

Massy Holdings Ltd.

Unaudited Consolidated Financial Statements

31 March, 2020

Expressed in Thousands of Trinidad & Tobago Dollars

Massy Holdings Ltd.

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CHAIRMAN'S STATEMENT

CHAIRMAN'S STATEMENT FOR SECOND QUARTER OF FY2020

During this period of global public health and economic crises, the safety and health of our employees, customers and the public continue to be our first priority. The Massy Group has been fortunate during the outbreak of the pandemic. Our recent focus on strengthening the governance in the Portfolios and giving greater autonomy and decision making to leaders throughout the ranks of all of our businesses has allowed the Group to respond to the crisis with great agility. HSE protocols and Business Continuity Plans were adapted to the situation and changes were made quickly to adjust to work from home and to ensure that any work that needed to be conducted at business premises were conducted safely and in a manner which mitigated the potential spread of the COVID-19 virus.

Starting during the month of March 2020, all of the countries in which we operate implemented varying degrees of curfews, lockdowns and restrictions to business activity. Fortuitously, most of the operations of the Group were deemed essential and/or could operate remotely. While some activities of most businesses were restricted, it is only the automotive dealership and rental businesses in Trinidad and Tobago and Colombia that were for the most part shut down.

The Group's strategy to focus on its three main industry Portfolios: Integrated Retail, Gas Products and Motors and Machines is working. The three main Portfolios performed commendably for the first half of FY 2020. Integrated Retail Third Party Revenue grew by 8% and its PBT grew by 9%. Motors and Machines Third Party Revenue grew by 4% and its PBT grew by 7%, despite losing a week or more of sales in March in Trinidad and Tobago and Colombia. While Gas Products Third Party Revenue declined by 6%, with loss of volumes from hotels and restaurants due to COVID restrictions, its PBT increased by 14%, driven by increased demands for packed LPG, Oxygen and Nitrogen, partly driven by changes in consumer behaviour and increased healthcare expenditure in response to COVID-19.

The strong Revenue growth by the main Portfolios were the anchors for the Group's Third Party Revenue growth of 3% in the second quarter and for the FY 2020 Half Year. This was achieved despite the fact that the Group has sold the security company in Guyana and Massy Technologies Applied Imaging; and has transferred Seawell Air Services to a buyer pending approval of the sale transaction from the Barbados Fair Trade Commission.

FY 2020 Half Year (HY) PBT declined by 12% or \$56.1 million from \$448.2 million in 2019 to \$392.1 million in HY 2020. This decline in PBT is fully explained by some extraordinary events. The transfer and pending sale of Seawell Air Services incurred \$24 million loss arising from severance costs required and an impairment on the value of the assets transferred. US Stock Market share prices plummeted in Q2 FY 2020 amidst the fears and economic slowdown created by the COVID pandemic and adversely impacted the Investment Income earned by the Massy United Insurance Ltd. and TIRCL (captive reinsurance) investment Portfolios. The combined marked-to-market loss in value incurred was \$34.9 million. Without these two impacts, the Group's PBT would have increased by \$2.8 million or 0.6%.

CHAIRMAN'S STATEMENT (Continued)

With lower Tax Rates in Barbados, the Group's HY Profit After Tax decreased by 8% from \$286.8 million in 2019 to \$262.7 million in 2020. Earnings Per Share declined by 9% from \$2.66 for Half Year FY2019 to \$2.41 for the same period in FY 2020. While these are uncertain times, your Directors are confident that the Group's core Portfolios will continue to perform well. However, given the immediate challenges, significant uncertainties of the duration and direct and knock-on impact to economies regionally and globally, we believe a prudent dividend declaration for the Half Year is appropriate. Accordingly, your board of directors has declared a Half Year Dividend of \$0.50, which represents a 9% reduction over prior year.

As many of the countries in which the Group operates are initiating the process of re-opening their economies at different rates and with different perspectives on appropriate risk to take, our Group will remain vigilant in implementing protocols to keep our employees, customers and general public safe. Aligned with our purpose and values, the Group has been giving generously to numerous causes to assist with feeding frontline workers and those displaced from work. The Group has given donations to Ministries of Health for equipment to assist in battling the COVID-19 virus. Additionally, we are sharing all of our COVID-19 work protocols publicly.

Thankfully, the Massy Group is very resilient. The crisis has ushered in several positive changes which will serve the Group, its employees, customers and shareholders well in the future. The crisis has unleashed innovation and creative strategies for growth. New services such as online ordering, curbside pickup and delivery to homes have been launched in record time. Remote working and digital technologies have become common place. Employee engagement has been enhanced with increased communication and constant engagement of staff. This has contributed to productivity improvements around the Group. As we emerge from this crisis, the Massy Group will be stronger, more agile and ready to face the new normal that awaits. In these uncertain times it is not possible to predict how the full year will turn out but we face the uncertainties with confidence in our ability to adapt as necessary.

Robert Bermudez

May 18, 2020

Massy Holdings Ltd.
Consolidated Statement of Financial Position
(Expressed in Thousands of Trinidad & Tobago dollars)

| | UNAUDITED 31-Mar-20 | UNAUDITED 31-Mar-19 | AUDITED 30-Sep-19 |
|---|--------------------------------|--------------------------------|------------------------------|
| | \$'000 | \$'000 | \$'000 |
| Assets | | | |
| Non-Current Assets | | | |
| Property, plant and equipment and investment properties | 3,675,620 | 2,836,306 | 2,805,900 |
| Investments in associates and joint ventures | 172,631 | 258,499 | 146,801 |
| Financial assets | 1,171,231 | 1,186,883 | 1,032,084 |
| Other non-current assets | 1,088,223 | 859,499 | 1,000,920 |
| | 6,107,705 | 5,141,187 | 4,985,705 |
| Current Assets | | | |
| Cash and cash equivalents | 1,569,453 | 1,546,283 | 2,073,058 |
| Other current assets | 5,337,075 | 5,246,869 | 5,266,310 |
| | 6,906,528 | 6,793,152 | 7,339,368 |
| Total Assets | 13,014,233 | 11,934,339 | 12,325,073 |
| Equity and Liabilities | | | |
| Capital and reserves attributable to owners of the parent | 5,724,994 | 5,503,374 | 5,713,898 |
| Non-controlling interests | 248,015 | 252,927 | 233,043 |
| Total Equity | 5,973,009 | 5,756,301 | 5,946,941 |
| Non-Current Liabilities | | | |
| Borrowings | 2,393,655 | 1,843,054 | 1,820,729 |
| Deferred tax liabilities | 220,965 | 240,106 | 227,051 |
| Other non-current liabilities | 314,246 | 381,993 | 352,895 |
| | 2,928,866 | 2,465,153 | 2,400,675 |
| Current Liabilities | | | |
| Borrowings | 763,789 | 420,291 | 378,983 |
| Other current liabilities | 3,348,569 | 3,292,594 | 3,598,474 |
| | 4,112,358 | 3,712,885 | 3,977,457 |
| Total Equity and Liabilities | 13,014,233 | 11,934,339 | 12,325,073 |

On May 18th, 2020 the Board of Directors of Massy Holdings Ltd. authorized these consolidated financial statements for issue.



Director

E. G. Warner



Director

Ian Chinapoo

Massy Holdings Ltd.
Consolidated Income Statement
(Expressed in Thousands of Trinidad & Tobago dollars)

| | UNAUDITED THREE MONTHS ENDED | | UNAUDITED SIX MONTHS ENDED | | AUDITED TWELVE MONTHS ENDED |
|--|------------------------------|---------------------|----------------------------|---------------------|-----------------------------|
| | 31-Mar-20 \$'000 | 31-Mar-19 \$'000 | 31-Mar-20 \$'000 | 31-Mar-19 \$'000 | 30-Sep-19 \$'000 |
| Revenue | 3,062,446 | 2,955,031 | 6,329,055 | 6,169,304 | 11,958,666 |
| Operating profit after finance costs | 136,092 | 204,496 | 358,084 | 401,730 | 853,271 |
| Share of results of associates and joint ventures | 6,432 | 12,788 | 33,984 | 46,447 | 65,965 |
| Profit before tax | 142,524 | 217,284 | 392,068 | 448,177 | 919,236 |
| Income tax expense | (47,033) | (78,223) | (129,383) | (161,344) | (306,004) |
| Profit for the period | 95,491 | 139,061 | 262,685 | 286,833 | 613,232 |
| | | | | | |
| Profit attributable to owners of the parent | 81,525 | 126,563 | 235,293 | 260,193 | 563,164 |
| Profit attributable to non-controlling interests | 13,966 | 12,498 | 27,392 | 26,640 | 50,068 |
| Profit for the period | 95,491 | 139,061 | 262,685 | 286,833 | 613,232 |
| Earnings per share attributable to the owners of the parent (\$/cents): | | | | | |
| Basic earnings per share | 0.84 | 1.29 | 2.41 | 2.66 | 5.76 |

Massy Holdings Ltd.
Consolidated Statement of Other Comprehensive Income
(Expressed in Thousands of Trinidad & Tobago dollars)

| | UNAUDITED SIX MONTHS ENDED | | AUDITED TWELVE MONTHS ENDED |
|--|----------------------------------|---------------------|-----------------------------------|
| | 31-Mar-20 \$'000 | 31-Mar-19 \$'000 | 30-Sep-19 \$'000 |
| Profit for the period | 262,685 | 286,833 | 613,232 |
| Other comprehensive income: | | | |
| Items that will not be reclassified to profit or loss | | | |
| - remeasurement of defined benefit pension plans | 26,550 | - | 6,977 |
| | 26,550 | - | 6,977 |
| Items that may be subsequently reclassified to profit or loss | | | |
| - currency translation differences | (30,909) | 20,208 | (29,564) |
| | (30,909) | 20,208 | (29,564) |
| Other comprehensive income for the period, net of tax | (4,359) | 20,208 | (22,587) |
| Total other comprehensive income for the period | 258,326 | 307,041 | 590,645 |
| Attributable to: | | | |
| Owners of the Parent | 231,049 | 280,536 | 540,214 |
| Non-controlling interests | 27,277 | 26,505 | 50,431 |
| Total other comprehensive income for the period | 258,326 | 307,041 | 590,645 |

Massy Holdings Ltd.**Consolidated Statement of Changes in Shareholders' Equity**
(Expressed in Thousands of Trinidad & Tobago dollars)

| | UNAUDITED SIX MONTHS ENDED | | AUDITED TWELVE MONTHS ENDED |
|---|---|-----------------------------|--|
| | 31-Mar-20 \$'000 | 31-Mar-19 \$'000 | 30-Sep-19 \$'000 |
| Balance at the beginning of the year | 5,713,898 | 5,384,821 | 5,384,821 |
| IFRS 15 initial application adjustment | - | (1,999) | (1,999) |
| IFRS 16 initial application adjustment | (52,833) | - | - |
| Balance at beginning of year - restated | 5,661,065 | 5,382,822 | 5,382,822 |
| Profit attributable to owners of the Parent | 235,293 | 260,193 | 563,164 |
| Other comprehensive income | - | - | (22,950) |
| Dividends paid | (168,118) | (154,434) | (208,192) |
| Other reserve movements | (3,246) | 14,793 | (946) |
| | 5,724,994 | 5,503,374 | 5,713,898 |

Massy Holdings Ltd.
Consolidated Statement of Cash Flows
(Expressed in Thousands of Trinidad & Tobago dollars)

| | UNAUDITED SIX MONTHS ENDED | | AUDITED TWELVE MONTHS ENDED |
|--|----------------------------------|---------------------|-----------------------------------|
| | 31-Mar-20 \$'000 | 31-Mar-19 \$'000 | 30-Sep-19 \$'000 |
| Cash flows from operating activities | | | |
| Profit before income tax | 392,068 | 448,177 | 919,236 |
| Share of results of associates and joint ventures | (33,984) | (46,447) | (65,965) |
| Adjustments for non-cash items | 256,022 | 126,876 | 229,639 |
| Operating profit before working capital changes | 614,106 | 528,606 | 1,082,910 |
| Net working capital changes | (339,622) | (190,135) | (9,320) |
| Cash generated from operations | 274,484 | 338,471 | 1,073,590 |
| Tax payments | (135,947) | (128,355) | (267,721) |
| Cash flows from operating activities | 138,537 | 210,116 | 805,869 |
| Investing activities | (415,935) | (77,503) | 16,942 |
| Financing activities | (220,190) | (199,164) | (354,078) |
| (Decrease) / Increase in short-term funds | (497,588) | (66,551) | 468,733 |
| Cash, cash equivalents and bank overdrafts at start of year | 2,064,262 | 1,599,621 | 1,599,621 |
| Translation difference on cash held | (2,964) | 2,099 | (4,092) |
| Cash, cash equivalents and bank overdrafts at end of year | 1,563,710 | 1,535,169 | 2,064,262 |

Massy Holdings Ltd.
Segment Information
(Expressed in Thousands of Trinidad & Tobago dollars)

| | Motors & Machines | Integrated Retail | Financial Services | Gas Products | ITC | Strategic & Other Investments | Head Office and Other Adjustments | Total |
|---|------------------------------|--------------------------|---------------------------|---------------------|----------------------------|--|--|---------------|
| Six Months Ended 31st March 2020 | | | | | | | | |
| Group revenue | 1,391,350 | 3,877,311 | 348,318 | 503,463 | 221,640 | 336,049 | - | 6,678,131 |
| Inter-segment revenue | (93,569) | (205,224) | (785) | (6,696) | (14,299) | (28,503) | - | (349,076) |
| Third party revenue | 1,297,781 | 3,672,087 | 347,533 | 496,767 | 207,341 | 307,546 | - | 6,329,055 |
| Operating profit/(loss) after finance costs | 82,742 | 200,220 | 33,035 | 104,172 | 29,274 | (6,602) | (84,757) | 358,084 |
| Share of results of associates and joint ventures | - | - | 1,536 | 5,498 | - | 26,950 | - | 33,984 |
| Profit before income tax | 82,742 | 200,220 | 34,571 | 109,670 | 29,274 | 20,348 | (84,757) | 392,068 |
| Six Months Ended 31st March 2019 | | | | | | | | |
| Group revenue | 1,313,076 | 3,648,677 | 335,403 | 539,209 | 269,047 | 412,388 | - | 6,517,800 |
| Inter-segment revenue | (61,369) | (236,913) | (863) | (6,703) | (13,051) | (29,597) | - | (348,496) |
| Third party revenue | 1,251,707 | 3,411,764 | 334,540 | 532,506 | 255,996 | 382,791 | - | 6,169,304 |
| Operating profit/(loss) after finance costs | 77,153 | 183,148 | 60,281 | 87,635 | 25,295 | 35,664 | (67,446) | 401,730 |
| Share of results of associates and joint ventures | - | - | 810 | 8,770 | - | 36,867 | - | 46,447 |
| Profit before income tax | 77,153 | 183,148 | 61,091 | 96,405 | 25,295 | 72,531 | (67,446) | 448,177 |
| | Group Revenue | | Inter-Segment | | Third-party revenue | | Profit Before Tax | |
| | Mar-20 | Mar-19 | Mar-20 | Mar-19 | Mar-20 | Mar-19 | Mar-20 | Mar-19 |
| Trinidad and Tobago | 2,492,970 | 2,577,512 | (115,263) | (127,318) | 2,377,707 | 2,450,194 | 213,516 | 220,796 |
| Barbados | 1,614,570 | 1,537,432 | (156,070) | (137,698) | 1,458,500 | 1,399,734 | 58,980 | 108,396 |
| Eastern Caribbean | 711,804 | 677,189 | - | (8,721) | 711,804 | 668,468 | 59,930 | 53,777 |
| Guyana | 593,208 | 520,568 | (19,831) | (21,586) | 573,377 | 498,982 | 75,578 | 78,732 |
| Jamaica | 352,891 | 359,789 | (2,573) | (2,795) | 350,318 | 356,994 | 40,136 | 36,517 |
| Colombia | 808,586 | 754,781 | - | - | 808,586 | 754,781 | 26,577 | 15,894 |
| Other | 104,102 | 90,529 | (55,339) | (50,378) | 48,763 | 40,151 | 2,108 | 1,511 |
| Head Office and other adjustments | - | - | - | - | - | - | (84,757) | (67,446) |
| | 6,678,131 | 6,517,800 | (349,076) | (348,496) | 6,329,055 | 6,169,304 | 392,068 | 448,177 |

Notes:

All monetary amounts are stated in Trinidad and Tobago dollars. Highlights of the Unaudited Consolidated Financial Statements (Highlights) have been prepared in accordance with International Financial Reporting Standards. The Highlights do not include all information and disclosures required in the Annual Financial Statements, and should be read in conjunction with the Group's Annual Financial Statements as at 30th September 2019. For comparative purposes, adjustments and reclassifications to the prior year have been made to conform to the current year reporting.

These financial highlights can be accessed online at www.massygroup.com