

## Summary Financial Statements For the Year Ended 30 September 2023

(Expressed in Thousands of Trinidad and Tobago Dollars)



### Chairman's Report

On behalf of the Board of Directors, I am pleased to present the 2023 Audited Financial Report of Paria Fuel Trading Company Limited ("Paria"), which demonstrates continued solid financial performance. Paria's successful 2023 performance was achieved in a market environment defined by periods of market volatility for refined products. These market conditions amplified the need for prudent and efficient cash management together with meeting the demands of our customers.

Paria was able to navigate these circumstances while continuing to deliver on its strategic mandate to provide a competitive supply of products to the local and regional markets and consistently maintain a reliable and uninterrupted fuel supply. While the market continues to be unpredictable, Paria remains focused on the risk of supply and margins which include increasing freight cost, and tight supply. The market environment is projected to continue to be volatile with distillate product supply forecasted to be tight, requiring prudent strategies for the purchase and sale of liquid fuels.

### Financial Performance

For the twelve-month period ending September 30th, 2023, Paria recorded TT \$10.6 billion (FY 2022: TT \$14.1 billion) in revenue which is a decrease of over 24% over prior year, driven by lower volumes in the regional market and decreasing prices on the international market. Despite this reduction in revenue, Paria was able to earn an EBITDA of TT \$844.5million (FY 2022: TT \$614.5 million), an increase of 37% from the previous year. Effective cost management measures and operational efficiencies enabled the Company to generate a profit for the year of TT \$451 million (FY 2022: TT \$257 million) which was an increase over the previous year of 75%. Cash balances at the end of the period were TT \$914.4 million, with cash flows generated from operating activities of TT \$136.9 million. This performance, along with the prior years' success, allowed the Company to make payments of Corporation Tax and Green Fund Levy of TT \$954 million from the startup of operations on December 01st, 2018 up to September 30th, 2023.

Further details are available on our Audited Financial Statements available at <http://trinidadpetroleum.co.tt/investor-relations/financial-statements>

These results were accomplished whilst ensuring that:

- Our local market was adequately supplied with fuel. Of the total 12.2 million (2022: 15.2 million) barrels of product sold, 7.4 million (2022: 7.3 million) barrels or 61.0%, were supplied to the local market for the twelve months period ending September 30th, 2023. Paria continues to aggressively pursue expanding its Regional and Bunker business lines.
- The Company continues to provide a reliable logistics function for the export of the crude produced by Heritage Petroleum Company Limited ("Heritage"). Of the throughput handled by the port of 37.8 million (2022: 44.6 million) barrels during this fiscal year, 14.0 million (2022: 13.9 million) barrels or 37% was crude oil from Heritage.
- Continuous investment to improve the mechanical integrity of our terminalling assets and port facilities to maintain a safe and efficient supply of fuel to our customers. For the twelve-month period ended September 30th, 2023, expenditure on capital projects was TT \$30.6 million (2022: TT\$18.7 million). This investment involved the restoration of storage tanks, pipelines, and upgrades to safety and emergency response systems including firefighting and other integrated systems.
- Safety and Reliability:** The Company continues to improve all its procedures and systems to ensure a safe and reliable supply of fuel to its customers. To achieve these objectives there was considerable focus placed on enhancements to our control of work systems and restoring assets integrity by integrating a process safety management system and culture throughout the business. The Company also continues to collaborate with its stakeholders on improving safety on the site through contractor safety forums, leadership

visits and training.

- Operations and Maintenance:** To support the efforts for asset refurbishment, the maintenance (Preventative/Predictive/Corrective) strategy centers around projects -namely: -
  - Tank cleaning and refurbishment - (220,000 bbls additional capacity).
  - Process Piping Change-out/fabric maintenance including sealines and Main Viaduct piping (approx. 3 km).
  - Electrical works and Switchgear and Instrumentation upgrades to key substations
  - Pump Repairs and Change-outs as required (new Fuel Oil and HS Gas Oil pumps).
  - Repairs to Fire Suppression Systems.
  - Civil infrastructure
    - Shoreline Protection - engineering works.
    - Enhancing bunding systems at the site

While these activities underpinned our projects, the Company has also significantly improved its routine and preventative maintenance regimes thereby maintaining high reliability and safety of its operations.

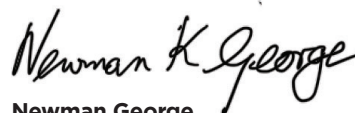
- Corporate Social Responsibility (CSR):** At Paria, we believe that corporate social responsibility (CSR) is integral to our success and the well-being of the communities we serve. By investing in the education, health, and environmental sustainability of our fence-line communities, we create a positive impact that extends far beyond our operations. Our CSR initiatives, such as financial literacy programs and partnerships with leading local NGOs such as Arrive Alive, Pennacool.com and WizdomCRM, empower the next generation to thrive. By supporting education, we equip young people with the skills they need to secure better opportunities and build a brighter future. The programs impacted over ten (10) schools within our fence-line.

Our commitment to environmental stewardship, demonstrated through tree-planting initiatives and promoting self-sufficiency in food production, helps ensure a sustainable future for the communities we touch. These efforts not only contribute to a healthier environment but also foster a sense of community pride and ownership. In partnership with the SURE Foundation, Paria helped distribute 50,000 seedlings to ten schools, reaching approximately 2500 students within our fence-line communities.

The Company and its employees together with its stakeholders will continue with its strategies of working with Tier 1 NGOs to positively impact the fence-line communities. As a Company, we are respected by our customers and suppliers because of the manner in which we conduct our business coupled with the professionalism of our people.

Looking ahead the Board of Directors and Management will continue its focus on cost optimization and business efficiency, underscored by sound HSE principles. To meet the needs of emerging markets Paria has also embarked on marketing and pilot projects which include in its portfolio bunkering both methanol and biofuels. In addition, the investment programme in the assets has focused on building redundancy, and capacity to capture opportunities for growth and business expansion.

The Board of Directors and Management wish to thank the staff and look forward to their continued commitment in the upcoming years in continuing to make Paria a successful business.



**Newman George**  
Chairman

# Summary Financial Statements For the Year Ended 30 September 2023

(Expressed in Thousands of Trinidad and Tobago Dollars)

## Independent Auditor's Report

TO THE SHAREHOLDER OF PARIYA FUEL TRADING COMPANY LIMITED

### Report on the Audit of the Summary Financial Statements

#### Opinion

The summary financial statements, which comprise the summary statement of financial position as at 30 September 2023, the summary statement of comprehensive income, summary statement of changes in equity and summary statement of cash flows for the year then ended and related notes, are derived from the audited financial statements of Paria Fuel Trading Company Limited (the "Company") for the year ended 30 September 2023.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, on the basis described in Note 2. In addition to the summary financial statements and our auditor's report thereon, the summary financial statements contain other information that consists of the Chairman's report.

#### Summary Financial Statements

The summary financial statements do not contain all the disclosures required by the International Financial Reporting Standards (IFRS). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and auditor's report thereon. The summary financial statements and the audited financial statements 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 opinion on the audited financial statements in our report dated 21 March 2024.

#### Other information included in the Company's 2023 Summary Financial Statements

In addition to the summary financial statements and our auditor's report thereon, the summary financial statements contain the other information. Management is responsible for the other information. Our opinion on the summary financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.


In connection with our audit of the summary financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the summary financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with IFRSs.

#### Auditor's Responsibilities for the Audit of the Summary Financial Statements

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


  
Port of Spain,  
TRINIDAD:  
21 March 2024


## SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023

(Expressed in Thousands of Trinidad and Tobago Dollars)

	2023 \$	2022 \$
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property plant and equipment	710,691	835,733
Right of use assets	65,756	25,220
Deferred tax assets	149,455	112,259
<b>Total non-current assets</b>	<u>925,902</u>	<u>973,212</u>
<b>Current assets</b>		
Inventories	832,559	1,019,104
Trade and other receivables	512,026	596,475
Due from related parties	911,733	1,552,635
Cash and cash equivalents	914,423	836,982
<b>Total current assets</b>	<u>3,170,741</u>	<u>4,005,196</u>
<b>Total assets</b>	<u>4,096,643</u>	<u>4,978,408</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Stated capital	-	-
Retained earnings	1,211,330	759,832
Currency translation differences	(1,772)	2,700
<b>Total equity</b>	<u>1,209,558</u>	<u>762,532</u>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Decommissioning provision	815,814	801,883
Lease liabilities	20,833	21,020
Deferred tax liabilities	47,316	48,724
<b>Total non-current liabilities</b>	<u>883,963</u>	<u>871,627</u>
<b>Current liabilities</b>		
Trade and other payables	651,641	818,544
Due to related parties	1,263,661	2,137,854
Taxation payable	41,265	382,905
Lease liabilities	46,555	4,946
<b>Total current liabilities</b>	<u>2,003,122</u>	<u>3,344,249</u>
<b>Total liabilities</b>	<u>2,887,085</u>	<u>4,215,876</u>
<b>Total equity and liabilities</b>	<u>4,096,643</u>	<u>4,978,408</u>

On 21 March 2024, the Board of Directors of Paria Fuel Trading Company Limited authorised these summary financial statements for issue.

  
Director

  
Director

## Summary Financial Statements For the Year Ended 30 September 2023

(Expressed in Thousands of Trinidad and Tobago Dollars)

### SUMMARY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2023

(Expressed in Thousands of Trinidad and Tobago Dollars)

	2023 \$	2022 \$
Revenue from contracts with customers	10,614,235	14,102,327
Cost of sales	<u>(9,704,231)</u>	<u>(13,047,923)</u>
<b>Gross profit</b>	910,004	1,054,404
Administrative expenses	38,634	(249,286)
Operating expenses	<u>(267,225)</u>	<u>(267,231)</u>
<b>Operating profit</b>	681,413	537,887
Net finance costs	<u>(35,800)</u>	<u>(26,374)</u>
<b>Profit before taxation</b>	645,613	511,513
<b>Taxation</b>	<u>(194,115)</u>	<u>(254,156)</u>
<b>Profit for the year</b>	<u>451,498</u>	<u>257,357</u>
<b>Other comprehensive loss</b>		
<i>Items that would not be reclassified to profit or loss</i>		
Currency translation differences	<u>(4,472)</u>	<u>(1,184)</u>
<b>Total comprehensive income for the year</b>	<u>447,026</u>	<u>256,173</u>

### SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2023

(Expressed in Thousands of Trinidad and Tobago Dollars)

	Stated capital \$	Retained earnings \$	Currency translation differences \$	Total \$
<b>Year ended 30 September 2023</b>				
Balance at 1 October 2022	-	759,832	2,700	762,532
Profit for the year	-	451,498	-	451,498
Other comprehensive loss for the year	<u>-</u>	<u>-</u>	<u>(4,472)</u>	<u>(4,472)</u>
Total comprehensive income for the year	<u>-</u>	<u>451,498</u>	<u>(4,472)</u>	<u>447,026</u>
<b>Balance at 30 September 2023</b>	<u>-</u>	<u>1,211,330</u>	<u>(1,772)</u>	<u>1,209,558</u>
<b>Year ended 30 September 2022</b>				
Balance at 1 October 2021	-	502,475	3,884	506,359
Profit for the year	-	257,357	-	257,357
Other comprehensive loss for the year	<u>-</u>	<u>-</u>	<u>(1,184)</u>	<u>(1,184)</u>
Total comprehensive income for the year	<u>-</u>	<u>257,357</u>	<u>(1,184)</u>	<u>256,173</u>
<b>Balance at 30 September 2022</b>	<u>-</u>	<u>759,832</u>	<u>2,700</u>	<u>762,532</u>

### SUMMARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2023

(Expressed in Thousands of Trinidad and Tobago Dollars)

	2023 \$	2022 \$
<b>Operating activities</b>		
Profit before taxation	645,613	511,513
<i>Adjustments to reconcile profit to net cash from operating activities</i>		
Depreciation	163,127	76,571
Finance costs, net	35,800	26,374
<i>Net change in operating assets and liabilities</i>		
Decrease/(increase) in inventory	185,545	(489,425)
Decrease/(increase) in trade and other receivables	84,449	(129,224)
Decrease/(increase) in due from related parties	640,902	(815,648)
(Decrease)/increase in trade and other payables	(166,903)	176,905
(Decrease)/increase in due to related parties	(874,193)	936,030
Taxes paid	(576,000)	(30)
Finance costs paid, net	<u>(1,424)</u>	<u>(175)</u>
<b>Net cash generated from operating activities</b>	<u>136,916</u>	<u>292,891</u>
<b>Investing activity</b>		
Purchase of property, plant and equipment	<u>(30,587)</u>	<u>(18,702)</u>
<b>Net cash used in investing activity</b>	<u>(30,587)</u>	<u>(18,702)</u>
<b>Financing activity</b>		
Lease payments	<u>(33,174)</u>	<u>(29,496)</u>
<b>Net cash used in financing activity</b>	<u>(33,174)</u>	<u>(29,496)</u>
Currency translation differences	<u>4,286</u>	<u>(1,596)</u>
<b>Net increase in cash and cash equivalents</b>	77,441	243,097
<b>Cash and cash equivalents, at the beginning of the year</b>	<u>836,982</u>	<u>593,885</u>
<b>Cash and cash equivalents, at the end of the year</b>	<u>914,423</u>	<u>836,982</u>



# Summary Financial Statements For the Year Ended 30 September 2023

(Expressed in Thousands of Trinidad and Tobago Dollars)

## NOTES TO THE SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 1. Incorporation and principal activity

Paria Fuel Trading Company Limited ("Paria" or "the Company") was incorporated in the Republic of Trinidad and Tobago on 5 October 2018 and is domiciled in the Republic of Trinidad and Tobago. Paria is primarily engaged in importation and distribution of refined fuel, petroleum products trading and receiving, handling and preparation of cargo (terminalling). The sole shareholder is Trinidad Petroleum Holdings Limited (TPHL). The ultimate parent is the Government of the Republic of Trinidad and Tobago (GORTT). The registered office is 9 Queen's Park West, Port of Spain, Trinidad and Tobago, West Indies.

Prior to Paria's formation, its terminalling activities were conducted by a related party, Petroleum Company of Trinidad and Tobago Limited (Petrotrin). Petrotrin undertook a restructuring in 2018 and by virtue of the Miscellaneous Provisions (Heritage Petroleum Company Limited (Heritage), Paria Fuel Trading Company Limited (Paria), Guaracara Refining Company Limited (Guaracara) Vesting) Bill, 2018, ("Vesting Act"); effective 1 December 2018, Petrotrin's assets relative to terminalling operations were vested in Paria. Petrotrin's assets related to exploration and production and refinery operations were vested to Heritage and Guaracara respectively. The associated decommissioning and dismantlement obligations in respect of terminalling, E&P and refining operations were also transferred to the respective entities. As a result of the transfers of assets and liabilities, this gave rise to a corresponding liability to Petrotrin. The carrying amounts of the assets and liabilities were accounted for using the predecessor valuation method because they arose from a common-control transaction.

### 2. Basis of preparation

Management has prepared a full set of financial statements in accordance with the International Financial Reporting Standards but has summarized it by disclosing the statement of financial position, statement of comprehensive income, changes in equity and cash flows for the year ended 30 September 2023 and select notes to the summary financial statements comprising certain significant accounting policies and other explanatory information. The summary financial statements are expressed in thousands of Trinidad and Tobago Dollars. The full set of the audited financial statements are available at <http://trinidadpetroleum.co.tt/investor-relations/financial-statements>.

The summary financial statements have been extracted from the audited financial statements for the year ended 30 September 2023 and do not include the accounting policies notes that are contained in the audited financial statements.

#### Going concern

In accordance with IAS 1 "Presentation of Financial Statements", the 2023 financial statements have been prepared on a going concern basis. The going concern basis assumes the Company will be able to meet its legal and financial obligations. The validity of the going concern basis is dependent on finances being available for the continuing working capital requirements of the Company for the foreseeable future, being a period of at least twelve months from the reporting date of the financial statements.

The ongoing operations of the Company are dependent on its ability to utilise effectively its cash reserves and the Directors recognize that the continuing operations of the Company requires the optimisation of planned activities to preserve cash.

### 3. Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The United States dollar is the Company's functional currency. The summary financial statements are presented in Trinidad and Tobago dollars, rounded to the nearest thousand, which is the Company's presentation currency.

### 4. Use of estimates and judgements

The preparation of these summary financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where the assumptions and estimates are significant to the summary financial statements are disclosed within the audited financial statements.

### 5. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these summary financial statements are consistent with those disclosed in the audited financial statements as at and for the year ended 30 September 2023.

### 6. Contingent liabilities

#### (a) Guarantees

The Company (as well as Heritage and Guaracara) were Guarantors of the parent company's, (TPHL's) senior secured and unsecured debt obligations which were refinanced during the year, in May 2022 (Note 2).

In May 2022, TPHL together with Heritage successfully concluded a refinancing exercise for TPHL's existing debt. The refinancing included a cash tender offer by Heritage for any and all of TPHL's US\$570.265 million 2026 Notes, the issue of new 2029 Notes by Heritage, as well as a consent solicitation for certain proposed amendments to the Indenture and other applicable security documents governing TPHL's 2026 Notes and the 2029 Notes. The tender offer expired on 24 May 2022. 94.2% of the Holders of TPHL's 2026 Notes accepted the tender offer and the consent solicitation was secured for the proposed amendments.

Concurrent with the tender offer, Heritage also raised new debt in the international capital market and closed a Term Loan Credit Agreement on terms that allow for more operational flexibility for Heritage. Proceeds from this new debt, together with Heritage's own cash were used to redeem the principal amounts outstanding on TPHL's 2026 Notes and the TPHL Term Loan respectively. Part proceeds from the Heritage Term Loan were also used for other corporate purposes.

#### Heritage Debt

Effective 12 May 2022, the following debt instruments were recorded in Heritage's books.

- (i) US\$500 million 7-years bullet Bond at a 9% p.a fixed coupon rate. Interest on this bond is payable semi-annually in arrears in February and August of each year, with the first interest payment due on 12 February 2023. The principal is payable at maturity on 12 August 2029.
- (ii) US\$475 million 7-years floating rate Term Loan. Interest is payable quarterly in arrears. There is a one (1) year moratorium on principal with non-linear amortizations commencing in June 2023 and quarterly thereafter. The Term Loan Credit Agreement was executed on 5 May 2022 and the facility matures on 5 May 2029.

TPHL and Paria are Guarantors on Heritage's loan agreements. Senior lenders have a priority security interest under New York law and/or Trinidad and Tobago law as applicable over certain of the assets of Heritage, TPHL and Paria including equipment and fixtures, inventory and receivables.

Heritage together with the Guarantors are required to comply with covenants under the Agreements. As of 30 September 2023, there was compliance with these covenants including:

## Summary Financial Statements For the Year Ended 30 September 2023

(Expressed in Thousands of Trinidad and Tobago Dollars)

### NOTES TO THE SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

(Expressed in Thousands of Trinidad and Tobago Dollars) (Continued)

#### 6. Contingent liabilities (continued)

##### (a) Guarantees (continued)

##### Heritage Debt (continued)

- (i) Heritage is required to maintain a Debt Service Reserve Account with a Bank, which as of any date of determination must satisfy a Debt Service Reserve Requirement consisting of interest and additional amounts (other than principal), if any, and all letter of credit fees, if applicable, in each case, scheduled to become due and payable on the senior secured obligations during the three (3) consecutive months succeeding such date of determination. As at 30 September 2023, this requirement was satisfied.
- (ii) At least 70% of Heritage's net revenues from the sale of product, as defined in the Agreements, must be paid into a Collection Account held with a Bank and there are no restrictions over use of these funds except in the case of a collateral event of default under the Master Collateral and Intercreditor Agreement. As at 30 September 2023, there has been no collateral event of default.
- (iii) There are a number of affirmative covenants, which are usual and customary for financing of this nature. These include notices to lenders upon occurrence of certain events, provision of periodic financial information, maintenance of Collateral and compliance with applicable laws.
- (iv) There are a number of negative covenants, including restrictions on the ability of the Borrower (Heritage) and the Guarantors to create liens, limitations on additional indebtedness, dividends and/or restricted payments, limitations surrounding capital expenditure and investments, transactions with Affiliates (including Petrotrin and Guaracara), negative pledges, financial ratio compliance requirements and conditions for mandatory prepayments.
- (v) Events of default include, subject to certain exceptions and grace periods, non-payment, material inaccuracy of representations and warranties, breach of covenants, bankruptcy and insolvency, cross default in respect of certain financial indebtedness exceeding US\$25 million, inability to pay debt as it becomes due, and local government exchange controls that could have a material adverse effect. Other usual and customary events of default consistent with financing of this nature are also defined in the loan documents.

As a guarantor on HPCL's Senior secured loan, Paria is also required to comply with the following conditions:

- (i) Days Sales outstanding (DSO) defined as receivables outstanding at quarter end divided by gross sales or revenue for the quarter multiplied by number of days in the quarter shall not exceed one hundred and twenty days (120) days.
- (ii) Provision of the Company's aged receivables by region and sales for the quarter by product and dollar value.

(iii) Year end audited financial statements must be submitted to the Lenders within 180 days of the financial year end.

(iv) To undertake and complete the environmental, compliance, reclamation and remediation programs set forth in the Heritage Report and the Paria Report, as applicable, on or before the date that is five (5) years after the Effective Date, that is no later than 12 May 2027.

##### b) Incident at Berth #6

On 25 February 2022, there was an incident at #36 Sealine Berth #6 owned by the Company, involving five contractor employees from LMCS Limited. LMCS Limited was contracted to perform maintenance work on #36 Sealine and while undertaking that work an event occurred which resulted in all five contractor employees entering the 30" pipeline. One contractor employee was rescued, and four contractor employees died in the incident.

The Government established a Commission of Enquiry ("CoE") to investigate the circumstances that led to the tragic incident which occurred on 25 February 2022.

The evidential hearings of the CoE were concluded on 13 January 2023. The CoE submitted a report on 30 November 2023 to the President of the Republic of Trinidad and Tobago. It was subsequently laid in Parliament and sent to the Director of Public Prosecution for consideration.

The Occupational Safety and Health Authority and Agency ("OSHA") filed Complaints against the Company and the contractor at the Industrial Court on 15 January 2024 relative to the incident.

Any financial and other related implications will only be known on completion of these investigations and the issuance of the related reports.