



TRINIDAD CEMENT LIMITED

SUMMARY CONSOLIDATED AUDITED FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2023



Building a better future

SUMMARY CONSOLIDATED INCOME STATEMENT

TT \$'000	UNAUDITED		AUDITED	
	Three Months		Year	
	Oct to Dec	2022	2023	2022
Revenue	527,096	508,514	2,229,602	2,061,227
Cost of sales	(353,309)	(360,318)	(1,512,591)	(1,379,886)
Gross profit	173,787	148,196	717,011	681,341
Administrative expenses	(48,528)	(30,631)	(162,630)	(128,024)
Selling expenses	(5,599)	(4,170)	(20,882)	(15,943)
Distribution and logistics expenses	(40,445)	(34,133)	(149,148)	(151,014)
Operating earnings before other expenses and other income and credits	79,215	79,262	384,351	386,360
Other expenses	(59,073)	(154,153)	(104,365)	(189,600)
Other income and credits	10,600	12,728	15,221	16,017
Operating earnings	30,742	(62,163)	295,207	212,777
Financial expense	(14,686)	(14,510)	(54,773)	(44,238)
Financial income	2,258	624	6,785	1,278
Earnings before taxation	18,314	(76,049)	247,219	169,817
Taxation charge	(17,368)	(33,238)	(77,026)	(112,012)
NET INCOME (LOSS)	946	(109,287)	170,193	57,805
Non-controlling interest	(13,620)	(21,183)	(63,098)	(71,969)
CONTROLLING INTEREST	(12,674)	(130,470)	107,095	(14,164)
Basic and diluted (loss) earnings per share - cents (Note 3):	(3.4)	(35.1)	28.8	(3.8)

DIRECTORS' STATEMENT

Health and Safety

At the TCL Group, the health and safety of our employees, contractors, and communities is our top priority. Our commitment to "Zero4life" symbolises our goal for an injury-free workplace, where anyone who interacts with our operations returns home safely to their family. We consider this a moral imperative, and the reason why health and safety will always be our company's primary focus.

We are pleased to report that the 4th quarter of 2023 continued to be accident free, with no lost time incidents, in line with the rest of the year across all our operations. We are truly proud of this achievement and sincerely acknowledge all our employees and contractors for realising this significant goal.

Promoting the health and wellbeing of our employees continues to be an important priority for the TCL Group. We truly believe that by working to reduce risk factors that cause diseases, and more broadly, improving the quality of life of our people, a positive and efficient work culture and environment is created. It is for this reason, that we continue to develop new programmes around our Wellbeing model which was launched in 2022 with the key pillars: Emotional Health, Physical Health, Financial Fitness, and workforce experience.

Financial Performance

During the fourth quarter of 2023, the TCL Group recorded consolidated revenue from continuing operations of \$527 million, an increase of 4% when compared to the same quarter of 2022. The Group's adjusted EBITDA of \$118 million in the fourth quarter reflected an increase of 1% compared to the same period of the previous year.

This result signals the impact of higher sales volumes in Trinidad and Tobago and Guyana, and stable sales volumes in Jamaica. In the fourth quarter of 2023, the TCL Group reported net income of \$0.9 million, with an increase higher than 100% if compared with the same quarter of 2022. This improvement in net income was primarily driven by improved operating results in Barbados under the new model, and the effect of having taken up the related restructuring expenses in the fourth quarter of 2022.

On a year-to-date basis, the Group recorded consolidated revenue from continuing operations of \$2.2 billion, 8% higher than 2022. The Group's adjusted EBITDA on a year-to-date basis for 2023 was \$514 million, a 1% decrease compared to the prior period, but a solid recovery from earlier in the year. Approximately 85% of this EBITDA performance is attributable to our operation in Jamaica that continues to deliver a strong performance. Guyana also continues to improve its profitability, with an increase in EBITDA of over 53% compared to last year, due to higher sales volumes and stronger pricing. In Trinidad and Tobago, we continue to work diligently to improve efficiency and contain increases in input costs to maintain profitability.

Sustainability

During the quarter, we continued our Future in Action programme, which aims to ensure sustainable products and solutions, reduce our carbon footprint, support a circular economy, mitigate our impacts on water and biodiversity, and promote a green economy through innovation and partnerships.

In support of sustainable development across the region, the TCL Group continues to work with various authorities, local organisations, and other businesses in the Caribbean. Through this approach and with different projects on circularity, we are demonstrating our strategic role as an urban waste handler. In Trinidad and Tobago, we are using waste materials like broken clay blocks from industrial customers in our production process, while in Jamaica we strengthened our partnership with Clean Harbours to manage waste from the Kingston Harbour. We also kept exploring the possibility of carrying out projects with the Barbadian government and key stakeholders around responsible disposal of Construction Demolition and Excavation Waste (CDEW) at one of our quarries. This will help us to reduce the impact of construction waste.

We keep lowering our carbon emissions by improving heat efficiencies in our kilns and using more alternative fuels such as waste oil in Jamaica and Trinidad and Tobago, while decreasing our clinker usage across all our operations through the increased usage of grinding additives, and alternative raw materials. Because of these efforts, in 2023 we achieved a reduction of 24.6 kgs of net CO₂ per metric tonne of cementitious material compared to 2022 (3 pp net) strong evidence of our solid commitment to net-zero emissions.

All these achievements represent the TCL Group's dedication to its decarbonisation goals and sustainable excellence.

Outlook

Our solid performance in 2023 provides an ideal platform for the Group's continued growth and success. Notwithstanding, we remain cautiously optimistic about the outlook for 2024 in view of the ongoing global economic uncertainties.

We have a clear and focused strategy to increase our production capacity and efficiency in Jamaica, where we are preparing to export by 2025. Likewise, to overcome the challenges posed by rising input costs and external factors in Trinidad and Tobago, where we will continue to focus on quality, customer service and innovation.

We also aim to maintain our market position and explore new opportunities in Barbados, and to support the growing demand for cement and construction materials in Guyana, where we are investing in our distribution network and customer relationships.

We are proud of our role as a responsible and reliable partner in the region, and grateful for the contributions of our employees, who are the key drivers of our performance and growth.

We thank all our stakeholders for their continued support and confidence in the TCL Group.

David G Inglefield
Chairman
March 28, 2024

Francisco Aguilera Mendoza
Managing Director
March 28, 2024

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TT \$'000	AUDITED	
	31.12.23	31.12.22
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	236,172	87,004
Trade accounts receivable, net	54,119	49,248
Other accounts receivable	63,875	73,998
Taxation recoverable	16,442	2,201
Inventories, net	378,468	417,358
TOTAL CURRENT ASSETS	749,076	629,809
NON-CURRENT ASSETS		
Investments	-	1
Property, machinery and equipment, net	1,556,352	1,591,163
Deferred taxation assets	94,175	102,479
Employee benefits	25,103	33,847
Total non-current assets	1,675,630	1,727,490
TOTAL ASSETS	2,424,706	2,357,299
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Short-term debt	145,450	-
Other financial obligations	8,334	7,501
Trade payables	287,050	278,518
Taxation payable	22,046	33,205
Provisions	31,692	57,991
Other current liabilities	255,820	261,412
Total current liabilities	750,392	638,627
NON-CURRENT LIABILITIES		
Long-term debt	268,586	437,130
Other financial obligations	19,638	15,325
Employee benefits	169,741	180,390
Deferred taxation liabilities	210,108	204,925
Provisions	3,693	5,809
Total non-current liabilities	671,766	843,579
TOTAL LIABILITIES	1,422,158	1,482,206
SHAREHOLDERS' EQUITY		
Controlling interest:		
Stated capital	827,732	827,732
Unallocated ESOP shares	(20,019)	(20,019)
Other equity reserves	(334,318)	(313,888)
Retained earnings	326,442	205,444
Total controlling interest	799,837	699,269
Non-controlling interest	202,711	175,824
TOTAL SHAREHOLDERS' EQUITY	1,002,548	875,093
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,424,706	2,357,299

These financial statements were approved by the Board of Directors on March 28, 2024 and signed on their behalf by:

Chairman

Director

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

TT \$'000	UNAUDITED		AUDITED	
	Three Months		Year	
	Oct to Dec	2022	2023	2022
OPERATING ACTIVITIES				
Net income (loss)	946	(109,287)	170,193	57,805
Non-cash items:				
Depreciation and amortisation of property, machinery and equipment	38,885	37,179	129,973	135,492
Financial expense, net	12,428	13,886	47,988	42,960
Pension plan and other post-retirement benefit (Gain) loss from the disposal of assets and others, net	4,454	390	17,012	12,832
Write-off of property, machinery and equipment	(532)	188	1,890	-
Restructuring provision	19,409	57,015	19,409	57,015
Taxation charge	-	77,324	-	77,324
Changes in working capital, excluding taxation (see below)	17,368	33,238	77,026	112,012
Cash generated from operating activities before financial expense and income, taxation and post-employment benefits paid	5,157	(38,013)	(1,684)	(226,397)
Cash generated from operating activities before financial expense and income, taxation and post-employment benefits paid	98,115	71,920	461,807	269,043
Financial expense paid	(765)	(14,533)	(20,987)	(29,188)
Financial income	2,258	624	6,785	1,278
Taxation paid	(13,768)	(15,278)	(87,776)	(71,086)
Pension plan contributions and other post-retirement benefit paid	(3,977)	(4,450)	(12,738)	(15,256)
Net cash flows from operating activities	81,863	38,283	347,091	154,791
INVESTING ACTIVITIES				
Purchase of property, machinery and equipment	(66,604)	(55,868)	(126,391)	(112,562)
Net cash flows used in investing activities	(66,604)	(55,868)	(126,391)	(112,562)
FINANCING ACTIVITIES				
Proceeds from debt	13,995	38,653	94,606	148,656
Repayment of debt	(45,614)	(100,131)	(127,561)	(158,074)
Other financial obligations	(1,545)	(1,539)	(9,074)	(6,911)
Dividends paid	(18,333)	-	(18,333)	(14,671)
Acquisition of non-controlling interests	-	-	(10,565)	-
Net cash flows used in financing activities	(51,497)	(63,017)	(70,927)	(31,000)
(Decrease) increase in cash and cash equivalents	(36,238)	(80,602)	149,773	11,229
Cash conversion effect, net	158	88	(605)	120
Cash and cash equivalents at beginning of period	272,252	167,518	87,004	75,655
CASH AND CASH EQUIVALENTS AT END OF PERIOD	236,172	87,004	236,172	87,004
Changes in working capital, excluding taxation:				
Trade accounts receivable, net	2,532	(7,569)	(5,176)	685
Other accounts receivable	39,221	29,006	15,310	(31,279)
Inventories, net	852	(74,192)	33,724	(135,555)
Trade payables	11,890	29,234	11,673	(66,475)
Other current and non-current liabilities	(49,338)	(14,492)	(57,215)	6,227
Changes in working capital, excluding taxation	5,157	(38,013)	(1,684)	(226,397)



SUMMARY CONSOLIDATED AUDITED FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2023



TRINIDAD CEMENT LIMITED

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TT \$'000	UNAUDITED		AUDITED	
	Three Months Oct to Dec		Year Jan to Dec	
	2023	2022	2023	2022
NET INCOME (LOSS)	946	(109,287)	170,193	57,805
Items that will not be reclassified subsequently to the income statement				
Change in fair value of equity investments at fair value through other comprehensive income	(2,270)	-	(1)	-
Net actuarial losses from remeasurements of employee benefit plans	17,055	(84,235)	17,055	(84,235)
Taxation recognised directly in other comprehensive income	(4,577)	20,896	(4,577)	20,896
	10,208	(63,339)	12,477	(63,339)
Items that are or may be reclassified subsequently to the income statement				
Effects from derivative financial instruments designated as cash flow hedges	(2,016)	(2,003)	(4,155)	(2,281)
Currency translation results of foreign subsidiaries	5,431	5,166	(22,162)	11,889
	3,415	3,163	(26,317)	9,608
Total items of other comprehensive income (loss), net	13,623	(60,176)	(13,840)	(53,731)
TOTAL COMPREHENSIVE INCOME	14,569	(169,463)	156,353	4,074
Non-controlling interest	19,646	19,068	58,877	72,266
Controlling interest	(5,077)	(188,531)	97,476	(68,192)
TOTAL COMPREHENSIVE INCOME (LOSS)	14,569	(169,463)	156,353	4,074

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

TT \$'000	CONTROLLING INTERESTS		NON-CONTROLLING INTEREST	
	AUDITED		AUDITED	
	Jan to Dec		Jan to Dec	
	2023	2022	2023	2022
Balance at beginning of period	699,269	766,470	175,824	125,721
Net income (loss)	107,095	(14,164)	63,098	71,969
Total items of other comprehensive income (loss), net	(9,619)	(54,028)	(4,221)	297
Dividends	-	-	(18,333)	(14,671)
Acquisition of non-controlling interest without change of control	3,092	991	(13,657)	(7,492)
Balance at end of period	799,837	699,269	202,711	175,824

SUMMARY CONSOLIDATED SEGMENT INFORMATION

TT \$'000	CEMENT	CONCRETE	PACKAGING	CONSOLIDATION ADJUSTMENTS	TOTAL
AUDITED YEAR JAN TO DEC 2023					
Revenue					
Total	2,319,037	44,246	16,306	-	2,379,589
Inter-segment	(133,781)	(1,366)	(14,840)	-	(149,987)
Third-party	<u>2,185,256</u>	<u>42,880</u>	<u>1,466</u>	-	<u>2,229,602</u>
Earnings (loss) before taxation	246,579	(499)	1,139	-	247,219
Depreciation	121,925	7,886	162	-	129,973
Impairment losses and write-off of property plant and equipment	19,409	-	-	-	19,409
Segment assets	3,409,715	129,977	42,090	(1,157,076)	2,424,706
Segment liabilities	2,310,873	54,207	4,051	(946,973)	1,422,158
Capital expenditure	135,140	5,296	-	-	140,436
AUDITED YEAR JAN TO DEC 2022					
Revenue					
Total	2,220,832	54,495	28,292	-	2,303,619
Inter-segment	(206,950)	(3,841)	(31,601)	-	(242,392)
Third-party	<u>2,013,882</u>	<u>50,654</u>	<u>(3,309)</u>	-	<u>2,061,227</u>
Earnings before taxation	159,312	3,560	6,945	-	169,817
Depreciation	126,597	8,462	433	-	135,492
Write-off of property, machinery and equipment	57,015	-	-	-	57,015
Segment assets	3,372,241	125,003	97,559	(1,237,504)	2,357,299
Segment liabilities	2,460,136	46,718	7,933	(1,032,581)	1,482,206
Capital expenditure	112,609	2,684	-	-	115,293

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 income statement, summary consolidated statement of comprehensive income, summary consolidated statement of changes in shareholders' 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, 2023. The full version of the TCL Group's consolidated financial statements is located at the Company's registered office.

2. 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, 2023 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, 2023 and which are relevant to the 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 374.648M, the weighted average of 2.845M shares that were held as unallocated shares by the Employee Share Ownership Plan (ESOP).

4. Cost of Sales, Operating and Other Expenses and Other Income and Credits

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. 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 and other income and credits 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, impairment losses on property, machinery and equipment, results on disposal of property, machinery and equipment and restructuring costs, among others.

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, 2023, the summary consolidated income statement, statement of comprehensive income, changes in shareholders' 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 (collectively, "the Group") for the year ended December 31, 2023.

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 and the audited 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 28, 2024. 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."

Chartered Accountants
March 28, 2024
Port of Spain
Trinidad and Tobago