

Trafco Group B.S.C.

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

30 SEPTEMBER 2024 (Reviewed)

REPORT ON THE REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF TRAFCO GROUP B.S.C.

Introduction

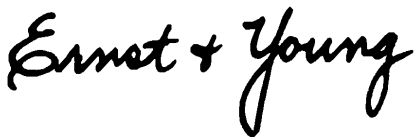
We have reviewed the accompanying interim condensed consolidated financial statements of Trafco Group B.S.C. ("the Company") and its subsidiaries (together "the Group") as at 30 September 2024, comprising of the related interim condensed consolidated statement of profit or loss and other comprehensive income for the three and nine-month period then ended and the interim condensed consolidated statement of financial position as at 30 September 2024 and the related interim condensed consolidated statements of cash flows and changes in equity for the nine-month period then ended and explanatory notes. The Board of Directors of the Company is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 ('IAS 34') "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.



13 November 2024
Manama, Kingdom of Bahrain

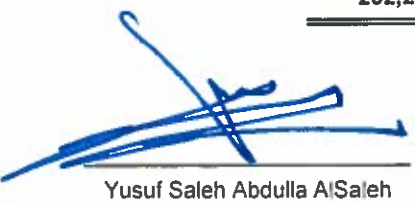
Trafco Group B.S.C.
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME

For the period ended 30 September 2024 (Reviewed)

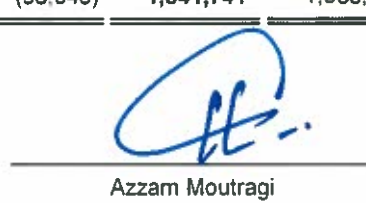
	Notes	Three-month period ended		Nine-month period ended	
		30 September		30 September	
		2024	2023	2024	2023
		BD	BD	BD	BD
Revenue from contracts with customers	4	11,273,159	11,229,334	35,725,749	34,838,115
Costs of revenue		(8,931,015)	(8,929,565)	(28,480,584)	(28,075,141)
GROSS PROFIT		2,342,144	2,299,769	7,245,165	6,762,974
Other operating income		51,664	43,620	130,120	128,576
Personnel costs		(1,150,530)	(1,071,660)	(3,421,942)	(3,233,238)
General and administration expenses		(273,070)	(291,693)	(841,426)	(848,936)
Selling and distribution expenses		(362,208)	(352,791)	(1,028,661)	(889,701)
Depreciation on property, plant and equipment		(91,700)	(101,293)	(285,298)	(302,382)
Depreciation on right-of-use assets		(55,774)	(55,489)	(164,124)	(158,427)
PROFIT FROM OPERATIONS		460,526	470,463	1,633,834	1,458,866
Investment income	5	151,416	142,871	1,207,627	1,218,580
Finance costs		(103,039)	(85,815)	(305,991)	(321,172)
Finance costs on lease liabilities		(50,655)	(47,829)	(153,260)	(144,835)
Foreign exchange gains, net		12,107	12,885	41,110	46,843
PROFIT OF THE GROUP FOR THE PERIOD		470,355	492,575	2,423,320	2,258,282
of which profit attributable to non-controlling interests		(206,970)	(223,314)	(598,919)	(607,940)
PROFIT FOR THE PERIOD ATTRIBUTABLE TO SHAREHOLDERS OF TRAFCO GROUP B.S.C.		263,385	269,261	1,824,401	1,650,342
BASIC AND DILUTED EARNINGS PER SHARE (FILS)	6	4	4	25	22
OTHER COMPREHENSIVE (LOSS) INCOME					
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>					
- Gain on disposals of investment at fair value through other comprehensive income		-	712	102,921	108,600
- Net change in fair value of investment through other comprehensive income		(27,852)	(365,141)	(108,641)	(166,008)
		(27,852)	(364,429)	(5,720)	(57,408)
<i>Items to be reclassified to profit or loss in subsequent periods:</i>					
- Exchange differences on translation of foreign operations		45,449	(21,640)	34,979	(23,360)
Other comprehensive income (loss) for the period		17,597	(386,069)	29,259	(80,768)
TOTAL COMPREHENSIVE INCOME OF THE GROUP FOR THE PERIOD		487,952	106,506	2,452,579	2,177,514
of which attributable to non-controlling interests		(225,715)	(204,549)	(610,838)	(593,771)
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD ATTRIBUTABLE TO SHAREHOLDERS OF TRAFCO GROUP B.S.C.		262,237	(98,043)	1,841,741	1,583,743



Ebrahim Mohamed Ali Zainal
Chairman



Yusuf Saleh Abdulla AlSaleh
Vice Chairman



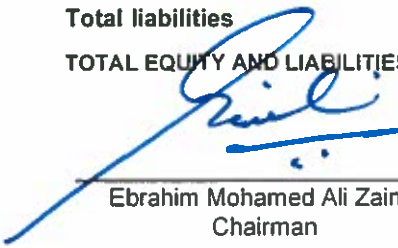


Azzam Moutragi
Group Chief Executive Officer

The attached notes 1 to 13 form part of these interim condensed consolidated financial statements.

Trafco Group B.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2024 (Reviewed)

	30 September 2024 (Reviewed) BD	31 December 2023 (Audited) BD
ASSETS		
Non-current assets		
Property, plant and equipment	11,607,762	10,066,355
Right-of-use assets	3,400,518	3,169,339
Investment at fair value through other comprehensive income	15,793,214	15,960,759
	<u>30,801,494</u>	<u>29,196,453</u>
Current assets		
Inventories	12,808,353	11,030,116
Right of return assets	45,187	44,733
Trade and other receivables	11,675,247	10,676,652
Cash, bank balances and short-term deposits	3,333,826	5,460,262
	<u>27,862,613</u>	<u>27,211,763</u>
TOTAL ASSETS	<u><u>58,664,107</u></u>	<u><u>56,408,216</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	8,067,505	8,067,505
Treasury shares	(1,706,644)	(1,706,644)
Share premium	3,386,502	3,386,502
Reserves	21,069,125	20,488,607
Equity attributable to shareholders of Trafco Group B.S.C.	<u>30,816,488</u>	<u>30,235,970</u>
Non-controlling interests	6,014,483	5,403,645
Total equity	<u>36,830,971</u>	<u>35,639,615</u>
Non-current liabilities		
Lease liabilities	3,210,189	3,009,350
Employees' end of service benefits	1,587,854	1,550,553
Term loans	2,455,333	2,369,475
Retentions payable	125,445	56,875
Government grant	33,625	37,298
	<u>7,412,446</u>	<u>7,023,551</u>
Current liabilities		
Trade and other payables	8,057,458	8,157,241
Import loans	4,015,864	3,416,930
Bank overdrafts	137,355	422,152
Term loans	1,034,148	843,510
Lease liabilities	522,521	472,337
Contract and refund liabilities	524,232	372,338
Retention payables	125,445	56,875
Government grant	3,667	3,667
	<u>14,420,690</u>	<u>13,745,050</u>
Total liabilities	<u>21,833,136</u>	<u>20,768,601</u>
TOTAL EQUITY AND LIABILITIES	<u><u>58,664,107</u></u>	<u><u>56,408,216</u></u>
		
Ebrahim Mohamed Ali Zainal Chairman	Yusuf Saleh Abdulla AlSaleh Vice Chairman	Azzam Moutragi Group Chief Executive Officer

The attached notes 1 to 13 form part of these interim condensed consolidated financial statements.

Trafco Group B.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 September 2024 (Reviewed)

	<i>Nine-month period ended</i>	
	<i>30 September</i>	
	<i>2024</i>	<i>2023</i>
	<i>BD</i>	<i>BD</i>
OPERATING ACTIVITIES		
Profit of the Group for the period	2,423,320	2,258,282
Adjustments for:		
Investment income	(1,207,627)	(1,218,580)
Depreciation on property, plant and equipment	727,377	735,994
Depreciation on right-of-use assets	318,599	308,318
Gain on termination of lease	(205)	-
Finance costs	305,991	321,172
Finance costs on lease liabilities	153,260	144,835
Provision for employees' end of service benefits	185,514	173,759
Provision for slow moving and obsolete of inventories	56,136	48,690
Allowance for expected credit losses	156,946	101,389
Amortisation of Government grant	(3,667)	(3,667)
Gain on disposals of property, plant and equipment	(4,047)	(18,120)
Operating profit before changes in working capital	<u>3,111,597</u>	<u>2,852,072</u>
Working capital changes:		
Inventories	(1,834,827)	458,389
Trade and other receivables	(1,155,541)	(982,998)
Trade and other payables	11,648	(531,532)
Retention payable	137,140	-
Contract and refund liabilities	151,894	53,172
Net cash flows from operations	<u>421,911</u>	<u>1,849,103</u>
Directors' remuneration paid	(120,000)	(102,500)
Employees' end of service benefits paid	(148,211)	(161,978)
Net cash flows from operating activities	<u>153,700</u>	<u>1,584,625</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,268,789)	(1,090,074)
Proceeds from disposals of property, plant and equipment	4,052	21,524
Proceeds from disposals of investment at fair value through other comprehensive income	357,998	350,680
Purchase of investment at fair value through other comprehensive income	(196,181)	(22,208)
Dividends and interest received	1,207,627	1,218,580
Net cash flows (used in) from investing activities	<u>(895,293)</u>	<u>478,502</u>

The attached notes 1 to 13 form part of these interim condensed consolidated financial statements.

Trafco Group B.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF
CASH FLOWS (CONTINUED)

For the period ended 30 September 2024 (Reviewed)

	<i>Nine-month period ended</i>	
	<i>30 September</i>	
	<i>2024</i>	<i>2023</i>
	<i>BD</i>	<i>BD</i>
FINANCING ACTIVITIES		
Dividends paid	(1,261,223)	(1,112,844)
Term loan availed	1,000,000	1,300,000
Repayment of term loan	(723,504)	(497,820)
Import loans availed	10,209,258	8,400,476
Repayment of import loan	(9,610,324)	(9,434,089)
Finance costs paid on loans	(297,422)	(330,700)
Payment of principal portion of lease liabilities	(298,550)	(248,448)
Finance costs paid on lease liabilities	(153,260)	(144,835)
Net cash flows used in financing activities	(1,135,025)	(2,068,260)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,876,618)	(5,133)
Foreign currency translation adjustments - net	34,979	(23,360)
Cash and cash equivalents at 1 January	5,038,110	3,142,708
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER (A)	3,196,471	3,114,215

(A) Cash and cash equivalents comprise of following amounts:

	<i>Nine-month period ended</i>	
	<i>30 September</i>	
	<i>2024</i>	<i>2023</i>
	<i>BD</i>	<i>BD</i>
Cash, bank balances and short-term deposits	3,333,826	3,193,398
Less: Bank overdrafts	(137,355)	(79,183)
	3,196,471	3,114,215

The attached notes 1 to 13 form part of these interim condensed consolidated financial statements.

Trafco Group B.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September 2024 (Reviewed)

	Attributable to shareholders of Trafco Group B.S.C.														
	Share capital	Treasury shares	Share premium	Statutory reserve	General reserve	Fair value reserves	Reserves				Proposed appropriations	Total reserves	Total Trafco's shareholders	Non-controlling interests	Total equity
							Foreign currency reserves	Retained earnings - distributable	Retained earnings non-distributable						
BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	
Balance at 1 January 2024	8,067,505	(1,706,644)	3,386,502	4,033,753	1,615,000	8,483,180	(49,259)	4,597,974	496,736	1,311,223	20,488,607	30,235,970	5,403,645	35,639,615	
Profit for the period	-	-	-	-	-	-	-	1,824,401	-	-	1,824,401	1,824,401	598,919	2,423,320	
Other comprehensive (loss) income for the period	-	-	-	-	-	(499)	17,839	-	-	-	17,340	17,340	11,919	29,259	
Total comprehensive (loss) income for the period	-	-	-	-	-	(499)	17,839	1,824,401	-	-	1,841,741	1,841,741	610,838	2,452,579	
Dividends paid (note 10)	-	-	-	-	-	-	-	-	-	(1,261,223)	(1,261,223)	(1,261,223)	-	(1,261,223)	
Transfer to general reserve	-	-	-	-	50,000	-	-	-	-	(50,000)	-	-	-	-	
Gain on disposals of investments at fair value through other comprehensive income	-	-	-	-	-	(102,580)	-	102,580	-	-	-	-	-	-	
Balance at 30 September 2024	8,067,505	(1,706,644)	3,386,502	4,033,753	1,665,000	8,380,101	(31,420)	6,524,955	496,736	-	21,069,125	30,816,488	6,014,483	36,830,971	

	Attributable to shareholders of Trafco Group B.S.C.													
	Share capital	Treasury shares	Share premium	Statutory reserve	General reserve	Fair value and other reserves	Foreign currency reserves	Retained earnings - distributable	Retained earnings non-distributable	Proposed appropriations	Total reserves	Total Trafco's shareholders	Non-controlling interests	Total equity
BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD
Balance at 1 January 2023	8,067,505	(1,706,644)	3,386,502	4,033,753	1,565,000	7,339,975	(38,048)	4,047,633	496,736	1,162,844	18,607,893	28,355,256	4,919,438	33,274,694
Profit for the period	-	-	-	-	-	-	-	1,650,342	-	-	1,650,342	1,650,342	607,940	2,258,282
Other comprehensive loss for the period	-	-	-	-	-	(54,685)	(11,914)	-	-	-	(66,599)	(66,599)	(14,169)	(80,768)
Total comprehensive (loss) income for the period	-	-	-	-	-	(54,685)	(11,914)	1,650,342	-	-	1,583,743	1,583,743	593,771	2,177,514
Dividends paid (note 10)	-	-	-	-	-	-	-	-	-	(1,112,844)	(1,112,844)	(1,112,844)	-	(1,112,844)
Transfer to general reserve	-	-	-	-	50,000	-	-	-	-	(50,000)	-	-	-	-
Gain on disposals of investments at fair value through other comprehensive income	-	-	-	-	-	(108,600)	-	108,600	-	-	-	-	-	-
Balance at 30 September 2023	8,067,505	(1,706,644)	3,386,502	4,033,753	1,615,000	7,176,690	(49,962)	5,806,575	496,736	-	19,078,792	28,826,155	5,513,209	34,339,364

The attached notes 1 to 13 form part of these interim condensed consolidated financial statements.

1 CORPORATE INFORMATION

Trafco Group B.S.C. ('the Company' or 'Trafco') is a public joint stock company, the shares of which are listed and publicly traded on Bahrain Bourse. The Company was incorporated in the Kingdom of Bahrain by Amiri Decree No. 10 of November 1977. The Company operates in accordance with the provisions of the Bahrain Commercial Companies Law under commercial registration (CR) number 8500 issued by the Ministry of Industry and Commerce on 9 April 1978. The Company's registered office is situated at Building 117, Road 42, Block 343, Mina Salman Industrial Area, Kingdom of Bahrain. The Company's principal activity is trading in food products.

The Group comprises of the Company and its subsidiaries. The details of Company's subsidiaries and an associate are disclosed in the Group's annual consolidated financial statements for the year ended 31 December 2023.

The interim condensed consolidated financial statements were authorised for issue by the Board of Directors on 13 November 2024.

2 MATERIAL ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements for the nine-month period ended 30 September 2024 have been prepared in accordance with International Accounting Standard (IAS 34) "Interim Financial Reporting".

The interim condensed consolidated financial statements do not contain all information and disclosures required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023. The Group has prepared the interim condensed consolidated financial statements on the basis that it will continue to operate as a going concern. In addition, results for the nine-month period ended 30 September 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the new and amended standards effective as of 1 January 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The following amendment applies for the first time in 2024, but do not have an impact on the interim condensed consolidated financial statements of the Group.

- *IAS 7 and IFRS 7 - Supplier Finance Arrangements*
- *IFRS 16 - Lease liability in a sales and leaseback*
- *IAS 1 - Classification of liabilities as current and non-current*

3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The significant accounting judgements and estimates used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023.

Trafco Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2024 (Reviewed)

4 REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table presents the disaggregation of the Group's revenue for the three-month periods ended 30 September 2024 and 30 September 2023:

	<i>Wholesale operations</i>		<i>Retail operations</i>		<i>Dairy products and beverages</i>		<i>Fruits and vegetables</i>		<i>Storage and logistics</i>		<i>Livestock</i>		<i>Total</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>
Types of revenue														
Sale of goods	3,591,233	3,322,104	319,972	246,622	6,090,799	5,992,694	334,821	463,153	-	-	786,926	1,039,445	11,123,751	11,064,018
Rendering of services	-	-	-	-	-	-	-	-	149,408	165,316	-	-	149,408	165,316
	3,591,233	3,322,104	319,972	246,622	6,090,799	5,992,694	334,821	463,153	149,408	165,316	786,926	1,039,445	11,273,159	11,229,334
Geographic markets														
Bahrain	3,591,233	3,322,104	319,972	246,622	4,652,840	4,447,726	334,821	463,153	149,408	165,316	786,926	1,039,445	9,835,200	9,684,366
Kuwait and other countries	-	-	-	-	1,437,959	1,544,968	-	-	-	-	-	-	1,437,959	1,544,968
	3,591,233	3,322,104	319,972	246,622	6,090,799	5,992,694	334,821	463,153	149,408	165,316	786,926	1,039,445	11,273,159	11,229,334
Timing of revenue recognition														
At a point in time	3,591,233	3,322,104	319,972	246,622	6,090,799	5,992,694	334,821	463,153	-	-	786,926	1,039,445	11,123,751	11,064,018
Over the time	-	-	-	-	-	-	-	-	149,408	165,316	-	-	149,408	165,316
	3,591,233	3,322,104	319,972	246,622	6,090,799	5,992,694	334,821	463,153	149,408	165,316	786,926	1,039,445	11,273,159	11,229,334

The following table presents the disaggregation of the Group's revenue for the nine-month periods ended 30 September 2024 and 30 September 2023:

	<i>Wholesale operations</i>		<i>Retail operations</i>		<i>Dairy products and beverages</i>		<i>Fruits and vegetables</i>		<i>Storage and logistics</i>		<i>Livestock</i>		<i>Total</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>
Types of revenue														
Sale of goods	11,202,659	10,829,878	1,049,440	802,744	18,317,960	17,224,121	1,274,534	1,509,220	-	-	3,438,446	3,975,280	35,283,039	34,341,243
Rendering of services	-	-	-	-	-	-	-	-	442,710	496,872	-	-	442,710	496,872
	11,202,659	10,829,878	1,049,440	802,744	18,317,960	17,224,121	1,274,534	1,509,220	442,710	496,872	3,438,446	3,975,280	35,725,749	34,838,115
Geographic markets														
Bahrain	11,202,659	10,829,878	1,049,440	802,744	14,001,322	12,941,822	1,274,534	1,509,220	442,710	496,872	3,438,446	3,975,280	31,409,111	30,555,816
Kuwait and other countries	-	-	-	-	4,316,638	4,282,299	-	-	-	-	-	-	4,316,638	4,282,299
	11,202,659	10,829,878	1,049,440	802,744	18,317,960	17,224,121	1,274,534	1,509,220	442,710	496,872	3,438,446	3,975,280	35,725,749	34,838,115
Timing of revenue recognition														
At a point in time	11,202,659	10,829,878	1,049,440	802,744	18,317,960	17,224,121	1,274,534	1,509,220	-	-	3,438,446	3,975,280	35,283,039	34,341,243
Over the time	-	-	-	-	-	-	-	-	442,710	496,872	-	-	442,710	496,872
	11,202,659	10,829,878	1,049,440	802,744	18,317,960	17,224,121	1,274,534	1,509,220	442,710	496,872	3,438,446	3,975,280	35,725,749	34,838,115

Trafco Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2024 (Reviewed)

5 SEASONALITY OF RESULTS

Investment income for the nine-month period ended 30 September 2024 amounting to BD 1,207,627 (2023: BD 1,218,580) is of seasonal nature.

6 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributable to shareholders of Trafco Group B.S.C. by the weighted average number of ordinary shares outstanding during the period, excluding the average number of ordinary shares purchased by the Company and held as treasury shares, as follows:

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	<i>30 September (Reviewed)</i>		<i>30 September (Reviewed)</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
Profit for the period attributable to shareholders of TRAFCO – (BD)	263,385	269,261	1,824,401	1,650,342
Weighted average number of shares, net of treasury shares	74,197,577	74,197,577	74,197,577	74,197,577
Basic and diluted earnings per share (fils)	4	4	25	22

Basic and diluted earnings per share are the same as the Company has not issued any instruments that would have a dilutive effect.

7 BOOK VALUE AND FAIR VALUE PER SHARE

Book value per share is calculated by dividing the equity as at period end attributable to shareholders of Trafco Group B.S.C. by the weighted average number of ordinary shares outstanding during the period, excluding the average number of ordinary shares purchased by the Company and held as treasury shares, as follows:

	<i>Nine months</i>	
	<i>period ended</i>	<i>Year ended</i>
	<i>30 September</i>	<i>31 December</i>
	<i>2024</i>	<i>2023</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>
	<i>BD</i>	<i>BD</i>
Equity as at period/year end attributable to shareholders of TRAFCO – (BD)	30,816,488	30,235,970
Weighted average number of shares, net of treasury shares	74,197,577	74,197,577
Book value per share (fils)	415	408
Market value per share (fils)*	300	270

* Market value per share is derived from Bahrain Bourse

Trafco Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2024 (Reviewed)

8 FINANCIAL INSTRUMENTS

Set out below is an overview of the financial instruments held by the Group as at 30 September 2024 and 31 December 2023:

<i>Financial assets</i>	<i>Fair value through other comprehensive income</i>		<i>Total</i>
	<i>Amortised cost</i>	<i>income</i>	
	<i>BD</i>	<i>BD</i>	<i>BD</i>
At 30 September 2024 (Reviewed)			
Investments at fair value through other comprehensive income	-	15,793,214	15,793,214
Trade and other receivables	11,675,247	-	11,675,247
Cash, bank balances and short-term deposits	3,333,826	-	3,333,826
	15,009,073	15,793,214	30,802,287
At 31 December 2023 (Audited)			
Investments at fair value through other comprehensive income	-	15,960,759	15,960,759
Trade and other receivables	10,676,652	-	10,676,652
Cash, bank balances and short-term deposits	5,460,262	-	5,460,262
	16,136,914	15,960,759	32,097,673
Financial liabilities at amortised cost			
		30 September 2024 (Reviewed) BD	31 December 2023 (Audited) BD
Trade and other payables		8,057,458	8,157,241
Import loans		4,015,864	3,416,930
Lease liabilities		3,732,710	3,481,687
Bank overdrafts		137,355	422,152
Term loans		3,489,481	3,212,985
		19,432,868	18,690,995

9 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value of financial instruments

The fair value of financial instruments are estimated based on the following methods and assumptions:

- Bank balances, cash, short term deposits, bank overdrafts, import loans, trade and other receivables, and trade and other payables approximate their carrying amounts largely due to the short-term maturities.
- Term loans and lease liabilities are evaluated by the Group based on parameters such as interest rates. As at 30 September 2024 and as at 31 December 2023, the carrying amounts are not materially different from their fair values; and

9 FAIR VALUE MEASUREMENT (continued)

Fair value of financial instruments (continued)

c) Fair value of quoted equity investments and quoted debt instruments is derived from quoted market prices in active markets and in the case of unquoted investment, fair values are provided by the investment managers or using other appropriate valuation techniques including fair values determined based on unobservable inputs using market multiples or other appropriate valuation methodologies.

The fair values of financial assets and liabilities are not materially different from their carrying values as at 30 September 2024 and as at 31 December 2023.

Fair value of non-financial assets and liabilities

The Group does not have any non-financial assets or liabilities which have been remeasured at fair value as at 30 September 2024 and as at 31 December 2023.

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the interim condensed consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the interim condensed consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The following table provides fair value hierarchy of the Group's assets and liabilities:

	30 September 2024 (Reviewed)			Total
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	
	BD	BD	BD	BD
Assets measured at fair value				
<i>Investments at fair value through other comprehensive income</i>				
- Quoted equity investments	9,299,042	-	-	9,299,042
- Unquoted equity investments	-	-	6,494,172	6,494,172
	9,299,042	-	6,494,172	15,793,214

9 FAIR VALUE MEASUREMENT (continued)

Fair value hierarchy (continued)

	<i>31 December 2023 (Audited)</i>			<i>Total</i>
	<i>Quoted prices</i>	<i>Significant</i>	<i>Significant</i>	
	<i>in active</i>	<i>observable</i>	<i>unobservable</i>	
	<i>markets</i>	<i>inputs</i>	<i>inputs</i>	
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	
	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>
<i>Assets measured at fair value</i>				
<i>Investments at fair value through</i>				
<i>other comprehensive income</i>				
- Quoted equity investments	9,489,932	-	-	9,489,932
- Unquoted equity investments	-	-	6,470,827	6,470,827
	<u>9,489,932</u>	<u>-</u>	<u>6,470,827</u>	<u>15,960,759</u>

Liabilities measured at fair value:

There were no liabilities measured at fair value as of 30 September 2024 and as of 31 December 2023.

During the nine-month period ended 30 September 2024 and year ended 31 December 2023, there were no transfers between Level 1 and Level 2 fair value measurements, and there are no transfers into or out of Level 3 fair value measurements.

Reconciliation of fair value measurement of Level 3 assets

Level 3 equity investments have been estimated using fair value provided by the investment managers or other appropriate valuation techniques including fair values determined based on unobservable inputs using market multiples or other appropriate valuation methodologies.

Movement in the fair values of financial assets classified as level 3 category was as follows:

	<i>Nine months</i>	<i>Year ended</i>
	<i>period ended</i>	<i>31 December</i>
	<i>30 September</i>	<i>2023</i>
	<i>2024</i>	<i>(Audited)</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>
	<i>BD</i>	<i>BD</i>
At beginning of the period / year	6,470,827	4,838,534
Change in fair values	39,845	1,632,293
Disposal of shares	(16,500)	-
At end of the period / year	<u>6,494,172</u>	<u>6,470,827</u>

10 DIVIDENDS

At the annual general meeting of the shareholders held on 27 March 2024, a final cash dividend of 17 fils per share, excluding treasury shares, totalling BD 1,261,223 for the year ended 31 December 2023 was declared and paid (30 September 2023: At the annual general meeting of the shareholders held on 29 March 2023, a final cash dividend of 15 fils per share, excluding treasury shares, totalling BD 1,112,844 for the year ended 31 December 2022 was declared and paid).

11 COMMITMENTS AND CONTINGENCIES

The Group has capital expenditure commitments of BD 462,413 as of 30 September 2024 [31 December 2023 (Audited): BD 1,753,376].

Tender, advance payment and performance guarantees issued by banks on behalf of the Group, in the normal course of business, outstanding as at 30 September 2024 amounted to BD 832,627 [31 December 2023 (Audited): BD 832,627].

12 SEGMENT REPORTING

For management purposes, the Group is organised into business units based on their products and services and has seven reportable operating segments as follows:

Wholesale operations	Import and distribution of foodstuff.
Retail operations	Import and distribution of foodstuff through supermarkets.
Investments	Investment in quoted and unquoted securities
Dairy products and beverages	Production, processing and distribution of dairy products, juices, ice-cream, bottling of water and other items.
Fruits and vegetables	Import and distribution of fruits, vegetables and other food items.
Storage and logistics	Providing of storage and logistics services.
Livestock	Import and sale of live animals, fresh, chilled and frozen meat and food service products.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained later in a table, is measured differently from operating profit or loss in the interim condensed consolidated financial statements.

Transfer prices between operating segments are set in a manner similar to transactions with third parties.

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

Segment assets include all operating assets used by a segment and consist primarily of property, plant and equipment, right-of-use assets, inventories, trade and other receivables, cash, bank balances and short-term deposits. Whilst the majority of the assets can be directly attributed to individual business segments, the carrying amounts of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis.

Segment liabilities include all operating liabilities and consist primarily of term loans, import loans, lease liabilities, employees' end of service benefits, retention payable, contract and refund liabilities, Government grant, trade and other payables and bank overdrafts. Whilst the majority of the liabilities can be directly attributed to individual business segments, the carrying amounts of certain liabilities used jointly by two or more segments are allocated to the segments on a reasonable basis.

Inter-segment revenues, transactions, assets and liabilities are eliminated upon consolidation and reflected in the adjustment and eliminations column.

12 SEGMENT REPORTING (continued)

Revenue for the three-month period ended 30 September 2024 in the State of Kuwait and Kingdom of Saudi Arabia amounted to BD 1,437,959 (2023: BD 1,544,968) and profit for the three-month period ended 30 September 2024 amounted to BD 31,277 (2023: BD 61,808). The remaining revenue and profit for the three-month period then ended is generated from the primary geographical segment in the Kingdom of Bahrain.

Revenue for the nine-month period ended 30 September 2024 in the State of Kuwait and Kingdom of Saudi Arabia amounted to BD 4,316,638 (2023: BD 4,282,229) and profit for the nine-month period ended 30 September 2024 amounted to BD 115,850 (2023: BD 196,387). The remaining revenue and profit for the nine-month period is generated from the primary geographical segment in the Kingdom of Bahrain.

At 30 September 2024, total assets in the State of Kuwait and Kingdom of Saudi Arabia amounted to BD 2,437,170 [31 December 2023 (Audited): BD 2,394,586] and total liabilities amounted to BD 2,303,728 [31 December 2023 (Audited): BD 2,261,144]. All remaining assets and liabilities arise from the primary geographical segment in the Kingdom of Bahrain.

Trafco Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2024 (Reviewed)

12 SEGMENT REPORTING (continued)

Three-month period ended 30 September (Reviewed)

The following table presents the details of segmental operating results for the three-month periods ended 30 September 2024 and 30 September 2023:

	<i>Wholesale operations</i>		<i>Retail operations</i>		<i>Investments</i>		<i>Dairy products and beverages</i>		<i>Fruits and vegetables</i>		<i>Storage and logistics</i>		<i>Livestock</i>		<i>Adjustments and eliminations</i>		<i>Total</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>
Revenue - third parties	3,591,233	3,322,104	319,972	246,622	-	-	6,090,799	5,992,694	334,821	463,153	149,408	165,316	786,926	1,039,445	-	-	11,273,159	11,229,334
Revenue - inter segments	169,582	4,445	-	205	-	-	17,172	19,392	13,799	6,037	82,355	55,872	1,570	3,180	(284,478)	(89,131)	-	-
Total revenue	3,760,815	3,326,549	319,972	246,827	-	-	6,107,971	6,012,086	348,620	469,190	231,763	221,188	788,496	1,042,625	(284,478)	(89,131)	11,273,159	11,229,334
Costs of revenue (excluding depreciation)	(3,190,389)	(2,832,054)	(270,796)	(210,242)	-	-	(4,446,607)	(4,354,803)	(289,841)	(406,612)	(76,547)	(58,129)	(660,374)	(896,438)	202,779	23,856	(8,731,775)	(8,734,422)
Gross profit (before depreciation)	570,426	494,495	49,176	36,585	-	-	1,661,364	1,657,283	58,779	62,578	155,216	163,059	128,122	146,187	(81,699)	(65,275)	2,541,384	2,494,912
Other operating income	12,141	9,180	300	4,444	-	-	21,691	10,645	25,972	17,514	1,788	2,095	2,155	930	(12,383)	(1,188)	51,664	43,620
Other expenses (excluding depreciation)	(516,087)	(441,759)	(24,521)	(22,881)	-	-	(1,020,990)	(1,004,472)	(79,143)	(78,649)	(23,145)	(18,671)	(163,706)	(167,732)	41,784	18,020	(1,785,808)	(1,716,144)
Depreciation on property, plant and equipment	(27,106)	(31,090)	(293)	(559)	-	-	(120,300)	(123,081)	(10,407)	(10,172)	(75,074)	(75,365)	(2,139)	(2,078)	(4,127)	(4,127)	(239,446)	(246,472)
Depreciation on right-of-use assets	(29,047)	(27,521)	(6,512)	(8,216)	-	-	(73,530)	(78,421)	(4,951)	(3,930)	(12,288)	(8,870)	(2,976)	(1,777)	22,036	23,282	(107,268)	(105,453)
Profit (loss) from operations	10,327	3,305	18,150	9,373	-	-	468,235	461,954	(9,750)	(12,659)	46,497	62,248	(38,544)	(24,470)	(34,389)	(29,288)	460,526	470,463
Investment income	-	-	-	-	373,920	368,554	27,119	40,918	-	-	-	-	12,735	7,010	(262,358)	(273,611)	151,416	142,871
Finance costs	(85,780)	(69,550)	(861)	(551)	-	-	(172)	(1,911)	(12,586)	(10,992)	(3,849)	(12,783)	(3,640)	(2,369)	3,849	12,341	(103,039)	(85,815)
Finance costs on lease liabilities	(30,955)	(28,923)	(532)	(291)	-	-	(27,149)	(26,548)	(5,241)	(4,177)	(16,755)	(12,555)	(278)	(494)	30,255	25,159	(50,655)	(47,829)
Foreign exchange gains	-	-	-	-	-	-	12,107	12,885	-	-	-	-	-	-	-	-	12,107	12,885
(Loss) profit for the period	(106,408)	(95,168)	16,757	8,531	373,920	368,554	480,140	487,298	(27,577)	(27,828)	25,893	36,910	(29,727)	(20,323)	(262,643)	(265,399)	470,355	492,575

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2024 (Reviewed)

12 SEGMENT REPORTING (continued)

Nine-month period ended 30 September (Reviewed)

The following table presents the details of segmental operating results for the nine-month periods ended 30 September 2024 and 30 September 2023:

	Wholesale operations		Retail operations		Investments		Dairy products and beverages		Fruits and vegetables		Storage and logistics		Livestock		Adjustments and eliminations		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD
Revenue - third parties	11,202,659	10,829,878	1,049,440	802,744	-	-	18,317,960	17,224,121	1,274,534	1,509,220	442,710	496,872	3,438,446	3,975,280	-	-	35,725,749	34,838,115
Revenue - inter segments	368,460	17,565	-	205	-	-	63,525	72,083	52,408	36,438	228,996	143,804	1,950	3,180	(715,339)	(273,275)	-	-
Total revenue	11,571,119	10,847,443	1,049,440	802,949	-	-	18,381,485	17,296,204	1,326,942	1,545,658	671,706	640,676	3,440,396	3,978,460	(715,339)	(273,275)	35,725,749	34,838,115
Costs of revenue (excluding depreciation)	(9,727,486)	(9,251,403)	(855,442)	(677,210)	-	-	(13,536,257)	(12,823,314)	(1,100,933)	(1,326,276)	(189,607)	(168,978)	(2,966,374)	(3,379,840)	492,069	135,383	(27,884,030)	(27,491,638)
Gross profit (before depreciation)	1,843,633	1,596,040	193,998	125,739	-	-	4,845,228	4,472,890	226,009	219,382	482,099	471,698	474,022	598,620	(223,270)	(137,892)	7,841,719	7,346,477
Other operating income	34,330	30,714	900	5,378	-	-	48,875	58,078	70,079	48,109	5,452	6,833	6,306	11,975	(35,822)	(32,511)	130,120	128,576
Other expenses (excluding depreciation)	(1,521,814)	(1,391,436)	(68,427)	(64,203)	-	-	(3,011,941)	(2,747,026)	(226,677)	(231,137)	(64,205)	(55,747)	(501,183)	(523,488)	102,218	41,162	(5,292,029)	(4,971,875)
Depreciation on property, plant and equipment	(84,884)	(94,134)	(581)	(1,824)	-	-	(367,186)	(364,932)	(30,990)	(30,765)	(225,824)	(227,356)	(5,531)	(4,602)	(12,381)	(12,381)	(727,377)	(735,994)
Depreciation on right-of-use of assets	(87,141)	(82,557)	(18,698)	(23,728)	-	-	(218,897)	(211,843)	(14,515)	(11,791)	(36,863)	(26,608)	(8,592)	(5,331)	66,107	53,540	(318,599)	(308,318)
Profit (loss) from operations	184,124	58,627	107,192	41,362	-	-	1,296,079	1,207,167	23,906	(6,202)	160,659	168,820	(34,978)	77,174	(103,148)	(88,082)	1,633,834	1,458,866
Investment income	-	-	-	-	2,002,306	1,937,919	108,626	124,273	-	-	-	-	39,245	33,474	(942,550)	(877,086)	1,207,627	1,218,580
Finance costs	(257,877)	(246,780)	(3,138)	(2,443)	-	-	(1,908)	(26,390)	(30,500)	(34,842)	(17,909)	(37,349)	(12,568)	(10,717)	17,909	37,349	(305,991)	(321,172)
Finance costs on lease liabilities	(91,770)	(87,042)	(1,054)	(1,032)	-	-	(84,351)	(80,736)	(15,736)	(12,574)	(50,265)	(37,666)	(848)	(1,484)	90,764	75,699	(153,260)	(144,835)
Foreign exchange gains, net	-	-	-	-	-	-	41,110	46,843	-	-	-	-	-	-	-	-	41,110	46,843
(loss) Profit for the period	(165,523)	(275,195)	103,000	37,887	2,002,306	1,937,919	1,359,556	1,271,157	(22,330)	(53,618)	92,485	93,805	(9,149)	98,447	(937,025)	(852,120)	2,423,320	2,258,282
Capital expenditure	1,472,546	771,927	1,793	1,570	-	-	738,654	292,020	19,401	-	19,871	7,610	16,524	16,947	-	-	2,268,789	1,090,074

The following table presents the details of segmental assets and liabilities as at 30 September 2024 and as at 31 December 2023:

	Wholesale operations		Retail operations		Investments		Dairy products and beverages		Fruits and vegetables		Storage and logistics		Livestock		Adjustments and eliminations		Total	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023	30 September 2024	31 December 2023	30 September 2024	31 December 2023	30 September 2024	31 December 2023	30 September 2024	31 December 2023	30 September 2024	31 December 2023	30 September 2024	31 December 2023	30 September 2024	31 December 2023
	(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)
Assets	17,245,118	16,258,972	109,669	89,748	27,176,029	26,358,308	20,326,698	19,435,290	1,756,214	1,693,380	3,580,156	3,478,652	3,952,100	3,546,421	(15,481,877)	(14,452,555)	58,664,107	56,408,216
Liabilities	13,838,770	12,627,800	109,669	89,748	-	-	6,962,506	7,454,978	1,295,976	1,198,432	1,606,552	1,597,533	827,426	431,576	(2,807,763)	(2,631,466)	21,833,136	20,768,601

13 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent major shareholders, companies having common directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Transactions with related parties included in the interim consolidated statement of profit or loss and other comprehensive income for the nine-month periods ended 30 September 2024 and 30 September 2023 respectively, are as follows:

	Nine-month period ended 30 September 2024			
	Revenue BD	Purchases BD	Income BD	Expenses BD
Companies with common directors	487,026	1,993,141	748,511	180,625
	Nine-month period ended 30 September 2023			
	Revenue BD	Purchases BD	Income BD	Expenses BD
Companies with common directors	553,743	591,968	724,588	153,306

Balances with related parties included in the interim consolidated statement of financial position as at 30 September 2024 and as at 31 December 2023, are as follows:

	At 30 September 2024 (Reviewed)		At 31 December 2023 (Audited)	
	Due from BD	Due to BD	Due from BD	Due to BD
Companies with common directors	183,557	402,937	208,278	267,308

Terms and conditions

Transactions are made at prices agreed mutually with the related parties. Outstanding balances at the period-end and year-end arose in the normal course of business are unsecured, interest free and settlement occurs in cash.

Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the nine-month period ended was as follows:

	Nine-month period ended 30 September (Reviewed)	
	2024 BD	2023 BD
Short-term benefits	315,280	289,110
Employees' end of service benefits	22,907	19,965
	338,187	309,075