In terms of the financial performance, the Group earned a net income from operations of \$15 million for the fiscal year under review, a favourable turn around result compared to the customer centricity. 2018 year-end loss of \$7 million. The Group achieved annual operating earnings before other expenses of \$223 million, a decrease of 1% compared to 2018. These results were generated from annual revenue of \$1.7 billion, a 3% decline from 2018, primarily due to the continued weak demand for

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David G Inglefield Chairman March 20, 2020

in 2019 regarding its strategic goals and improved financial guarter, the net income result of \$30 million was favourable, 3% higher than prior year fourth quarter. The year to date financial expense of \$97 million increased 4% compared to 2018, primarily due to the adoption of IFRS 16 on leases

> The IERS 16 adoption impacted the consolidated statement of financial position for the Group in the following aspects: adjusted earnings before interest, taxation, depreciation and amortisation (EBITDA) increased by \$9.8 million while depreciation expense rose by \$7.3 million. Additionally, we recognised \$22.7 million in right-of-use assets and lease liability. On a comparative basis,

> adjusting for adoption of IFRS 16 in 2018, EBITDA in 2019 would have been 1% lower on a year over year basis, and finance expense 1% higher.

> During 2019 the Group generated \$197 million in cash from operations, which resulted from efficient working capital management. In keeping with the Group's initiative to reduce debt, a portion of these funds was allocated to repaying debt as well as investing in capital expenditure to improve plant facilities. In this increasingly challenging market environment, we will remain committed to our long-term transformation programme designed to improve productivity, raise competitiveness and enhance sustainability across all production and business units. We will also continue to focus on our priorities of health, safety and environment, operational efficiency, human capital and

The Board of Directors and Management of the Group remain committed to delivering responsible and sustainable operations, good governance and promoting valuable partnerships with our stakeholders.



SUMMARY CONSOLIDATED STATEMENT OF FINAM	ICIAL POSIT	ION
TT \$'000	AUD	ITED
ASSETS	31.12.19	31.12.18
CURRENT ASSETS		
Cash and cash equivalents	87,453	77,737
Trade accounts receivable, net Other accounts receivable	87,940 47,284	98,600 59,739
Taxation receivable	5.871	59,739 14.663
Inventories, net	253,103	229,182
Total current assets	481,651	479,921
NON-CURRENT ASSETS		
Investments	1	1
Property, machinery and equipment, net	1,826,491	1,853,066
Deferred taxation assets Employee benefits	251,394 54,793	179,789 14,233
Total non-current assets	2,132,679	2,047,089
TOTAL ASSETS	2,614,330	2,527,010
LIABILITIES AND STOCKHOLDERS' EQUITY Current liabilities		
Short-term debt	18,000	19,124
Other financial obligations	6,421	
Trade payables	247,507	229,447
Taxation payable	4,526	751
Other current liabilities	256,386	306,790
Total current liabilities	532,840	556,112
NON-CURRENT LIABILITIES		
Long-term debt	865,182	922,469
Other financial obligations Employee benefits	20,524 176,503	- 173,311
Deferred taxation liabilities	309,477	201,122
Other non-current liabilities	2,774	2,168
Total non-current liabilities	1,374,460	1,299,070
TOTAL LIABILITIES	1,907,300	1,855,182
STOCKHOLDERS' EQUITY		
Controlling interest:		
Stated capital	827,732	827,732
Unallocated ESOP shares Other equity reserves	(20,019) (291,938)	(20,019) (248,355)
Retained earnings	141,678	147,649
Net loss	(10,381)	(37,662)
Total controlling interest	647,072	669,345
Non-controlling interest	<u> </u>	2,483
TOTAL STOCKHOLDERS' EQUITY	707,030	671,828
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	2,614,330	2,527,010

These consolidated financial statements were approved by the Board of Directors on March 20, 2020 and signed on their behalf by:

Director

. Chairman	Jat S.

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SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS					
TT \$'000	UNAUI	DITED	AUDITED		
	Three M	/lonths	Year		
	Oct to			o Dec	
OPERATING ACTIVITIES	2019	2018	2019	2018	
Net income (loss)	5,274	(36,108)	15,349	(7,012)	
Discontinued operations	(423)	-	(423)	- (1,012)	
Net income (loss) from continuing operations	4,851	(36,108)	14,926	(7.010)	
Non-cash items:	4,001	(30,100)	14,920	(7,012)	
	20.050	24.005	140 105	107 100	
Depreciation and amortisation of assets	32,656	34,695	143,195	127,126	
Financial expense, net	3,448	6,496	96,538	91,444	
Pension plan and other post-retirement benefit	7,695	(4,006)	26,298	22,465	
Other items, net	6,024	(4,471)	2,314	(7,593)	
Taxation credit (charge)	(2,442)	14,974	38,295	63,171	
Changes in working capital, excluding taxation	<u> </u>	49,652	<u>(25,292)</u>	<u>(69,532)</u>	
Net cash flow provided by operating activities from					
continuing operations before financial expense,					
taxation and post employment benefits paid	84,139	61,232	296,274	220,069	
Financial expense paid	(20,469)	(27,571)	(66,422)	(42,373)	
Taxation paid	(10,869)	(6,932)	(16,707)	(21,470)	
Pension plan contributions and other post-retirement benefit paid	(4,397)	(11,085)	(15,814)	(28,922)	
Net cash flow provided by operating activities from					
continuing operations	48,404	15,644	197,331	127,304	
Net cash flows provided by operating activities	48,404	15,644	197,331	127,304	
INVESTING ACTIVITIES	<u>-+0,+0+</u>	10,044		127,304	
Property, machinery and equipment, net	(68,561)	(81,189)	(139,742)	(169,661)	
Net cash flows used in investing activities	(68,561)	(81,189)	(139,742)	(169,661)	
FINANCING ACTIVITIES	(00,001)	(01,109)	(135,742)	(109,001)	
		(07)		(0.015)	
Purchase of non-controlling interests in subsidiaries	-	(37)	-	(6,815)	
Increase (repayment) of debt, net	22,261	17,320	(51,379)	7,946	
Other financial obligations, net	4,289		4,289	<u> </u>	
Net cash flows provided by (used in) financing activities	26,550	17,283	(47,090)	1,131	
Increase (decrease) in cash and cash equivalents from					
continuing operations	6,393	(48,262)	10,499	(41,226)	
Cash conversion effect, net	685	6,713	(783)	137	
Cash and cash equivalents at beginning of period	80,375	119,286	77,737	118,826	
CASH AND CASH EQUIVALENTS AT END OF PERIOD	87,453	77,737	87,453	77,737	
Changes in working capital, excluding taxation:					
Trade accounts receivable, net	5,450	(2,202)	10,660	13,926	
Other accounts receivable and other assets	5,260	(32,178)	12,455	(33,614)	
Inventories	9,628	(2,241)	(23,921)	(16,908)	
Trade payables	921	20,931	21,835	51,943	
Other current and non-current liabilities	10,648	65,342	(46,321)	(84,879)	
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49,652 (25,292) (69,532)



SUMMARY CONSOLIDATED AUDITED FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2019



TRINIDAD CEMENT LIMITED

	2019	2018	2019	2018
Balance at beginning of period	669,345	736,353	2,483	(17,048)
Effects from adoption of IFRS 9	-	(6,932)	-	(205)
	669,345	729,421	2,483	(17,253)
Net (loss) income	(10,381)	(37,662)	25,730	30,650
Total other items of comprehensive income, net	(6,991)	(24,692)	26,844	(1,821)
Change in non-controlling interest	(4,901)	2,278	4,901	(9,093)
Balance at end of period	647,072	669,345	59,958	2,483

NOTES:

1. Basis of Preparation

These summary consolidated financial statements are prepared in accordance with established criteria developed by management and disclose the summary consolidated statement of financial position, summary consolidated statement of profit or loss, summary consolidated statement of comprehensive income, summary consolidated statement of changes in stockholders'equity and summary consolidated statement of cash flows. These summary consolidated financial statements are derived from the audited consolidated financial statements of Trinidad Cement Limited and its subsidiaries (the Group) as of and for the year ended December 31, 2019. The full version of the Group's consolidated financial statements can be located at the company's registered office.

2. Summary Accounting Policies

These summary consolidated financial statements have been prepared in accordance with the accounting policies set out in Note 2 of the December 31, 2019 audited consolidated financial statements consistently applied from period to period. The Group has adopted all the new and revised accounting standards that are mandatory for annual accounting periods on or after January 1, 2019 and which are relevant to the Group's operations.

3. Earnings Per Share

Earnings per share (EPS) is calculated by dividing the net income attributable to controlling interest by the weighted average number of ordinary shares outstanding during the period. The weighted average number of ordinary shares in issue for the period has been determined by deducting from the total number of issued shares of 374.648M, the weighted average of 2.845M shares that were held as unallocated shares by our Employee Share Ownership Plan (ESOP).

4. Cost of Sales, Operating and Other Operating Expenses, Net

Cost of sales represents the production cost of inventories at the moment of sale. Such cost of sales includes depreciation, amortisation and depletion of assets involved in production, expenses related to storage in production plants and freight expenses of raw material in plants and delivery expenses of the Group's ready-mix concrete business.

Operating expenses comprise administrative, selling, distribution and logistics expenses. Administrative expenses represent expenses related to managerial activities and back office for the Group's management. Selling expenses represent the expenses associated with sales activities. Distribution and logistics expenses refer to expenses of storage at points of sales, as well as freight expenses of finished products between plants and points of sale and freight expenses between points of sales and the customers' facilities.

Other expenses, net consist primarily of revenues and expenses not directly related to the Group's main activities, or which are of an unusual and/or non-recurring nature, including results on disposal of assets and restructuring costs, among others.

5. Initial Application of IFRS 16 Leases

The Group has applied IFRS 16 Leases and has not restated prior periods as allowed by the Standard. The Group has recognised the present value of the remaining lease payments as right of use assets and lease liabilities (\$22.7 million) for material and short term leases previously classified as operating leases. On initial application, the Group applied the incremental borrowing rates of 8.83% to 14.39% on the lease liabilities.

INDEPENDENT AUDITORS' REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Trinidad Cement Limited

Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at December 31, 2019, the summary consolidated statements of profit or loss, comprehensive income, changes in stockholders'equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Trinidad Cement Limited and its subsidiaries ("the Group") for the year ended December 31, 2019.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the basis described in the notes to the summary consolidated financial statements.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements and our report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and our report thereon. The summary consolidated financial statements do not reflect the effects of events that occurred subsequent to that date of our report on the audited consolidated financial statements.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated March 20, 2020. That report also includes the communication of key audit matters. Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the consolidated financial statements for the current period.

Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements in accordance with the basis described in the notes to the summary consolidated financial statements.

Auditors' Responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), "Engagements to Report on Summary Financial Statements."

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Chartered Accountants March 20, 2020 Port of Spain Trinidad, West Indies