



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

Summary Consolidated Financial Statements for the Six Months Ended 30 June 2022

DIRECTORS' REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2022

The NGC Group of Companies (The Group) is pleased to report a solid financial performance for the first half of 2022, despite the continued economic disruptions from COVID-19 and other global factors. The Group recorded a profit of TT\$1.6B for the financial period ended 30 June 2022 as compared to a profit of TT\$437M in 2021, which represents a 260% increase. The Group's revenues of TT\$16.6B were TT\$7.1B greater than revenues of TT\$9.5B for the same period in 2021. The rebound in commodity prices positively impacted revenues and margins. Prices of Ammonia, Methanol, Liquefied Natural Gas and Natural Gas Liquids (NGLs) increased by 185%, 4%, 457% and 72% respectively.

The first half of 2022 was overshadowed by the invasion of Ukraine by Russia. The escalating conflict and ensuing trade embargos impacted energy supply in Europe, driving prices up. As a result, the 2021 trend of robust commodity prices has been maintained through this reporting period.

The Group has continued to focus on strengthening its business foundations and growing into new commercial areas. To guide its work programme, The Group completed and submitted to the Ministry of Energy and Energy Industries its new Strategic Plan to 2025. Internally, the Board approved a revised approach to the execution of Green Agenda initiatives across The Group, which will streamline efforts and maximise impact.

For the past six months, parent NGC has continued to work with upstream suppliers to achieve gas supply stability for its domestic customers. Shell and DeNovo announced first gas from their Colibri and Zandolie projects respectively, and other projects by

Touchstone and bpTT are on track to further bolster supply over the coming months. Additionally, the Company continues to work with all stakeholders to address molecular inefficiency in power generation. NGC also remained focused on asset integrity management and is preparing to conduct another asset integrity audit of its infrastructure later this year

On the downstream side, NGC signed an agreement with Proman to lift methanol cargoes from Methanol Holdings (Trinidad) Limited's (MHTL's) Point Lisas facilities, which will allow for the expansion of NGC's energy marketing and trading portfolio. A Gas Sales Contract was also signed with Trinidad Cement Limited (TCL) to support continued operations at its plants. With respect to the future of Atlantic, NGC continued to participate in discussions with the government and shareholders around unification, with negotiations now well-advanced.

Expansion of the business beyond Trinidad and Tobago has remained a top priority in 2022. Group member Phoenix Park Gas Processors Limited (PPGPL) acquired a new NGL terminal in Hull, Texas which opens access to markets in Mexico and the USA thereby diversifying the Company's income stream.

In the first half of 2022, The Group made important progress in advancing its Green Agenda. After joining the global Oil and Gas Methane Partnership (OGMP) in 2021, NGC submitted its first Upstream and Mid-Downstream Report for the 2021 reporting cycle. This report outlined the path the Company will be taking to reduce its methane emissions. Keen on accelerating industry-wide action, NGC also facilitated discussions between

the Ministry of Planning and the Point Lisas Energy Association to discuss mandatory reporting of GHG emissions. The Group's commitment to climate action was reinforced by a Memorandum of Understanding (MOU) signed with the Caribbean Community Centre for Climate Change (CCCCC), as well as a new partnership with Nutrien to look at improving food and nutrition security in the region. NGC also launched upgraded versions of its two digital energy education platforms – EnergySmarTT and CariGreen.

The achievements of The NGC Group in the first half of 2022 are indicative of the vision, talent and dedication of our people, who continue to deliver work on a hybrid basis. Their contributions are acknowledged with deep gratitude. Recognition must also be given to the Boards of Directors and leadership teams across The NGC Group, who have been working tirelessly at the helm to guide the business through turbulent times.

The Group remains optimistic about its revenue outlook for the rest of 2022. As its achievements for the first half of 2022 can attest, The Group is working successfully to evolve its business and will continue to pursue every opportunity to create value for the people of Trinidad and Tobago.

Dan Russell Ethan Martineau
Director

Howard A.W. Dottin
Director

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

(Expressed in Trinidad and Tobago dollars)

	UNAUDITED		AUDITED
	30-Jun-2022 \$'000	30-Jun-2021 \$'000	31-Dec-2021 \$'000
Assets			
Non-current assets	26,917,355	27,498,104	27,787,362
Current assets	16,712,282	11,766,333	14,173,151
Total assets	43,629,637	39,264,437	41,960,513
Equity and liabilities			
Share capital	1,855,266	1,855,266	1,855,266
Reserve fund	438,192	438,192	438,192
Other reserves	3,882,074	4,226,153	4,132,107
Retained earnings	16,939,521	13,327,421	15,626,460
Total equity attributable to owners of the parent	23,115,053	19,847,032	22,052,025
Non-controlling interest	2,679,578	2,563,900	2,654,861
Total equity	25,794,631	22,410,932	24,706,886
Non-current liabilities	11,217,463	11,938,948	11,596,832
Current liabilities	6,617,543	4,914,557	5,656,795
Total equity and liabilities	43,629,637	39,264,437	41,960,513

SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED 30 JUNE 2022

(Expressed in Trinidad and Tobago dollars)

	UNAUDITED		AUDITED
	30-Jun-2022 \$'000	30-Jun-2021 \$'000	31-Dec-2021 \$'000
Revenue	16,615,184	9,555,273	23,608,547
Profit before exceptional items, finance cost and share of associate	2,545,674	979,703	3,351,105
Exceptional items	467,711	99,165	1,660,043
Profit before finance cost and share of associate	3,013,385	1,078,868	5,011,148
Share of profit from associate	27,669	16,409	48,915
Finance cost	(112,514)	(95,668)	(201,132)
Profit before taxation	2,928,540	999,609	4,858,931
Taxation	(1,355,130)	(562,497)	(2,290,300)
Profit after taxation	1,537,410	437,112	2,568,631
Profit attributable to:			
- Owners of the parent	1,453,592	363,112	2,365,544
-Non-controlling interests	119,818	74,000	203,087
	1,573,410	437,112	2,568,631



**THE NATIONAL GAS COMPANY
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Summary Consolidated Financial Statements for the Six Months Ended 30 June 2022

SUMMARY CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2022

(Expressed in Trinidad and Tobago dollars)

	UNAUDITED		AUDITED
	30-Jun-2022 \$'000	30-Jun-2021 \$'000	31-Dec-2021 \$'000
Profit after taxation	1,573,410	437,112	2,568,631
Total other comprehensive (loss)/ profit, net of tax	(192,361)	22,505	447,661
Total comprehensive profit	1,381,049	459,617	3,016,292
Total comprehensive profit Attributable to:			
- Owners of the parent	1,263,028	387,881	2,812,720
- Non-controlling interests	118,021	71,736	203,572
	1,381,049	459,617	3,016,292

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2022

(Expressed in Trinidad and Tobago dollars)

	UNAUDITED		AUDITED
	30-Jun-2022 \$'000	30-Jun-2021 \$'000	31-Dec-2021 \$'000
Balance as at 1 January	24,706,886	22,073,573	22,073,573
Profit after taxation	1,573,410	437,112	2,568,631
Other comprehensive (loss)/ profit, net of tax	(192,361)	22,505	447,661
Total comprehensive profit	1,381,049	459,617	3,016,292
Dividends	(293,304)	(122,258)	(382,979)
Closing balance	25,794,631	22,410,932	24,706,886
Equity attributable to:			
- Owners of the parent	23,115,053	19,847,032	22,052,025
- Non-controlling interests	2,679,578	2,563,900	2,654,861
	25,794,631	22,410,932	24,706,886

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2022

(Expressed in Trinidad and Tobago dollars)

	UNAUDITED		AUDITED
	30-Jun-2022 \$'000	30-Jun-2021 \$'000	31-Dec-2021 \$'000
Cash flows from operating activities			
Profit before tax	2,928,540	999,609	4,858,931
Adjustment for non-cash items	324,775	260,203	(533,227)
Operating profit before working capital changes	3,253,315	1,259,812	4,325,704
Changes in working capital	297,395	(70,280)	(1,511,506)
Cash generated from operations	3,550,710	1,189,532	2,814,198
Taxation, interest and post-retirement contributions paid	(1,006,572)	(578,410)	(1,332,930)
Net cash generated from operating activities	2,544,138	611,122	1,481,268
Net cash (used in)/generated from investing activities	(1,546,009)	1,216,959	735,025
Net cash used in financing activities	(304,564)	(181,490)	(467,182)
Net increase in cash	693,565	1,646,591	1,749,111
Net foreign exchange differences	(5,578)	21,468	61,577
Cash at beginning of period	5,218,147	3,407,459	3,407,459
Cash at end of period	5,906,134	5,075,518	5,218,147

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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, profit or loss, other comprehensive income, changes in equity and 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 June 2022 prepared in accordance with International Financial Reporting Standards.



PHOENIX PARK
GAS PROCESSORS LIMITED



LA BREA INDUSTRIAL
DEVELOPMENT COMPANY LIMITED



Trinidad and Tobago NGL Limited



NGC CNG
Company Limited



CORPORATION OF TRINIDAD AND TOBAGO