NATIONAL ENTERPRISES LIMITED

2021 Condensed Financial Statements

As at 30 September 2021

CHAIRMAN'S STATEMENT

For the period ended September 30, 2021, National Enterprises Limited (NEL) recorded total comprehensive income of $848 Million. This represents a significant increase in performance when compared to the loss of $107 Million for the comparative period ending September 30, 2020. This turnaround has been primarily driven by an increase in the fair market value of NEL's portfolio of investee companies of $816 Million over the period. Dividend income also increased in the comparative period year over year by $1.2 Million or 34%.

Significant gains in the fair value of Trinidad Nitrogen Company Limited (194%) accompanied by solid growth by NGC NGL Company Limited (13%) and Pan West Engineers and Constructors LLC. (13%) reflect the strong turnaround in commodity prices and sales, as world markets recover from the impact of the Covid-19 pandemic, as well as increased supply of natural gas and energy demand in key commercial and industrial sectors locally. Surging energy prices are expected to trend for the foreseeable short and mid-term periods consistent with an outlook of upward trajectory. In the meantime, NEL's non-energy sector investment portfolio also continues to maintain strong performance with the emphasis on operational efficiency, cost savings and innovative solutions to meet rising supply chain challenges and general market uncertainty.

As we look forward to the next twelve months having changed our fiscal year-end from March 31 to September 30, we face the prospect of a sustained turnaround in the value of our portfolio companies in the same way that we tackled the reality of falling commodity prices and reduced gas supply with the onset of the Covid-19 pandemic. We will continue our efforts to diversify and transform our portfolio of investee companies to build with assets that consistently deliver balance and value on a sustained basis for the long-term. This means decisive actions focused on the restructuring of our portfolio targeting the markets that promote growth and profitability, combined with prudent management of expenses. Our goal remains delivering consistent dividend income and increased value that will redound to the benefit of our shareholders.

In light of our commitment to our Shareholders, the Board of NEL has declared an interim dividend payment of $0.03 per share for Shareholders on record as at November 24, 2021 to be paid on December 15, 2021.

Ingrid L-A Lashley
Chairman
12 November 2021

CONDENSED STATEMENT OF FINANCIAL POSITION

	Unaudited Six Months Ended 30 September 2021 $ '000	Unaudited Six Months Ended 30 September 2020 $ '000	Audited Year Ended 31 March 2021 $ '000
Assets			
Investment in subsidiaries	471,656	409,240	490,815
Investment in joint venture and associates	2,133,900	1,552,048	1,287,060
Property, plant and equipment	672	389	682
Other non-current assets	328,760	403,395	401,754
Total non-current assets	2,934,988	2,365,072	2,180,311
Current assets	140,023	24,649	47,801
Total assets	3,075,011	2,389,721	2,228,112
Equity			
Stated capital	1,736,632	1,736,632	1,736,632
Investment remeasurement reserve	16,422	16,422	16,422
Translation reserve	63,866	63,866	63,866
Retained earnings	1,255,051	570,225	407,267
Total equity attributable to equity shareholders	3,071,971	2,387,145	2,224,187
Liabilities			
Current liabilities	3,040	2,576	3,925
Total liabilities	3,040	2,576	3,925
Total equity and liabilities	3,075,011	2,389,721	2,228,112

Director _____ Director _____
Ingrid L-A Lashley Navin Rajkumar

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Share Capital ($ '000)	Transition Reserve ($ '000)	Investment Remeasure-ment Reserve $ '000	Retained Earnings ($ '000)	Total Equity ($ '000)
Six months ended 30 September 2021					
Balance as at 1 April 2021	1,736,632	63,866	16,422	407,267	2,224,187
Total comprehensive income for the year	-	-	-	847,784	847,784
Balance as at 30 September 2021	**1,736,632**	**63,866**	**16,422**	**1,255,051**	**3,071,971**
Year ended 31 March 2021					
Six months ended 30 September 2020					
Balance as at 1 April 2020	1,736,632	63,866	16,422	677,698	2,494,618
Total comprehensive income for the year	-	-	-	(107,472)	(107,472)
Balance as at 30 September 2020	**1,736,632**	**63,866**	**16,422**	**570,226**	**2,387,146**
Year ended 31 March 2021					
Balance as at 1 April 2020	1,736,632	63,866	16,422	677,698	2,494,618
Total comprehensive loss for the year	-	-	-	(270,431)	(270,431)
Balance as at 31 March 2021	**1,736,632**	**63,866**	**16,422**	**407,267**	**2,224,187**

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Six Months Ended 30 September 2021 $ '000	Unaudited Six Months Ended 30 September 2020 $ '000	Audited Year Ended 31 March 2021 $ '000
Dividend income	4,183	3,113	25,969
Other income	2,460	3,853	7,308
Operating expenses	(1,956)	(1,401)	(4,993)
Operating profit	4,687	5,565	28,284
Gain/(loss) on fair value revaluation on investments	843,385	(112,337)	(296,934)
Profit/(loss) before tax	848,072	(106,772)	(268,650)
Tax expense	(288)	(702)	(1,781)
Total comprehensive income/(loss)	847,784	(107,474)	(270,431)

CONDENSED STATEMENT OF CASHFLOWS

	Unaudited Six Months Ended 30 September 2021 $ '000	Unaudited Six Months Ended 30 September 2020 $ '000	Audited Year Ended 31 March 2021 $ '000
OPERATING ACTIVITIES			
Net Profit/(loss) before taxation	848,072	(106,772)	(268,650)
Depreciation	93	50	137
Other non-cash movements	(843,385)	112,337	296,910
	4,780	5,615	28,397
Net change in operating assets and liabilities:			
Net change in accounts receivables	1,217	1,073	530
Net change in accounts payables	(884)	(345)	1,004
Net change in related parties	(55)	(162)	(613)
	5,058	6,181	29,318
Taxation paid	(908)	(614)	(1,354)
Cash generated from operating activities	4,150	5,567	27,964
INVESTING ACTIVITIES			
Change in long-term investments	88,752	521	1,453
Purchase of fixed assets	(84)	-	(380)
Cash generated from investing activities	88,668	521	1,073
Net change in cash resources	92,818	6,088	29,037
Net cash resources at beginning of year	45,324	16,287	16,287
Net cash resources at end of year*	**138,142**	**22,375**	**45,324**

Notes to the Condensed Financial Statements

For the six months ended 30 September 2021.

1. Basis of Preparation

These interim financial statements are prepared in accordance with International Accounting Standards (IAS 34 *Interim Financial Reporting*). They do not include all of the information required for full annual financial statements and should be read in conjunction with the audited financial statements for the year ended 31 March 2021. These condensed interim financial statements have not been audited and were approved by the Board of Directors on 9 November 2021.

2. Summary of Significant Accounting Policies

The accounting policies in these unaudited condensed interim financial statements are consistent with those applied in the audited financial statements for the year ended 31 March 2021.