



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

Summary Consolidated Financial Statements for the Year Ended 31 December 2023

CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

Despite 2023 being a year of significant global challenges and shifting market conditions, The NGC Group has demonstrated its resilience and adaptability within a rapidly evolving energy landscape. We remain steadfast in our vision of becoming a recognised global leader in sustainable energy-related businesses, dedicated to delivering long-term value to the people and economy of Trinidad and Tobago and leading the transition to a low-carbon future.

Financial Review

For the financial year ended 31 December 2023, The NGC Group ("The/the Group") recorded a profit before tax of TT\$24 million and a net loss after tax of TT\$1.3 billion. This outcome reflects the impact of a sharp reduction in international energy commodity prices, and a one-time, non-cash impairment charge of TT\$1.5 billion for goodwill.

This impairment adjustment was recorded in accordance with International Financial Reporting Standards (IFRS) to ensure that the Group assets are not carried at a value greater than its recoverable amount, particularly considering reduced gas volumes and global declines in ammonia, methanol and liquefied natural gas prices. In 2023, average ammonia prices decreased by 59%, methanol prices fell by 20% and liquefied natural gas prices fell by 68% compared to 2022 levels. These significant price reductions led to a TT\$14.3 billion, or 42% year-over-year decrease in revenue, with gross profit ultimately reduced by TT\$4 billion to TT\$2.4 billion for 2023.

It is important to note that the impairment charge is non-cash and the Group's financial position remains strong. Excluding this one-time adjustment, the Group's underlying performance remains strong, with an adjusted pre-tax profit of TT\$1.86 billion, despite the challenging global market dynamics.

Strategic Update

Amid these global challenges, the Group remains committed to our 2021-2025 Strategic Plan, centred on resilience, sustainability, and national economic value for the people and economy of Trinidad and Tobago. This is evidenced by the Group's 2023 contribution of TT\$2.02 billion in taxes and dividends to the Government of the Republic of Trinidad and Tobago.

Strategic initiatives in 2023 focused on optimising core operations, strengthening partnerships with upstream gas suppliers, and improving both operational efficiency and organisational effectiveness to support the sustainability of Trinidad and Tobago's domestic petrochemical and wider energy sectors. Key accomplishments included resolving historical gas curtailment claims and implementing rigorous contract management practices that bolster our commitment to reliable energy supply and stable operational performance.

The Group's sustainability agenda advanced significantly in 2023, aligning with both national and global low-carbon goals. We continued to prioritise the development of a diversified portfolio of clean energy assets locally and

internationally, increasing our focus on renewable energy projects and exploring new gas supply sources within Trinidad and Tobago and the wider region. Noteworthy achievements include the extension of the Shell Trinidad and Tobago Limited Domestic Gas Supply Contract to incorporate Manatee gas, increasing our shareholding in Atlantic LNG, and acquiring a 20% non-operating interest in Venezuela's Dragon Field. This growth strategy, grounded in a disciplined capital allocation approach, is designed to optimise returns, mitigate risks, and ensure long-term resilience and balance sheet stability.

Our sustainability efforts also reflect a comprehensive commitment to environmental stewardship and climate resilience. Initiatives such as our reforestation project, the introduction of Trinidad and Tobago's first low exhaust tug and expanding accessibility to cleaner transport fuels are just some examples of the Group's commitment to environmental stewardship.

In 2023, NGC registered significant achievements in emissions reduction, climate mitigation, and adaptation. Through its proactive methane mitigation programme, aligned with OGMP 2.0, and its robust Asset Integrity Management (AIM) campaign, NGC is driving down methane emissions with ambitious targets set for 2025:

- 75% reduction in routine venting emissions
- 50% reduction in fugitive emissions
- 25% reduction in total methane emissions for operated assets

To this end, NGC achieved a 21% methane reduction from routine venting and fugitive sources, cutting emissions from 16.98 to 13.43 thousand tonnes of CO₂e and meeting nearly half of its 2025 venting target.

NGC also strengthened its decarbonisation efforts with the establishment of NGC Green, a new subsidiary focused on renewable energy and sustainable transportation. Through its equity stake in the Brechin Castle Solar Project, a 92 MW solar farm poised to become the Caribbean's largest, NGC is positioned to drive forward Trinidad and Tobago's renewable energy goals by 2030. On the adaptation front, NGC launched the Climate Adaptation and Resilience Portal (CARP) to provide stakeholders with data and resources for proactive climate action. Additionally, under the 'Beyond 315' initiative, NGC will partner with the Institute of Marine Affairs on a mangrove restoration programme, enhancing biodiversity, flood resilience, and carbon capture for local communities.

Our focus on ensuring the Group's sustainability is further strengthened by our commitment to safety, corporate responsibility, and community engagement. The importance of the health, safety, and security of our employees and the communities we serve extends far beyond our direct operations and are reinforced through our carbon management strategies that align with national carbon neutrality goals. Additionally, our investments in future-ready capabilities, such as technical skills development

and the integration of advanced technologies, enable us to manage risks effectively in a dynamic energy environment and lay the foundation for a resilient, sustainable future.

Looking Ahead

As we look to the future, we are cautiously optimistic, supported by a solid foundation and a clear vision for sustainable growth. The Group is focused on optimising and expanding our asset base, enhancing operational efficiency, and advancing our clean energy portfolio. Among these initiatives is our further acquisition of a 20% participating interest in the cross-border Cocuina field in Venezuela, a 30% operating interest in the Brechin Castle Solar Project, the formation of NGC Green, and our other announced strategic step in regional collaboration and energy security.

Our journey forward will be guided by disciplined capital allocation, innovation, and sustainable practices. The Board and leadership teams are confident in the Group's ability to transform recent challenges into avenues for growth, ensuring that we remain at the forefront of energy in Trinidad and Tobago and a recognised leader in the global energy sector.

Conclusion

I would like to acknowledge the invaluable contribution of NGC's now retired President, Mr. Mark Loquan, who steered the Company through its most challenging periods. His leadership laid a strong foundation for future sustainability, and we wish him the very best in his retirement.

I also extend my gratitude to my fellow Board members and the entire NGC Group for their resilience and commitment in overcoming challenges and driving progress. Their dedication strengthens our mission in advancing Trinidad and Tobago's energy sector.

Additionally, I offer my sincere appreciation to the Minister of Energy and Energy Industries, the Honourable Stuart Young, SC, MP, and the Ministry of Energy and Energy Industries, for their unwavering support and visionary leadership in steering the nation's energy sector towards sustainability and resilience. Together, we will continue to drive the energy sector forward for the benefit of Trinidad and Tobago and its people.

Dr. Joseph Ishmael Khan
Chairman



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

Summary Consolidated Financial Statements for the Year Ended 31 December 2023

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 2023 comprise:

- the summary consolidated statement of financial position as at 31 December 2023;
- the summary consolidated statement of profit or loss for the year then ended;
- the summary consolidated statement of 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 IFRS Accounting 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 16 September 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'.

PricewaterhouseCoopers

Port of Spain
Trinidad, West Indies
1 October 2024

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

(Expressed in Trinidad and Tobago dollars)

	2023 \$'000	2022 \$'000
Assets		
Non-current assets	21,379,043	24,895,607
Current assets	15,773,331	16,249,865
Total assets	37,152,374	41,145,472
Equity and liabilities		
Share capital	1,855,266	1,855,266
Reserve fund	438,192	438,192
Other reserves	2,985,823	3,340,189
Retained earnings	15,755,104	16,575,427
Total equity attributable to owners of the parent	21,034,385	22,209,074
Non-controlling interest	1,410,671	2,208,578
Total equity	22,445,056	24,417,652
Non-current liabilities	10,887,622	11,747,413
Current liabilities	3,819,696	4,980,407
Total equity and liabilities	37,152,374	41,145,472

Chairman

Director

SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in Trinidad and Tobago dollars)

	2023 \$'000	2022 \$'000
Revenue	19,079,889	33,398,855
Cost of sales	(16,724,719)	(27,040,612)
Gross profit	2,355,170	6,358,243
Profit before goodwill charge and share of associates	1,856,007	5,102,869
Goodwill charge	(1,502,931)	(38,176)
Share of (loss)/profit from associates	(328,859)	15,213
Profit before taxation	24,217	5,079,906
Taxation	(1,327,534)	(2,698,174)
(Loss)/profit for the year after taxation	(1,303,317)	2,381,732
(Loss)/profit attributable to:		
- Owners of the parent	(517,969)	2,257,953
- Non-controlling interests	(785,348)	123,779
	(1,303,317)	2,381,732

Summary Consolidated Financial Statements for the Year Ended 31 December 2023

SUMMARY CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in Trinidad and Tobago dollars)

	2023 \$'000	2022 \$'000
(Loss)/profit for the year after taxation	(1,303,317)	2,381,732
Total other comprehensive loss for the year, net of tax	(84,025)	(726,578)
Total comprehensive (loss)/income for the year	(1,387,342)	1,655,154
Total comprehensive (loss)/income for the year Attributable to:		
- Owners of the parent	(595,479)	1,533,913
- Non-controlling interests	(791,863)	121,241
	(1,387,342)	1,655,154

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in Trinidad and Tobago dollars)

	2023 \$'000	2022 \$'000
Balance as at 1 January	24,417,652	23,283,210
(Loss)/profit for the year after taxation	(1,303,317)	2,381,732
Revaluation reserve	(102,666)	(457,338)
Other comprehensive income/(loss) for the year, net of tax	18,641	(269,240)
Total comprehensive (loss)/income for the year	(1,387,342)	1,655,154
Dividends	(585,254)	(520,712)
Balance as at 31 December	22,445,056	24,417,652
Equity attributable to:		
- Owners of the parent	21,034,385	22,209,074
- Non-controlling interests	1,410,671	2,208,578
	22,445,056	24,417,652

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in Trinidad and Tobago dollars)

	2023 \$'000	2022 \$'000
Cash flows from operating activities		
Profit before tax	24,217	5,079,906
Adjustment for non-cash items	2,240,750	1,737,410
Operating profit before working capital changes	2,264,967	6,817,316
Changes in working capital	(1,518,284)	(1,969,994)
Cash generated from operations	746,683	4,847,322
Taxation, interest and post retirement contributions paid	(1,278,750)	(2,824,335)
Net cash (used in)/generated from operating activities	(532,067)	2,022,987
Net cash generated from/(used in) investing activities	298,621	(629,417)
Net cash used in financing activities	(618,819)	(540,773)
Net (decrease)/increase in cash and cash equivalents	(852,265)	852,797
Net foreign exchange differences	20,272	10,460
Cash and cash equivalents beginning of year	6,081,404	5,218,147
Cash and cash equivalents end of year	5,249,411	6,081,404

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

- 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, 2023 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, 2023 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, 2023.
- 3. Currency.** All monetary amounts are stated in Trinidad and Tobago dollars.