



READYMIX (WEST INDIES) LIMITED

SUMMARY CONSOLIDATED AUDITED FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2019



SUMMARY CONSOLIDATED INCOME STATEMENT

| TT\$'000 | UNAUDITED Three Months Oct to Dec | | AUDITED Year Jan to Dec | |
|---|---|--------------|-------------------------------|-----------------|
| | 2019 | 2018 | 2019 | 2018 |
| | Revenues | 19,843 | 18,181 | 70,471 |
| Cost of sales | (14,574) | (14,632) | (60,751) | (68,768) |
| Gross profit | 5,269 | 3,549 | 9,720 | 14,562 |
| Operating expenses | (1,135) | (3,039) | (10,537) | (14,851) |
| Operating earnings (loss) before impairment credit on trade receivables, other income and other expenses | 4,134 | 510 | (817) | (289) |
| Impairment credit on trade receivables | 389 | 736 | 1,196 | 2,438 |
| Other income | - | 781 | 1 | 3,818 |
| Other expenses | (4,226) | (1,646) | (16,975) | (19,078) |
| Operating earnings (loss) | 297 | 381 | (16,595) | (13,111) |
| Financial expense | (320) | (39) | (731) | (695) |
| Financial income and other items, net | 18 | 42 | 110 | 329 |
| (Loss) earnings before taxation | (5) | 384 | (17,216) | (13,477) |
| Taxation | (1,037) | 208 | (1,501) | 600 |
| Net (loss) income from continuing operations | (1,042) | 592 | (18,717) | (12,877) |
| Discontinued operation | 423 | - | 423 | - |
| CONSOLIDATED NET (LOSS) INCOME | (619) | 592 | (18,294) | (12,877) |
| Basic (loss) earnings per share (Note 3): | (0.05) | 0.05 | (1.52) | (1.07) |
| Basic (loss) earnings per share from continuing operations (Note 3): | (0.09) | 0.05 | (1.56) | (1.07) |

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| TT\$'000 | UNAUDITED Three Months Oct to Dec | | AUDITED Year Jan to Dec | |
|---|---|--------------|-------------------------------|-----------------|
| | 2019 | 2018 | 2019 | 2018 |
| | CONSOLIDATED NET (LOSS) INCOME | (619) | 592 | (18,294) |
| Items that will not be reclassified subsequently to the income statement | | | | |
| Net actuarial gains (losses) from remeasurements of defined benefit pension plans | 11,672 | (16) | 11,672 | (16) |
| Income tax recognised directly in other comprehensive income | (3,501) | 5 | (3,501) | 5 |
| | 8,171 | (11) | 8,171 | (11) |
| Items that are or may be reclassified subsequently to the income statement | | | | |
| Currency translation results of foreign subsidiaries | - | (2) | - | (2) |
| Total items of other comprehensive income (loss), net | 8,171 | (13) | 8,171 | (13) |
| TOTAL COMPREHENSIVE INCOME (LOSS) | 7,552 | 579 | (10,123) | (12,890) |
| Non-controlling interest comprehensive loss | - | - | - | (2) |
| CONTROLLING INTEREST COMPREHENSIVE INCOME (LOSS) | 7,552 | 579 | (10,123) | (12,888) |

DIRECTORS' STATEMENT

RML is pleased to report that its trend of safe operations continued in the fourth quarter (Q4) of 2019, with no Lost Time Incidents reported for the year. This is a strong demonstration of an ongoing commitment to our "ZERO4Life" programme, which places emphasis on the safety, health and well-being of our employees and contractors. Our safety focus was also extended beyond this stakeholder group to nearby communities where school children were sensitised to correct road safety practices under the company's 'Vulnerable Road Users' programme.

We are also pleased to advise that our strategic partnership involving our support for the development and sale of housing units, to augment our concrete and aggregate sales, has progressed significantly during the year, with the sale of a number of housing units and the consequent income reflected in our results.

Conditions within the construction sector continue to be very challenging with persistently low levels of economic activity in a highly competitive market. For the year 2019, revenue declined by \$12.9 million (15%), compared to 2018, mainly due to lower sales volumes and depressed market prices. Gross profit was \$9.7 million compared to \$14.6 million for 2018, while the net loss was \$18.3 million (2018-\$12.9 million) after charging \$11.6 million in restructuring costs (2018-\$14.6 million). Additionally, in November 2019, one of RML's subsidiaries, Premix and Precast Concrete Incorporated (PPCI) was dissolved and is therefore no longer included in these consolidated financial statements. The impact of this on the income statement was a gain of \$0.4 million.

In Q4 2019 there was a 5% decrease in revenue from the concrete and aggregate operations compared to Q4 2018. Gross profit was \$5.3 million in Q4 2019 compared to \$3.5 million in Q4 2018. Ultimately, a net loss of \$0.6 million was recorded for Q4 2019, compared to a net profit of \$0.6 million in Q4 2018. Notable impacts on the Q4 results include restructuring costs of \$2.5 million (2018 - Nil) and a provision of \$1.0 million against a taxation receivable relating to a prior year.

The restructuring costs incurred in 2019 and 2018 were necessary to improve competitiveness and sustainability. We do not anticipate any further significant restructuring costs, while we continue to realize the benefits of these restructurings going forward.

A hearing was convened by the Trinidad and Tobago Securities and Exchange Commission (TTSEC) on February 14th 2020 for determination of RML's de-registration application and we await the formal outcome to allow us to finalise the de-registration process.

Michael Glenn Hamel-Smith
Chairman
March 20, 2020

Jose L. Seijo Gonzalez
Director
March 20, 2020

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| TT\$'000 | AUDITED | |
|---|----------------|----------------|
| | 31.12.2019 | 31.12.2018 |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | 2,934 | 2,244 |
| Trade accounts receivable, net | 4,348 | 10,543 |
| Other accounts receivable | 9,971 | 19,692 |
| Inventories, net | 7,250 | 9,340 |
| Total current assets | 24,503 | 41,819 |
| NON-CURRENT ASSETS | | |
| Other investments | 1 | 1 |
| Property, machinery and equipment, net | 58,532 | 59,383 |
| Employee benefits | 6,409 | - |
| Deferred taxation assets | 18,767 | 14,297 |
| Total non-current assets | 83,709 | 73,681 |
| TOTAL ASSETS | 108,212 | 115,500 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| CURRENT LIABILITIES | | |
| Other financial obligations | 418 | - |
| Trade payables | 8,862 | 10,290 |
| Other current liabilities | 42,693 | 42,663 |
| Liabilities directly associated with the discontinued operation | - | 423 |
| Total current liabilities | 51,973 | 53,376 |
| NON-CURRENT LIABILITIES | | |
| Other financial obligations | 1,051 | - |
| Employee benefits | - | 4,784 |
| Deferred taxation liabilities | 12,664 | 4,693 |
| Total non-current liabilities | 13,715 | 9,477 |
| TOTAL LIABILITIES | 65,688 | 62,853 |
| STOCKHOLDERS' EQUITY | | |
| Controlling interest: | | |
| Stated capital | 12,000 | 12,000 |
| Retained earnings | 48,818 | 58,425 |
| Net loss | (18,294) | (12,877) |
| Total controlling interest | 42,524 | 57,548 |
| Non-controlling interest | - | (4,901) |
| TOTAL STOCKHOLDERS' EQUITY | 42,524 | 52,647 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | 108,212 | 115,500 |

Approved and authorised for issue by the Board of Directors on March 20, 2020 and signed on its behalf by:

Michael Glenn Hamel-Smith
Chairman
March 20, 2020

Jose L. Seijo Gonzalez
Director
March 20, 2020

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

| TT\$'000 | UNAUDITED Three Months Oct to Dec | | AUDITED Year Jan to Dec | |
|--|---|----------------|-------------------------------|-----------------|
| | 2019 | 2018 | 2019 | 2018 |
| | OPERATING ACTIVITIES | | | |
| Consolidated net (loss) income | (619) | 592 | (18,294) | (12,877) |
| Discontinued operation | (423) | - | (423) | - |
| Net (loss) income from continuing operations | (1,042) | 592 | (18,717) | (12,877) |
| Non-cash items: | | | | |
| Depreciation and amortisation of assets | 1,829 | 1,164 | 7,958 | 5,455 |
| Results on sale of subsidiaries, other disposal groups and others | - | (781) | (1) | (791) |
| Financial income and other items, net | 218 | 320 | 618 | 361 |
| Pension plan expense | 983 | (1,131) | 1,695 | 169 |
| Taxation | 1,037 | (208) | 1,501 | (600) |
| Change in working capital, excluding taxation | (163) | 5,601 | 15,314 | 21,156 |
| Net cash flow provided by operating activities from continuing operations before financial expense, pension payments and taxation | 2,862 | 5,557 | 8,368 | 12,873 |
| Interest paid | (321) | (39) | (510) | (304) |
| Interest received | 17 | 42 | 113 | 334 |
| Taxation paid | (135) | (168) | (630) | (811) |
| Pension payments | (571) | (3,422) | (1,437) | (8,002) |
| Net cash flow provided by operating activities from continuing operations | 1,852 | 1,970 | 5,904 | 4,090 |
| INVESTING ACTIVITIES | | | | |
| Proceeds from the sale of property, machinery and equipment | - | 781 | 1 | 791 |
| Net cash flows from discontinued operations | 423 | - | 423 | - |
| Acquisition of property, machinery and equipment | (2,935) | (4,278) | (4,735) | (8,260) |
| Acquisition of investment | - | - | - | (1) |
| Net cash flows used in investing activities | (2,512) | (3,497) | (4,311) | (7,470) |
| FINANCING ACTIVITIES | | | | |
| Payment of lease liabilities | (99) | - | (903) | - |
| Net cash flows used in financing activities | (99) | - | (903) | - |
| (Decrease) increase in cash and cash equivalents | (759) | (1,527) | 690 | (3,380) |
| Cash conversion effect, net | - | (3) | - | (2) |
| Cash and cash equivalents at beginning of period | 3,693 | 3,774 | 2,244 | 5,626 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 2,934 | 2,244 | 2,934 | 2,244 |
| Changes in working capital, excluding taxation: | | | | |
| Trade receivables net | 759 | (2,219) | 6,195 | (1,891) |
| Other accounts receivable and other assets | 259 | 9,637 | 8,850 | 26,451 |
| Inventories | 507 | 2,399 | 2,090 | 2,600 |
| Trade payables | (55) | (193) | (1,428) | (2,948) |
| Other accounts payable and accrued expenses | (1,633) | (4,023) | (393) | (3,056) |
| Changes in working capital, excluding taxation | (163) | 5,601 | 15,314 | 21,156 |



READYMIX (WEST INDIES) LIMITED

SUMMARY CONSOLIDATED AUDITED FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2019



SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

| TT\$'000 | PARENT | | NON-CONTROLLING INTEREST | |
|--|-------------------------|----------|--------------------------|---------|
| | AUDITED Year Jan to Dec | | AUDITED Year Jan to Dec | |
| | 2019 | 2018 | 2019 | 2018 |
| Balance at beginning of period | 57,548 | 74,833 | 4,901 | (4,899) |
| Adjustment - Adoption of IFRS 9 | - | (4,397) | - | - |
| Adjusted balance | 57,548 | 70,436 | 4,901 | (4,899) |
| Total other items of comprehensive income (loss) | 8,171 | (11) | - | (2) |
| Net loss | (18,294) | (12,877) | - | - |
| Total comprehensive loss | (10,123) | (12,888) | - | (2) |
| Change in non-controlling interest | (4,901) | - | (4,901) | - |
| Balance at end of period | 42,524 | 57,548 | - | (4,901) |

SEGMENT INFORMATION

| TT\$'000 | CONCRETE | AGGREGATES | OTHERS | TOTAL |
|-------------------------------------|----------|------------|--------|----------|
| AUDITED YEAR JAN TO DEC 2019 | | | | |
| Revenue | 50,527 | 17,434 | 2,510 | 70,471 |
| (Loss)/earnings before taxation | (14,693) | (5,033) | 2,510 | (17,216) |
| AUDITED YEAR JAN TO DEC 2018 | | | | |
| Revenue | 67,250 | 16,080 | - | 83,330 |
| (Loss)/earnings before taxation | (14,554) | 1,077 | - | (13,477) |

NOTES

1. Basis of Preparation

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

2. Accounting Policies

These summary consolidated financial statements have been prepared in accordance with the accounting policies set out in "Note 2" of the audited financial statements for the year ended December 31, 2019 consistently applied from period to period, except where the Group has adopted 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. Presentation of Financial Statements

These financial statements have been rearranged and presented to conform with the presentation of the financial statements of the ultimate parent company, CEMEX S.A.B. de C.V.

4. Earnings Per Share

Earnings per share (EPS) is calculated by dividing the loss attributable to equity holders of the owner by the weighted average number of ordinary shares outstanding during the period.

5. Segment Information

The Group derived 72% (2018 - 81%) of its revenue from the sale of concrete and 25% (2018 - 19%) from the sale of aggregates and 3% from other activities (2018 - nil). The Group's sales strategy is associated with these product lines, accordingly the segment information is so presented.

6. Initial Application of IFRS 16

The Group adopted IFRS 16 Leases ("IFRS 16") on January 1, 2019. The adoption of IFRS 16 impacted the accounting policy for property, machinery and equipment. The impact on the results of the twelve months of 2019 was an initial recognition of \$2.4 million in right-of-use assets, \$2.4 million in lease liability and an increase in adjusted EBITDA by \$1.1 million.

INDEPENDENT AUDITORS' REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Readymix (West Indies) Limited

Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at December 31, 2019, the summary consolidated income statement, the summary consolidated statements of other 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 Readymix (West Indies) 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 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 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."

KPMG

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