

# CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2020



Trinidad and Tobago NGL Limited

## CHAIRMAN'S STATEMENT

The 2019 novel coronavirus disease (COVID-19) pandemic has ravaged the worldwide economy and the reduced economic activity has resulted in changes in the energy supply and demand patterns in 2020. Economies across the world have suffered declines in gross domestic product during the first half of 2020, as compared to the corresponding year period prior. Uncertainties persist across all energy markets, including liquid fuels, natural gas, electricity, coal, and renewables. Crude oil prices averaged 35% lower than in 2019. Natural Gas Liquids ('NGL') prices which correlate strongly with crude oil and refined product prices, were also materially lower during the first half of the year.

For the six months to 30 June 2020, the volatility in the energy commodity markets driven by the impact of COVID-19, resulted in the precipitous decline of Mont Belvieu ('MB') product prices, and significantly impacted the performance of the Company's underlying asset, Phoenix Park Gas Processors Limited ('PPGPL'). Recorded MB product prices were 44% lower than the corresponding period in 2019. The impact of the lower prices was mitigated by higher price differentials recognised during the year. The differentials were 34% higher than in 2019 and reflected PPGPL's strong competitive position in the markets it serves, despite the impact of COVID-19. This is further strengthened by the continued strong demand for its products which have remained relatively steady since the onset of the pandemic. Additionally, the Company has benefited from a slight recovery in product prices, which has positively impacted its profitability in Q2 2020.

The effects of COVID-19 also disrupted the planned performance and markets of the petrochemical producers at Point Lisas. This disruption has translated into lower natural gas

demand and lower gas volumes through the PPGPL facility for processing. Positively, NGL content in the gas stream was 6% higher than in 2019, and was a result of continued efforts by NGC to deliver higher NGL content gas streams to Point Lisas Industrial Estate. NGL production to June 2020 was 10% lower than in 2019. As it had done historically, PPGPL continued to maintain high operating availability (over 99%), and has sustained its focus on prudent cost and cash management.

Following the acquisition of the NGL liquids marketing assets of Twin Eagle Liquids Marketing LLC in February 2020, PPGPL created a subsidiary-Phoenix Park Energy Holdings ('PPEH')-to own and operate the assets acquired from Twin Eagle. Since start-up, the performance of PPEH has been positive, and earnings from this acquisition are expected to impact PPGPL results positively in the short term.

For the first half of 2020, Trinidad and Tobago NGL Limited ('TTNGL' and 'Company') recorded after tax profit of TT\$14.5 million. This translated into earnings per share of TT\$0.09. These results were driven by a sharp decline in performance at PPGPL, with the recognition of a lower share of profit from the Company's investment in the joint venture.

Notwithstanding a challenging market and operating environment, the Board of Directors ('Board') of TTNGL remains cautiously optimistic about the future and its investment in PPGPL. The Board wishes to express its gratitude to the employees of The NGC Group of Companies and to the loyal shareholders of TTNGL for their continued support.

Conrad Enill, Chairman:

## SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

TT\$'000	UNAUDITED		UNAUDITED		AUDITED
	Three months ended 30 Jun 2020	Three months ended 30 Jun 2019	Six months ended 30 Jun 2020	Six months ended 30 Jun 2019	Year ended 31 Dec 2019
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>					
Share of profit from investment in joint venture	7,697	28,163	14,935	73,788	90,258
Interest Income	54	97	128	221	388
Foreign exchange gain	117	140	117	737	923
<b>Total income</b>	<b>7,868</b>	<b>28,400</b>	<b>15,180</b>	<b>74,746</b>	<b>91,569</b>
<b>Expenses</b>					
Impairment reversal				-	40,005
Legal and professional fees	(145)	(271)	(461)	(635)	(1,056)
Other expenses	(120)	(320)	(190)	(366)	(702)
Profit/(loss) before tax	7,603	27,809	14,529	73,745	129,816
Income tax expense	-	(139)	(1)	(300)	(308)
<b>Profit for the period</b>	<b>7,603</b>	<b>27,670</b>	<b>14,528</b>	<b>73,445</b>	<b>129,508</b>
<b>Other comprehensive income:</b>					
Exchange translation differences, net of tax	4,825	(4,658)	(10,833)	(16,421)	(9,245)
<b>Other comprehensive profit/(loss)</b>	<b>4,825</b>	<b>(4,658)</b>	<b>(10,833)</b>	<b>(16,421)</b>	<b>(9,245)</b>
<b>Total comprehensive profit</b>	<b>12,428</b>	<b>23,012</b>	<b>3,695</b>	<b>57,024</b>	<b>120,263</b>
<b>Earnings per share</b>					
Basic (dollars per share)	<b>0.05</b>	<b>0.18</b>	<b>0.09</b>	<b>0.47</b>	<b>0.84</b>

## SUMMARY STATEMENT OF FINANCIAL POSITION

TT\$'000	UNAUDITED		AUDITED
	30 Jun 2020	30 Jun 2019	31 Dec 2019
	\$'000	\$'000	\$'000
<b>Non-current assets</b>			
Investment in joint venture	3,139,012	3,088,492	3,134,488
<b>Total non-current assets</b>	<b>3,139,012</b>	<b>3,088,492</b>	<b>3,134,488</b>
<b>Current assets</b>			
Tax recoverable	339	315	315
Cash and cash equivalents	107,501	207,554	147,073
<b>Total current assets</b>	<b>107,840</b>	<b>207,869</b>	<b>147,388</b>
<b>Total assets</b>	<b>3,246,852</b>	<b>3,296,361</b>	<b>3,281,876</b>
<b>Equity</b>			
Share capital	2,772,120	2,772,120	2,772,120
Translation reserve	142,602	146,259	153,435
Retained earnings	331,413	377,062	355,585
<b>Total shareholder's equity</b>	<b>3,246,135</b>	<b>3,295,441</b>	<b>3,281,140</b>
<b>Current liabilities</b>			
Due to parent company/related party	76	366	119
Trade and other payables	641	554	617
<b>Total liabilities</b>	<b>717</b>	<b>920</b>	<b>736</b>
<b>Total equity and liabilities</b>	<b>3,246,852</b>	<b>3,296,361</b>	<b>3,281,876</b>

## SUMMARY STATEMENT OF CHANGES IN EQUITY

TT\$'000	Share capital \$'000	Translation reserve \$'000	Retained earnings \$'000	Total equity \$'000
<b>Unaudited six months ended 30 June 2020</b>				
Balance at 1 January 2020	2,772,120	153,435	355,585	3,281,140
Profit for the period	-	-	14,528	14,528
Other comprehensive loss	-	(10,833)	-	(10,833)
Dividends	-	-	(38,700)	(38,700)
<b>Balance at 30 June 2020</b>	<b>2,772,120</b>	<b>142,602</b>	<b>331,413</b>	<b>3,246,135</b>
<b>Unaudited six months ended 30 June 2019</b>				
Balance at 1 January 2019	2,772,120	162,680	458,417	3,393,217
Profit for the period	-	-	73,445	73,445
Other comprehensive loss	-	(16,421)	-	(16,421)
Dividends	-	-	(154,800)	(154,800)
<b>Balance at 30 June 2019</b>	<b>2,772,120</b>	<b>146,259</b>	<b>377,062</b>	<b>3,295,441</b>
<b>Audited year ended 31 December 2019</b>				
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	<b>2,772,120</b>	<b>162,680</b>	<b>458,277</b>	<b>3,393,077</b>
Profit for the year	-	-	129,508	129,508
Other comprehensive loss	-	(9,245)	-	(9,245)
Dividends	-	-	(232,200)	(232,200)
<b>Balance at 31 December 2019</b>	<b>2,772,120</b>	<b>153,435</b>	<b>355,585</b>	<b>3,281,140</b>

## SUMMARY STATEMENT OF CASH FLOWS

TT\$'000	UNAUDITED		AUDITED
	30 Jun 2020 \$'000	30 Jun 2019 \$'000	31 Dec 2019 \$'000
<b>Cash flows from operating activities</b>			
Profit for the period before taxation	14,529	73,745	129,816
Impairment reversal	-	-	(40,005)
Interest and other investment income	(128)	(221)	(388)
Dividends from joint venture	-	84,505	101,573
Share of income from investment in joint venture	(14,935)	(73,788)	(90,258)
	(534)	84,241	100,738
(Decrease)/increase in amount due to related party	(43)	128	(118)
Increase in trade and other payables	48	529	592
Cash flows from operating activities	(529)	84,898	101,212
Taxation paid	(27)	(300)	(308)
<b>Net cash flow generated from operating activities</b>	<b>(556)</b>	<b>84,598</b>	<b>100,904</b>
<b>Cash flows from financing activities</b>			
Dividends paid	(38,700)	(154,800)	(232,200)
<b>Net cash used in financing activities</b>	<b>(38,700)</b>	<b>(154,800)</b>	<b>(232,200)</b>
<b>Cash flows from investing activities</b>			
Interest and other investment income	128	221	388
<b>Net cash generated from investing activities</b>	<b>128</b>	<b>221</b>	<b>388</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(39,128)</b>	<b>(69,981)</b>	<b>(130,908)</b>
Net foreign exchange differences	(444)	(1,351)	(905)
Cash and cash equivalents at 1 January	147,073	278,886	278,886
<b>Cash and cash equivalents at end of period</b>	<b>107,501</b>	<b>207,554</b>	<b>147,073</b>

Chairman:

Director:

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

### 1. Basis of preparation

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 - "Interim Financial Reporting". They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited financial statements for the year ended 31 December 2019. These condensed interim financial statements have not been audited and were approved by the Board of Directors on 7 August 2020.

### 2. Significant Accounting Policies

The accounting policies applied in these unaudited condensed interim statements are consistent with those applied in the audited financial statements for the year ended 31 December 2019.

### 3. Currency

All monetary amounts are stated in Trinidad and Tobago dollars.