

REPORT OF THE INDEPENDENT AUDITOR ON THE FINANCIAL HIGHLIGHTS

TO THE SHAREHOLDER OF TRINIDAD GENERATION UNLIMITED

Opinion

The financial highlights are derived from the audited financial statements of Trinidad Generation Unlimited for the year ended 31 December 2020.

In our opinion, the financial highlights are consistent, in all material respects, with the audited financial statements, on the basis described in Note 1.

Financial Highlights

The financial highlights do not contain all the disclosures required by International Financial Reporting Standards (“IFRSs”) applied in the preparation of the audited financial statements of Trinidad Generation Unlimited. Reading the financial highlights and the auditor’s report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor’s report thereon. The financial highlights and the auditor’s report thereon do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The Audited Financial Statements and Our Report Thereon

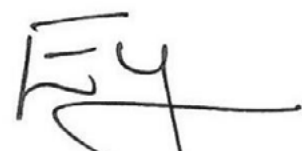
We expressed an unmodified audit opinion on the audited financial statements for the year ended 31 December 2020 in our report dated 29 January 2021. This report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the relevant period.

Management’s Responsibility for the Financial Highlights

Management is responsible for the preparation of the financial highlights on the basis described in Note 1.

Auditor’s Responsibility

Our responsibility is to express an opinion on whether the financial highlights 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.



Port of Spain
TRINIDAD:
17 May 2021

AUDITED FINANCIAL HIGHLIGHTS OF OPERATING RESULTS

For Year ended 31 December 2020

Expressed in United States Dollars (\$’000)

	Year ended 31 December 2020	Year ended 31 December 2019
Profit Before Taxation	40,851	38,233
Total Comprehensive Income	27,098	26,168
Total Assets	1,086,079	1,067,685
Total Liabilities	830,939	827,772
Total Equity	255,140	239,913
Bond Interest Expense	31,500	31,500
Dividend Declared & Paid	11,871	10,000
	Rating as at December 2020	Rating as at December 2019
Standard & Poor’s (S&P)	BB+	BBB-
Fitch Ratings	BB+	BBB-

Note 1

These financial highlights are prepared in accordance with criteria developed by management using information derived from the audited financial statements of Trinidad Generation Unlimited for the year ended 31 December 2020. These audited financial statements have been prepared in accordance with International Financial Reporting Standards. The audited financial statements are available on the Company’s website or the website of the Singapore Exchange.

CHAIRMAN’S STATEMENT

Trinidad Generation Unlimited (TGU) owns, operates and maintains a fuel-efficient 720-megawatt (MW) capacity combined-cycle gas-fired power plant located in the Union Industrial Estate, Vessigny, La Brea. The Company, initially a joint project of the AES Corporation and the Government of the Republic of Trinidad and Tobago (GORTT), is currently wholly owned by the GORTT through 100% ownership of its National Investment Fund Holding Company Limited (NIFHCL). NIFHCL has been set up to hold its investment in TGU together with its holdings of other publicly traded assets listed with the Trinidad and Tobago Stock Exchange.

For the year ended 31 December 2020, the power plant achieved an Equivalent Availability of 91.98%, just below its targeted 93%. In 2020, TGU suffered its first Lost Time Incident (LTI) since commencing commercial operations in 2011. The Company followed its Health, Safety and Environment (HSE) guidelines and took all steps to ensure the well-being of the affected persons. All affected personnel subsequently returned to work after recuperation. The Company’s highest priority continues to be the safety of our employees and stakeholders.

For the year ended 31 December 2020, the Company achieved a profit before tax of US\$41 million, while achieving a profit after tax of US\$27 million. In the year 2019, TGU attained profit before tax of US\$38 million and profit after tax of US\$26 million. Total assets as at 31 December 2020 amounted to US\$1.086 billion. Total equity amounted to US\$255 million as at 31 December 2020, which represented a US\$15 million increase when compared to equity as at 31 December 2019. This growth was driven by operating efficiencies over the period.

In November 2016, TGU issued its US\$600 million 144A RegS bond on the international financial market at a rate of 5.25%. The bond continues to be well viewed by investors with current trading values above par on both the 144A and RegS international markets. As at 31 December 2020, TGU’s bond has a remaining life of seven (7) years. To date, the Company has successfully paid in total, US\$126 million of interest to its bondholders. During 2020, coinciding with the international market decline in oil and gas prices and the outbreak of the COVID-19 pandemic, international ratings declined. The current international ratings are reflective of TGU being a sovereign linked entity and the Company’s importance to Trinidad and Tobago’s energy matrix and operational integration with the ultimate parent.

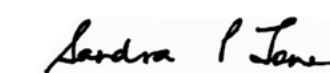
For the year 2020, TGU continued to enhance, its management framework and institutional strengthening activities resulting in growth and development in an environment of improving efficiencies and new technology. As a wholly owned subsidiary of the NIFHCL, as well as an issuer of a United States dollar (USD) denominated international bond, TGU remains fully cognizant of its role in the financial markets and its responsibilities to its shareholders and as a result, has commenced planning for the restructuring of the bond which becomes due for repayment beginning 2025.

TGU had performance accomplishments which were in alignment with its strategic objectives in the areas of Organisational Capacity, Internal Processes, Customer and Financial Stewardship. These included internal monitoring, auditing and compliance functions along with enhancements of the organisational structure and staffing to support these changes.

In 2020, the COVID-19 pandemic adversely affected Trinidad and Tobago and many other countries across the globe. TGU continues to be cognizant of this threat and has implemented precautionary measures to ensure the safety of our employees and minimise operational ramifications. The Company partnered with relevant authorities and key stakeholders to identify risks and implement responses to the pandemic. Operators and maintenance staff are on adjusted shift arrangements as required and all other personnel not directly involved in the operation or maintenance of the facility work remotely. These initiatives have ensured the continued safe and successful achievement of the Company’s primary performance targets.

The Company, through its Strategic Corporate Social Responsibility Objectives and Initiatives, also continued to support both its fenceline and national communities with various relief efforts that assisted in alleviating some of the challenges faced due to the COVID-19 pandemic. Employees of TGU rallied together to ensure that these initiatives were implemented through the Employee Volunteerism Programme, displaying the Company’s continuous commitment to its social responsibility.

I wish to express my appreciation to our customer Trinidad and Tobago Electricity Commission (T&TEC), the NIFHCL, our directors, employees, and all other stakeholders for their contributions towards the continuing growth and sustainability of Trinidad Generation Unlimited.



Chairman
Sandra Jones
17 May 2021