



Trinidad and Tobago NGL Limited

SUMMARY AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

Chairman's Statement

Trinidad and Tobago NGL Limited ('TTNGL'/'Company') recorded an after-tax profit of **TT\$512.8** million for the year ended 31 December 2021, which represents a **373.6%** increase over the 2020 results of TT\$6.4 million (excluding 2021: impairment gain of TT\$302.1 million; 2020: impairment loss of TT\$38.1 million). Earnings per share have also increased from the 2020 **TT\$0.04 to TT\$3.31** at end of 2021. Shareholders will benefit from these positive results with a final dividend payment of TT\$0.50 per share which will bring the cumulative dividend distribution for 2021 to **TT\$0.75 compared to TT\$0.05 for the year ended 31 December 2020**.

The ongoing challenges and uncertainties triggered by the COVID-19 pandemic have resulted in dramatic shifts within the energy sector in terms of supply/demand dynamics and pricing of commodities in the industry. These shifts have had a material impact on the prices of Natural Gas Liquids ('NGLs') and contributed significantly to the improved performance of TTNGL in 2021.

This performance was achieved primarily due to the following:

- Higher share of profit from its underlying asset, Phoenix Park Gas Processors Limited ('PPGPL'): TT\$212.6 million in 2021 versus TT\$45.6 million for the corresponding period of 2020.
- Impairment reversal of TT\$302.1 million, coming out of the 2021 impairment assessment. This reversal was due to an increase in the recoverable amount, which was driven by improved long-term commodity prices. It was further enhanced by the continued execution of value creation opportunities by PPGPL, which included acquisition of foreign assets.

PPGPL performance and outlook

PPGPL recorded a profit after tax of TT\$545.0 million at year end 2021, a 366.6% improvement when compared to TT\$116.8 million for the corresponding period of 2020. This strong performance stemmed from higher recognised Mont Belvieu NGL product prices, which were 112.3% greater than 2020, and improved NGL production from the higher margin gas processing segment.

NGL production from gas processing was 11.8% higher than 2020 and was driven by a 7.7% increase in gas volumes for processing (2021: 1,141 million standard cubic feet per day). A 5% increase in the NGL content of the gas stream was recorded. This was achieved through the rationalisation of the gas supply mix provided by The National Gas Company of Trinidad and Tobago Limited ('NGC').

PPGPL, based on its approved strategic plan, remained focused on sustaining the high operating availability and reliability of its facilities (approximately 98%) and on prudent cost and cash management. Other elements of the plan being implemented include diversification of current markets and strengthening the base business.

PPGPL's North American subsidiary, Phoenix Park Trinidad and Tobago Energy Holdings Limited ('PPTTEHL'), continued with planned results in its first full year of operations. PPTTEHL experienced high trading volumes and continued to benefit from improved margins derived from the sales contracts with its counterparties. PPTTEHL also contributed approximately 3% to PPGPL's profit after tax, and earnings growth is expected from this business segment in the future.

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 2021, 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 2021.

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 2022. 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*.

The engagement partner on the audit resulting in this Independent Auditors' report is Daryl Walcott-Grappie (ICATT#1248).

Deloitte & Touche
Port of Spain
Trinidad

SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

TT\$'000	UNAUDITED		AUDITED	
	Three months ended 31 Dec 2021	Three months ended 31 Dec 2020	Year ended 31 Dec 2021	Year ended 31 Dec 2020
	\$'000	\$'000	\$'000	\$'000
Income				
Share of profit from investment in joint venture	77,103	14,795	212,603	45,565
Interest Income	21	55	100	237
Foreign exchange gain/(loss)	4	(6)	135	111
Total income	77,128	14,844	212,838	45,913
Expenses				
Impairment reversal/(loss)	302,067	(38,086)	302,067	(38,086)
Legal and professional fees	(232)	(183)	(1,168)	(845)
Other expenses	(146)	(130)	(709)	(580)
Profit/(loss) before tax	378,817	(23,555)	513,028	6,402
Income tax expense	(139)	-	(218)	(2)
Profit/(loss) after taxation	378,678	(23,555)	512,810	6,400
Other comprehensive income:				
Exchange translation differences, net of tax	8,142	(735)	1,018	(593)
Other comprehensive income/(loss)	8,142	(735)	1,018	(593)
Total comprehensive income/(loss)	386,820	(24,290)	513,828	5,807
Earnings/(loss) per share				
Basic (dollars per share)	2.45	(0.15)	3.31	0.04

SUMMARY STATEMENT OF FINANCIAL POSITION

TT\$'000	AUDITED	
	31 Dec 2021	31 Dec 2020
	\$'000	\$'000
Non-current assets		
Investment in joint venture	3,584,648	3,141,459
Total non-current assets	3,584,648	3,141,459
Current assets		
Tax recoverable	341	341
Cash at bank and on hand	132,261	107,275
Total current assets	132,602	107,616
Total assets	3,717,250	3,249,075
Equity		
Share capital	2,772,120	2,772,120
Translation reserve	153,860	152,842
Retained earnings	789,655	323,285
Total shareholder's equity	3,715,635	3,248,247
Current liabilities		
Due to parent company/related party	20	75
Trade and other payables	1,516	753
Tax payable	79	-
Total liabilities	1,615	828
Total equity and liabilities	3,717,250	3,249,075

Chairman

Director

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Trinidad and Tobago NGL Limited

SUMMARY AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

Dividend Considerations

NGL prices correlate strongly with crude oil and refined product prices, and were pulled along accordingly in 2021. The strong performance of NGL prices was also buttressed by increased global NGL demand due to a surge in petrochemical and industrial consumption, and by a spike in global natural gas prices.

Based on the Company's results for the year ended 31 December 2021, the Board of Directors of TTNGL ('Board') has resolved to pay a final dividend of **TT\$0.50 per share (2020: \$0.05)**. This payment would bring cumulative dividend distribution for 2021 to **TT\$0.75 (2020: TT\$0.05)**. This decision was made after carefully considering TTNGL's current and future cash flows, the risks and potential variabilities introduced by COVID-19, together with ongoing geopolitical events and the outlook for future growth and profitability of the Company's underlying asset. The final dividend for 2021 is to be paid on 12 May 2022 to shareholders on the Register of Members as of 22 April 2022.

Outlook for the Future

Global oil demand rebounded significantly in 2021 as the world began to recover from the COVID-19 pandemic. This placed pressure on both OPEC and the US shale industry to meet demand, as major producers misread the rebound and underinvested in production activities. This resulted in overwhelmed supply and led to tight inventories worldwide. The positive trends that underwrote PPGPL's solid operating performance in 2021 are expected to continue into 2022 and lay a strong foundation for earnings growth in the future.

Reinforcing this outlook is PPGPL's thrust to grow its business internationally along the NGL value chain. On 21 January 2022, PPGPL - through its wholly owned subsidiary Phoenix Park Energy Marketing LLC

('PPEM') - completed its acquisition of an NGL terminal located in Hull Texas, USA. The terminal was purchased from Keyera Energy Inc. ('KEI'), a subsidiary of Keyera Corporation ('Keyera'), one of the largest midstream oil and gas operators in Canada with headquarters in Calgary.

Operating under the Phoenix Park brand, PPEM is engaged in the business of marketing, trading and transportation of natural gas liquids in Canada, USA and Mexico. With this acquisition, PPEM can access and aggregate LPG supply to sustain and grow its markets in Mexico, Latin America and the United States. This transaction represents PPGPL's second acquisition in the North American market, following the purchase of the NGL marketing assets of Twin Eagle Liquids Marketing LLC in February 2020.

Our Thanks

On behalf of the Board, I express heartfelt appreciation to the leaders, and all other teams across The NGC Group, whose dedication and unrelenting hard work have contributed to the strength of the TTNGL stock. The Board remains optimistic about our future prospects under the leadership of a strong and committed management team and highly energised staff.

I would also like to extend my thanks to all our shareholders. With your continued support, we look forward to building on our successes and delivering sustained value over the coming years to the people of Trinidad and Tobago on whose behalf we manage these investments.

Conrad Enill, Chairman

SUMMARY STATEMENT OF CHANGES IN EQUITY

TT\$'000

	Share capital \$'000	Translation reserve \$'000	Retained earnings \$'000	Total equity \$'000
Audited year ended 31 December 2021				
Balance at 1 January 2021	2,772,120	152,842	323,285	3,248,247
Profit for the year	-	-	512,810	512,810
Other comprehensive income	-	1,018	-	1,018
Total comprehensive income	-	1,018	512,810	513,828
Dividends	-	-	(46,440)	(46,440)
Balance at 31 December 2021	2,772,120	153,860	789,655	3,715,635
Audited 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

SUMMARY STATEMENT OF CASH FLOWS

TT\$'000

	AUDITED	
	Year Ended 31 Dec 2021 \$'000	Year Ended 31 Dec 2020 \$'000
Cash flows from operating activities		
Profit for the period/year before taxation	513,028	6,402
Impairment (reversal)/loss	(302,067)	38,086
Dividends from joint venture	72,317	-
Interest income	(100)	(237)
Share of income from investment in joint venture	(212,603)	(45,565)
	70,575	(1,314)
Decrease in amount due to related party	(55)	(44)
Increase in trade and other payables	763	162
Cash flows generated from/(used in) operating activities	71,283	(1,196)
Taxation paid	(139)	(28)
Net cash flow generated from/(used in) operating activities	71,144	(1,224)
Cash flows from financing activities		
Dividends paid	(46,440)	(38,700)
Net cash used in financing activities	(46,440)	(38,700)
Cash flows from investing activities		
Interest and other investment income	100	237
Net cash generated from investing activities	100	237
Net increase/(decrease) in cash at bank and on hand	24,804	(39,687)
Net foreign exchange differences	182	(111)
Cash at bank and on hand at 1 January	107,275	147,073
Cash at bank and on hand at end of year	132,261	107,275

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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, 2021 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, 2021 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, 2021.

3. Currency

All monetary amounts are stated in Trinidad and Tobago dollars.

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