

ARADEL HOLDINGS PLC
Lagos, Nigeria

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2024

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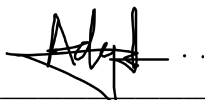
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	THE GROUP	
		31-Mar-24 N'000	31-Mar-23 N'000
Revenue	4	101,164,877	18,655,978
Cost of sales	5	(37,850,545)	(8,760,763)
Gross profit		63,314,332	9,895,215
Other (loss)/income	6	(20,791,459)	(948,188)
General and administrative expenses	7	(7,043,784)	(2,424,735)
Operating profit		35,479,089	6,522,292
Finance income	8	3,270,890	794,771
Finance costs	8	(3,338,869)	(1,462,448)
Net Finance (cost)/income		(67,979)	(667,677)
Share of profit of an associate	15	4,081,422	2,687,913
Profit before taxation		39,492,532	8,542,529
Tax credit / (expense)	26	(17,477,427)	(1,461,519)
Profit after taxation		22,015,105	7,081,010
Profit/(Loss) attributable to:			
Equity holders of the parent		22,156,294	6,751,728
Non-controlling interest		(141,189)	329,282
		22,015,105	7,081,010
Other comprehensive income:			
<i>Other comprehensive income item that may be reclassified to profit or loss in subsequent years (net of tax):</i>			
Foreign currency translation difference		206,942,616	5,102,385
Share of other comprehensive income of associate accounted for using the equity method	15	129,532,264	6,889,067
Net gain / (loss) on equity instruments at fair value through other comprehensive income		102,430	28,012
Other comprehensive income for the year, net of tax		336,577,310	12,019,464
Total comprehensive income for the year		358,592,415	19,100,474
Total comprehensive income attributable to:			
Equity holders of the parent		357,057,343	18,674,132
Non-controlling interest		1,535,072	426,342
Basic earnings per share	11	₦101.34	₦32.59

ARADEL HOLDINGS PLC

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024**

	Notes	THE GROUP	
		31-Mar-24 N'000	31-Dec-23 N'000
Assets			
Non-current assets			
Property, plant and equipment	12	562,836,996	383,427,621
Intangible assets	13	1,465,947	1,211,772
Financial assets	14	4,353,941	4,051,382
Investment in associate	15	403,846,982	270,233,296
Total non-current assets		972,503,866	658,924,071
Current assets			
Inventories	17	29,187,235	15,973,244
Trade and other receivables	18	50,362,313	53,523,077
Prepayments	19	305,960	82,606
Financial assets	14	1,465,947	312,802
Cash and Bank	20	332,655,458	194,618,761
Total current assets		413,976,913	264,510,490
Total assets		1,386,480,779	923,434,561
Equity and liabilities			
Shareholders' equity			
Share capital		2,172,422	2,172,422
Share premium		22,819,670	22,819,670
Translation reserve		797,147,642	462,349,023
Fair value reserve of financial assets at FVOCI		2,631,217	2,528,787
Retained earnings		231,185,532	209,029,238
Non-controlling interests		7,280,513	5,745,441
Total shareholders' equity		1,063,236,996	704,644,581
Non-current liabilities			
Borrowings	22	53,190,361	44,350,154
Deferred tax liabilities	16	41,132,970	18,386,481
Decommissioning liabilities	23	97,309,849	65,161,229
Total non-current liabilities		191,633,180	127,897,864
Current liabilities			
Trade and other payables	25	80,390,272	57,076,608
Contract liabilities	24	848,706	1,771,922
Taxation	26	24,307,841	14,421,838
Borrowings	22	26,063,784	17,621,748
Total current liabilities		131,610,603	90,892,116
Total liabilities		323,243,783	218,789,980
Total equity & liabilities		1,386,480,779	923,434,561



Adegbola Adesina
Chief Financial Officer
FRC/2021/001/00000024579



Adebite Falade
Chief Executive Officer
FRC/2021/003/00000025055

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

THE GROUP

	Issued capital N'000	Share premium N'000	Translation reserve N'000	Fair value reserve of financial assets at FVOCI N'000	Retained earnings N'000	attributable to equity holders of the company N'000	Non-controlling interests N'000	Total equity N'000
Balance at 1 January 2023	2,172,422	22,819,670	118,781,063	266,922	178,885,211	322,925,288	2,914,418	325,839,706
Profit / loss for the year	-	-	-	-	6,751,728	6,751,728	329,282	7,081,010
Foreign currency translation difference	-	-	5,005,325	-	-	5,005,325	97,060	5,102,385
Transfer of shares (Aradel Refineries)	-	-	-	-	-	-	-	-
Net gain / (loss) on equity instruments at fair value through other comprehensive income	-	-	-	28,012	-	28,012	-	28,012
Share of other comprehensive income of associate accounted for using the equity method	-	-	6,889,067	-	-	6,889,067	-	6,889,067
Total comprehensive income for the year	-	-	11,894,392	28,012	6,751,728	18,674,132	426,342	19,100,474
Dividends to equity holders of the company	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners of the company, recognised directly in equity	-	-	-	-	-	-	-	-
Balance at 31 March 2023	2,172,422	22,819,670	130,675,455	294,934	185,636,939	341,599,420	3,340,760	344,940,180
Balance at 1 January 2024	2,172,422	22,819,670	462,349,023	2,528,787	209,029,238	698,899,140	5,745,441	704,644,581
Profit / loss for the year	-	-	-	-	22,156,294	22,156,294	(141,189)	22,015,105
Foreign currency translation difference	-	-	205,266,355	-	-	205,266,355	1,676,261	206,942,616
Net gain / (loss) on equity instruments at fair value through other comprehensive income	-	-	-	102,430	-	102,430	-	102,430
Share of other comprehensive income of associate accounted for using the equity method	-	-	129,532,264	-	-	129,532,264	-	129,532,264
Total comprehensive income for the year	-	-	334,798,619	102,430	22,156,294	357,057,343	1,535,072	358,592,415
Dividends to equity holders of the company	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners of the company recognised directly in equity	-	-	-	-	-	-	-	-
Balance at 31 March 2024	2,172,422	22,819,670	797,147,642	2,631,217	231,185,532	1,055,956,483	7,280,513	1,063,236,996

ARADEL HOLDINGS PLC
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	THE GROUP	
		31-Mar-24 #’000	31-Mar-23 #’000
Profit before taxation		39,492,532	8,542,529
Adjustments:			
Interest expense	8	3,338,869	1,462,448
Interest income	8	(3,270,890)	(794,771)
Dividend received	6	-	-
Exchange (gain)/loss	6	21,232,022	931,314
Share of profit from associate	15	(4,081,422)	(2,687,913)
Hedge cost in PorL	14.1	1,342,607	-
Depreciation of property, plant and equipment	10	16,571,462	4,932,350
Amortisation of intangible assets	10	321,598	80,715
Allowance for expected credit loss/Impairment allowance		-	-
Stock adjustment	5	(10,237,545)	(2,197,368)
Asset write-off	12	-	-
Operating cash flows before movement in working capital		64,709,233	10,269,304
Movement in working capital:			
Decrease/(Increase) in trade and other receivables		28,802,790	15,460,660
Decrease/(Increase) in prepayments		(183,576)	74,166
(Increase)/Decrease in inventory		4,854,119	(153,832)
(Increase) / Decrease in restricted cash		(324,213)	-
(Decrease)/Increase in trade and other payables		(40,271,482)	2,383,560
(Decrease)/Increase in contract liabilities		(923,216)	-
Cash generated by operating activities		56,663,655	28,033,858
Tax paid	26	(853,673)	(220,982)
Net cash flows from operating activities		55,809,982	27,812,877
Investing activities			
Interest received	8	3,270,890	794,771
Dividend received	6	-	-
Purchase of property, plant and equipment	12	(12,586,359)	(5,740,503)
Purchase of financial assets	14.1	(2,369,193)	(1,466,589)
Net cash flows used in investing activities		(11,684,662)	(6,412,320)
Financing activities			
Dividend paid		-	-
Interest paid	22	(3,246,051)	(819,687)
Repayment of borrowing	22	(5,264,537)	(24,661,868)
Additional borrowings	22	-	-
Issue of Bond	22	-	10,516,025
Net cash flows used in financing activities		(8,510,588)	(14,965,530)
Increase in cash and cash equivalents		35,614,732	6,435,026
Cash and cash equivalents - Beginning of year	20	183,008,535	60,151,901
Exchange rate effects on cash and cash equivalents		96,529,960	1,606,877
Cash and cash equivalents - End of year	20	315,153,227	68,193,804

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 REPORTING ENTITY

Aradel Holdings Plc ("the Company") was incorporated on 25 March 1992. The company is domiciled in Nigeria. The consolidated financial statements of the Company as at and for the quarter 31 March 2024 comprise the Group and the Company and the Group's interest in associates.

The Group is engaged in the exploration for, and development and production of oil and natural gas.

The Head Office of the Company is located at:
15 Babatunde Jose Road,
Victoria Island,
Lagos,
Nigeria.

1.2 Composition of Financial Statements

The consolidated financial statements are drawn up in United States Dollar and Nigerian Naira in accordance with International Financial Reporting Standards (IFRS) Accounting presentation.

The financial statements comprise: □

- Condensed Consolidated statement of profit and loss and other comprehensive income □
- Condensed Consolidated statement of financial position □
- Condensed Consolidated statement of changes in equity □
- Condensed Consolidated statement of cash flows □
- Notes to the Condensed consolidated financial statements

A summary of the financial statements have been presented in United States Dollars as supplementary information

1.3 Financial Period

These consolidated financial statements cover the period from 1 January 2024 to 31 March 2024 with comparative figures for the financial year from 1 January 2023 to 31 March 2023

1.4 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and Financial Reporting Council of Nigeria Act, 2023.

Statement of compliance

The consolidated financial statements of Aradel Holdings Plc, and all of its subsidiaries ("the Group") have been prepared in compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and IFRS Interpretations Committee (IFRS IC) interpretations applicable to companies reporting under IFRS.

Basis of measurement

The consolidated and separate financial statements are prepared under the historical cost convention, except for certain financial instruments which are measured at amortised cost. The functional currency is Dollar and presentation currency is in both Dollar and Naira.

The preparation of the consolidated and separate financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the Directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates.

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position items presented, are translated at the closing rate (₦1330.26) at the reporting date;
- income and expenses for each profit or loss statement are translated at average exchange rate (₦1307.31). Where this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated at the dates of the transactions.
- all resulting exchange differences are recognised in other comprehensive income.

2 MATERIAL ACCOUNTING POLICY INFORMATION

(a) New standards, interpretations and amendments to existing standards issued but not yet effective.

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt this standard, if applicable, when it becomes effective.

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - *effective date yet to be set by the Board*

All other accounting policies are consistent with what was reported in the latest Audited Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued

3 Segment Reporting

Business segments are based on the Group's internal organisation and management reporting structure. The Group's operations cover 4 segments-Crude Oil, Gas, Refinery & Investment Properties. Some intersegment transactions were prevalent amongst the reporting segments during the reporting period under consideration, hence the eliminations necessary to achieve proper consolidation. Management remains committed to continuous value creation and accretion of the reserves. The reporting segments of the Group derive their revenues within Nigeria only & goods are transferred at a point in time. The segment reports are also in line with the Group's accounting policies

3.1 Segment profit/(loss) disclosure

	CRUDE OIL #'000	GAS #'000	REFINED PRODUCTS #'000	INVESTMENT PROPETRIES #'000	TOTAL REPORTABLE SEGMENT #'000	ELIMINATIONS #'000	CONSOLIDATION #'000
31 March 2024							
Revenue	67,036,242	26,088,678	51,829,612	28,761	144,983,293	(43,818,416)	101,164,877
Cost of sales	(31,974,188)	(11,284,438)	(37,746,223)	(1,569)	(81,006,418)	43,155,873	(37,850,545)
Gross profit	35,062,054	14,804,240	14,083,389	27,192	63,976,875	(662,543)	63,314,332
Other loss	(5,068,441)	(576,524)	(14,186,928)	-	(19,831,893)	(959,566)	(20,791,459)
General and administrative expenses	(8,067,407)	(161,061)	(412,848)	(24,577)	(8,665,893)	1,622,109	(7,043,784)
Operating profit	21,926,206	14,066,655	(516,387)	2,615	35,479,089	-	35,479,089
Finance income	2,302,173	-	968,717	-	3,270,890	-	3,270,890
Finance costs	(2,783,262)	(137,268)	(418,339)	-	(3,338,869)	-	(3,338,869)
Share of profit from associate	-	-	-	-	-	4,081,422	4,081,422
Profit before taxation	21,445,117	13,929,387	33,991	2,615	35,411,110	4,081,422	39,492,532
Tax expense	(9,712,005)	(4,490,610)	(2,882,619)	(392,193)	(17,477,427)	-	(17,477,427)
Profit after taxation	11,733,112	9,438,777	(2,848,628)	(389,578)	17,933,683	4,081,422	22,015,105

	CRUDE OIL #'000	GAS #'000	REFINED PRODUCTS #'000	INVESTMENT PROPETRIES #'000	TOTAL REPORTABLE SEGMENT #'000	ELIMINATIONS #'000	CONSOLIDATION #'000
31 March 2023							
Revenue	7,536,338	2,931,435	13,389,578	24,306	23,881,657	(5,225,679)	18,655,978
Cost of sales	(7,162,112)	(853,473)	(6,109,144)	-	(14,124,729)	5,363,966	(8,760,763)
Gross profit	374,226	2,077,962	7,280,434	24,306	9,756,928	138,287	9,895,215
Other income/(loss)	419,170	-	-	-	419,170	(1,367,358)	(948,188)
General and administrative expenses	(2,523,332)	(102,270)	(1,054,345)	26,141	(3,653,806)	1,229,071	(2,424,735)
Operating profit	(1,729,936)	1,975,692	6,226,089	50,447	6,522,292	-	6,522,292
Finance income	6,421	-	788,350	-	794,771	-	794,771
Finance costs	(942,384)	(141,252)	(378,812)	-	(1,462,448)	-	(1,462,448)
Share of profit from associate	-	-	-	-	-	2,687,913	2,687,913
Profit before taxation	(2,665,899)	1,834,440	6,635,627	50,447	5,854,615	2,687,913	8,542,529
Tax expense	(461,163)	(179,408)	(819,460)	(1,488)	(1,461,519)	-	(1,461,519)
Profit after taxation	(3,127,062)	1,655,032	5,816,167	48,959	4,393,096	2,687,913	7,081,010

3.2 Segment Assets and Liabilities

The assets and Liabilities are disclosed based on the operations of the reporting segments

	CRUDE OIL #'000	GAS #'000	REFINED PRODUCTS #'000	INVESTMENT PROPETRIES #'000	TOTAL REPORTABLE SEGMENT #'000	ELIMINATIONS #'000	CONSOLIDATION #'000
31 March 2024							
TOTAL ASSET	814,703,104	210,900,751	299,263,271	9,516,680	1,334,383,806	52,096,973	1,386,480,779
TOTAL LIABILITIES	348,162,299	39,583,217	144,865,314	5,374,250	537,985,080	(214,741,297)	323,243,783
31 December 2023							
TOTAL ASSET	462,883,330	144,861,527	196,284,414	6,170,457	810,199,728	113,234,833	923,434,561
TOTAL LIABILITIES	204,769,376	68,992,431	76,947,636	5,488	350,714,931	(131,924,951)	218,789,980

4 Revenue

Disaggregated revenue information

	THE GROUP	
	31-Mar-24	31-Mar-23
	₦'000	₦'000
Crude Oil	44,092,952	3,704,193
Refined Products	50,234,694	13,389,650
Gas	6,837,231	1,562,135
Total revenue	101,164,877	18,655,978

Refined products include Diesel, Dual Purpose Kerosene, Heavy Fuel Oil, Marine Diesel, Naphtha & Heavy Fuel Oil

Geographical markets

Within Nigeria	57,071,925	14,951,785
Outside Nigeria	44,092,952	3,704,193
Total revenue from contracts with customers	101,164,877	18,655,978

Timing of revenue recognition

Goods transferred at a point in time	101,164,877	18,655,978
Goods transferred over time	-	-
Total revenue from contracts with customers	101,164,877	18,655,978

Performance obligations

Information about the Group's performance obligations are summarised below:

Sale of Crude Oil

The performance obligation is satisfied at a point in time when the product is physically transferred into a vessel, pipe or other delivery mechanism and is generally due within 30 to 45 days from the date of issue of invoice.

Sale of Natural Gas

The performance obligation is satisfied at a point in time when the gas have been delivered at the buyer's delivery point for gas and is generally due within 30 to 90 days from the date of issue of invoice.

Sale of Refined Products

The performance obligation is satisfied at a point in time, when the product is lifted by the customer/distributor and payment is generally due within 0 to 30 days.

	31-Mar-24	31-Mar-23
	₦'000	₦'000
Contract balances		
Trade receivables	47,152,396	6,934,740
Contract Liabilities	848,706	-

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Contract liabilities are considerations received from customers by the Group for which the related goods or services to the customers have not transferred.

Performance obligation for crude oil, refined products and gas are fulfilled once delivery of the products occurs and payments are generally due on crude oil and gas between 30 to 90 days. Payments on refined products are due between 0 to 30 days.

ARADEL HOLDINGS PLC**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued****5 Cost of sales**

	THE GROUP	
	31-Mar-24	31-Mar-23
	₦'000	₦'000
Consultancy fee	649,733	251,867
Crude oil handling charges	16,520,476	2,626,954
Depreciation and amortisation (Note 10)	16,302,156	4,807,847
Flowstation expenses	197,404	126,559
Materials, supplies and pollution control	722,942	254,348
Repairs and maintenance	50,985	221,803
Royalties to FGN	11,555,313	1,531,084
Statutory expenses	52,292	4,445
Staff costs (Note 9)	2,036,789	1,133,224
Stock adjustment	(10,237,545)	(2,197,368)
Total	37,850,545	8,760,763

Consultancy fee include provisions for advisory, technical and drilling services.

Stock adjustment relates to the net movement in the value of inventory in the tank in the quarter.

6 Other (loss)/income

	THE GROUP	
	31-Mar-24	31-Mar-23
	₦'000	₦'000
Fee income	440,563	-
Exchange loss	(21,232,022)	(948,188)
Total	(20,791,459)	(948,188)

Fee income relates to income from activities outside the normal course of business

ARADEL HOLDINGS PLC

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued

7 General and administrative expenses

	THE GROUP	
	31-Mar-24	31-Mar-23
	₦'000	₦'000
Bank charges	101,970	51,411
Community development expenses	183,023	53,433
Depreciation and amortisation	590,904	205,219
Directors' fees	91,512	25,575
Fuel and utilities	39,219	17,453
Information technology expenses	173,872	51,423
Insurance	462,788	268,989
Permits, registrations and subscriptions	282,379	253,171
Professional fees	815,761	339,620
Repairs and maintenance	392,193	92,358
Staff costs (Note 9)	1,358,295	755,331
Training	58,829	12,809
Travelling	393,500	74,598
Hedging expense	1,342,607	-
Other expenses	756,932	223,345
Total	7,043,784	2,424,735

Other expenses consist of catering, donations, printing and stationery, and other related administrative costs incurred during the quarter.

Professional fees consist of cleaning service, advisory services, security service, legal fees and registrar management fee.

8 Finance cost and income

	THE GROUP	
	31-Mar-24	31-Mar-23
	₦'000	₦'000
Interest expense:		
Bank borrowings	1,907,365	819,443
Coupon on Bond	516,387	-
Provisions: unwinding of discount (Note 23)	915,117	643,005
Total finance cost	3,338,869	1,462,448
Finance income:		
Interest income	3,270,890	794,771
Total finance income	3,270,890	794,771
Net finance costs	(67,979)	(667,677)

ARADEL HOLDINGS PLC

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued

9 Staff costs

	THE GROUP	
	31-Mar-24	31-Mar-23
	₦'000	₦'000
Included in cost of sales:		
Salaries and other staff costs	2,036,789	1,133,225
Included in general admin expenses:		
Salaries and other staff costs	1,358,295	75,531
Total	3,395,084	1,208,756

10 Depreciation and amortisation

	THE GROUP	
	31-Mar-24	31-Mar-23
	₦'000	₦'000
Included in cost of sales:		
Depreciation of oil and gas properties	16,302,156	4,807,847
Included in general admin expenses:		
Depreciation of other property, plant and equipment	269,306	124,503
Amortisation of intangible assets	321,598	80,927
Total in general admin expenses	590,904	205,430
Total	16,893,060	5,013,277

11 Earnings per share

Basic - GROUP

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares issued and fully paid as at the end of the quarter

	31-Mar-24	31-Mar-23
	₦'000	₦'000
Profit attributable to equity holders of the Group	22,015,105	7,080,938
Total	22,015,105	7,080,938

	31-Mar-24	31-Mar-23
	Number	Number
Weighted average number of ordinary shares in issue	217,242,218	217,242,218

	31-Mar-24	31-Mar-23
Basic earnings per share (₦)	101.34	32.59

12 Property, plant and equipment

	THE GROUP	
	31-Mar-24 N'000	31-Dec-23 N'000
Oil and gas properties (12a)	485,136,510	338,322,294
Other property, plant and equipment	11,359,090	7,459,924
Asset under development	66,341,396	37,645,403
Total	562,836,996	383,427,621

12a THE GROUP

	OIL AND GAS PROPERTIES N'000	OTHER PROPERTY, PLANT AND EQUIPMENT N'000	ASSETS UNDER DEVELOPMENT N'000	Total N'000
Cost:				
Balance at 1 January 2023	332,818,312	7,447,956	21,708,055	361,974,323
Translation difference	334,517,209	8,419,927	18,884,111	361,821,247
Reclassifications	34,382,779	-	(35,326,240)	(943,461)
Transfer	-	-	(3,978,002)	(3,978,002)
Additions	7,961,402	3,014,184	37,792,368	48,767,954
Write-offs	-	-	(1,434,889)	(1,434,889)
Changes in decommissioning assets	(69,275,515)	-	-	(69,275,515)
Balance at 31 December 2023	640,404,187	18,882,067	37,645,403	696,931,657
Balance at 1 January 2024	640,404,187	18,882,067	37,645,403	696,931,657
Translation difference	306,798,135	9,044,642	18,035,289	333,878,066
Additions	1,323,608	602,047	10,660,704	12,586,359
Balance at 31 March 2024	948,525,930	28,528,756	66,341,396	1,043,396,082
Depreciation:				
Balance at 1 January 2023	133,185,421	5,093,608	-	138,279,029
Translation difference	154,255,996	6,065,156	-	160,321,152
Depreciation for the year	14,640,476	263,379	-	14,903,855
Balance at 31 December 2023	302,081,893	11,422,143	-	313,504,036
Balance at 1 January 2024	302,081,893	11,422,143	-	313,504,036
Translation difference	145,005,371	5,478,216	-	150,483,587
Depreciation for the year	16,302,156	269,307	-	16,571,463
Balance at 31 March 2024	463,389,420	17,169,666	-	480,559,086
Net book value:				
At 31 March 2024	485,136,510	11,359,090	66,341,396	562,836,996
At 31 December 2023	338,322,294	7,459,924	37,645,403	383,427,621
At 1 January 2023	199,632,891	2,354,348	21,708,055	223,695,294

There are no impairments in Property, Plant, and Equipment during the quarter. The capital commitments in respect of PPE expenditures amounts to N59.3 billion (2023: N29.3 billion).

The prior year reclassification relates to movement of some assets from asset under development to intangible asset

The prior year transfer relates to movement of some assets from asset under development to other receivables (note 18). Subsequent reconciliation with the counter party on the Asset under development yielded a recoverable balance which has now been reclassified to other receivables

The prior year write off is included in flowstation expenses (note 5) and other expenses (note 7).

ARADEL HOLDINGS PLC

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued

13 Intangible assets

	THE GROUP
	₦'000
Cost:	
Balance at 1 January 2023	1,632,074
Translation difference	1,640,231
Reclassification	943,460
Additions	93,537
Balance at 31 December 2023	4,309,302
Balance at 1 January 2024	4,309,302
Translation difference	2,065,304
Reclassifications	-
Additions	-
Balance at 31 March 2024	6,374,606
Amortisation:	
Balance at 1 January 2023	1,164,521
Translation difference	1,550,595
Amortisation charge for the year	382,414
Balance at 31 December 2023	3,097,530
Balance at 1 January 2024	3,097,530
Translation difference	1,489,531
Amortisation charge for the year	321,598
Balance at 31 March 2024	4,908,659
Net book value:	
At 31 March 2024	1,465,947
At 31 December 2023	1,211,772
At 1 January 2023	467,553

Intangible assets consists of computer software and licenses used by the entity for recording transactions and reporting purposes. The entity's software has a finite life and is amortised on a straight line basis over the life of the software licenses.

14 Financial assets

Financial assets include the following:

	THE GROUP	
	31-Mar-24	31-Dec-23
	₦'000	₦'000
Fair value through OCI		
<i>Listed securities:</i>		
Consolidated Hallmark Insurance Plc	4,352,020	4,045,087
<i>Unlisted securities:</i>		
PetroData Management Services Ltd	1,921	5,396
Dharmattan Gas and Power Ltd	-	899
Fair value through Profit or Loss		
Hedge	1,465,947	312,802
Total	5,819,888	4,364,184
Current	1,465,947	312,802
Non-current	4,353,941	4,051,382
	5,819,888	4,364,184

14.1 Hedge

	THE GROUP	
	31-Mar-24	31-Dec-23
	₦'000	₦'000
Balance at 1 January	312,802	352,062
Additions	2,369,193	2,875,350
Hedge cost in PorL	(1,342,607)	(2,237,821)
Foreign exchange difference	126,559	(676,789)
Current Value	1,465,947	312,802

ARADEL HOLDINGS PLC

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued

15 Investment in associate - ND Western Limited

	THE GROUP	
	31-Mar-24	31-Dec-23
	₦'000	₦'000
At 1 January	270,233,296	132,532,480
Share of profit	4,081,422	3,221,500
Share of other comprehensive income(net of tax), may not be reclassified to profit or loss in subsequent periods	129,532,264	134,479,316
Carrying amount	403,846,982	270,233,296

16 Deferred taxation

The analysis of deferred tax assets and deferred tax liabilities is as follows:

Deferred tax assets

	THE GROUP	
	31-Mar-24	31-Dec-23
	₦'000	₦'000
Accelerated depreciation and amortisation	-	-
Tax losses	-	-
Total	-	-

Deferred tax liabilities

Accelerated depreciation and amortisation	40,341,465	15,383,043
Decommissioning liabilities	791,505	3,003,438
Total	41,132,970	18,386,481

Deferred taxation

At start of year	18,386,481	(12,759,803)
Income statement credit	13,697,994	44,003,555
Translation difference	9,048,494	(12,857,271)
Net deferred tax liabilities/(assets) at end of year	41,132,969	18,386,481

Reflected in the statement of financial position as:

Deferred tax liabilities	41,132,970	18,386,481
Deferred tax assets	-	-
Net deferred tax liabilities/(assets)	41,132,970	18,386,481

Deferred taxes are payable/(recoverable) in more than one year.

17 Inventories

	THE GROUP	
	31-Mar-24	31-Dec-23
	₦'000	₦'000
Crude Oil	12,032,202	3,196,572
Gas	22,614	-
Refined Products	4,226,236	5,093,707
Materials	12,906,183	7,682,965
Total	29,187,235	15,973,244

There were no write-downs of inventory during the year and all inventory balances are current in nature

Inventory balances will be turned over within 12 months after the financial year

The inventory charged to Cost of sales during the year amounted to ₦0.3 billion (2022: ₦1.4 billion)

Refined products inventory include Diesel, Heavy Fuel Oil, Naphtha, Dual Purpose Kerosene & Marine Diesel Oil)

The net movement in the value of inventory in the tank throughout year is reflective in stock adjustments (note 5) .

ARADEL HOLDINGS PLC

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued

18 Trade and other receivables

	THE GROUP	
	31-Mar-24	31-Dec-23
	₦'000	₦'000
Trade receivables	47,152,396	51,470,892
Other receivables	3,209,917	2,091,432
	50,362,313	53,562,324
Allowance for expected credit losses	-	(39,247)
	50,362,313	53,523,077

Trade receivables are non-interest bearing and are generally on 30-90 day terms. Other receivables relate principally to outstanding receivable balance from Nile Delta Company Limited.

19 Prepayments

	THE GROUP	
	31-Mar-24	31-Dec-23
	₦'000	₦'000
Prepaid rent	18,624	16,883
Prepaid expenses	21,284	18,294
Prepaid insurance	266,052	47,429
Total	305,960	82,606

20 Cash and Bank

	THE GROUP	
	31-Mar-24	31-Dec-23
	₦'000	₦'000
Cash and bank balances	99,693,675	80,763,842
Short term deposits	215,459,552	102,244,693
Cash and cash equivalents for statement of cashflow purposes	315,153,227	183,008,535
Restricted cash	17,502,231	11,610,226
Total Cash and Bank	332,655,458	194,618,761

Cash and cash equivalents comprise balances with less than three months to maturity, including cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities less than three months. Restricted cash relates to cash used as collateral for the BOI & GTB loans.

21 Share capital and premium

Share capital and premium – THE GROUP

	Number of shares	Ordinary shares	Share premium	Total
		(₦'000)	(₦'000)	(₦'000)
Balance at 1 January 2023	217,242,218	2,172,422	22,819,670	24,992,092
Balance at 31 December 2023	217,242,218	2,172,422	22,819,670	24,992,092
Balance at 31 March 2024	217,242,218	2,172,422	22,819,670	24,992,092

22 Borrowings

	THE GROUP	
	31-Mar-24	31-Dec-23
	₦'000	₦'000
GTB	54,106,995	39,273,624
BOI loan	14,352,175	11,459,657
N10B Series I Bond	10,688,228	11,131,874
Petre IPINS	106,747	106,747
Total	79,254,145	61,971,902
Current	26,063,784	17,621,748
Non-current	53,190,361	44,350,154
Total	79,254,145	61,971,902

ARADEL HOLDINGS PLC

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued

	THE GROUP	
	31-Mar-24	31-Dec-23
	₦'000	₦'000
At 1 January	61,971,902	53,748,030
Additional borrowings	-	8,993,900
N10B Series I Bond	-	10,318,000
Repayments	(5,264,537)	(49,420,631)
Repayment of interest	(3,246,051)	(5,453,185)
Foreign exchange movement	23,369,078	35,595,194
Accrued interest	2,423,753	6,365,224
Remeasurements	-	1,825,370
As at	79,254,145	61,971,902

Remeasurements are non-cashflow and relate to the effects of carrying borrowings at amortised cost using the effective interest rate method.

23 Decommissioning liabilities

	THE GROUP
	₦'000
Balance at 1 January 2023	64,489,699
Charged/(credited) to profit or loss:	
Changes in estimated flows	(69,275,515)
Translation difference	66,413,589
Unwinding of discount due to passage of time	3,533,456
Balance at 31 December 2023	65,161,229
Balance at 1 January 2024	65,161,229
Charged/(credited) to profit or loss:	
Translation difference	31,233,503
Unwinding of discount due to passage of time	915,117
Balance at 31 March 2024	97,309,849

24 Contract Liabilities

	THE GROUP	
	31-Mar-24	31-Dec-23
	₦'000	₦'000
Down payments received	848,706	1,771,922
	848,706	1,771,922

A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer. This will exist when an entity has received consideration but has not transferred the related goods or services to the customer. The Group has recognised a liability in relation to contracts with refined products customers for the delivery of refined products which these customers are yet to receive but which cash consideration have been received by the Group as at the end of the reporting period.

For the purchase of refined products, the terms of payments relating to the contract with customers is advance payments. The refinery operates a 7-days sales cycle which includes product evacuation.

25 Trade and other payables

	THE GROUP	
	31-Mar-24	31-Dec-23
	₦'000	₦'000
Amounts due to related parties	-	-
Statutory payable	46,404,790	27,719,265
Sundry creditors	10,791,069	9,048,996
Trade payables	22,481,394	19,826,657
Unclaimed dividend	713,019	481,690
	80,390,272	57,076,608

- Trade payables are non-interest bearing and are normally settled on 30-day terms. Sundry creditors include IPIN note dues, and staff payables.

- The Directors consider that the carrying amount of trade payables approximates to their fair value.

ARADEL HOLDINGS PLC

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued

26 Taxation

	THE GROUP	
	31-Mar-24	31-Mar-23
	₦'000	₦'000
Hydrocarbon tax	771,313	178,757
Income tax expense	1,681,201	1,640,306
Minimum tax	-	-
Education tax	1,326,920	226,736
Under/(over) provision of prior year taxes	-	-
Total current tax	3,779,433	2,045,799
Deferred taxation		
Origination of temporary differences	13,697,994	(584,281)
Total deferred tax	13,697,994	(584,281)
Income tax expense	17,477,427	1,461,519

The movement in the current income and Hydrocarbon tax liability is as follows:

	THE GROUP	
	31-Mar-24	31-Dec-23
	₦'000	₦'000
At 1 January	14,421,838	4,509,948
Tax paid	(853,673)	(6,487,142)
Prior period under/(over) provision	-	998
Income tax charge for the year	3,779,434	14,421,399
Foreign exchange difference	6,960,242	1,976,635
As at 31 Dec	24,307,841	14,421,838

ARADEL HOLDINGS PLC
Lagos, Nigeria

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2024
(IN US DOLLARS)

ARADEL HOLDINGS PLC

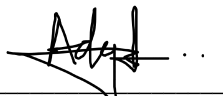
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	THE GROUP	
		31-Mar-24 \$'000	31-Mar-23 \$'000
Revenue	2	77,384	40,679
Cost of sales	3	(28,953)	(19,102)
Gross profit		48,431	21,577
Other (Loss)/Income	4	(15,904)	(2,068)
General and administrative expenses	5	(5,388)	(5,287)
Operating profit		27,139	14,222
Finance income	6	2,502	1,733
Finance costs	6	(2,554)	(3,189)
Net Finance (cost)/income		(52)	(1,456)
Share of profit of an associate	13	3,122	5,861
Profit before taxation		30,209	18,627
Tax credit/(expense)	24	(13,369)	(3,187)
Profit after taxation		16,840	15,440
Profit/(Loss) attributable to:			
Equity holders of the parent		16,948	14,722
Non-controlling interest		(108)	718
		16,840	15,440
Other comprehensive income:			
Net gain/loss on equity instruments at fair value through other comprehensive income		77	61
Other comprehensive income for the year, net of tax		77	61
Total comprehensive income for the year		16,917	15,501
Total comprehensive income attributable to:			
Equity holders of the parent		17,025	14,783
Non-controlling interest		(108)	718
Basic earnings per share	9	\$0.08	\$0.07

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024

	Notes	THE GROUP	
		31-Mar-24 \$'000	31-Dec-23 \$'000
Assets			
Non-current assets			
Property, plant and equipment	10	423,103	426,318
Intangible assets	11	1,102	1,348
Deferred tax assets	14	-	-
Financial assets	12	3,273	4,505
Investment in associate	13	303,585	300,463
Investment in subsidiaries	25	-	-
Total non-current assets		731,063	732,634
Current assets			
Inventories	15	21,941	17,759
Trade and other receivables	16	37,859	59,511
Prepayments	17	230	92
Financial assets	12	1,102	348
Cash and Bank	18	250,068	216,402
Total current assets		311,200	294,112
Total assets		1,042,263	1,026,746
Equity and liabilities			
Shareholders' equity			
Share capital		19,316	19,316
Share premium		78,955	78,955
Fair value reserve of financial assets at FVOCI		2,618	2,541
Retained earnings		693,519	676,571
Non-controlling interest		5,473	5,581
Total shareholders' equity		799,881	782,964
Non-current liabilities			
Borrowings	20	39,374	49,830
Deferred tax liabilities	14	30,921	20,442
Decommissioning liabilities	21	73,151	72,451
Total non-current liabilities		143,446	142,723
Current liabilities			
Trade and other payables	23	60,432	63,461
Contract Liabilities	22	638	1,970
Taxation	24	18,273	16,035
Borrowings	20	19,593	19,593
Total current liabilities		98,936	101,059
Total liabilities		242,382	243,782
Total equity & liabilities		1,042,263	1,026,746



Adegbola Adesina
Chief Finance Officer
FRC/2021/001/00000024579



Adegbite Falade
Chief Executive Officer
FRC/2021/003/00000025055

ARADEL HOLDINGS PLC
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
THE GROUP

	Issued capital \$'000	Share premium \$'000	Fair value reserve of financial assets at FVOCI \$'000	Retained earnings \$'000	equity attributable to equity holders of the \$'000	Non- controlling interests \$'000	Total equity \$'000
Balance at 1 January 2023	19,316	78,955	(141)	629,130	727,260	6,539	733,799
Profit / (Loss) for the year	-	-	-	14,722	14,722	718	15,440
Transfer of shares (Aradel Refineries)	-	-	-	-	-	-	-
Net gain on equity instruments at fair value through other comprehensive income	-	-	61	-	61	-	61
Total comprehensive income for the year	-	-	61	14,722	14,783	718	15,501
Dividends to equity holders of the company	-	-	-	-	-	-	-
Total contributions by and distributions to owners of the company, recognised directly in equity	-	-	-	-	-	-	-
Balance at 31 March 2023	19,316	78,955	(80)	643,852	742,043	7,257	749,300
Balance at January 2024	19,316	78,955	2,541	676,571	777,383	5,581	782,964
Profit for the year	-	-	-	16,948	16,948	(108)	16,840
Net gain on equity instruments at fair value through other comprehensive income	-	-	77	-	77	-	77
Total comprehensive income for the year	-	-	77	16,948	17,025	(108)	16,917
Dividends to equity holders of the company	-	-	-	-	-	-	-
Total contributions by and distributions to owners of the company recognised directly in equity	-	-	-	-	-	-	-
Balance at 31 March 2024	19,316	78,955	2,618	693,519	794,408	5,473	799,881

ARADEL HOLDINGS PLC

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	THE GROUP	
		31-Mar-24 \$'000	31-Mar-23 \$'000
Profit before taxation		30,209	18,627
Adjustments:			
Interest expense	6	2,554	3,189
Interest income	6	(2,502)	(1,733)
Exchange loss/(gain)	4	16,241	2,031
Share of profit from associate	13	(3,122)	(5,861)
Hedge cost in PorL	12	1,027	-
Depreciation of property, plant and equipment	8	12,676	10,755
Amortisation of intangible assets	8	246	176
Stock adjustment	3	(7,831)	(4,791)
Operating cash flows before movement in working capital		49,498	22,392
Movement in working capital:			
(Increase)/Decrease in trade and other receivables		21,652	33,712
Decrease/(Increase) in prepayments		(138)	162
(Increase)/Decrease in inventory		3,649	(335)
(Increase) / Decrease in restricted cash		(248)	-
Increase in trade and other payables		(23,756)	5,197
Decrease/(Increase) in contract liabilities		(1,332)	-
Cash generated by operating activities		49,325	61,128
Tax paid	24	(653)	(482)
Net cash flows from / (used in) operating activities		48,672	60,646
Investing activities			
Interest received	6	2,502	1,733
Purchase of property, plant and equipment		(9,465)	(12,517)
(Purchase)/disposal of financial assets		(1,781)	(3,198)
Net cash (used in) / provided by investing activities		(8,744)	(13,982)
Financing activities			
Interest paid	6	(2,483)	(1,787)
Repayment of borrowing	20	(4,027)	(53,775)
Issue of Bond	20	-	22,930
Net cash flows used in from financing activities		(6,510)	(32,632)
Increase/(decrease) in cash and cash equivalents		33,418	14,031
Cash and cash equivalents - Beginning of year	18	203,493	134,103
Cash and cash equivalents - End of year	18	236,911	148,134

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued

1 Segment Reporting

Business segments are based on the Group's internal organisation and management reporting structure. The Group's operations cover 4 segments- Crude Oil, Gas, Refinery & Investment Properties. Some intersegment transactions were prevalent amongst the reporting segments during the reporting period under consideration, hence the eliminations necessary to achieve proper consolidation. Management remains committed to continuous value creation and accretion of the reserves. The reporting segments of the Group derive their revenues within Nigeria only & goods are transferred at a point in time. The segment reports are also in line with the Group's accounting policies

1.1 Segment profit/(loss) disclosure

	CRUDE OIL \$'000	GAS \$'000	REFINED PRODUCTS \$'000	INVESTMENT PROPERTIES \$'000	TOTAL REPORTABLE SEGMENT \$'000	ELIMINATIONS \$'000	CONSOLIDATION \$'000
31 March 2024							
Revenue	51,278	19,956	39,646	22	110,902	(33,518)	77,384
Cost of sales	(24,458)	(8,632)	(28,873)	(1)	(61,964)	33,011	(28,953)
Gross profit	26,820	11,324	10,773	21	48,938	(507)	48,431
Other Loss	(3,877)	(441)	(10,852)	-	(15,170)	(734)	(15,904)
General and administrative expenses	(6,171)	(123)	(316)	(19)	(6,629)	1,241	(5,388)
Operating profit	16,772	10,760	(395)	2	27,139	-	27,139
Finance income	1,761	-	741	-	2,502	-	2,502
Finance costs	(2,129)	(105)	(320)	-	(2,554)	-	(2,554)
Share of profit from associate	-	-	-	-	-	3,122	3,122
Profit before taxation	16,404	10,655	26	2	27,087	3,122	30,209
Tax expense	(7,429)	(3,435)	(2,205)	(300)	(13,369)	-	(13,369)
Profit after taxation	8,975	7,220	(2,179)	(298)	13,718	3,122	16,840

	CRUDE OIL \$'000	GAS \$'000	REFINED PRODUCTS \$'000	INVESTMENT PROPERTIES \$'000	TOTAL REPORTABLE SEGMENT \$'000	ELIMINATIONS \$'000	CONSOLIDATION \$'000
31 March 2023							
Revenue	16,433	6,392	29,196	53	52,074	(11,395)	40,679
Cost of sales	(15,617)	(1,861)	(13,321)	-	(30,799)	11,697	(19,102)
Gross profit	816	4,531	15,875	53	21,275	302	21,577
Other income	914	-	-	-	914	(2,982)	(2,068)
General and administrative expenses	(5,502)	(223)	(2,299)	57	(7,967)	2,680	(5,287)
Operating profit	(3,772)	4,308	13,576	110	14,222	-	14,222
Finance income	14	-	1,719	-	1,733	-	1,733
Finance costs	(2,055)	(308)	(826)	-	(3,189)	-	(3,189)
Share of profit from associate	-	-	-	-	-	5,861	5,861
Profit before taxation	(5,813)	4,000	14,469	110	12,766	5,861	18,627
Tax expense	(1,006)	(391)	(1,787)	(3)	(3,187)	-	(3,187)
Profit after taxation	(6,819)	3,609	12,682	107	9,579	5,861	15,440

1.2 Segment Assets and Liabilities

The assets and Liabilities are disclosed based on the operations of the reporting segments

	CRUDE OIL \$'000	GAS \$'000	REFINED PRODUCTS \$'000	INVESTMENT PROPERTIES \$'000	TOTAL REPORTABLE SEGMENT \$'000	ELIMINATIONS \$'000	CONSOLIDATION \$'000
Total Segment Assets							
31 March 2024							
TOTAL ASSET	612,439	158,541	224,966	7,154	1,003,100	39,163	1,042,263
TOTAL LIABILITIES	261,725	29,756	108,900	4,040	404,421	(162,042)	242,382
31 December 2022							
TOTAL ASSET	624,912	162,119	218,236	7,389	1,012,656	14,090	1,026,746
TOTAL LIABILITIES	283,243	40,556	99,993	6	423,798	(180,016)	243,782

ARADEL HOLDINGS PLC

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued

2 Revenue

Disaggregated revenue information

	THE GROUP	
	31-Mar-24	31-Mar-23
	\$'000	\$'000
Crude Oil	33,728	8,077.00
Refined Products	38,426	29,196.00
Gas	5,230	3,406.00
Total revenue	77,384	40,679.00

Refined products include Diesel, Dual Purpose Kerosene, Heavy Fuel Oil, Marine Diesel, Naphtha & Heavy Fuel Oil

Geographical markets

Within Nigeria	43,656	32,602
Outside Nigeria	33,728	8,077
Total revenue from contracts with customers	77,384	40,679

Timing of revenue recognition

Goods transferred at a point in time	77,384	40,679
Goods transferred over time	-	-
Total revenue from contracts with customers	77,384	40,679

Performance obligations

Information about the Group's performance obligations are summarised below:

Sale of Crude Oil

The performance obligation is satisfied at a point in time when the product is physically transferred into a vessel, pipe or other delivery mechanism and is generally due within 30 to 45 days from the date of issue of invoice.

Sale of Natural Gas

The performance obligation is satisfied at a point in time when the gas have been delivered at the buyer's delivery point for gas and is generally due within 30 to 90 days from the date of issue of invoice.

Sale of Refined Products

The performance obligation is satisfied at a point in time, when the product is lifted by the customer/distributor and payment is generally due within 0 to 30 days.

	31-Mar-24	31-Mar-23
	\$'000	\$'000
Contract balances		
Trade receivables	35,446	15,064
Contract Liabilities	638	-

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Performance obligation for crude oil, refined products and gas are fulfilled once delivery of the products occurs and payments are generally due on crude oil and gas between 30 to 90 days. Payments on refined products are due between 0 to 30 days.

ARADEL HOLDINGS PLC**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued****3 Cost of sales**

	THE GROUP	
	31-Mar-24	31-Mar-23
	\$'000	\$'000
Consultancy fee	497	549
Crude oil handling charges	12,637	5,728
Depreciation and amortisation	12,470	10,484
Exploration costs	-	-
Flowstation expenses	151	276
Gas flaring	-	-
Materials, supplies and pollution control	553	555
Repairs and maintenance	39	484
Royalties to FGN	8,839	3,337
Statutory expenses	40	10
Staff costs (Note 8)	1,558	2,471
Stock Adjustments	(7,831)	(4,792)
Total	28,953	19,102

Consultancy fee include provisions for advisory, technical and drilling services.

Stock adjustment relates to the net movement in the value of inventory in the tank in the quarter.

4 Other (loss)/income

	THE GROUP	
	31-Mar-24	31-Mar-23
	\$'000	\$'000
Fee income	337	-
Exchahange Loss/gain	(16,241)	(2,068)
Total	(15,904)	(2,068)

ARADEL HOLDINGS PLC

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued

5 General and administrative expenses

	THE GROUP	
	31-Mar-24	31-Mar-23
	\$'000	\$'000
Bank charges	78	112
Community development expenses	140	117
Depreciation and amortisation	452	447
Directors' fees	70	56
Fuel and Utilities	30	38
Information technology expenses	133	112
Insurance	354	587
Permits, registrations and subscriptions	216	552
Professional fees	624	741
Repairs and maintenance	300	201
Staff costs (Note 7)	1,039	1,647
Training	45	28
Travelling	301	163
Hedging expense	1,027	-
Other expenses	579	486
Total	5,388	5,287

Other expenses consist of catering, donations, printing and stationery, and other related administrative costs incurred during the quarter.

Professional fees consist of cleaning service, advisory services, security service, legal fees and registrar management fee.

6 Finance cost and income

	THE GROUP	
	31-Mar-24	31-Mar-23
	\$'000	\$'000
Interest expense:		
Bank borrowings	1,459	1,787.00
IPIN Interest	-	-
Coupon on Bond	395	-
Provisions: unwinding of discount	700	1,402.00
Finance costs	2,554	3,189
Total finance cost	2,554	3,189
Finance income:		
Interest income	2,502	1733
Total finance income	2,502	1,733
Net finance costs	(52)	(1,456)

ARADEL HOLDINGS PLC

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued

7 Staff costs

	THE GROUP	
	31-Mar-24	31-Mar-23
	\$'000	\$'000
Included in cost of sales:		
Salaries and other staff costs	1,558	2,471
Included in general admin expenses:		
Salaries and other staff costs	1,039	1,647
Total in general admin expenses	1,039	1,647
Total	2,597	4,118

8 Depreciation and amortisation

	THE GROUP	
	31-Mar-24	31-Mar-23
	\$'000	\$'000
Included in cost of sales:		
Depreciation of oil and gas properties	12,470	10,484
Included in general admin expenses:		
Depreciation of other property, plant and equipment	206	271
Amortisation of intangible assets	246	176
Total in general admin expenses	452	447
Total	12,922	10,931

9 Earnings per share

Basic - The GROUP

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares issued and fully paid as at the end of the year

	31-Mar-24	31-Mar-23
	\$'000	\$'000
Profit attributable to equity holders of the Group	16,840	15,440
Total	16,840	15,440
	31-Mar-24	31-Mar-23
	Number	Number
Weighted average number of ordinary shares in issue	217,242,218	217,242,218
	31-Mar-24	31-Mar-23
Basic and diluted earnings per share (\$)	\$0.08	\$0.07

10 Property, plant and equipment

	THE GROUP	
	31-Mar-24	31-Dec-23
	\$'000	\$'000
Oil and gas properties (10a)	364,694	376,168
Other property, plant and equipment	8,539	8,293
Asset under development	49,871	41,857
Total	423,104	426,318

10a THE GROUP

	OIL AND GAS PROPERTIES	OTHER PROPERTY, PLANT AND EQUIPMENT	ASSETS UNDER DEVELOPMENT	Total
	\$'000	\$'000	\$'000	\$'000
Cost:				
Balance at 1 January 2023	741,987	16,607	48,396	806,990
Translation difference	-	3,758	-	3,758
Reclassifications	38,229	-	(39,278)	(1,049)
Additions	8,852	629	42,020	51,501
Write-offs	-	-	(4,858)	(4,858)
Changes in decommissioning assets	(77,025)	-	-	(77,025)
Transfer	-	-	(4,423)	(4,423)
Balance at 31 December 2023	712,040	20,994	41,857	774,891
Balance at 1 January 2024	712,040	20,994	41,857	774,891
Additions	999	452	8,014	9,465
Balance at 31 March 2024	713,039	21,446	49,871	784,356
Depreciation:				
Balance at 1 January 2023	296,924	11,358	-	308,282
Translation difference	-	410	-	410
Depreciation for the year	38,948	933	-	39,881
Disposal	3	-	-	3
Balance at 31 December 2023	335,875	12,701	-	348,576
Balance at 1 January 2024	335,875	12,701	-	348,576
Depreciation for the year	12,470	206	-	12,676
Balance at 31 March 2024	348,345	12,907	-	361,252
Net book value:				
At 31 March 2024	364,694	8,539	49,871	423,104
At 31 December 2023	376,170	8,293	41,857	426,320
At 1 January 2023	445,063	5,249	48,396	498,708

There are no impairments in Property, Plant, and Equipment during the year. The capital commitments in respect of PPE expenditures amounts to ₦44.6 million (2023: ₦32.5 million).

The prior year reclassification relates to movement of some assets from asset under development to intangible asset

The prior year transfer relates to movement of some assets from asset under development to other receivables (note 18). Subsequent reconciliation with the counter party on the Asset under development yielded a recoverable balance which has now been reclassified to other receivables

The prior year write off is included in flowstation expenses (note 5) and other expenses (note 7).

ARADEL HOLDINGS PLC

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued

11 Intangible assets

	THE GROUP Intangible Asset \$'000
Cost:	
Balance at 1 January 2023	3,639
Reclassifications	1,049
Additions	104
Balance at 31 March 2023	4,792
Balance at 1 January 2024	4,792
Reclassifications	-
Additions	-
Balance at 31 March 2024	4,792
Amortisation:	
Balance at 1 January 2023	2,596
Amortisation charge for the year	848
Balance at 31 March 2023	3,444
Balance at 1 January 2024	3,444
Amortisation charge for the year	246
Balance at 31 March 2024	3,690
Net book value:	
At 31 March 2024	1,102
At 31 December 2023	1,348
At 1 January 2023	1,043

Intangible assets consists of computer software and licenses used by the entity for recording transactions and reporting purposes. The entity's software has a finite life and is amortised on a straight line basis over the life of the software licenses.

12 Financial assets

Financial assets include the following:

	THE GROUP 31-Mar-24 \$'000	31-Dec-23 \$'000
Fair value through OCI		
<i>Listed securities:</i>		
Consolidated Hallmark Insurance Plc	3,271	4,498
<i>Unlisted securities:</i>		
PetroData Management Services Ltd	2	6
Dharmattan Gas and Power Ltd	-	1
Fair value through Profit or Loss		
Hedge	1,102	348
Total	4,375	4,853

12 Hedge

	31-Mar-24 \$'000	31-Dec-23 \$'000
At 1 January	348	785
Additions	1,781	3,197
Hedge cost in PorL	(1,027)	(3,634)
Current Value	1,102	348

13 Investment in associate - ND Western Ltd

	THE GROUP 31-Mar-24 \$'000	31-Dec-23 \$'000
At 1 January	300,463	295,469
Share of profit	3,122	4,994
Carrying amount	303,585	300,463

ARADEL HOLDINGS PLC

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued

14 Deferred taxation

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	THE GROUP	
	31-Mar-24 \$'000	31-Dec-23 \$'000
Deferred tax assets		
Accelerated depreciation and amortisation	-	-
Tax losses	-	-
Total	-	-
Deferred tax liabilities		
Accelerated depreciation and amortisation	30,326	15,594
Decommissioning liabilities	595	4,848
Total	30,921	20,442
Deferred taxation		
At start of year	20,442	(28,447)
Income statement charge/(credit)	10,478	48,926
Translation difference	1	(37)
Net deferred tax liabilities/(assets) at end of year	30,921	20,442
Reflected in the statement of financial position as:		
Deferred tax liabilities	30,921	20,442
Deferred tax assets	-	-
Net deferred tax liabilities/(assets)	30,921	20,442

Deferred taxes are payable/(recoverable) in more than one year.

15 Inventories

	THE GROUP	
	31-Mar-24 \$'000	31-Dec-23 \$'000
Crude Oil	9,045	3,554
Gas	17	-
Refined Products	3,177	5,663
Materials	9,702	8,542
Total	21,941	17,759

There were no write-downs of inventory during the year and all inventory balances are current in nature

Inventory balances will be turned over within 12 months after the financial year

The inventory charged to Cost of sales during the year amounted to \$0.3 million (2023: \$2.5 million)

Refined products inventory include Diesel, Heavy Fuel Oil, Naphtha, Dual Purpose Kerosene & Marine Diesel Oil)

The net movement in the value of inventory in the tank throughout year is reflected in stock adjustments (note 5)

16 Trade and other receivables

	THE GROUP	
	31-Mar-24 \$'000	31-Dec-23 \$'000
Trade receivables	35,446	57,230
Other receivables	2,413	2,325
	37,859	59,555
Allowance for expected credit losses	-	(44)
	37,859	59,511

Trade receivables are non-interest bearing and are generally on 30-90 day terms. Other receivables relate principally to outstanding receivable balance from Nile Delta Company Limited.

ARADEL HOLDINGS PLC

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued

17 Prepayments

	THE GROUP	
	31-Mar-24	31-Dec-23
	\$'000	\$'000
Prepaid rent	14	19
Prepaid expenses	16	20
Prepaid insurance	200	53
Total	230	92

18 Cash and Bank

	THE GROUP	
	31-Mar-24	31-Dec-23
	\$'000	\$'000
Cash and bank balances	74,943	89,810
Short term deposits	161,968	113,683
Cash and cash equivalents for statement of cashflow purposes	236,911	203,493
Restricted cash	13,157	12,909
Total Cash and Bank	250,068	216,402

Cash and cash equivalents comprise balances with less than three months to maturity, including cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities less than three months. Restricted cash relates to cash used as collateral for the BOI and GT Bank loan

19 Share capital and premium

	Number of shares	Ordinary shares
		(\$'000)
Balance at 1 January 2023	217,242,218	19,316
- Issue of shares	-	-
Balance at 31 March 2023	217,242,218	19,316
Balance at 1 January 2024	217,242,218	19,316
- Issue of shares	-	-
Balance at 31 March 2024	217,242,218	19,316

20 Borrowings

	THE GROUP	
	31-Mar-24	31-Dec-23
	\$'000	\$'000
GTB	40,674	43,667
BOI loan	10,789	12,742
N10B Series I Bond	6,867	12,377
Petre IPINs	637	637
Total	58,967	69,423
Current	19,593	19,593
Non-current	39,374	49,830
Total	58,967	69,423

Changes in liabilities arising from financing activities

	THE GROUP	
	31-Mar-24	31-Dec-23
	\$'000	\$'000
At 1 January	69,423	120,225
Additional borrowings	-	10,000
N10B Series I Bond	-	11,472
Repayment of principal	(4,027)	(76,512)
Repayment of interest	(2,483)	(12,295)
Foreign exchange movement	(5,800)	-
Accrued interest	1,854	13,707
Remeasurements	-	2,826
As at	58,967	69,423

Remeasurements are non-cashflow and relate to the effects of carrying borrowings at amortised cost using the effective interest rate method.

ARADEL HOLDINGS PLC

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued

21 Decommissioning liabilities

	THE GROUP
	\$'000
Balance at 1 January 2023	143,773
Charged/(credited) to profit or loss:	
Changes in estimated flows	(77,025)
Unwinding of discount due to passage of time	5,703
Balance at 31 March 2023	72,451
Balance at 1 January 2024	72,451
Charged/(credited) to profit or loss:	
Unwinding of discount due to passage of time	700
Balance at 31 March 2024	73,151

22 Contract Liabilities

	THE GROUP	
	31-Mar-24	31-Dec-23
	\$'000	\$'000
Down payments received	638	1,970
	638	1,970

A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer. This will exist when an entity has received consideration but has not transferred the related goods or services to the customer. The Group has recognised a liability in relation to contracts with refined products customers for the delivery of refined products which these customers are yet to receive but which cash consideration have been received by the Group as at the end of the reporting period.

For the purchase of refined products, the terms of payments relating to the contract with customers is advance payments. The refinery operates a 7-days sales cycle which includes product evacuation.

23 Trade and other payables

	THE GROUP	
	31-Mar-24	31-Dec-23
	\$'000	\$'000
Statutory payable	34,884	30,822
Sundry creditors	8,112	10,059
Trade payables	16,900	22,044
Unclaimed dividend	536	536
	60,432	63,461

- Trade payables are non-interest bearing and are normally settled on 30-day terms . Sundry creditors include IPIN note dues, and staff payables.

- The Directors consider that the carrying amount of trade payables approximates to their fair value.

24 Taxation

	THE GROUP	
	31-Mar-24	31-Mar-23
	\$'000	\$'000
Hydrocarbon tax	590	390
Income tax expense	1,286	3,577
Minimum Tax	-	-
Education tax	1,015	494
Total current tax	2,891	4,461
Deferred taxation		
Origination of temporary differences	10,478	(1,274)
Total deferred tax	10,478	(1,274)
Income tax expense	13,369	3,187

The movement in the current income and Hydrocarbon tax liability is as follows:

	THE GROUP	
	31-Mar-24	31-Dec-23
	\$'000	\$'000
At 1 Jan	16,035	10,055
Tax paid	(653)	(10,054)
Income tax charge for the year	2,891	16,034
As at 31 Dec	18,273	16,035