



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

Summary Consolidated Financial Statements for the Year Ended 31 December 2022

CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The NGC Group of Companies ("The Group") maintained its position of profitability in 2022, recording a profit after tax of \$2.38 billion. The figure was 5.2% lower than the restated 2021 profit of \$2.51 billion. Driving this profitability were two main factors: (1) high energy prices, in a year that was headlined by war and (2) global energy security concerns.

The European energy crisis, along with post-pandemic energy inventory issues, led commodity indices to register sharp surges relative to 2021. Ammonia markets – already squeezed by higher demand due to pandemic-driven, food security concerns – saw prices skyrocket with higher gas prices and reduced exports out of Russia. Natural Gas Liquid (NGL) prices climbed year-on-year. Methanol was the exception, with prices slightly lower due to weaker demand in Europe and Asia. As an integrated energy business invested throughout the natural gas value chain, and with commercial stakes in crude and energy commodity markets, The NGC Group was well positioned to capture value from the market movements of 2022 and allowed The Group to buffer revenues against external shocks and strengthen energy security across all territories served by the business.

The NGC Group continued to pursue its strategic growth objectives, to build a globally recognised, optimally resourced, integrated energy company. One of the main priorities was strengthening the core business. Parent company, The National Gas Company of Trinidad and Tobago Limited (NGC), took positive steps towards securing the stability of gas-based industries, completing key gas supply contract negotiations with upstream suppliers, including a milestone Gas Supply Contract with bp Trinidad and Tobago (bpTT). There was an intense focus on gas utilised in the power sector, with greater upstream technical collaboration led by NGC. The Manatee project was progressed through an important phase, as a Heads of Agreement was signed with Shell to commence joint modification of NGC's Beachfield Facility, to accommodate gas from that field. NGC also commenced construction of natural gas pipeline infrastructure to enable production from the Ortoire onshore block. On the downstream side, contract renewals continued, with a Gas Sales Contract signed with local cement manufacturer, CEMEX Trinidad Cement Limited (CEMEX TCL). NGC also signed an agreement with Proman to lift methanol cargoes from Methanol Holdings (Trinidad) Limited's (MHTL's) Point Lisas facilities, which will allow for growth of NGC's energy marketing and trading portfolio. In 2022, The Group recorded a milestone in its history of providing port and logistics support to downstream industry, with the La Brea Industrial Development Company Limited (LABIDCO) completing its first-ever ship-to-ship and ship-to-shore transshipment.

Positively on the LNG front, an Amended and Restated Heads of Agreement was signed between the Government of Trinidad and Tobago and Atlantic shareholders Shell, bpTT and NGC for the restructuring of the Atlantic facility. This will simplify commercial and operational conditions, allowing for third party access of gas and also give way for increased ownership in the LNG trains by NGC.


A second major focus was internationalisation of the brand and business. Phoenix Park Gas Processors Limited (PPGPL) acquired two foreign assets — a new NGL terminal in Hull, Texas and a propane terminal located in Rush City, Minnesota, expanding the Group's presence in North American markets. National Energy will be building on that global outreach, as it was appointed by the Government of Trinidad and Tobago to lead this country's export promotion of energy services, under the direction of the Ministry of Energy and Energy Industries (MEEI). Global growth is also being pursued via NGC's energy marketing and trading portfolio, which received a boost in 2022 with a new agreement to lift additional methanol cargoes from Point Lisas.

Sustainability continued to be high on the agenda. In 2022, subsidiary NGC CNG achieved the target set out in its founding mandate to support the introduction of 17,500 Natural Gas Vehicles (NGVs) into the domestic market. As at 31 December, a total of 17,536 NGVs had been introduced. Sales of CNG also increased by 25% over 2021, showing strong market growth.

After joining the global Oil and Gas Methane Partnership 2.0 (OGMP 2.0) in 2021, NGC submitted its first upstream and mid-downstream report for the 2021 reporting cycle and achieved the Gold Standard status of reporting for its declared commitments to reduce methane emissions by 2025. Later in 2022, the MEEI launched 'The Roadmap for a Green Hydrogen Economy in Trinidad and Tobago', which presented the findings of a study undertaken by National Energy, the Inter-American Development Bank (IDB) and KBR Inc., to assess the potential of Trinidad and Tobago to produce green hydrogen. To boost education around clean energy and sustainability, NGC launched the Inspire-to-Achieve (I2A) programme, which aims to open pathways for careers and entrepreneurship based on 'green' and sustainable economies.

Looking ahead, The Group remains keenly focused on strategies to grow its business, secure the long-term sustainability of domestic industry, and support national sustainable development targets. To achieve these goals, we will continue to lean on our dedicated Board of Directors, Executives, Management and staff. Our people must be acknowledged and commended for their collective enterprise and unwavering commitment to deliver value for company and country.

As we move forward, we are firmly set on a path of growth, and confident that every step we take will create value for the people of Trinidad and Tobago.


Dr. Joseph Ishmael Khan
Chairman

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the shareholder of The National Gas Company of Trinidad and Tobago Limited

Our opinion

In our opinion, the accompanying summary consolidated financial statements of The National Gas Company of Trinidad and Tobago Limited (the Company), and its subsidiaries (together 'the Group') are consistent, in all material respects, with the audited consolidated financial statements, on the basis described in Note 1.

The summary consolidated financial statements

The Group's summary consolidated financial statements derived from the audited consolidated financial statements for the year ended 31 December 2022 comprise:

- the summary consolidated statement of financial position as at 31 December 2022;
- the summary consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the summary consolidated statement of changes in equity for the year then ended;
- the summary consolidated statement of cash flows for the year then ended; and
- the related notes to the summary consolidated financial statements.

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the consolidated summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

The audited consolidated financial statements and our audit report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 2 January 2024. We have determined that there are no key audit matters to communicate in our report.

Responsibilities of management and those charged with governance for the summary consolidated financial statements

Management is responsible for the preparation of the summary consolidated financial statements on the basis described in Note 1.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised), 'Engagements to Report on Summary Financial Statements'.



Port of Spain
Trinidad, West Indies
2 January 2024



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

Summary Consolidated Financial Statements for the Year Ended 31 December 2022

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

(Expressed in Trinidad and Tobago dollars)

	2022 \$'000	Restated 2021 \$'000	Restated 01-Jan-2021 \$'000
Assets			
Non-current assets	24,895,607	26,945,886	26,912,226
Current assets	16,249,865	14,173,152	10,452,158
Total assets	41,145,472	41,119,038	37,364,384
Equity and liabilities			
Share capital	1,855,266	1,855,266	1,855,266
Reserve fund	438,192	438,192	438,192
Other reserves	3,340,189	4,130,329	4,241,314
Retained earnings	16,575,427	14,611,277	12,074,505
Total equity attributable to owners of the parent	22,209,074	21,035,064	18,609,277
Non-controlling interest	2,208,578	2,248,146	2,102,746
Total equity	24,417,652	23,283,210	20,712,023
Non-current liabilities	11,747,413	12,179,032	12,921,231
Current liabilities	4,980,407	5,656,796	3,731,130
Total equity and liabilities	41,145,472	41,119,038	37,364,384

Chairman

Director

SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in Trinidad and Tobago dollars)

	2022 \$'000	Restated 2021 \$'000
Revenue	33,398,855	23,608,547
Profit before exceptional items, finance cost and share of associates	5,425,455	3,606,156
Exceptional items	56,948	1,534,059
Profit before finance cost and share of associate	5,482,403	5,140,215
Share of profit from associates	15,213	48,915
Finance cost	(417,710)	(401,529)
Profit for the year before taxation	5,079,906	4,787,601
Taxation	(2,698,174)	(2,280,784)
Profit for the year after taxation	2,381,732	2,506,817
Profit attributable to:		
- Owners of the parent	2,257,953	2,308,474
- Non-controlling interests	123,779	198,343
	2,381,732	2,506,817

SUMMARY CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in Trinidad and Tobago dollars)

	2022 \$'000	Restated 2021 \$'000
Profit for the year after taxation	2,381,732	2,506,817
Total other comprehensive (loss)/profit for the year, net of tax	(726,578)	447,350
Total comprehensive income for the year	1,655,154	2,954,167
Total comprehensive income for the year Attributable to:		
- Owners of the parent	1,533,913	2,755,339
- Non-controlling interests	121,241	198,828
	1,655,154	2,954,167

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in Trinidad and Tobago dollars)

	2022 \$'000	Restated 2021 \$'000
Balance as at 1 January	23,283,210	20,712,023
Profit for the year after taxation	2,381,732	2,506,817
Revaluation reserve	(457,338)	126,200
Other comprehensive (loss)/ profit for the year, net of tax	(269,240)	321,150
Total comprehensive profit for the year	1,655,154	2,954,167
Dividends	(520,712)	(382,980)
Balance as at 31 December	24,417,652	23,283,210
Equity attributable to:		
- Owners of the parent	22,209,074	21,035,064
- Non-controlling interests	2,208,578	2,248,146
	24,417,652	23,283,210



Summary Consolidated Financial Statements for the Year Ended 31 December 2022

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in Trinidad and Tobago dollars)

	2022 \$'000	Restated 2021 \$'000
Cash flows from operating activities		
Profit before tax	5,079,906	4,787,601
Adjustment for non-cash items	1,737,410	(478,521)
Operating profit before working capital changes	6,817,316	4,309,080
Changes in working capital	(1,969,994)	(1,511,606)
Cash generated from operations	4,847,322	2,797,474
Taxation, interest and post retirement contributions paid	(2,824,335)	(1,332,930)
Net cash generated from operating activities	2,022,987	1,464,544
Net cash (used)/generated from investing activities	(629,417)	735,025
Net cash used in financing activities	(540,773)	(467,182)
Net increase in cash and cash equivalents	852,797	1,732,387
Net foreign exchange differences	10,460	78,301
Cash and cash equivalents beginning of year	5,218,147	3,407,459
Cash and cash equivalents end of year	6,081,404	5,218,147

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 consolidated financial statements of The National Gas Company of Trinidad and Tobago Limited for the year ended 31 December, 2022 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 2 of the 31 December, 2022 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, 2022.

3. Currency

All monetary amounts are stated in Trinidad and Tobago dollars.

