



NATIONAL FLOUR MILLS LIMITED AND ITS SUBSIDIARY

UNAUDITED RESULTS AS AT JUNE 30, 2025 (Presented in thousands of Trinidad and Tobago Dollars).

CHAIRMAN'S REVIEW

Dear Shareholders

The global environment remained volatile in Q2, with ongoing trade tensions and shifting tariff policies continuing to impact supply chains worldwide. In response, National Flour Mills Limited (NFM) has strengthened its operational resilience by further optimising its business processes while prequalifying alternative suppliers and maintaining strategic inventory levels to safeguard continuity and cost stability.

The second quarter of 2025 marked another period of solid progress for NFM. We recorded a Net Profit after Tax of \$22.8 million, a 11% increase over the \$20.5 million achieved in Q2 2024. Revenues rose to \$260 million from \$253 million in the prior year, supported by improvements in gross profit margins and ongoing cost control initiatives. Gross profit climbed to \$82 million, up from \$71 million in Q2 2024, reflecting better operational efficiency and product mix.

On April 1, 2025, NFM transitioned to a new Enterprise Resource Planning (ERP) platform. While this change introduced some short-term disruptions in service to our customers, we are already seeing the benefits of end-to-end digital integration. This new capability enhances our ability to connect with customers, manage our supply chain with greater agility, and build a more responsive and data-driven organisation.

During the quarter, we proudly relaunched our iconic Ibis brand and introduced Ibis Bakers Flour – a premium flour offering that meets the evolving needs of our baking partners and home consumers. This product expansion reinforces our commitment to quality, innovation, and local relevance.

As part of our mission to ensure the region's food security, we remain resolute in sourcing our raw material inputs in the best possible way. We continue to balance cost-efficiency with our uncompromising standards on food safety and quality, recognising our responsibility to the people of Trinidad and Tobago and the wider Caribbean.

I take this opportunity to thank the Management and Staff of NFM for their dedication and effort during this transformative period, as well as my fellow directors for their continued guidance and support. Together, we remain focused on delivering long-term value to all our stakeholders.


Sincerely,
Ashmeer Mohamed
Chairman

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | UNAUDITED SIX MONTHS ENDED 30-Jun-25 \$'000 | 30-Jun-24 \$'000 | AUDITED 31-Dec-24 \$'000 |
|---|--|---------------------|--------------------------------|
| ASSETS | | | |
| <i>Current Assets</i> | | | |
| Cash and cash equivalents | 34,683 | 51,571 | 37,245 |
| Accounts receivable and prepayments | 121,137 | 94,665 | 92,152 |
| Amounts due from the GORTT | 5,436 | - | 2,094 |
| Inventories | 94,463 | 79,664 | 84,667 |
| Restricted deposit | 1,604 | 1,598 | 1,604 |
| Taxation recoverable | 4,264 | 4,266 | 4,264 |
| | <u>261,587</u> | <u>231,764</u> | <u>222,026</u> |
| <i>Non-current assets</i> | | | |
| Retirement benefit asset | 22,703 | 15,190 | 20,162 |
| Investment at fair value through OCI | 4,641 | 866 | 4,641 |
| Right of use asset | 3,085 | 3,850 | 3,371 |
| Property, plant and equipment | 220,166 | 176,385 | 204,907 |
| Intangible assets | 654 | 1,176 | 915 |
| Deferred tax assets | <u>15,081</u> | <u>13,384</u> | <u>15,081</u> |
| | <u>266,330</u> | <u>210,851</u> | <u>249,077</u> |
| Total assets | <u>527,917</u> | <u>442,615</u> | <u>471,103</u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| <i>Current liabilities</i> | | | |
| Accounts payable and accruals | 81,781 | 49,179 | 45,110 |
| Amount due to the GORTT | 62 | 90 | 62 |
| Current portion of lease liabilities | 2,378 | 2,378 | 1,031 |
| Taxation payable | - | - | 4,287 |
| Due to related parties (ESOP advanced funding) | - | 76 | - |
| | <u>84,198</u> | <u>51,723</u> | <u>50,490</u> |
| <i>Non-current liabilities</i> | | | |
| Deferred taxation | 46,570 | 37,874 | 46,570 |
| Medical and Life Assurance Plan | 41,019 | 38,982 | 39,632 |
| Lease liabilities | <u>3,677</u> | <u>3,512</u> | <u>4,908</u> |
| | <u>91,266</u> | <u>80,368</u> | <u>91,110</u> |
| Shareholders' equity | | | |
| Stated capital | 120,200 | 120,200 | 120,200 |
| Treasury shares | (3,319) | (4,189) | (3,319) |
| Retained earnings | 237,440 | 196,381 | 214,490 |
| Other reserves | <u>(1,868)</u> | <u>(1,868)</u> | <u>(1,868)</u> |
| Total equity | <u>352,453</u> | <u>310,524</u> | <u>329,503</u> |
| Total liabilities and shareholders' equity | <u>526,917</u> | <u>442,615</u> | <u>471,103</u> |

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Stated Capital \$'000 | Treasury Shares \$'000 | Retained Earnings \$'000 | Other Reserves \$'000 | Total \$'000 |
|--|-----------------------------|------------------------------|--------------------------------|-----------------------------|-----------------|
| Balance as at January 1, 2025 | 120,200 | (3,319) | 214,490 | (1,868) | 329,503 |
| Profit/(loss) for the period | - | - | 22,838 | - | 22,838 |
| Other movements | - | - | 112 | - | 112 |
| Balance as at June 30, 2025 | 120,200 | (3,319) | 237,440 | (1,868) | 352,453 |
| Balance as at January 1, 2024 | 120,200 | (4,189) | 175,805 | (1,868) | 289,948 |
| Profit/(loss) for the period | - | - | 20,531 | - | 20,531 |
| Transactions with owners of the Company: | | | | | |
| Dividends declared | - | - | - | - | - |
| Other movements | - | - | 45 | - | 45 |
| Balance as at June 30, 2024 | 120,200 | (4,189) | 196,380 | (1,868) | 310,523 |
| Balance as at January 1, 2024 | 120,200 | (4,189) | 175,805 | (1,868) | 289,948 |
| Profit for the year | - | - | 44,182 | - | 44,182 |
| Loss on revaluation of treasury shares | - | 870 | - | - | 870 |
| Gain on investment at fair value through OCI | - | - | 3,775 | - | 3,775 |
| Re-measurement of retirement benefit asset and medical and life assurance plan, net of tax | - | - | 2,837 | - | 2,837 |
| Other movements | - | - | (89) | - | (89) |
| Transactions with owners of the Group: | | | | | |
| Dividends declared | - | - | (12,020) | - | (12,020) |
| Balance as at December 31, 2024 | 120,200 | (3,319) | 214,490 | (1,868) | 329,503 |

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2025

1. Basis of Preparation

The summary interim consolidated financial statements are prepared in accordance with criteria developed by management. Under management's established criteria, management discloses the interim summary consolidated statement of financial position, interim consolidated statement of comprehensive income, interim summary consolidated statement of changes in equity and interim summary consolidated statement of cash flows. These interim summary consolidated financial statements are derived from the unaudited consolidated financial statements of National Flour Mills Limited and its subsidiary for the period June 30, 2025 prepared in accordance with International Financial Reporting Standards.

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | UNAUDITED SIX MONTHS ENDED 30-Jun-25 \$'000 | 30-Jun-24 \$'000 | AUDITED 31-Dec-24 \$'000 |
|--|--|---------------------|--------------------------------|
| Revenue | 260,074 | 253,312 | 523,405 |
| Cost of sales | <u>(178,255)</u> | <u>(182,329)</u> | <u>(362,231)</u> |
| Gross profit | 81,819 | 70,983 | 161,174 |
| Selling and distribution expenses | (26,284) | (21,459) | (49,431) |
| Administrative expenses | (28,713) | (26,150) | (53,819) |
| Other operating income | 2,843 | 3,171 | 6,427 |
| Operating profit/(loss) | 29,665 | 26,545 | 64,351 |
| Finance cost | (753) | (505) | (1,452) |
| Profit/(loss) before taxation | 28,912 | 26,040 | 62,899 |
| Taxation | <u>(6,074)</u> | <u>(5,509)</u> | <u>(18,717)</u> |
| Profit/(loss) after taxation | 22,838 | 20,531 | 44,182 |
| Other comprehensive income/(loss): | | | |
| <i>Items that will never be reclassified to profit or loss</i> | | | |
| Re-measurement of retirement benefit asset | - | - | 5,231 |
| Re-measurement of medical and life assurance plan | - | - | (1,179) |
| Changes to deferred taxes related to remeasurements | - | - | (1,215) |
| Gain/(loss) on investment at fair value through OCI | - | - | 3,775 |
| (Loss)/gain on revaluation of treasury shares | - | - | 870 |
| Other comprehensive (loss)/income, net of tax | - | - | 7,482 |
| Total comprehensive income/(loss) for the period | <u>22,838</u> | <u>20,531</u> | <u>51,664</u> |
| Basic earnings per share (in cents) | 19.34 | 17.39 | 37.42 |

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

| | UNAUDITED SIX MONTHS ENDED 30-Jun-25 \$'000 | 30-Jun-24 \$'000 | AUDITED 31-Dec-24 \$'000 |
|---|--|---------------------|--------------------------------|
| Cash flows from operating activities | | | |
| Profit/(loss) before taxation | 28,912 | 26,040 | 62,899 |
| Adjustments for: | | | |
| Depreciation | 6,888 | 9,148 | 15,557 |
| Amortisation | 547 | 711 | 1,450 |
| Lease interest expense | 115 | 174 | 250 |
| Interest and finance costs | 363 | (90) | 181 |
| Interest Income | (48) | (5) | (50) |
| Dividend income | (1) | (158) | (159) |
| Gain or loss on foreign exchange | 274 | 45 | 1,021 |
| (Loss)/gain on revaluation of treasury shares | - | - | 870 |
| Retirement benefit expense | - | - | 5,347 |
| Medical plan expense | - | 2,078 | 3,307 |
| Retirement benefit asset contributions paid | (2,541) | (2,623) | (7,711) |
| Medical and life assurance plan contributions paid | 1,387 | (548) | (2,306) |
| Provision for doubtful accounts | <u>(600)</u> | <u>600</u> | <u>(1,401)</u> |
| Operating profit before working capital changes | 35,296 | 35,372 | 79,255 |
| Changes in working capital: | | | |
| (Increase)/decrease in accounts receivable and prepayments | (30,161) | (4,441) | (7,592) |
| (Increase)/decrease in inventories | (9,740) | 51,407 | 46,404 |
| Increase/(decrease) in accounts payable and accruals | 36,648 | 8,115 | 3,970 |
| Increase/decrease in amounts due to/from GORTT | <u>(3,342)</u> | <u>(195)</u> | <u>(2,317)</u> |
| Taxes refunded (VAT) | - | - | 7,665 |
| Cash generated from operating activities | 28,701 | 90,258 | 127,385 |
| Interest paid | (363) | 90 | (1,291) |
| Taxes paid | <u>(8,802)</u> | <u>(14,410)</u> | <u>(17,548)</u> |
| Net cash generated from operating activities | 19,536 | 75,938 | 108,546 |
| Cash flows from investing activities | | | |
| Increase in restricted deposits | - | - | (6) |
| Disposal of fixed asset | - | 10 | 18 |
| Sale of investments | - | - | 4 |
| Purchase of property, plant and equipment | <u>(22,147)</u> | <u>(16,790)</u> | <u>(51,728)</u> |
| Dividend income | 1 | 158 | 159 |
| Interest received on investments | 48 | 5 | 50 |
| Purchase of intangible assets | - | <u>(350)</u> | <u>(350)</u> |
| Net cash used in investing activities | <u>(20,098)</u> | <u>(16,967)</u> | <u>(51,853)</u> |
| Cash flows from financing activities | | | |
| Borrowings repaid | - | (25,000) | (25,000) |
| Dividends paid | - | - | (12,020) |
| Lease liability repaid | - | <u>(705)</u> | <u>(733)</u> |
| Net cash (used in)/generated from financing activities | - | <u>(25,705)</u> | <u>(37,753)</u> |
| Net change in cash and cash equivalents | (2,562) | 33,266 | 18,940 |
| Cash and cash equivalents at the start of the year | <u>37,245</u> | <u>18,305</u> | <u>18,305</u> |
| Cash and cash equivalents at the end of the period/year | <u>34,683</u> | <u>51,571</u> | <u>37,245</u> |

 Director

 Director