CONDENSED CONSOLIDATED UNAUDITED INTERIM FINANCIAL REPORT

FOR THE SIX MONTHS ENDED JUNE 30, 2021

TRINIDAD CEMENT LIMITED

CONDENSED CONSOLIDATED INCOME STATEMENT

TT $'000	UNAUDITED Three Months Apr to Jun		UNAUDITED Six Months Jan to Jun		AUDITED Year Jan to Dec
	2021	2020	2021	2020	2020
Revenue	446,359	360,996	938,930	775,551	1,692,150
Cost of sales	(302,923)	(241,731)	(640,189)	(537,419)	(1,160,909)
Gross profit	**143,436**	**119,265**	**298,741**	**238,132**	**531,241**
Operating expenses	(57,839)	(54,392)	(116,999)	(117,329)	(241,895)
Impairment of trade accounts receivable	27	148	(404)	342	926
Operating earnings before other expenses, net	**85,624**	**65,021**	**181,338**	**121,145**	**290,272**
Other expenses, net	(9,274)	(5,985)	(11,673)	(10,741)	(74,354)
Operating earnings	**76,350**	**59,036**	**169,665**	**110,404**	**215,918**
Financial expense	(16,623)	(35,067)	(45,154)	(64,052)	(122,086)
Financial income and other items, net	8	7	15	14	62
Earnings before taxation	**59,735**	**23,976**	**124,526**	**46,366**	**93,894**
Taxation charge	(22,089)	(23,651)	(40,718)	(35,931)	(78,675)
NET INCOME	**37,646**	**325**	**83,808**	**10,435**	**15,219**
Non-controlling interest	(18,219)	(6,632)	(33,292)	(13,156)	(39,398)
CONTROLLING INTEREST	**19,427**	**(6,307)**	**50,516**	**(2,721)**	**(24,179)**
Basic and diluted earnings (loss) per share - cents (Note 3):	**5.2**	**(1.7)**	**13.6**	**(0.7)**	**(6.5)**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TT $'000	UNAUDITED Three Months Apr to Jun		UNAUDITED Six Months Jan to Jun		AUDITED Year Jan to Dec
	2021	2020	2021	2020	2020
NET INCOME	**37,646**	**325**	**83,808**	**10,435**	**15,219**
Items that will not be reclassified subsequently to the income statement					
Net actuarial losses from remeasurements of employee benefit plans	-	-	-	-	(57,518)
Taxation recognised directly in other comprehensive income	-	-	-	-	16,990
	-	-	-	-	(40,528)
Items that are or may be reclassified subsequently to the income statement					
Effects from derivative financial instruments designated as cash flow hedges	1,625	495	1,155	(92)	1,008
Currency translation results of foreign subsidiaries	(4,578)	(15,945)	(17,264)	(27,657)	(24,457)
	(2,953)	(15,450)	(16,109)	(27,749)	(23,449)
Total items of other comprehensive income, net	(2,953)	(15,450)	(16,109)	(27,749)	(63,977)
TOTAL COMPREHENSIVE INCOME (LOSS)	**34,693**	**(15,125)**	**67,699**	**(17,314)**	**(48,758)**
Non-controlling interest	(16,912)	(2,467)	(27,464)	(5,385)	(30,367)
CONTROLLING INTEREST	**17,781**	**(17,592)**	**40,235**	**(22,699)**	**(79,125)**

DIRECTORS' STATEMENT

Health and Safety and COVID-19

Health and Safety (H&S) continues to be the top priority of the TCL Group. The persistent challenges of the COVID-19 pandemic underscore the importance and relevance of keeping H&S at the forefront of our operations. Throughout the region the TCL Group has partnered with companies in industry, trade associations and Ministries of Health to actively support and promote vaccination and testing of employees and members of our communities. The TCL Group continues to prescribe and enforce strict protocols in all production and operating sites which are designed to protect all stakeholders and users of our facilities. To date, 83.0% of our employees were vaccinated in Trinidad and Tobago, 7.7% in Jamaica, 61.3% in Barbados and 90.0% in Guyana. During the second quarter, the TCL Group has maintained support for our communities in the fight against COVID-19 through the donation of 30,000 KN95 masks to the Ministry of Health in Trinidad and Tobago. The TCL Group continues to conduct regular training sessions and to provide constant reminders and warnings concerning COVID-19 protocols to employees and other stakeholders.

Corporate Social Responsibility

The TCL Group is committed to sustainable practices to contribute to our communities and to deliver value to our stakeholders. In Jamaica, the TCL Group signed a 10-year agreement with the Government of Jamaica to utilise an estimated 320,000 used tyres annually from eight disposal sites, reducing landfill and associated methane emissions on the island by recycling waste as alternative fuel for our kilns. Methane has 80 times the warming effect on the atmosphere as carbon emissions during the first 20 years of release. We see this initiative as a progressive step towards a cleaner, healthier and more sustainable environment.

Financial Performance

The TCL Group recorded consolidated revenue from continuing operations of $446 million in the second quarter of 2021 representing an increase of 24% over Q2 2020. On a year-to-date basis, the TCL Group recorded consolidated revenue from continuing operations of $939 million, 21% higher than the same period in 2020. This increase was mainly due to higher cement sales volumes across the region. Stronger market demand primarily drove increases in Jamaica, whereas in the cases of Guyana, Trinidad and Tobago and Barbados – these markets were severely affected by measures taken by governments to restrict the spread of COVID-19 during the period under review. This performance was achieved despite the construction industry in Trinidad and Tobago being closed for seven weeks during the second quarter. The TCL Group's adjusted EBITDA of $117.2 million in the second quarter of 2021 reflected an increase of 16% compared with Q2 2020. The TCL Group´s adjusted EBITDA for the first half of 2021 closed at $245.1 million, 26% better than the same period in the prior year. This growth reflects improved sales volumes and the positive impact of operational efficiencies attributable to our recent investments in our equipment as well as key operational processes.

During the second quarter of 2021, the TCL Group generated $35.4 million in cash from continuing operations, a 45.9% reduction from the prior year period. This reduction is related to an increase in inventory balances and the settlement of balances with suppliers in Jamaica. The TCL Group also invested $21 million in the quarter under review in critical capital expenditure and repaid $66 million towards our long-term debt. During the first half of 2021, the TCL Group reduced debt through repayments of $89 million.

The TCL Group reported a net income of $37.6 million in the second quarter of 2021, compared to $0.3 million in the same quarter in 2020. This increase was mainly driven by increased revenues coupled with an $18.4 million reduction of financial expenses and exchange losses arising from the repayment of US$-denominated borrowings in Jamaica.

Outlook

Based on the favourable financial results to date and our assessment of market demand, we are more optimistic about the outlook for the rest of the year. Nevertheless, the continued resurgence of COVID-19 infection rates in various territories and resulting government-mandated restrictions remain a concern and may ultimately impact the TCL Group's financial results. The outlook for the business will depend on the rate of vaccination, the achievement of herd immunity, the emergence of new waves of infection and the extent of government restrictions in response.

In addition, we are closely monitoring the expected resumption of public works and infrastructure expenditures, and the continued resilience of the retail segment that has driven the demand for our products in the last months. Management and the Board continue to develop plans to address possible demand scenarios and respond to the ongoing pandemic.

David G. Inglefield
Chairman
July 28, 2021

Francisco Aguilera Mendoza
Managing Director
July 28, 2021

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TT $'000	UNAUDITED 30.06.2021	UNAUDITED 30.06.2020	AUDITED 31.12.2020
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	62,635	90,751	88,305
Trade accounts receivable, net	61,496	70,833	56,832
Other accounts receivable	51,694	42,638	44,440
Taxation recoverable	4,297	4,560	4,451
Inventories, net	280,856	228,778	240,452
Total current assets	460,978	437,560	434,480
NON-CURRENT ASSETS			
Investments	1	5,827	1
Property, machinery and equipment, net	1,619,330	1,711,838	1,703,078
Deferred taxation assets	128,777	127,429	132,183
Employee benefits	52,246	50,416	54,424
Other accounts receivable	775	-	74
Total non-current assets	1,801,129	1,895,510	1,889,760
TOTAL ASSETS	**2,262,107**	**2,333,070**	**2,324,240**
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term debt	266,750	18,000	400,887
Other financial obligations	7,138	6,297	7,151
Trade payables	299,322	213,525	240,192
Taxation payable	11,884	4,500	29,093
Other current liabilities	227,609	226,788	308,316
Total current liabilities	812,703	469,110	985,639
NON-CURRENT LIABILITIES			
Long-term debt	253,567	771,170	211,756
Other financial obligations	19,271	20,469	21,431
Employee benefits	246,409	178,266	242,863
Deferred taxation liabilities	201,791	201,729	201,890
Other non-current liabilities	2,395	2,610	2,389
Total non-current liabilities	723,433	1,174,244	680,329
TOTAL LIABILITIES	**1,536,136**	**1,643,354**	**1,665,968**
SHAREHOLDERS' EQUITY			
Controlling interest:			
Stated capital	827,732	827,732	827,732
Unallocated ESOP shares	(20,019)	(20,019)	(20,019)
Other equity reserves	(315,601)	(311,916)	(305,320)
Retained earnings	65,554	131,297	89,733
Net income (loss)	50,516	(2,721)	(24,179)
Total controlling interest	608,182	624,373	567,947
Non-controlling interest	117,789	65,343	90,325
TOTAL SHAREHOLDERS' EQUITY	**725,971**	**689,716**	**658,272**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,262,107**	**2,333,070**	**2,324,240**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

TT $'000	UNAUDITED Three Months Apr to Jun		UNAUDITED Six Months Jan to Jun		AUDITED Year Jan to Dec
	2021	2020	2021	2020	2020
OPERATING ACTIVITIES					
Net income	**37,646**	**325**	**83,808**	**10,435**	**15,219**
Non-cash items:					
Depreciation and amortisation of assets	31,605	35,937	63,774	73,020	149,987
Financial expense, net	16,615	35,060	45,139	64,038	122,024
Pension plan and other post-retirement benefit	946	6,689	7,107	13,431	20,905
Other items, net	37	10,086	(52)	(3,712)	(384)
Taxation charge	22,089	23,651	40,718	35,931	78,675
Changes in working capital, excluding taxation	(59,960)	(23,152)	(67,158)	(23,328)	52,535
Cash generated from operating activities from continuing operations before financial expense, taxation and post-retirement benefits paid	**48,978**	**88,596**	**173,336**	**169,815**	**438,961**
Financial expense paid	(5,897)	(13,485)	(9,582)	(24,436)	(40,607)
Taxation paid	(4,073)	(5,701)	(53,265)	(14,000)	(19,502)
Pension plan contributions and other post-retirement benefit paid	(3,562)	(3,899)	(7,431)	(7,291)	(15,668)
Net cash flows from operating activities from continuing operations	**35,446**	**65,511**	**103,058**	**124,088**	**363,184**
INVESTING ACTIVITIES					
Purchase of property, machinery and equipment, net	(21,007)	(19,324)	(36,319)	(29,762)	(114,095)
Proceeds from disposal of assets	-		-	-	496
Net cash flows used in investing activities	**(21,007)**	**(19,324)**	**(36,319)**	**(29,762)**	**(113,599)**
FINANCING ACTIVITIES					
Repayment of debt, net	(66,439)	(35,571)	(89,102)	(88,976)	(248,398)
Other financial obligations, net	(1,539)	(1,378)	(2,173)	(179)	1,637
Net cash flows used in financing activities	**(67,978)**	**(36,949)**	**(91,275)**	**(89,155)**	**(246,761)**
(Decrease) increase in cash and cash equivalents	(53,539)	9,238	(24,536)	5,171	2,824
Cash conversion effect, net	(216)	(918)	(1,134)	(1,873)	(1,972)
Cash and cash equivalents at beginning of period	116,390	82,431	88,305	87,453	87,453
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**62,635**	**90,751**	**62,635**	**90,751**	**88,305**
Changes in working capital, excluding taxation:					
Trade accounts receivable, net	1,122	9,388	(4,978)	17,107	29,158
Other accounts receivable	4,173	(2,500)	(9,538)	(1,180)	(4,342)
Inventories, net	(33,124)	2,435	(45,154)	24,325	4,686
Trade payables	11,415	(25,544)	64,987	(33,982)	1,520
Other current and non-current liabilities	(43,546)	(6,931)	(72,475)	(29,598)	21,513
Changes in working capital, excluding taxation	**(59,960)**	**(23,152)**	**(67,158)**	**(23,328)**	**52,535**

TRINIDAD CEMENT LIMITED

CONDENSED CONSOLIDATED UNAUDITED INTERIM FINANCIAL REPORT

FOR THE SIX MONTHS ENDED JUNE 30, 2021

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

TT $'000	CONTROLLING INTEREST			NON-CONTROLLING INTEREST		
	UNAUDITED		AUDITED	UNAUDITED		AUDITED
	Jan to Jun		Jan to Dec	Jan to Jun		Jan to Dec
	2021	2020	2020	2021	2020	2020
Balance at beginning of period	**567,947**	**647,072**	**647,072**	**90,325**	**59,958**	**59,958**
Net income (loss)	50,516	(2,721)	(24,179)	33,292	13,156	39,398
Total other items of comprehensive income, net	(10,281)	(19,978)	(54,946)	(5,828)	(7,771)	(9,031)
Balance at end of period	**608,182**	**624,373**	**567,947**	**117,789**	**65,343**	**90,325**

SEGMENT INFORMATION

TT $'000	CEMENT	CONCRETE	PACKAGING	CONSOLIDATION ADJUSTMENTS	TOTAL
UNAUDITED SIX MONTHS JAN TO JUN 2021					
Revenue					
Total	999,751	30,317	18,930	-	1,048,998
Intersegment	(91,776)	(2,098)	(16,194)	-	(110,068)
Third party	907,975	28,219	2,736	-	938,930
Earnings (loss) before taxation	133,226	5,894	(14,594)	-	124,526
Depreciation	60,296	3,150	328	-	63,774
Segment assets	3,088,996	123,543	81,867	(1,032,299)	2,262,107
Segment liabilities	2,285,285	47,651	33,709	(830,509)	1,536,136
Capital expenditure	34,298	2,021	-	-	36,319
UNAUDITED SIX MONTHS JAN TO JUN 2020					
Revenue					
Total	845,818	27,448	38,961	-	912,227
Intersegment	(98,019)	(1,579)	(37,078)	-	(136,676)
Third Party	747,799	25,869	1,883	-	775,551
Earnings before taxation	42,351	3,541	474	-	46,366
Depreciation	68,231	3,693	1,096	-	73,020
Segment assets	3,031,584	102,240	98,713	(899,467)	2,333,070
Segment liabilities	2,264,304	46,409	30,383	(697,742)	1,643,354
Capital expenditure	28,146	1,608	8	-	29,762
AUDITED YEAR JAN TO DEC 2020					
Revenue					
Total	1,841,584	69,411	86,574	-	1,997,569
Intersegment	(220,540)	(3,373)	(81,506)	-	(305,419)
Third Party	1,621,044	66,038	5,068	-	1,692,150
Earnings (loss) before taxation	86,995	9,897	(2,998)	-	93,894
Depreciation	138,463	7,257	4,267	-	149,987
Segment assets	3,087,142	126,047	95,367	(984,316)	2,324,240
Segment liabilities	2,362,648	53,113	32,636	(782,429)	1,665,968
Capital expenditure	109,561	4,273	261	-	114,095

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, 2020 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, 2021 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 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 Expenses, 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 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 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 sale and the customers' facilities.

Other expenses, 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 results on disposal of assets and restructuring costs, among others.