



CONDENSED CONSOLIDATED UNAUDITED INTERIM FINANCIAL REPORT

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022



TRINIDAD CEMENT LIMITED

CONDENSED CONSOLIDATED INCOME STATEMENT

TT\$'000	UNAUDITED				AUDITED
	Three Months		Nine Months		Year
	Jul to Sep	2021	Jan to Sep	2021	Jan to Dec
	2022	2021	2022	2021	2021
Revenue	489,440	467,313	1,552,713	1,406,243	1,896,518
Cost of sales	(314,545)	(375,440)	(1,019,568)	(1,015,629)	(1,326,431)
Gross profit	174,895	91,873	533,145	390,614	570,087
Operating expenses	(76,390)	(72,208)	(226,046)	(189,207)	(257,518)
Impairment of trade accounts receivable	(750)	(117)	(1)	(521)	(819)
Operating earnings before other (expenses) income, net	97,755	19,548	307,098	200,886	311,750
Other (expenses) income, net	(3,243)	(7,546)	(32,158)	(19,219)	21,849
Operating earnings	94,512	12,002	274,940	181,667	333,599
Financial expense	(10,518)	(15,018)	(29,728)	(60,172)	(89,950)
Financial income	563	(7)	654	8	30
Earnings (loss) before taxation	84,557	(3,023)	245,866	121,503	243,679
Taxation charge	(29,815)	(20,201)	(78,774)	(60,919)	(53,260)
NET INCOME (LOSS)	54,742	(23,224)	167,092	60,584	190,419
Non-controlling interest net (income) loss	(13,814)	304	(50,786)	(32,988)	(49,646)
CONTROLLING INTEREST NET INCOME (LOSS)	40,928	(22,920)	116,306	27,596	140,773
Basic and diluted earnings (loss) per share - cents (Note 3):	11.0	(6.2)	31.3	7.4	37.9

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TT\$'000	UNAUDITED				AUDITED
	Three Months		Nine Months		Year
	Jul to Sep	2021	Jan to Sep	2021	Jan to Dec
	2022	2021	2022	2021	2021
NET INCOME (LOSS)	54,742	(23,224)	167,092	60,584	190,419
Items that will not be reclassified subsequently to the income statement					
Net actuarial gains from remeasurements of employee benefit plans	-	-	-	-	105,642
Taxation recognised directly in other comprehensive income	-	-	-	-	(29,043)
	-	-	-	-	76,599
Items that are or may be reclassified subsequently to the income statement					
Effects from derivative financial instruments designated as cash flow hedges	(904)	2,708	(278)	3,863	1,203
Currency translation results of foreign subsidiaries	(5,431)	8,012	6,723	(9,252)	(34,302)
	(6,335)	10,720	6,445	(5,389)	(33,099)
	(6,335)	10,720	6,445	(5,389)	43,500
Total items of other comprehensive income, net					
TOTAL COMPREHENSIVE INCOME (LOSS)	48,407	(12,504)	173,537	55,195	233,919
Non-controlling interest comprehensive income	(12,067)	(1,788)	(53,198)	(29,252)	(35,396)
CONTROLLING INTEREST COMPREHENSIVE INCOME (LOSS)	36,340	(14,292)	120,339	25,943	198,523

DIRECTORS' STATEMENT

Health and Safety	when compared to the same quarter of 2021. Revenue for the quarter was affected by a combination of increases and decreases in sales volumes in specific geographic segments across the region. On a year-to-date basis, the Group recorded consolidated revenue from continuing operations of \$1.6 billion, 10% higher than that of the same period in 2021.
Health and Safety is at the foundation of everything we do and our number one priority across the TCL Group. We work diligently to ensure that all our employees and contractors return safely to their families each day. During the third quarter, no Lost Time Incidents (LTIs) were recorded. August 2022 marked a 3-year LTI-free milestone in our Jamaican operations. In September, our Guyana operations celebrated 4 years without LTIs. The Group is progressively adjusting our COVID-19 prevention measures as we transition to normal operations. These adjustments are consistent with government regulations in our region.	The Group reported adjusted EBITDA of \$130 million in the third quarter of 2022 compared to \$51 million during the same quarter of 2021. The prior year's result included the total cost associated with the implementation of planned maintenance. The adjusted EBITDA for the first nine months of 2022 was \$405 million, a 37% improvement on the same period during the prior year. This increase mainly resulted from improved cement revenues in Trinidad and Tobago and Jamaica, that helped to offset the significant inflation felt in input costs. In the third quarter of 2022, the Group reported net income of \$55 million, compared to a net loss of \$23 million in the same quarter of 2021. This increase was mainly driven by increased revenues and reduced costs incurred during the period. Net financial expenses including exchange losses decreased by \$5 million arising from the repayment of US-denominated borrowings in Jamaica. On a year-to-date basis, the Group reported a net income of \$167 million, compared to a net income of \$61 million in the same period during 2021. This rise resulted from increased operating earnings and a 51% reduction in financial expenses, which were partially offset by higher other expenses and taxation.
Sustainability	During the third quarter of 2022, the Group generated cash of \$76 million from operating activities. This was mainly driven by improved operating results when compared to 2021. On a year-to-date basis, the Group generated \$69 million from operating activities. During the quarter, Caribbean Cement Company Limited paid gross dividends of \$57 million, of which \$15 million was paid to non-controlling interest equity holders.
Sustainability is another important core value for us at the TCL Group. We recognise that every decision and action taken is an opportunity for us to make a positive impact on the people around us and are stepping stones to a sustainable, greener world. With a relentless focus on global climate action, we continue to promote our low-carbon Vertua-certified ECO Cement both in our domestic markets of Jamaica and Trinidad and Tobago as well as the Group's export markets.	Outlook
The use of alternative fuels through our end-of-life tyre programme and the utilisation of waste oil in our production processes in Jamaica continue to move the Group along the path to a greener enterprise. Our achievements in the development of low-carbon cement products and solutions align with CEMEX's "Future in Action" program, a global, comprehensive strategy which follows the United Nations' Sustainable Development Goals on climate action.	We are pleased with the TCL Group's improved financial performance during the first nine months. Our performance is a result of disciplined cost control and reduced US\$ debt in Jamaica. Moving forward, we remain alert to potential impacts on business performance driven by high inflation and restrictions on the supply chain for our materials and services. The conflict between Russia and Ukraine has aggravated the situation, translating into increased costs in fuel, power, and shipping.
Capacity Expansion	The Board and Management continue to closely monitor the situation to ensure that our strategies are solid and able to withstand the unpredictable market conditions and other global and regional challenges.
At a ceremony attended by the Jamaican Prime Minister, the Most Hon. Andrew Holness and CEMEX's CEO, Fernando Gonzalez on August 24, 2022, plans were unveiled for a US\$40 million capacity expansion project at our Jamaica operation. This project is expected to expand production capacity at Caribbean Cement Company Limited by up to 30%, while optimising heat consumption during the cement manufacturing process and thereby reducing the company's carbon footprint in Jamaica. The project is expected to be completed in the second half of 2024.	
Financial Performance	
The TCL Group recorded consolidated revenue from continuing operations of \$489 million during the third quarter of 2022, representing a 5% increase	

David G. Inglefield
Chairman
TCL Group
October 28, 2022

Francisco Aguilera Mendoza
Managing Director
TCL Group
October 28, 2022

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TT\$'000	UNAUDITED		AUDITED
	30.09.22	30.09.21	31.12.21
		2022	2021
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	119,657	84,239	75,655
Trade accounts receivable, net	53,408	66,274	61,568
Other accounts receivable	129,106	49,931	34,660
Taxation recoverable	2,064	3,237	3,218
Inventories, net	389,412	288,198	324,522
Total current assets	693,647	491,879	499,623
NON-CURRENT ASSETS			
Investments	1	1	1
Property, machinery and equipment, net	1,624,914	1,627,918	1,646,605
Deferred taxation assets	121,323	122,279	114,564
Employee benefits	135,519	51,243	133,374
Other accounts receivable	377	1,506	-
Total non-current assets	1,882,134	1,802,947	1,894,544
TOTAL ASSETS	2,575,781	2,294,826	2,394,167
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Other financial obligations	8,466	6,742	7,091
Trade payables	263,702	319,724	356,507
Taxation payable	30,820	9,581	16,321
Other current liabilities	293,609	253,798	266,987
Total current liabilities	596,597	589,845	646,906
NON-CURRENT LIABILITIES			
Long-term debt	487,113	513,471	438,760
Other financial obligations	15,309	18,943	19,325
Employee benefits	202,537	249,372	195,146
Deferred taxation liabilities	221,719	207,928	199,121
Other non-current liabilities	1,449	1,800	2,718
Total non-current liabilities	928,127	991,514	855,070
TOTAL LIABILITIES	1,524,724	1,581,359	1,501,976
SHAREHOLDERS' EQUITY			
Controlling interest:			
Stated capital	827,732	827,732	827,732
Unallocated ESOP shares	(20,019)	(20,019)	(20,019)
Other equity reserves	(321,194)	(306,973)	(325,227)
Retained earnings	283,984	65,554	143,211
Net income	116,306	27,596	140,773
Total controlling interest	886,809	593,890	766,470
Non-controlling interest	164,248	119,577	125,721
TOTAL SHAREHOLDERS' EQUITY	1,051,057	713,467	892,191
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,575,781	2,294,826	2,394,167

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

TT\$'000	UNAUDITED				AUDITED
	Three Months		Nine Months		Year
	Jul to Sep	2021	Jan to Sep	2021	Jan to Dec
	2022	2021	2022	2021	2021
OPERATING ACTIVITIES					
Net income (loss)	54,742	(23,224)	167,092	60,584	190,419
Non-cash items:					
Depreciation and amortisation of property, machinery and equipment	32,518	31,288	98,313	95,062	127,043
Financial expense, net	9,955	15,025	29,074	60,164	89,920
Pension plan and other post-retirement benefit	4,150	4,694	12,442	11,801	(13,395)
Other items, net	(715)	(1,000)	(188)	(1,052)	(1,792)
Reversal of impairment losses on property, machinery and equipment	-	-	-	-	(21,799)
Taxation charge	29,815	20,201	78,774	60,919	53,260
Changes in working capital, excluding taxation	(33,258)	51,499	(236,245)	(15,659)	(12,443)
Cash generated from operating activities before financial expense, taxation and post-employment benefits paid	97,207	98,483	149,262	271,819	411,213
Financial expense paid	(2,950)	(7,495)	(14,001)	(17,077)	(25,317)
Taxation paid	(14,347)	(7,313)	(55,808)	(60,578)	(70,740)
Pension plan contributions and other post-retirement benefit paid	(3,636)	(3,725)	(10,806)	(11,156)	(14,764)
Net cash flows from operating activities	76,274	79,950	68,647	183,008	300,392
INVESTING ACTIVITIES					
Purchase of property, machinery and equipment	(23,961)	(31,284)	(59,425)	(67,603)	(147,900)
Proceeds from disposal of property, machinery and equipment	-	-	-	-	1,790
Net cash flows used in investing activities	(23,961)	(31,284)	(59,425)	(67,603)	(146,110)
FINANCING ACTIVITIES					
(Repayment of) increase in debt, net	(2,651)	(26,528)	52,060	(115,630)	(163,058)
Other financial obligations, net	876	(724)	(2,641)	(2,897)	(1,927)
Dividends paid	(14,671)	-	(14,671)	-	-
Net cash flows from (used in) financing activities	(16,446)	(27,252)	34,748	(118,527)	(164,985)
Increase (decrease) in cash and cash equivalents	35,867	21,414	43,970	(3,122)	(10,703)
Cash conversion effect, net	(76)	190	32	(944)	(1,947)
Cash and cash equivalents at beginning of period	83,866	62,635	75,655	88,305	88,305
CASH AND CASH EQUIVALENTS AT END OF PERIOD	119,657	84,239	119,657	84,239	75,655
Changes in working capital, excluding taxation:					
Trade accounts receivable, net	16,016	(4,688)	8,254	(9,666)	(5,065)
Other accounts receivable	(66,507)	6,109	(108,146)	(3,429)	7,241
Inventories, net	(23,508)	(7,103)	(61,363)	(52,257)	(88,452)
Trade payables	(10,314)	20,319	(95,709)	85,306	121,915
Other current and non-current liabilities	51,055	36,862	20,719	(35,613)	(48,082)
Changes in working capital, excluding taxation	(33,258)	51,499	(236,245)	(15,659)	(12,443)

NOTES:

1. Basis of Preparation

These condensed consolidated financial statements are prepared in accordance with established criteria developed by management and disclose the condensed consolidated statement of financial position, condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in shareholders' equity and condensed consolidated statement of cash flows.

2. Accounting Policies

These condensed consolidated financial statements have been prepared in accordance with the accounting policies set out in Note 2 of the December 31, 2021 audited consolidated financial statements consistently applied from period to period. The TCL Group has adopted all the new and revised accounting standards that are mandatory for annual accounting periods on or after January 1, 2022 and which are relevant to the TCL Group's operations.

3. Earnings Per Share

Earnings per share (EPS) is calculated by dividing the net income or loss attributable to the 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 374.648 million, the weighted average of 2.845 million shares that were held as unallocated shares by the Employee Share Ownership Plan (ESOP).

4. Cost of Sales, Operating and Other (Expense) Income, Net

Cost of sales represents the production cost of inventories at the moment of sale. 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 TCL Group's readymix concrete business.

Operating expenses comprise administrative, selling, distribution and logistics expenses. Administrative expenses represent expenses related to managerial activities and back office for the TCL Group's management. Selling expenses represent the expenses associated with sales activities. Distribution and logistics expenses refer to expenses of storage at points of sale, 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) income, net consist primarily of income and expenses not directly related to the TCL Group's main activities, or which are of an unusual and/or non-recurring nature, including royalties, past service cost of pension and post-retirement employee benefits, reversal of impairment losses on property, machinery and equipment, results on disposal of property, machinery and equipment and restructuring costs, among others.

SEGMENT INFORMATION

TT\$'000	CEMENT		CONCRETE		PACKAGING		CONSOLIDATION ADJUSTMENTS	TOTAL
	UNAUDITED NINE MONTHS JAN TO SEP 2022		UNAUDITED NINE MONTHS JAN TO SEP 2021		AUDITED YEAR JAN TO DEC 2021			
	2022	2021	2022	2021	2022	2021		
Revenue								
Total	1,698,024	42,781	18,555	-	1,759,360			
Intersegment	(180,680)	(3,065)	(22,902)	-	(206,647)			
Third party	1,517,344	39,716	(4,347)	-	1,552,713			
Earnings before taxation	244,072	201	1,593	-	245,866			
Depreciation	95,030	2,929	354	-	98,313			
Segment assets	3,519,116	127,510	73,999	(1,144,844)	2,575,781			
Segment liabilities	2,391,815	42,367	13,668	(923,126)	1,524,724			
Capital expenditure	58,521	904	-	-	59,425			
UNAUDITED NINE MONTHS JAN TO SEP 2021								
Revenue								
Total	1,502,488	49,428	31,312	-	1,583,228			
Intersegment	(146,762)	(2,920)	(27,303)	-	(176,985)			
Third party	1,355,726	46,508	4,009	-	1,406,243			
Earnings (loss) before taxation	129,672	6,676						