



Trinidad and Tobago NGL Limited

SUMMARY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

Chairman's Statement

Despite a challenging year, Trinidad and Tobago NGL Limited ('TTNGL'/'Company') recorded an after-tax profit of TT\$5.8 million (2019: TT\$120.3 million) for the year ended 31 December 2020. This translated into earnings per share of TT\$0.04 (2019: TT\$0.84).

In 2020, the COVID-19 pandemic posed significant and unforeseen challenges for businesses globally. Perhaps more than most industries, the energy sector was affected by this phenomenon. Travel restrictions and government-imposed lockdowns, designed to reduce the spread of the virus, had a considerable impact on energy demand. In addition to this, the significantly reduced industrial capacity which was due to social distancing requirements and disrupted shipments, resulted in lower demand for oil and other forms of energy.

While the gas industry has not been as dramatically affected as the oil sector, the overall reduction in energy demand (including demand for Natural Gas Liquids - NGL) has nevertheless had an impact on major natural gas producing countries. NGL prices which correlate strongly with crude oil and refined product prices were materially lower for 2020.

TTNGL's financial performance is reflective of these global impacts of the pandemic. However, the demand for products of the underlying asset, Phoenix Park Gas Processors Limited ('PPGPL'), remained relatively steady since the onset of the pandemic. This is a testament to the resilience of the PPGPL model and competitive strength in the markets it serves.

PPGPL performance and outlook

For 2020, PPGPL recorded profit after tax of TT\$116.8 million, a 49.5% reduction when compared to TT\$231.4 million for the corresponding 2019 period. This lower performance was mainly due to factors associated with the pandemic, including lower Mont Belvieu NGL prices, and lower gas processing volumes due to reduced gas demand from petrochemical producers at Point Lisas. PPGPL recorded average product prices and gas processing volumes which were respectively 31.1% and 16.5% lower than in 2019. NGL production for 2020 was 15.8% lower than in 2019. Consequently, no dividend pay-out was made by PPGPL for 2020.

However, positive developments during the second half of 2020, particularly in Q4, saw PPGPL experience an appreciable rebound in natural gas demand and product prices, which is expected to continue into 2021. Moreover, the negative impacts of lower NGL prices and NGL volumes were mitigated by improved NGL content in the gas stream and higher price differentials recognised for the year (11.1% and 3.8% improvement respectively).

Another positive for the company was the strong 2020 performance of PPGPL's North American NGL business, which completed 11 months of operations through subsidiary Phoenix Park Trinidad and Tobago Energy Holdings ('PPTTEH'). Earnings from this segment are expected to continue contributing positively to PPGPL's results in the short to medium term. This operation is primarily a volume-based business with a negotiated fixed margin component, and has created a platform to explore new growth opportunities along the NGL value chain in North America.

COVID-19 remains a threat to global businesses, but solid, industry-recognised Business Continuity Planning (BCP) at The NGC Group of Companies ('The Group') is ensuring that operations continue safely and without disruption. Strict measures are in place to protect the health, safety and wellbeing of employees and contractors. Workplace activities were redesigned for compliance with social distancing guidelines, and all administrative and support services employees are working from home as far as possible, using digital platforms.

Notwithstanding the rollout of the COVID-19 vaccine in 2021, in the short term, price and demand forecasts remain subject to heightened levels of uncertainty as pandemic situations remain fluid. To protect the business against this uncertainty and to continue growing its business, PPGPL, anchored by a robust strategic plan that aims to diversify its current markets, continues to seek out new territories of operation, while strengthening its indigenous performance for all stakeholders. Together with these key strategies, the organisation's employees continue to be the backbone of its economic prosperity. Significant work is progressing to ensure their consistent development and growth to match present and future needs, and to secure PPGPL's long-term sustainability.

Looking ahead

The improved operating performance at PPGPL in Q4 2020, which continued into Q1 2021, is being driven by improved market prices, increased volumes and increased liquid content in the natural gas supplied by NGC, and the continued management of operating costs. Based on these positive trends, as well as the Company's results for the year ended 31 December 2020 as well as its current cash flow position, the Board of Directors of TTNGL ('Board') is pleased to announce a final dividend of \$0.05 per share. This dividend represents the total dividend for 2020 and is to be paid on 12 May 2021 to shareholders on the Register of Members as of 23 April 2021.

As we close off this very challenging year, I want to take this opportunity to thank the members of the Board, as well as express the Board's gratitude to the employees of the NGC Group for their continued support during these turbulent times. Notwithstanding a challenging market and operating environment, the Board is confident that the business approach of the NGC Group - which is founded on continuous growth, enterprising spirit, and capacity development - provides a solid foundation for the Company's future.

Conrad Enill
Chairman

Report of the Independent Auditor on the Summary Financial Statements

TO THE SHAREHOLDERS OF TRINIDAD AND TOBAGO NGL LIMITED

Opinion

The summary financial statements, which comprise the summary statement of financial position as at 31 December 2020, the summary statement of profit and loss and other comprehensive income, summary statement of changes in equity and summary cash flow statement for the year then ended, and related notes, are derived from the audited financial statements of Trinidad and Tobago NGL Limited for the year ended 31 December 2020.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements described in Note 1.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and the auditors' report thereon, therefore, is not a substitute for reading the audited financial statements and the auditors' report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 29 March, 2021. 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 financial statements of the current year.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements described in Note 1.

Auditors' Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited 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*.

Deloitte & Touche
Daryl Walcott-Grappie
Port of Spain
Trinidad

SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

TT\$'000

	UNAUDITED		AUDITED	
	Three months ended 31 Dec 2020	Three months ended 31 Dec 2019	Year ended 31 Dec 2020	Year ended 31 Dec 2019
	\$'000	\$'000	\$'000	\$'000
Income				
Share of profit from investment in joint venture	14,795	9,843	45,565	90,258
Interest Income	55	75	237	388
Foreign exchange gain	(6)	(86)	111	923
Total income	14,844	9,832	45,913	91,569
Expenses				
Impairment (loss)/reversal	(38,086)	40,005	(38,086)	40,005
Legal and professional fees	(183)	(299)	(845)	(1,056)
Other expenses	(130)	(125)	(580)	(702)
(Loss)/profit before tax	(23,555)	49,413	6,402	129,816
Income tax expense	-	(1)	(2)	(308)
(Loss)/profit after taxation	(23,555)	49,412	6,400	129,508
Other comprehensive income:				
Exchange translation differences, net of tax	(735)	14,174	(593)	(9,245)
Other comprehensive (loss)/income	(735)	14,174	(593)	(9,245)
Total comprehensive (loss)/income	(24,290)	63,586	5,807	120,263
(Loss)/earnings per share				
Basic (dollars per share)	(0.15)	0.32	0.04	0.84



Trinidad and Tobago NGL Limited

SUMMARY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

SUMMARY STATEMENT OF FINANCIAL POSITION

TT\$'000

	AUDITED	
	31 Dec 2020 \$'000	31 Dec 2019 \$'000
Non-current assets		
Investment in joint venture	3,141,459	3,134,488
Total non-current assets	3,141,459	3,134,488
Current assets		
Tax recoverable	341	315
Cash and cash equivalents	107,275	147,073
Total current assets	107,616	147,388
Total assets	3,249,075	3,281,876
Equity		
Share capital	2,772,120	2,772,120
Translation reserve	152,842	153,435
Retained earnings	323,285	355,585
Total Shareholders' equity	3,248,247	3,281,140
Current liabilities		
Due to parent company/related party	75	119
Trade and other payables	753	617
Total liabilities	828	736
Total equity and liabilities	3,249,075	3,281,876


Chairman


Director

SUMMARY STATEMENT OF CHANGES IN EQUITY

TT\$'000

	Share capital \$'000	Translation reserve \$'000	Retained earnings \$'000	Total equity \$'000
Year ended 31 December 2020				
Balance at 1 January 2020	2,772,120	153,435	355,585	3,281,140
Profit for the year	-	-	6,400	6,400
Other comprehensive loss	-	(593)	-	(593)
Total comprehensive income	-	(593)	6,400	5,807
Dividends	-	-	(38,700)	(38,700)
Balance at 31 December 2020	2,772,120	152,842	323,285	3,248,247
Year ended 31 December 2019				
Balance at 31 December 2018	2,772,120	162,680	458,417	3,393,217
Net impact of adopting IFRS 16 in joint venture	-	-	(140)	(140)
Balance at 01 January 2019	2,772,120	162,680	458,277	3,393,077
Profit for the year	-	-	129,508	129,508
Other comprehensive income	-	(9,245)	-	(9,245)
Total comprehensive income	-	(9,245)	129,508	120,263
Dividends	-	-	(232,200)	(232,200)
Balance at 31 December 2019	2,772,120	153,435	355,585	3,281,140

SUMMARY STATEMENT OF CASH FLOWS

TT\$'000

	AUDITED	
	31 Dec 2020 \$'000	31 Dec 2019 \$'000
Cash flows from operating activities		
Profit for the year before taxation	6,402	129,816
Impairment loss/(reversal)	38,086	(40,005)
Dividends from joint venture	-	101,573
Interest income	(237)	(388)
Share of income from investment in joint venture	(45,565)	(90,258)
	(1,314)	100,738
Decrease in amount due to related party	(44)	(118)
Increase in trade and other payables	162	592
Cash flows (used in)/generated from operating activities	(1,196)	101,212
Taxation paid	(28)	(308)
Net cash flow (used in)/generated from operating activities	(1,224)	100,904
Cash flows from financing activities		
Dividends paid	(38,700)	(232,200)
Net cash used in financing activities	(38,700)	(232,200)
Cash flows from investing activities		
Interest and other investment income	237	388
Net cash generated from investing activities	237	388
Net decrease in cash and cash equivalents	(39,687)	(130,908)
Net foreign exchange differences	(111)	(905)
Cash and cash equivalents at 1 January	147,073	278,886
Cash and cash equivalents at end of year	107,275	147,073

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1. Basis of preparation

These summary financial statements are prepared in accordance with established criteria developed by management and disclose the summary statement of financial position, summary statement of profit or loss and other comprehensive income, summary statement of changes in equity and summary statement of cash flows. These summary financial statements are derived from the audited financial statements of Trinidad and Tobago NGL Limited for the year ended 31 December, 2020 which are prepared in accordance with International Financial Reporting Standards. A full version of the audited financial statements will be available in the Company's Annual Report.

2. Significant Accounting Policies

These summary financial statements have been prepared with the accounting policies set out in Note 3 of the 31 December, 2020 audited financial statements consistently applied from period to period. The Company has adopted all the relevant new and revised accounting standards that are mandatory for annual accounting period on or after 1 January, 2020.

3. Currency

All monetary amounts are stated in Trinidad and Tobago dollars.