NATIONAL ENTERPRISES LIMITED

2023 Condensed Financial Statements

For the 6-month period ended 31 March 2023

Chairman's Statement for the 6-month Period Ended 31 March 2023

For the 6-month period ended 31 March 2023, National Enterprises Limited (NEL) has recorded a net profit of $447.5 Million versus $1.2 Billion for the comparative period in 2022. NEL's performance is driven by a cumulative unrealized fair value increase of $68.9 Million in its investee portfolio companies, as well as dividend income of $376.9 Million compared to $9.5 Million in the comparative period of 2022.

Material increases in fair value in NGC NGL Company Limited (NGC NGL) (100%), Pan West Engineers and Constructors LLC (Pan West) (118%) and NEL Power Holdings Limited (NPHL) (16%) year over year, have been offset with a reduction in fair value for Trinidad Nitrogen Limited (Tringen) (26%). The global realignment of ammonia prices resulting from lower market price and increased supply, combined with continued volatility in the energy markets is expected to continue in the short term. However, the projected local forecast of natural gas supply is expected to mitigate this period of market adjustment for our energy portfolio companies. Our non-energy portfolio companies continue demonstrating resilience with innovative and productive measures yielding progressive results and value.

We stay focused on creating and delivering value to our shareholders and continue the work of ensuring sustainable returns for our shareholders and stakeholders alike.

Ingrid L-A Lashley
Chairman
12 May 2023

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Unaudited As at 31-Mar-23 $ '000	Unaudited As at 31-Mar-22 $ '000	Audited As at 30-Sep-22 $ '000
Assets			
Investment in subsidiaries	404,378	433,357	387,934
Investment in joint venture and associates	3,093,785	3,374,076	3,037,307
Property, plant and equipment	628	583	499
Other non-current assets	370,677	360,695	342,771
Total non-current assets	3,869,468	4,168,711	3,768,511
Current assets	396,370	118,532	271,445
Total assets	4,265,838	4,287,243	4,039,956
Equity			
Share capital	1,736,632	1,736,632	1,736,632
Remeasurement reserve	16,422	16,422	16,422
Translation reserve	63,866	63,866	63,866
Retained earnings	2,444,504	2,466,705	2,219,026
Total equity attributable to equity shareholders	4,261,424	4,283,625	4,035,946
Liabilities			
Current liabilities	4,414	3,618	4,010
Total liabilities	4,414	3,618	4,010
Total equity and liabilities	4,265,838	4,287,243	4,039,956

Director _____ Ingrid L-A Lashley

Director _____ Howard Dottin

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2023

	Share Capital $'000	Translation Reserve $'000	Remeasurement Reserve $'000	Retained Earnings $'000	Total Equity $'000
For the 6-month period ended 31 March 2023					
Balance as at 1 October 2022	1,736,632	63,866	16,422	2,219,026	4,035,946
Total comprehensive income for the period	-	-	-	447,478	447,478
Dividends paid	-	-	-	(222,000)	(222,000)
Balance as at 31 March 2023	**1,736,632**	**63,866**	**16,422**	**2,444,504**	**4,261,424**
For the 6-month period ended 31 March 2022					
Balance as at 1 October 2021	1,736,632	63,866	16,422	1,255,051	3,071,970
Total comprehensive income for the period	-	-	-	1,229,654	1,229,654
Dividends paid	-	-	-	(18,000)	(18,000)
Balance as at 31 March 2022	**1,736,632**	**63,866**	**16,422**	**2,466,705**	**4,283,625**
For the 18-month period ended 30 September 2022					
Balance as at 1 April 2021	1,736,632	63,866	16,422	407,268	2,224,188
Total comprehensive income for the period	-	-	-	1,979,758	1,979,758
Dividends paid	-	-	-	(168,000)	(168,000)
Balance as at 31 March 2021	**1,736,632**	**63,866**	**16,422**	**2,219,026**	**4,035,946**

CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTH PERIOD ENDED 31 MARCH 2023

	Unaudited Six Months Ended 31-Mar-23 $ '000	Unaudited Six Months Ended 31-Mar-22 $ '000	Audited 18 Months Ended 30-Sep-22 $ '000
Dividend income	376,961	9,464	296,431
Other income	5,266	3,075	9,734
Operating expenses	(1,028)	(3,379)	(8,761)
Operating profit for the period	381,199	9,160	297,404
Fair value movement	68,967	1,221,404	1,685,865
Profit before tax	450,166	1,230,564	1,983,269
Tax expense	(2,688)	(910)	(3,511)
Total comprehensive income for the period	447,478	1,229,654	1,979,758

STATEMENT OF CASH FLOWS FOR THE 6 MONTH PERIOD ENDED 31 MARCH 2023

	Unaudited 6 Months Ended 31-Mar-23 ($ '000)	Unaudited 6 Months Ended 31-Mar-22 ($ '000)	Audited 18 Months Ended 30-Sep-22 ($ '000)
OPERATING ACTIVITIES			
Net profit before taxation	450,166	1,230,564	1,983,269
Adjustment for non-cash items:			
Depreciation	104	101	296
Other non-cash movements	(68,967)	(1,221,404)	(1,685,574)
	381,303	9,261	297,991
Net change in operating assets and liabilities:			
Net change in accounts receivables and prepayments	(155,391)	(2,345)	(17,078)
Net change in accounts payables and accruals	290	(175)	85
Net change in related parties	(117)	199	682
	226,085	6,940	281,680
Taxation paid	(2,290)	(170)	(3,623)
Cash generated from operating activities	223,795	6,770	278,057
INVESTING ACTIVITIES			
Net change in other financial assets	31	(85,637)	(24,065)
Purchase of fixed assets	(233)	(12)	(112)
Cash generated from investing activities	(202)	(85,649)	(24,177)
FINANCING ACTIVITES			
Dividends paid	(222,000)	(18,000)	(168,000)
Cash used by financing activities	(222,000)	(18,000)	(168,000)
Net change in cash resources	1,593	(96,879)	85,880
Net cash resources at beginning of period	131,204	138,143	45,324
Net cash resources at end of period	132,797	41,264	131,204

Notes to the Condensed Financial Statements as at 31 March 2023

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 18 month period ended 30 September 2022. These condensed interim financial statements have not been audited and were approved by the Board of Directors on 12 May 2023.

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 18 month period ended 30 September 2022.