

Trafco Group B.S.C.

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

30 JUNE 2025 (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 June 2025, comprising of interim consolidated statement of financial position as at 30 June 2025 and the related interim consolidated statement of profit or loss and other comprehensive income for the three and six-month periods then ended and the related interim consolidated statements of cash flows and changes in equity for the six-month period then ended and explanatory notes. The Group's Board of Directors 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.



Partner's Registration No. 212
10 August 2025
Manama, Kingdom of Bahrain

Trafco Group B.S.C.

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 30 June 2025 (Reviewed)

	Notes	Three-month period ended		Six-month period ended	
		30 June		30 June	
		2025	2024	2025	2024
		BD	BD	BD	BD
Revenue from contracts with customers	4	11,386,182	11,943,513	22,245,230	24,452,590
Costs of revenue		(9,211,061)	(9,437,172)	(18,214,375)	(19,549,569)
GROSS PROFIT		2,175,121	2,506,341	4,030,855	4,903,021
Other operating income		31,270	30,998	109,202	79,253
Personnel costs		(1,185,322)	(1,129,994)	(2,334,572)	(2,286,687)
General and administration expenses		(219,512)	(272,017)	(451,830)	(504,522)
Selling and distribution expenses		(362,384)	(400,972)	(680,221)	(715,809)
Depreciation on property, plant and equipment		(96,271)	(93,882)	(196,101)	(193,598)
Depreciation on right-of-use assets		(55,526)	(54,859)	(113,263)	(108,350)
PROFIT FROM OPERATIONS		287,376	585,615	364,070	1,173,308
Investment income	5	333,105	357,368	1,095,090	1,056,211
Finance costs		(122,390)	(107,829)	(246,152)	(202,952)
Finance costs on lease liabilities		(49,475)	(51,149)	(100,031)	(102,605)
Foreign exchange gains, net		10,425	14,017	21,199	29,003
PROFIT OF THE GROUP FOR THE PERIOD		459,041	798,022	1,134,176	1,952,965
of which profit attributable to non-controlling interests		(149,774)	(195,082)	(243,054)	(391,949)
PROFIT FOR THE PERIOD ATTRIBUTABLE TO SHAREHOLDERS OF TRAFCO GROUP B.S.C.		309,267	602,940	891,122	1,561,016
BASIC AND DILUTED EARNINGS PER SHARE (FILS)	6	4	8	12	21
OTHER COMPREHENSIVE 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		-	102,921	3,025	102,921
- Net change in fair value of investment through other comprehensive income		190,540	(195,854)	245,975	(80,789)
		190,540	(92,933)	249,000	22,132
<i>Items to be reclassified to profit or loss in subsequent periods:</i>					
- Exchange differences on translation of foreign operations		18,823	(9,916)	2,272	(10,470)
Other comprehensive income (loss) for the period		209,363	(102,849)	251,272	11,662
TOTAL COMPREHENSIVE INCOME OF THE GROUP FOR THE PERIOD		668,404	695,173	1,385,448	1,964,627
of which attributable to non-controlling interests		(157,674)	(174,373)	(254,452)	(385,123)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO SHAREHOLDERS OF TRAFCO GROUP B.S.C.		510,730	520,800	1,130,996	1,579,504

Ebrahim Mohamed Ali Zainal
Chairman

Yusuf Saleh Abdulla Al Saleh
Vice Chairman

Azzam Moutragi
Group Chief Executive Officer

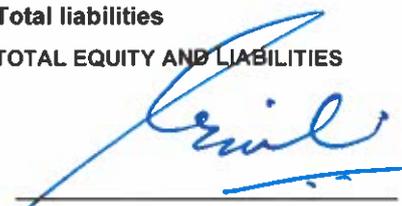
The attached notes 1 to 13 form part of these interim condensed consolidated financial statements.

Trafco Group B.S.C.

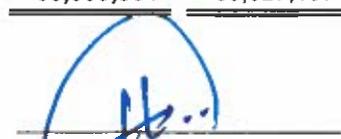
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025 (Reviewed)

	30 June 2025 (Reviewed) BD	31 December 2024 (Audited) BD
ASSETS		
Non-current assets		
Property, plant and equipment	12,403,218	12,429,324
Right-of-use assets	3,082,252	3,290,337
Investment at fair value through other comprehensive income	14,430,941	14,221,497
	<u>29,916,411</u>	<u>29,941,158</u>
Current assets		
Inventories	9,358,021	11,880,300
Right of return assets	44,959	44,436
Trade and other receivables	12,550,015	11,996,791
Cash, bank balances and short-term deposits	2,020,458	1,764,512
	<u>23,973,453</u>	<u>25,686,039</u>
TOTAL ASSETS	<u>53,889,864</u>	<u>55,627,197</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	19,287,198	19,491,615
Equity attributable to shareholders of Trafco Group B.S.C.	<u>29,034,561</u>	<u>29,238,978</u>
Non-controlling interests	6,031,706	5,777,254
Total equity	<u>35,066,267</u>	<u>35,016,232</u>
Non-current liabilities		
Lease liabilities	2,870,254	3,132,699
Employees' end of service benefits	1,555,521	1,589,586
Term loans	1,826,363	2,246,737
Retention payable	-	125,445
Government grant	123,624	126,964
	<u>6,375,762</u>	<u>7,221,431</u>
Current liabilities		
Trade and other payables	6,398,846	7,316,851
Import loans	2,721,970	2,896,872
Bank overdrafts	805,309	1,153,651
Lease liabilities	551,646	539,667
Contract and refund liabilities	508,511	491,694
Retention payable	127,845	-
Term loans	1,323,374	980,465
Government grant	10,334	10,334
	<u>12,447,835</u>	<u>13,389,534</u>
Total liabilities	<u>18,823,597</u>	<u>20,610,965</u>
TOTAL EQUITY AND LIABILITIES	<u>53,889,864</u>	<u>55,627,197</u>


Ebrahim Mohamed Ali Zainal
Chairman


Yusuf Saleh Abdulla Al Saleh
Vice Chairman


Azlam 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 CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 June 2025 (Reviewed)

	<i>Six-month period ended</i>	
	<i>30 June</i>	
	2025	2024
	BD	BD
OPERATING ACTIVITIES		
Profit of the Group for the period	1,134,176	1,952,965
Adjustments for:		
Investment income	(1,095,090)	(1,056,211)
Depreciation on property, plant and equipment	535,558	487,931
Depreciation on right-of-use assets	216,247	211,331
Other finance costs	246,152	202,952
Finance costs on lease liabilities	100,031	102,605
Provision for employees' end of service benefits	141,557	123,042
Provision for slow moving and obsolete of inventories	6,035	55,569
Allowance for expected credit losses	68,314	120,161
Amortization of Government grant	(3,340)	-
Operating profit before changes in working capital	1,349,640	2,200,345
Working capital changes:		
Inventories	2,516,244	(236,205)
Right of return assets	(523)	(202)
Trade and other receivables	(312,756)	(1,631,189)
Trade and other payables	(817,141)	46,305
Retention payable	2,400	117,190
Contract and refund liabilities	16,817	110,545
Net cash generated from operations	2,754,681	606,789
Directors' remuneration paid	(119,925)	(119,925)
Employees' end of service benefits paid	(175,622)	(91,600)
Net cash flows generated from operating activities	2,459,134	395,264
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(509,452)	(1,668,230)
Proceeds from disposals of investment at fair value		
through other comprehensive income	39,556	358,011
Additions to investment at fair value through other comprehensive income	-	(178,088)
Dividends and interest received	786,308	1,056,211
Net cash flows generated from (used in) investing activities	316,412	(432,096)
FINANCING ACTIVITIES		
Dividends paid	(1,335,413)	(1,261,223)
Term loans availed	660,000	1,000,000
Repayment of term loan	(737,465)	(462,292)
Import loans availed	4,432,564	6,014,898
Repayment of import loan	(4,607,466)	(5,406,222)
Finance costs paid on loans	(227,091)	(177,953)
Payment of principal portion of lease liabilities	(258,628)	(245,415)
Finance costs paid on lease liabilities	(100,031)	(102,605)
Net cash flows used in financing activities	(2,173,530)	(640,812)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	602,016	(677,644)
Foreign currency translation adjustments - net	2,272	(10,470)
Cash and cash equivalents at 1 January	610,861	5,038,110
CASH AND CASH EQUIVALENTS AT 30 JUNE (A)	1,215,149	4,349,996

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

Trafco Group B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the period ended 30 June 2025 (Reviewed)

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

	<i>Six-month period ended</i>	
	<i>30 June</i>	
	2025	<i>2024</i>
	BD	<i>BD</i>
Cash, bank balances and short-term deposits	2,020,458	4,513,832
Less: Bank overdrafts	(805,309)	(163,836)
	1,215,149	4,349,996

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

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2025 (Reviewed)

	Attributable to shareholders of Trafco Group B.S.C.													
	Reserves											Total Trafco's shareholders BD	Non- controlling interests BD	Total equity BD
	Share capital BD	Treasury shares BD	Share premium BD	Statutory reserve BD	General reserve BD	Fair value reserves BD	Foreign currency reserves BD	Retained earnings - distributable BD	Retained earnings non- distributable BD	Proposed appropriations BD	Total reserves BD			
Balance at 1 January 2025	8,067,505	(1,706,644)	3,386,502	4,033,753	1,665,000	6,815,322	(47,083)	5,142,474	496,736	1,385,413	19,491,615	29,238,978	5,777,254	35,016,232
Profit for the period	-	-	-	-	-	-	-	891,122	-	-	891,122	891,122	243,054	1,134,176
Other comprehensive income for the period	-	-	-	-	-	238,716	1,158	-	-	-	239,874	239,874	11,398	251,272
Total comprehensive income for the period	-	-	-	-	-	238,716	1,158	891,122	-	-	1,130,996	1,130,996	254,452	1,385,448
Dividend paid (note 10)	-	-	-	-	-	-	-	-	-	(1,335,413)	(1,335,413)	(1,335,413)	-	(1,335,413)
Transfer to general reserve	-	-	-	-	50,000	-	-	-	-	(50,000)	-	-	-	-
Gain on disposal of investment at fair value through other comprehensive income	-	-	-	-	-	(1,543)	-	1,543	-	-	-	-	-	-
Balance at 30 June 2025	8,067,505	(1,706,644)	3,386,502	4,033,753	1,715,000	7,052,495	(45,925)	6,035,139	496,736	-	19,287,198	29,034,561	6,031,706	35,066,267

	Attributable to shareholders of Trafco Group B.S.C.													
	Reserves											Total Trafco's shareholders BD	Non- controlling interests BD	Total equity BD
	Share capital BD	Treasury shares BD	Share premium BD	Statutory reserve BD	General reserve BD	Fair value reserves BD	Foreign currency reserves BD	Retained earnings - distributable BD	Retained earnings non- distributable BD	Proposed appropriations BD	Total reserves 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	-	-	-	-	-	-	-	1,561,016	-	-	1,561,016	1,561,016	391,949	1,952,965
Other comprehensive income (loss) for the period	-	-	-	-	-	23,828	(5,340)	-	-	-	18,488	18,488	(6,826)	11,662
Total comprehensive income (loss) for the period	-	-	-	-	-	23,828	(5,340)	1,561,016	-	-	1,579,504	1,579,504	385,123	1,964,627
Dividend 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 disposal of investment at fair value through other comprehensive income	-	-	-	-	-	(102,580)	-	102,580	-	-	-	-	-	-
Balance at 30 June 2024	8,067,505	(1,706,644)	3,386,502	4,033,753	1,665,000	8,404,428	(54,599)	6,261,570	496,736	-	20,806,888	30,554,251	5,788,768	36,343,019

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 2024.

The interim condensed consolidated financial statements were authorised for issue by the Board of Directors on 10 August 2025.

2 MATERIAL ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements for the six-month period ended 30 June 2025 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 2024. 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 six-month period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

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 2024, except for the new and amended standards effective as of 1 January 2025. 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 2025, but do not have an impact on the interim condensed consolidated financial statements of the Group.

- *Amendments to IAS 21 – Lack of exchangeability: In August 2023, the IASB issued these amendments to IAS 21 to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.*

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 2024.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025 (Reviewed)

4 REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table presents the disaggregation of the Group's revenue for the three-month period ended 30 June 2025 and 30 June 2024:

	<i>Wholesale operations</i>		<i>Dairy products and beverages</i>		<i>Fruits and vegetables</i>		<i>Storage and logistics</i>		<i>Livestock</i>		<i>Total</i>	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<i>Types of revenue</i>	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD
Sale of goods	3,589,030	4,176,302	5,932,346	6,029,798	356,173	362,638	-	-	1,341,691	1,230,123	11,219,240	11,798,861
Rendering of services	-	-	-	-	-	-	166,942	144,652	-	-	166,942	144,652
	3,589,030	4,176,302	5,932,346	6,029,798	356,173	362,638	166,942	144,652	1,341,691	1,230,123	11,386,182	11,943,513
<i>Geographic markets</i>												
Bahrain	3,589,030	4,176,302	4,476,757	4,558,965	356,173	362,638	166,942	144,652	1,341,691	1,230,123	9,930,593	10,472,680
Kuwait and Saudi Arabia	-	-	1,455,589	1,470,833	-	-	-	-	-	-	1,455,589	1,470,833
	3,589,030	4,176,302	5,932,346	6,029,798	356,173	362,638	166,942	144,652	1,341,691	1,230,123	11,386,182	11,943,513
<i>Timing of revenue recognition</i>												
At a point in time	3,589,030	4,176,302	5,932,346	6,029,798	356,173	362,638	-	-	1,341,691	1,230,123	11,219,240	11,798,861
Over the time	-	-	-	-	-	-	166,942	144,652	-	-	166,942	144,652
	3,589,030	4,176,302	5,932,346	6,029,798	356,173	362,638	166,942	144,652	1,341,691	1,230,123	11,386,182	11,943,513

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025 (Reviewed)

4 REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

The following table presents the disaggregation of the Group's revenue for the six-month periods ended 30 June 2025 and 30 June 2024:

	<i>Wholesale operations</i>		<i>Dairy products and beverages</i>		<i>Fruits and vegetables</i>		<i>Storage and logistics</i>		<i>Livestock</i>		<i>Total</i>	
	2025	<i>2024</i>	2025	<i>2024</i>	2025	<i>2024</i>	2025	<i>2024</i>	2025	<i>2024</i>	2025	<i>2024</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	7,373,964	8,340,894	11,360,094	12,227,161	692,265	939,713	-	-	2,490,749	2,651,520	21,917,072	24,159,288
Rendering of services	-	-	-	-	-	-	328,158	293,302	-	-	328,158	293,302
	7,373,964	8,340,894	11,360,094	12,227,161	692,265	939,713	328,158	293,302	2,490,749	2,651,520	22,245,230	24,452,590
Geographic markets												
Bahrain	7,373,964	8,340,894	8,708,829	9,348,482	692,265	939,713	328,158	293,302	2,490,749	2,651,520	19,593,965	21,573,911
Kuwait and Saudi Arabia	-	-	2,651,265	2,878,679	-	-	-	-	-	-	2,651,265	2,878,679
	7,373,964	8,340,894	11,360,094	12,227,161	692,265	939,713	328,158	293,302	2,490,749	2,651,520	22,245,230	24,452,590
Timing of revenue recognition												
At a point in time	7,373,964	8,340,894	11,360,094	12,227,161	692,265	939,713	-	-	2,490,749	2,651,520	21,917,072	24,159,288
Over the time	-	-	-	-	-	-	328,158	293,302	-	-	328,158	293,302
	7,373,964	8,340,894	11,360,094	12,227,161	692,265	939,713	328,158	293,302	2,490,749	2,651,520	22,245,230	24,452,590

Trafco Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025 (Reviewed)

5 SEASONALITY OF RESULTS

Investment income for the six-month period ended 30 June 2025 amounting to BD 1,095,090 (2024: BD 1,056,211) is of a 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>Six-month period ended</i>	
	<i>30 June (Reviewed)</i>		<i>30 June (Reviewed)</i>	
	2025	2024	2025	2024
Profit for the period attributable to shareholders of TRAFCO Group BSC – (BD)	309,267	602,940	891,122	1,561,016
Weighted average number of shares, net of treasury shares	74,197,575	74,197,575	74,197,575	74,197,575
Basic and diluted earnings per share (fils)	4	8	12	21

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:

	30 June 2025 (Reviewed)	<i>31 December 2024 (Audited)</i>
Equity as at period / year end attributable to shareholders of TRAFCO – (BD)	29,034,561	29,238,978
Weighted average number of shares, net of treasury shares	74,197,575	74,197,575
Book value per share (fils)	391	394
Market value per share (fils)*	265	310

* Market value per share is derived from Bahrain Bourse

8 FINANCIAL INSTRUMENTS

Set out below is an overview of the financial instruments held by the Group as at 30 June 2025 and 31 December 2024:

Financial assets	Amortised cost BD	Fair value through other comprehensive income BD	Total BD
At 30 June 2025 (Reviewed)			
Investments at fair value through other comprehensive income	-	14,430,941	14,430,941
Trade and other receivables	12,550,015	-	12,550,015
Cash, bank balances and short-term deposits	2,020,458	-	2,020,458
	14,570,473	14,430,941	29,001,414

Financial assets	Amortised cost BD	Fair value through other comprehensive income BD	Total BD
At 31 December 2024 (Audited)			
Investments at fair value through other comprehensive income	-	14,221,497	14,221,497
Trade and other receivables	11,996,791	-	11,996,791
Cash, bank balances and short-term deposits	1,764,512	-	1,764,512
	13,761,303	14,221,497	27,982,800

Financial liabilities at amortised cost	30 June 2025 (Reviewed) BD	31 December 2024 (Audited) BD
Trade and other payables	6,398,846	7,316,851
Import loans	2,721,970	2,896,872
Lease liabilities	3,421,900	3,672,366
Bank overdrafts	805,309	1,153,651
Term loans	3,149,737	3,227,202
	16,497,762	18,266,942

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:

- a) Cash, bank balances and short-term deposits, bank overdrafts, import loans, trade and other receivables, retentions payable and trade and other payables approximate their carrying amounts largely due to the short-term maturities.
- b) Term loans and lease liabilities are evaluated by the Group based on parameters such as interest rates. As at 30 June 2025 and as at 31 December 2024, 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 values of quoted equity investments and quoted debt instruments are derived from quoted market prices in active markets and in 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 June 2025 and as at 31 December 2024.

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 June 2025 and as at 31 December 2024.

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 June 2025 (Reviewed)			Total BD
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Level 1	Level 2	Level 3	
	BD	BD	BD	
Assets measured at fair value				
<i>Investments at fair value through other comprehensive income</i>				
- Quoted equity investments	9,419,923	-	-	9,419,923
- Unquoted equity investments	-	-	5,011,018	5,011,018
	9,419,923	-	5,011,018	14,430,941
	31 December 2024 (Audited)			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Level 1	Level 2	Level 3	Total
	BD	BD	BD	BD
Assets measured at fair value				
<i>Investments at fair value through other comprehensive income</i>				
- Quoted equity investments	9,104,603	-	-	9,104,603
- Unquoted equity investments	-	-	5,116,894	5,116,894
	9,104,603	-	5,116,894	14,221,497

9 FAIR VALUE MEASUREMENT (continued)

Liabilities measured at fair value:

There were no liabilities measured at fair value as of 30 June 2025 and as of 31 December 2024.

During the six-month period ended 30 June 2025 and year ended 31 December 2024, 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:

	Six month period ended	Year ended
	30 June	31 December
	2025	2024
	(Reviewed)	(Audited)
	BD	BD
At beginning of the period / year	5,116,894	6,470,827
Change in fair values	(66,320)	(1,337,433)
Disposal of shares	(39,556)	(16,500)
At end of the period / year	5,011,018	5,116,894

10 DIVIDENDS

At the annual general meeting of the shareholders held on 26 March 2025, a final cash dividend of 18 fils per share, excluding treasury shares, totaling BD 1,335,413 for the year ended 31 December 2024 was declared and paid (30 June 2024: 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, totaling BD 1,261,223 for the year ended 31 December 2023 was declared and paid.)

11 COMMITMENTS AND CONTINGENCIES

The Group has capital expenditure commitments of BD 5,114 as of 30 June 2025 (31 December 2024: BD 387,538).

Tender, advance payment and performance guarantees issued by banks on behalf of the Group, in the normal course of business, outstanding as at 30 June 2025 amounted to BD 955,174 (31 December 2024: BD 955,174).

12 SEGMENT REPORTING

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

Wholesale operations	Import and distribution of foodstuff.
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.

12 SEGMENT REPORTING (continued)

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 approved by Group's management.

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, 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.

Revenue for the three-month period ended 30 June 2025 in the State of Kuwait and Kingdom of Saudi Arabia amounted to BD 1,455,589 (2024: BD 1,470,833) and profit for the three-month period ended 30 June 2025 amounted to BD 25,291 (2024: BD 44,333). 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 six-month period ended 30 June 2025 in the State of Kuwait and Kingdom of Saudi Arabia amounted to BD 2,651,265 (2024: BD 2,878,679) and profit for the six-month period ended 30 June 2025 amounted to BD 7,241 (2024: profit of BD 84,573). The remaining revenue and profit for the six-month period is generated from the primary geographical segment in the Kingdom of Bahrain.

At 30 June 2025, total assets in the State of Kuwait and Kingdom of Saudi Arabia amounted to BD 2,367,171 (31 December 2024: BD 2,278,306) and total liabilities amounted to BD 2,233,728 (31 December 2024: BD 2,144,866). All remaining assets and liabilities arise from the primary geographical segment in the Kingdom of Bahrain.

12 SEGMENT REPORTING (continued)

Three-month period ended 30 June (Reviewed)

The following table presents the details of segmental operating results for the three-month periods ended 30 June 2025 and 30 June 2024:

	<i>Wholesale 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>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</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	3,589,030	4,176,302	-	-	5,932,346	6,029,798	356,173	362,638	166,942	144,652	1,341,691	1,230,123	-	-	11,386,182	11,943,513
Revenue - inter segments	142,133	123,236	-	-	16,067	23,141	29,867	11,841	67,987	77,274	13,544	380	(269,598)	(235,872)	-	-
Total revenue	3,731,163	4,299,538	-	-	5,948,413	6,052,939	386,040	374,479	234,929	221,926	1,355,235	1,230,503	(269,598)	(235,872)	11,386,182	11,943,513
Costs of revenue (excluding depreciation)	(3,263,880)	(3,571,629)	-	-	(4,307,161)	(4,408,707)	(333,439)	(318,833)	(76,961)	(63,467)	(1,215,384)	(1,041,711)	203,928	166,245	(8,992,897)	(9,238,102)
Gross profit	467,283	727,909	-	-	1,641,252	1,644,232	52,601	55,646	157,968	158,459	139,851	188,792	(65,670)	(69,627)	2,393,285	2,705,411
Other operating income	10,936	8,531	-	-	2,825	8,143	31,132	24,374	2,868	1,876	3,119	1,871	(19,610)	(13,797)	31,270	30,998
Other expenses (excluding depreciation)	(460,226)	(553,751)	-	-	(1,087,802)	(1,008,404)	(70,697)	(71,994)	(21,195)	(21,277)	(158,282)	(178,694)	30,984	31,137	(1,767,218)	(1,802,983)
Depreciation on property, plant and equipment	(27,533)	(28,551)	-	-	(117,744)	(121,197)	(10,112)	(10,407)	(101,340)	(75,386)	(2,099)	(1,795)	(4,127)	(4,127)	(262,955)	(241,463)
Depreciation on right-of-use assets	(36,170)	(35,140)	-	-	(72,657)	(73,300)	(4,950)	(4,814)	(12,287)	(12,287)	(2,976)	(2,841)	22,034	22,034	(107,006)	(106,348)
(Loss) profit from operations	(45,710)	118,998	-	-	365,874	449,474	(2,026)	(7,195)	26,014	51,385	(20,387)	7,333	(36,389)	(34,380)	287,376	585,615
Investment income	-	-	522,572	689,257	-	-	-	-	-	-	-	-	(189,467)	(331,889)	333,105	357,368
Finance costs	(113,486)	(95,318)	-	-	(4,865)	(425)	(6,620)	(8,049)	(49,273)	(6,252)	(1,739)	(4,038)	53,593	6,253	(122,390)	(107,829)
Finance costs on lease liabilities	(30,732)	(30,689)	-	-	(26,927)	(28,435)	(5,140)	(5,243)	(16,584)	(16,755)	(39)	(281)	29,947	30,254	(49,475)	(51,149)
Foreign exchange gains - net	-	-	-	-	10,425	14,017	-	-	-	-	-	-	-	-	10,425	14,017
(Loss) profit for the period	(189,928)	(7,009)	522,572	689,257	344,507	434,631	(13,786)	(20,487)	(39,843)	28,378	(22,165)	3,014	(142,316)	(329,762)	459,041	798,022

Trafco Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025 (Reviewed)

12 SEGMENT REPORTING (continued)

Six-month period ended 30 June (Reviewed)

The following table presents the details of segmental operating results for the six-month periods ended 30 June 2025 and 30 June 2024:

	<i>Wholesale 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>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</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	7,373,964	8,340,894	-	-	11,360,094	12,227,161	692,265	939,713	328,158	293,302	2,490,749	2,651,520	-	-	22,245,230	24,452,590
Revenue - inter segments	249,640	198,878	-	-	48,640	46,353	37,585	38,609	151,275	146,641	20,719	380	(507,859)	(430,861)	-	-
Total revenue	7,623,604	8,539,772	-	-	11,408,734	12,273,514	729,850	978,322	479,433	439,943	2,511,468	2,651,900	(507,859)	(430,861)	22,245,230	24,452,590
Costs of revenue (excluding depreciation)	(6,664,422)	(7,121,743)	-	-	(8,420,739)	(9,089,650)	(636,648)	(811,092)	(147,444)	(113,060)	(2,264,098)	(2,306,000)	361,417	289,290	(17,771,934)	(19,152,255)
Gross profit	959,182	1,418,029	-	-	2,987,995	3,183,864	93,202	167,230	331,989	326,883	247,370	345,900	(146,442)	(141,571)	4,473,296	5,300,335
Other operating income	25,795	22,789	-	-	43,425	27,184	62,918	44,107	5,285	3,664	5,141	4,948	(33,362)	(23,439)	109,202	79,253
Other expenses (excluding depreciation)	(922,302)	(1,049,633)	-	-	(2,131,162)	(1,990,951)	(133,796)	(147,534)	(43,392)	(41,060)	(311,809)	(338,274)	75,838	60,434	(3,466,623)	(3,507,018)
Depreciation on property, plant and equipment	(55,067)	(58,066)	-	-	(234,725)	(246,886)	(20,205)	(20,583)	(212,809)	(150,750)	(4,498)	(3,392)	(8,254)	(8,254)	(535,558)	(487,931)
Depreciation on right-of-use of assets	(71,738)	(70,280)	-	-	(148,152)	(145,367)	(9,901)	(9,564)	(24,575)	(24,575)	(5,952)	(5,616)	44,071	44,071	(216,247)	(211,331)
(Loss) profit from operations	(64,130)	262,839	-	-	517,381	827,844	(7,782)	33,656	56,498	114,162	(69,748)	3,566	(68,149)	(68,759)	364,070	1,173,308
Investment income	-	-	1,362,393	1,736,403	-	-	-	-	-	-	-	-	(267,303)	(680,192)	1,095,090	1,056,211
Finance costs	(219,116)	(174,374)	-	-	(16,086)	(1,736)	(16,511)	(17,914)	(97,592)	(14,060)	(3,105)	(8,928)	106,258	14,060	(246,152)	(202,952)
Finance costs on lease liabilities	(61,607)	(61,337)	-	-	(54,757)	(57,202)	(10,296)	(10,495)	(33,168)	(33,510)	(93)	(570)	59,890	60,509	(100,031)	(102,605)
Foreign exchange gains, net	-	-	-	-	21,199	29,003	-	-	-	-	-	-	-	-	21,199	29,003
(Loss) profit for the period	(344,853)	27,128	1,362,393	1,736,403	467,737	797,909	(34,589)	5,247	(74,262)	66,592	(72,946)	(5,932)	(169,304)	(674,382)	1,134,176	1,952,965
Capital expenditure	(2,767,657)	1,206,944	-	-	323,390	421,211	4,000	19,400	2,949,719	12,643	-	8,032	-	-	509,452	1,668,230

The following table presents the details of segmental assets and liabilities as at 30 June 2025 and as at 31 December 2024:

	<i>Wholesale 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>30 June 2025</i>	<i>31 December 2024</i>	<i>30 June 2025</i>	<i>31 December 2024</i>	<i>30 June 2025</i>	<i>31 December 2024</i>	<i>30 June 2025</i>	<i>31 December 2024</i>	<i>30 June 2025</i>	<i>31 December 2024</i>	<i>30 June 2025</i>	<i>31 December 2024</i>	<i>30 June 2025</i>	<i>31 December 2024</i>	<i>30 June 2025</i>	<i>31 December 2024</i>
	<i>(Reviewed) BD</i>	<i>(Audited) BD</i>	<i>(Reviewed) BD</i>	<i>(Audited) BD</i>	<i>(Reviewed) BD</i>	<i>(Audited) BD</i>	<i>(Reviewed) BD</i>	<i>(Audited) BD</i>	<i>(Reviewed) BD</i>	<i>(Audited) BD</i>	<i>(Reviewed) BD</i>	<i>(Audited) BD</i>	<i>(Reviewed) BD</i>	<i>(Audited) BD</i>	<i>(Reviewed) BD</i>	<i>(Audited) BD</i>
Assets	15,291,778	16,640,474	25,735,177	26,814,158	19,938,487	19,088,988	1,331,671	1,537,133	6,332,708	3,487,323	3,848,968	3,430,452	(18,588,925)	(15,371,331)	53,889,864	55,627,197
Liabilities	12,211,130	12,934,976	-	-	6,442,024	7,409,928	953,427	1,116,044	4,416,399	1,496,752	869,939	687,519	(6,069,322)	(3,034,254)	18,823,597	20,610,965

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 six-month periods ended 30 June 2025 and 30 June 2024 respectively, are as follows:

	<i>Six-month period ended 30 June 2025</i>			
	<i>Revenue BD</i>	<i>Purchases BD</i>	<i>Income BD</i>	<i>Expenses BD</i>
Companies with common directors	343,010	435,517	780,525	103,904
	<i>Six-month period ended 30 June 2024</i>			
	<i>Revenue BD</i>	<i>Purchases BD</i>	<i>Income BD</i>	<i>Expenses BD</i>
Companies with common directors	342,388	1,467,918	724,625	108,297

Balances with related parties included in the interim consolidated statement of financial position as at 30 June 2025 and as at 31 December 2024, are as follows:

	<i>At 30 June 2025 (Reviewed)</i>		<i>At 31 December 2024 (Audited)</i>	
	<i>Due from BD</i>	<i>Due to BD</i>	<i>Due from BD</i>	<i>Due to BD</i>
Companies with common directors	211,239	404,821	212,486	474,584

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 three and six-month periods ended are as follows:

	<i>Three-month period ended 30 June (Reviewed)</i>		<i>Six-month period ended 30 June (Reviewed)</i>	
	<i>2025 BD</i>	<i>2024 BD</i>	<i>2025 BD</i>	<i>2024 BD</i>
Short-term benefits	83,221	112,111	194,565	229,356
Employees' end of service benefits	858	1,819	3,267	4,085
	84,079	113,930	197,832	233,441

Short term benefits during the six-month period includes provision for Directors' remuneration of BD 30,000 (2024: BD 70,000) and Directors' fees of BD 36,600 (2024: BD 36,000).