



**THE NATIONAL GAS COMPANY
OF TRINIDAD AND TOBAGO LIMITED**

Summary Consolidated Financial Statements for the Nine Months Ended 30 September 2021

CHAIRMAN'S REPORT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

The NGC Group recorded an unaudited after-tax profit of TT\$1.045B for the nine-month period ended 30 September 2021. This represents an extraordinary improvement of 2588% over the loss of \$42M for the prior period. Revenue for the period was TT\$15.6B as compared with TT\$8.1B, an increase of 93% over the prior period, translating to a significant upturn of the Group's profitability.

These results were achieved because of focused and dedicated leadership, committed to surmounting the multifold challenges of the last 20 months by advancing calculated strategies and leveraging favourable market conditions to build a strong financial performance. Concurrently, the global environment has shown some recovery in 2021. Gas prices in Europe have been extremely high due to a global supply shortage, and there has been an uptick in ammonia, methanol, and LNG prices. Factors influencing these changes include stronger demand, lower gas inventory, and colder weather with winter approaching. Additionally, worldwide vaccination programmes are allowing for COVID-19 restrictions to be stepped back, with a resultant increase in industrial and commercial activity and energy demand.

The success of The NGC Group is built on a strong governance framework across the Board, Committees, and Management, with a strategic focus on deriving value as an integrated player across the value chain. We have taken proactive approaches toward

stemming value leakage, and accounting for it as applicable, as well as towards value creation, with a heightened focus on sustainability. The Group continuously benchmarks its strategies and procedures against the highest international standards. We are operating 'best-in-class' in all functional areas, particularly with regard to Supply Chain Management, Process Safety, Asset Integrity Management and Information Technology, thereby contributing to a model of transparency, accountability, growth, and performance. This is also reflected in the annual production of both the Annual Report on the financial results and the NGC Sustainability Report, first published in 2017 and provides data on the economic, social, and governance impacts of our operations as well as progress on the Green Agenda.

The Group not only delivered on service obligations despite pandemic restrictions but managed to return a measure of stability to the local industry, expand its portfolio of investments and partnerships and intensify its focus on clean energy and sustainability.

NGC continues to pursue its strategy to monetise small and marginal fields as demonstrated by the Gas Sales Contract (GSC) signed with DeNovo Energy Limited for commercialisation of the gas from the Zandolie Field located in Block 1(a). The Company completed its acquisition of the Heritage Petroleum Company Limited's Non-Operated Joint Venture (NOJV) participating interest in Block 3(a), increasing its

participating interest from 11.41% to 31.54%, which provided additional equity crude to enhance the Energy Marketing and Trading portfolio results.

The NGC Group is playing a pivotal role in the country's energy transition and has advanced its Green Agenda, moving towards a cleaner energy mix, by raising awareness, examining methane emissions, strengthening our sustainability reporting structure, and influencing the national landscape in energy efficiency and clean energy for Trinidad and Tobago, the Caribbean region and internationally. CariGreen, a portal for stakeholders at all levels, was launched in June 2021 and is a repository for investor, academic and citizen research into clean energy across the Caribbean. A rooftop solar array to power operations at the new state-of-the-art Preysal Service Station was installed by National Energy. This station is now the largest fuelling hub for CNG in Trinidad and Tobago. A Memorandum of Understanding to examine the possibilities of harvesting and using domestic landfill gas as an alternative motor fuel was signed by NGC, National Energy, NGC CNG and The Trinidad and Tobago Solid Waste Management Company (SWMCOL). This project, when completed, will use otherwise wasted resources to reduce the country's vented methane output, generate employment, and create economic opportunities. Phoenix Park Gas Processors Limited (PPGPL) has made an extraordinary contribution to The NGC Group and has

demonstrated continued solid performance. Its North American subsidiary, Phoenix Park Trinidad and Tobago Energy Holdings Limited (PPTTEHL) yielded significant gains on the initial investment and contributed approximately 5% to PPGPL's profit after tax.

With the resolve to be at the forefront of energy, The NGC Group has demonstrated a dogged ability to respond to the changing energy landscape, driven by our employees who are retooling and upskilling to operate in a new global energy space. The rationalisation and optimisation of resources to achieve our growth and sustainability agenda continue and are integral to our future success.

I wish to acknowledge and thank my Board colleagues, the leadership teams, the management, and our employees for their unwavering commitment and invaluable contribution to the achievements to date despite the challenging environment. The NGC Group remains focused on pursuing economic opportunities with the primary purpose of creating exceptional value for our Company and for Trinidad and Tobago. This was our founding mandate, and 46 years later, it remains the outcome to which we aspire and will achieve.

**Conrad Enill
Group Chairman**

SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

(Expressed in Trinidad and Tobago dollars)

	UNAUDITED		AUDITED
	30-Sep-2021 \$'000	30-Sep-2020 \$'000	31-Dec-2020 \$'000
Revenue	15,551,832	8,074,217	11,413,901
Profit before exceptional items, finance cost and share of associate	2,135,625	352,474	1,200,665
Exceptional items	-	-	(4,189,642)
Profit/(loss) before finance cost and share of associate	2,135,625	352,474	(2,988,977)
Share of profit/loss from associate	28,971	(24,078)	(39,185)
Finance cost	(140,435)	(141,140)	(161,743)
Profit/(loss) before taxation	2,024,161	187,256	(3,189,905)
Taxation	(978,638)	(229,399)	1,055,302
Profit/(loss) for the period after taxation	1,045,523	(42,143)	(2,134,603)
Profit/(loss) attributable to:			
- Owners of the parent	923,289	(11,640)	(2,088,252)
- Non-controlling interests	122,234	(30,503)	(46,351)
	1,045,523	(42,143)	(2,134,603)

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

(Expressed in Trinidad and Tobago dollars)

	UNAUDITED		AUDITED
	30-Sep-2021 \$'000	30-Sep-2020 \$'000	31-Dec-2020 \$'000
Assets			
Non-current assets	27,420,914	29,669,373	27,680,891
Current assets	12,400,175	10,719,072	10,452,158
Total assets	39,821,089	40,388,445	38,133,049
Equity and liabilities			
Share capital	1,855,266	1,855,266	1,855,266
Reserve fund	438,192	438,192	438,192
Other reserves	4,217,013	5,365,809	4,242,781
Retained earnings	13,914,929	15,061,536	13,032,618
Total equity attributable to owners of the parent	20,425,400	22,720,803	19,568,857
Non-controlling interest	2,582,869	2,563,923	2,504,716
Total equity	23,008,269	25,284,726	22,073,573
Non-current liabilities	11,406,772	11,982,361	12,328,346
Current liabilities	5,406,048	3,121,358	3,731,130
Total equity and liabilities	39,821,089	40,388,445	38,133,049

Summary Consolidated Financial Statements for the Nine Months Ended 30 September 2021

SUMMARY CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

(Expressed in Trinidad and Tobago dollars)

	UNAUDITED		AUDITED
	30-Sep-2021 \$'000	30-Sep-2020 \$'000	31-Dec-2020 \$'000
Profit/(loss) for the period after taxation	1,045,523	(42,143)	(2,134,603)
Total other comprehensive profit/(loss) for the period, net of tax	40,455	(140,759)	(1,239,452)
Total comprehensive profit/(loss) for the period	1,085,978	(182,902)	(3,374,055)
Total comprehensive profit/(loss) for the period			
Attributable to:			
- Owners of the parent	966,248	(153,023)	(3,304,969)
- Non-controlling interests	119,730	(29,879)	(69,086)
	1,085,978	(182,902)	(3,374,055)

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

(Expressed in Trinidad and Tobago dollars)

	UNAUDITED		AUDITED
	30-Sep-2021 \$'000	30-Sep-2020 \$'000	31-Dec-2020 \$'000
Balance as at 1 January	22,073,573	25,606,583	25,606,583
Profit/(loss) for the period after taxation	1,045,523	(42,143)	(2,134,603)
Revaluation reserve	(1,946)	25	(204,117)
Other comprehensive profit/(loss) for the period, net of tax	42,401	(140,784)	(1,035,335)
Total comprehensive profit/(loss) for the period	1,085,978	(182,902)	(3,374,055)
Dividends	(151,282)	(138,955)	(158,955)
Balance as at 31 December	23,008,269	25,284,726	22,073,573
Equity attributable to:			
- Owners of the parent	20,425,400	22,720,803	19,568,857
- Non-controlling interests	2,582,869	2,563,923	2,504,716
	23,008,269	25,284,726	22,073,573

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

(Expressed in Trinidad and Tobago dollars)

	UNAUDITED		AUDITED
	30-Sep-2021 \$'000	30-Sep-2020 \$'000	31-Dec-2020 \$'000
Cash flows from operating activities			
Profit/(loss) before tax	2,024,161	187,256	(3,189,905)
Adjustment for non-cash items	(75,192)	803,762	4,683,076
Operating profit before working capital changes	1,948,969	991,018	1,493,171
Changes in working capital	82,754	(592,114)	(1,056,295)
Cash generated from operations	2,031,723	398,904	436,876
Taxation, interest and post-retirement contributions paid	(1,014,371)	(364,738)	(544,842)
Net cash generated from/(used in) operating activities	1,017,352	34,166	(107,966)
Net cash generated from investing activities	933,977	399,104	240,267
Net cash used in financing activities	(226,108)	(237,881)	(379,453)
Net increase/(decrease) in cash and cash equivalents	1,725,221	195,389	(247,152)
Net foreign exchange differences	(13,128)	16,648	48,909
Cash and cash equivalents beginning of period	3,407,459	3,605,702	3,605,702
Cash and cash equivalents end of period	5,119,552	3,817,739	3,407,459

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

1. Basis of preparation

The summary interim consolidated financial statements are prepared in accordance with criteria developed by management. Under management's established criteria, management discloses the interim summary consolidated statement of financial position, interim summary consolidated statement of profit or loss, interim summary statement of other comprehensive income, interim summary consolidated statement of changes in equity and interim summary consolidated statement of cash flows. These interim summary consolidated financial statements are derived from the unaudited consolidated financial statements of The National Gas Company of Trinidad and Tobago Limited and its subsidiaries for the period ended 30 September 2021 prepared in accordance with International Financial Reporting Standards.