NATIONAL ENTERPRISES LIMITED

2024

Condensed Financial Statements

Ended December 31, 2023

Chairman's Statement for the Period Ended December 31, 2023

For the first quarter of the financial year ending September 30, 2024, National Enterprises Limited (NEL) recorded a net profit of $52 Million (2022: $203 Million). The notable difference in income from the comparative period of the previous financial year is a marked decrease (271%) in dividend income (three-months ended December 31, 2022: $201.3 Million versus 2023: $53.8 Million).

Despite this decline in dividend income, income from investments surpassed the performance of the previous year's comparative quarter by 83%, increasing from $2.3 Million in the quarter ended December 31, 2022 to $4.2 Million in 2023. The increase in NEL's investment income is attributable to the ability of the company to benefit from the current interest rate climate. We expect this to be an important element in targeted strategic investments needed to counter cyclical market fluctuations.

The surging ammonia prices that we experienced in calendar 2022 have given way to market corrections and persistent volatility in calendar 2023. Consistent with the fluctuations in global commodity prices, dividend income from Trinidad Nitrogen Company Limited (Tringen) reflected a 274% decline from $200 Million in 2022 to $52 Million in 2023. NEL's net cash position of $275 Million has, however, increased 13% from the prior financial year ended September 30, 2023. The favourable cash position is the result of prudent management of prior dividends that exceeded expectations.

The economic outlook for growth in Trinidad and Tobago for 2024 is cautiously optimistic. Recovery is anticipated to be gradual but broad-based. In the same vein, we expect that the strength and resilience demonstrated by our strategic portfolio and investments will ensure a comprehensive and well-balanced return for our shareholders in this financial year 2024.

Ingrid L-A Lashley
Chairman
February 6, 2024

CONDENSED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 31-Dec-23 $ '000	Unaudited as at 31-Dec-22 $ '000	Audited Year ended 30-Sep-23 $ '000
Assets			
Investment in subsidiaries	445,818	387,934	445,818
Investment in joint venture and associates	2,156,593	3,037,307	2,156,593
Property, plant and equipment	460	447	514
Other non-current assets	370,378	343,979	363,560
Total non-current assets	**2,973,249**	**3,769,667**	**2,966,485**
Current assets	363,934	474,825	318,443
Total assets	**3,337,183**	**4,244,492**	**3,284,928**
Equity			
Share 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	1,371,997	2,314,105	1,463,923
Total equity attributable to equity shareholders	**3,188,917**	**4,131,205**	**3,280,843**
Liabilities			
Current liabilities	148,266	113,467	4,085
Total liabilities	148,266	113,467	4,085
Total equity and liabilities	**3,337,183**	**4,244,492**	**3,284,928**

Director _____ Ingrid L-A Lashley

Director _____ Howard Dottin

STATEMENT OF CHANGES IN EQUITY

	Share Capital $'000	Investment Remeasurement Reserve $'000	Translation Reserve $'000	Retained Earnings $'000	Total Equity $'000
For the three-month period ended October 31, 2023					
Balance as at October 1, 2023	1,736,632	16,422	63,866	1,463,923	3,280,843
Total comprehensive income for the period	-	-	-	52,074	52,074
Dividends accrued	-	-	-	(144,000)	(144,000)
Balance as at December 31, 2023	**1,736,632**	**16,422**	**63,866**	**1,371,997**	**3,188,917**
For the year ended September 30, 2023					
Balance as at October 1, 2022	1,736,632	16,422	63,866	2,219,027	4,035,947
Total comprehensive loss for the year	-	-	-	(455,104)	(455,104)
Dividends paid	-	-	-	(300,000)	(300,000)
Balance as at September 30, 2023	**1,736,632**	**16,422**	**63,866**	**1,463,923**	**3,280,843**
For the three-month period ended December 31, 2022					
Balance as at October 1, 2022	1,736,632	16,422	63,866	2,219,027	4,035,947
Total comprehensive income for the period	-	-	-	203,078	203,078
Dividends accrued	-	-	-	(108,000)	(108,000)
Balance as at December 31, 2022	**1,736,632**	**16,422**	**63,866**	**2,314,105**	**4,131,025**

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited As at 31-Dec-23 $ '000	Unaudited As at 31-Dec-22 $ '000	Audited Year Ended 30-Sep-23 $ '000
Dividend income	53,864	201,299	382,740
Other income	4,225	2,330	11,739
Foreign exchange movements	(1,849)	740	2,175
Operating expenses	(1,470)	(1,210)	(5,078)
Operating profit	54,770	203,159	391,306
Change in fair value of assets	(1,309)	2,672	(841,905)
Profit before tax expense	53,461	205,831	(450,599)
Tax expense	(1,387)	(2,753)	(4,505)
Total comprehensive income/(loss)	52,074	203,078	(455,104)

STATEMENT OF CASH FLOWS

	Unaudited As at 31-Dec-23 ($ '000)	Unaudited As at 31-Dec-22 ($ '000)	Audited Year Ended 30-Sep-23 ($ '000)
OPERATING ACTIVITIES			
Net profit before taxation	53,461	205,831	(450,599)
Adjustment for non-cash items:			
Depreciation	55	51	218
Other non-cash movements	1,309	(2,673)	841,605
	54,825	203,209	391,224
Net change in operating assets and liabilities:			
Net change in accounts receivables and prepayments	(1,830)	15,233	16,868
Net change in accounts payables and accruals	182	1,454	75
Net change in related parties	(354)	34	237
	52,823	219,930	408,404
Taxation paid	(715)	(2,267)	(4,956)
Cash generated from operating activities	52,108	217,663	403,448
INVESTING ACTIVITIES			
Net change in other financial assets	(19,641)	1,613	8,149
Purchase of fixed assets	(7)	-	(233)
Cash generated from investing activities	(19,648)	1,613	7,916
FINANCING ACTIVITES			
Dividends paid	-	-	(300,000)
Cash used by financing activities	-	-	(300,000)
Net change in cash resources	32,460	219,276	111,364
Net cash resources at beginning of period/year	242,568	131,204	131,204
Net cash resources at end of period/year	275,027	350,480	242,568

Notes to the Condensed Financial Statements as at December 31, 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 year ended September 30, 2023. These condensed interim financial statements have not been audited and were approved by the Board of Directors on February 6, 2024.

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 September 30, 2023.