

# Bahrain Flour Mills Company B.S.C.

## INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2025 (Reviewed)

Commercial registration	1170 (Bahraini Joint Stock Company)
Board of Directors	Mr. Basim AlSaie (Chairman) Mr. Salah Mushari Al Kulaib (Vice Chairman) Mr. Ayman A.Hameed Zainal Ms. Raghdan Qassim A. Rasool Mr. Eyad Redha Faraj Mr. Ahmad Mazhar Mr. Fahad Mohamed Al Mudhahka Mr. Wael Ahmed Itani
Offices and plant	Building 1773, Road 4236, Block 342 P.O Box 26787, Mina Salman, Manama – Kingdom of Bahrain Telephone 17729984, Fax 17729312 E-Mail: info@bfm.bh
Bankers	Kuwait Finance House B.S.C (c) National Bank of Bahrain B.S.C. Bank of Bahrain and Kuwait B.S.C. Arab Bank National Bank of Kuwait
Auditors	Ernst & Young - Middle East
Shares registrar	Bahrain Clear B.S.C (c)

## **REPORT ON THE REVIEW OF THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF BAHRAIN FLOUR MILLS COMPANY B.S.C.**

### ***Introduction***

We have reviewed the accompanying interim condensed financial statements of Bahrain Flour Mills Company B.S.C. (the "Company") as at 30 September 2025, comprising of the interim statement of financial position as at 30 September 2025, the related interim statement of comprehensive income for the three and nine-month periods then ended, and the interim statements of cash flows and changes in equity for the nine-month period then ended and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed 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 financial statements are not prepared, in all material respects, in accordance with IAS 34.



13 November 2025  
Manama, Kingdom of Bahrain

# Bahrain Flour Mills Company B.S.C.

## INTERIM STATEMENT OF FINANCIAL POSITION

At 30 September 2025

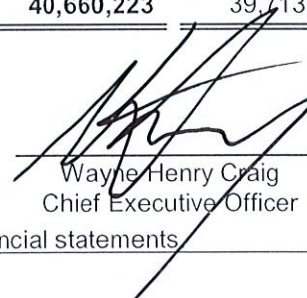
	Note	30 September 2025 (Reviewed) BD	31 December 2024 (Audited) BD
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		7,132,661	7,541,233
Intangible assets		76,140	93,117
Right-of-use assets		4,249,224	4,553,229
Investment securities	5	3,907,787	3,918,414
		<u>15,365,812</u>	<u>16,105,993</u>
<b>Current assets</b>			
Investment securities	5	13,268,674	12,992,041
Inventories		6,236,934	5,841,463
Receivables and other assets	6	912,636	396,639
Bank balances, short-term deposits and cash	7	4,876,167	4,377,581
		<u>25,294,411</u>	<u>23,607,724</u>
<b>TOTAL ASSETS</b>		<u><u>40,660,223</u></u>	<u><u>39,713,717</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		2,481,877	2,481,877
Share premium		1,350,000	1,350,000
Statutory reserve		1,241,625	1,241,625
Other reserves		3,463,628	3,463,628
Retained earnings		18,895,881	18,326,466
<b>Total equity</b>		<u>27,433,011</u>	<u>26,863,596</u>
<b>Non-current liabilities</b>			
Employees' end of service benefits		150,475	146,531
Lease liabilities - non-current portion		4,504,071	4,496,510
		<u>4,654,546</u>	<u>4,643,041</u>
<b>Current liabilities</b>			
Lease liabilities - current portion		221,858	226,981
Term loan	8	2,225,849	2,202,091
Trade payables and other liabilities		522,520	616,926
Advance received from the Government	9	2,918,100	-
Amount due to the Government		-	2,902,669
Import finance loans		2,684,339	2,258,413
		<u>8,572,666</u>	<u>8,207,080</u>
<b>Total liabilities</b>		<u>13,227,212</u>	<u>12,850,121</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>40,660,223</u></u>	<u><u>39,713,717</u></u>



Basim AlSaie  
Chairman



Salah Mohamed Al Kulaib  
Vice Chairman



Wayne Henry Craig  
Chief Executive Officer

The accompanying notes 1 to 17 form part of these interim condensed financial statements

# Bahrain Flour Mills Company B.S.C.

## INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 September 2025 (Reviewed)

	Note	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
		<b>30 September</b>	<i>30 September</i>	<b>30 September</b>	<i>30 September</i>
		<b>2025</b>	2024	<b>2025</b>	2024
		<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>
Revenue	10	<b>1,825,024</b>	1,800,558	<b>5,518,193</b>	5,737,441
Cost of revenue		<b>(4,071,231)</b>	(4,157,145)	<b>(12,765,198)</b>	(13,674,061)
<b>Gross loss before</b>					
<b>Government subsidy</b>		<b>(2,246,207)</b>	(2,356,587)	<b>(7,247,005)</b>	(7,936,620)
Government subsidy	11	<b>2,882,809</b>	2,794,351	<b>9,287,031</b>	9,250,711
<b>Gross profit</b>		<b>636,602</b>	437,764	<b>2,040,026</b>	1,314,091
Other operating income		<b>96,249</b>	91,959	<b>289,625</b>	244,355
Other operating expenses		<b>(468,221)</b>	(422,129)	<b>(1,394,030)</b>	(1,444,268)
<b>Operating profit</b>		<b>264,630</b>	107,594	<b>935,621</b>	114,178
Net change in fair value of investment securities at fair value through profit or loss		<b>263,939</b>	171,850	<b>276,633</b>	206,786
Interest income from investment securities at amortised cost - net		<b>58,933</b>	58,961	<b>176,247</b>	152,132
Finance cost		<b>(138,492)</b>	(82,303)	<b>(415,477)</b>	(220,922)
Other income		<b>89,378</b>	102,803	<b>242,011</b>	276,270
<b>Net profit and total comprehensive income for the period</b>		<b>538,388</b>	358,905	<b>1,215,035</b>	528,444
<b>Basic and diluted earnings per share (fils)</b>	12	<b>21.69</b>	14.46	<b>48.94</b>	21.29



Basim AlSaie  
Chairman



Salah Mohamed Al Kulaib  
Vice Chairman



Wayne Henry Craig  
Chief Executive Officer

The accompanying notes 1 to 17 form part of these interim condensed financial statements.

# Bahrain Flour Mills Company B.S.C.

## INTERIM STATEMENT OF CASH FLOWS

For the period ended 30 September 2025 (Reviewed)

	<i>Nine-month period ended</i>	
	<b>30 September 2025</b>	<b>30 September 2024</b>
Note	<b>BD</b>	<b>BD</b>
<b>OPERATING ACTIVITIES</b>		
Net profit for the period	1,215,035	528,444
<b>Adjustments for:</b>		
Depreciation on property, plant and equipment	659,083	496,061
Amortisation of intangible assets	16,975	13,280
Depreciation on right-of-use assets	304,005	163,952
Net change in fair value of investment securities at fair value through profit or loss	(276,633)	(206,786)
Interest income from investment securities at amortised cost- net	(176,247)	(152,132)
Interest income from bank balances and short-term deposits	(79,355)	(165,873)
Finance cost	415,477	220,922
(Reversal) / charge for slow moving and obsolete inventories	(7,463)	40,632
Provision for employees' end of service benefits	23,152	21,210
Operating profit before working capital changes	<b>2,094,029</b>	959,710
Working capital changes:		
Inventories	(388,008)	(1,976,423)
Receivables and other assets	(6,448,467)	(7,825,881)
Trade payables and other liabilities	(111,004)	592,462
Net cash used in operations	<b>(4,853,450)</b>	(8,250,132)
Employees' end of service benefits paid	(19,208)	(29,011)
Donation paid	(24,527)	(15,000)
Net cash flows used in operating activities	<b>(4,897,185)</b>	(8,294,143)
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment - net	(426,182)	(1,351,353)
Purchase of intangible assets	-	(17,262)
Purchase of investment securities at amortised cost	-	(1,451,582)
Redemption of investment securities at amortised cost	-	188,500
Interest income received from investment securities at amortised cost- net	121,059	83,852
Interest income received	75,756	177,973
Net cash flows used in investing activities	<b>(229,367)</b>	(2,369,872)
<b>FINANCING ACTIVITIES</b>		
Payment of principal portion of lease liabilities	(170,872)	(138,759)
Term loan availed	23,758	417,129
Advance received from the Government	9,095,656	13,114,226
Amount due to the Government	(2,902,669)	(2,083,158)
Import finance loans obtained	3,221,207	-
Import finance loans paid	(2,795,281)	(2,210,479)
Finance cost paid	(226,041)	(257,280)
Dividend paid	(620,620)	(620,759)
Net cash flows from financing activities	<b>5,625,138</b>	8,220,920
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>498,586</b>	(2,443,095)
Cash and cash equivalents at 1 January	4,377,581	7,064,161
<b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER</b>	<b>7 4,876,167</b>	<b>4,621,066</b>

The accompanying notes 1 to 17 form part of these interim condensed financial statements.

## Bahrain Flour Mills Company B.S.C.

### INTERIM STATEMENT OF CASH FLOWS (continued)

---

For the period ended 30 September 2025 (Reviewed)

#### **Non-cash Items:**

- Advance received from the Government of BD 6,177,556 (30 September 2024: BD 7,795,352) has been adjusted with the subsidy receivable.
- Amount of BD 175,671 (30 September 2024: nil) has been excluded from the movement in the property, plant and equipment and receivables and other assets.

# Bahrain Flour Mills Company B.S.C.

## INTERIM STATEMENT OF CHANGES IN EQUITY

For the nine-month period ended 30 September 2025 (Reviewed)

	Note	Share capital BD	Share premium BD	Reserves		Retained earnings BD	Total equity BD
				Statutory reserve BD	Other reserves BD		
At 1 January 2025 (Audited)		2,481,877	1,350,000	1,241,625	3,463,628	18,326,466	26,863,596
Net profit and total comprehensive income for the period		-	-	-	-	1,215,035	1,215,035
Charity approved for 2024	15	-	-	-	-	(25,000)	(25,000)
Dividends for 2024	15	-	-	-	-	(620,620)	(620,620)
<b>At 30 September 2025</b>		<b>2,481,877</b>	<b>1,350,000</b>	<b>1,241,625</b>	<b>3,463,628</b>	<b>18,895,881</b>	<b>27,433,011</b>

	Note	Share capital BD	Share premium BD	Reserves		Retained earnings BD	Total equity BD
				Statutory reserve BD	Other reserves BD		
At 1 January 2024 (Audited)		2,481,877	1,350,000	1,241,625	3,463,628	18,539,295	27,076,425
Net profit and total comprehensive income for the period		-	-	-	-	528,444	528,444
Charity approved for 2023	15	-	-	-	-	(25,000)	(25,000)
Dividends for 2023	15	-	-	-	-	(620,620)	(620,620)
<b>At 30 September 2024</b>		<b>2,481,877</b>	<b>1,350,000</b>	<b>1,241,625</b>	<b>3,463,628</b>	<b>18,422,119</b>	<b>26,959,249</b>

The accompanying notes 1 to 17 form part of these interim condensed financial statements.

At 30 September 2025

### 1 CORPORATE INFORMATION

Bahrain Flour Mills Company B.S.C. (the "Company") is a Bahraini public shareholding company registered with the Ministry of Industry and Commerce in the Kingdom of Bahrain under commercial registration number 1170 obtained on 16 July 1970 and listed in Bahrain Bourse. The Company was incorporated by an Amiri Charter dated 9 May 1970 and commenced commercial operations on 1 May 1972. The Company is engaged in the production of flour and related products which are mainly sold in the local market.

The interim condensed financial statements comprise the results of the Company for the nine-month period ended 30 September 2025.

The Company's majority shareholder is Bahrain Food Holding Company W.L.L, which holds 65.73% of the Company's shares (the "Parent"). The Parent is wholly owned by Bahrain Investment Holding Company - Istithmar W.L.L, which in turn is wholly owned by Bahrain Mumtalakat Holding Company B.S.C (c) (the "Ultimate Parent"). The Ultimate Parent is controlled by the Government of the Kingdom of Bahrain (the "Government").

The interim condensed financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 13 November 2025.

### 2 BASIS OF PREPARATION AND CHANGES TO THE COMPANY'S ACCOUNTING POLICIES

#### Basis of preparation

The interim condensed financial statements for the nine-month period ended 30 September 2025 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The Company has prepared the financial statements on the basis that it will continue to operate as a going concern. The Board of Directors considers that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed financial statements have been presented in Bahrain Dinars ("BD") which is the functional currency of the Company. These interim condensed financial statements have been prepared under the historical cost convention except for fair value measurement of investment securities classified as at fair value through profit or loss.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2024. In addition, results for the nine-month period ended 30 September 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 Company

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

- *Amendments to IAS 21 - Lack of exchangeability - The Effects of Changes in Foreign Exchange Rates 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.*

The amendment had no material impact on the interim condensed financial statements of the Company.

# Bahrain Flour Mills Company B.S.C.

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 September 2025

### 3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The significant accounting judgements and estimates used in the preparation of the interim condensed financial statements for the nine-month period ended 30 September 2025 are consistent with those used in the preparation of the Company's annual financial statements for the year ended 31 December 2024.

### 4 SEASONALITY OF OPERATIONS

The Company is engaged in the production and sale of flour and related products and as such has no seasonality in its operations.

### 5 INVESTMENT SECURITIES

	<b>30 September 2025 (Reviewed) BD</b>	<b>31 December 2024 (Audited) BD</b>
<i>Non-current:</i>		
Investment securities at amortised cost	<b>3,907,787</b>	3,918,414
<i>Current:</i>		
Investment securities at fair value through profit or loss	<b>13,268,674</b>	12,992,041

The investments at amortised cost consist of unquoted debt securities while investments at fair value through profit or loss consist of quoted equity securities and a managed fund.

### 6 RECEIVABLES AND OTHER ASSETS

	<b>30 September 2025 (Reviewed) BD</b>	<b>31 December 2024 (Audited) BD</b>
Subsidy receivable (note 13)	<b>233,333</b>	-
Trade receivables	<b>186,130</b>	210,638
Advances to suppliers	<b>105,833</b>	101,690
VAT receivable - net	<b>47,112</b>	67,005
Interest accrued	<b>135,180</b>	65,765
Prepayments	<b>35,890</b>	35,112
Other receivables	<b>261,158</b>	8,429
	<b>1,004,636</b>	488,639
Allowance for expected credit losses	<b>(92,000)</b>	(92,000)
	<b>912,636</b>	396,639

### 7 BANK BALANCES, SHORT-TERM DEPOSITS AND CASH

For the purpose of the interim condensed statement of cash flows, cash and cash equivalents comprise of the following:

	<b>30 September 2025 (Reviewed) BD</b>	<b>31 December 2024 (Audited) BD</b>
Cash on hand	<b>2,200</b>	2,069
Bank balances	<b>631,889</b>	801,854
Short-term deposits	<b>4,242,078</b>	3,573,658
	<b>4,876,167</b>	4,377,581

At 30 September 2025

## 8 TERM LOAN

The Company has obtained a loan to finance the mill expansion project as well as other operating needs through a repo facility arrangement with a financial institution with an aggregate limit of BD 2,250,000 (the "Facility Amount"). The Board of Directors decided to utilise the proceeds from the term loan to finance the mill expansion project only. The loan is secured against debt securities and as per the arrangement, the value of the collateral must always exceed the Facility Amount and a minimum collateral ratio of 1.33x or a loan-to-value ratio ("LTV") of 75% or below is required to be maintained. At 30 September 2025, the fair value of debt securities held as collateral is BD 4,121,837 (31 December 2024: BD 4,002,471). The term loan is for a three-month period with a mutual option to rollover for further periods of three months indefinitely. The loan carries annual interest rate of 3 month SOFR plus 2% being 6.04% per annum at 30 September 2025 (31 December 2024: 6.36% per annum). Management of the Company intends to rollover the term loan until 2030.

## 9 ADVANCE RECEIVED FROM THE GOVERNMENT

The Company has entered into an arrangement with the Ministry of Finance and National Economy of the Kingdom of Bahrain, to receive advance payment against the import of wheat. The main purpose of such an advance payment is to support the payment of wheat shipments. As a part of the funding mechanism, Government subsidy is adjusted against the advance received and any unadjusted balance is payable to the Government at year end. During the nine-month period ended 30 September 2025, BD 9,095,656 (30 September 2024: BD 13,114,226) was received as an advance, out of which BD 6,177,556 (30 September 2024: BD 7,795,352) has been adjusted against the subsidy on the sale of goods in the local market.

## 10 REVENUE

Set out below is the disaggregation of the Company's revenue from contracts with customers:

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	<b>30 September 2025</b>	<i>30 September 2024</i>	<b>30 September 2025</b>	<i>30 September 2024</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>
	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>
<b>a) Type of goods</b>				
Flour	<b>1,222,668</b>	1,185,598	<b>3,713,919</b>	3,704,792
Bran	<b>323,572</b>	383,340	<b>915,360</b>	1,074,380
Special products	<b>278,784</b>	231,620	<b>888,914</b>	882,105
Bulk wheat	-	-	-	76,164
	<b>1,825,024</b>	1,800,558	<b>5,518,193</b>	5,737,441
	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	<b>30 September 2025</b>	<i>30 September 2024</i>	<b>30 September 2025</b>	<i>30 September 2024</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>
	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>
<b>b) Geographical markets</b>				
Kingdom of Bahrain	<b>1,825,024</b>	1,800,558	<b>5,518,193</b>	5,737,441
<b>c) Timing of revenue recognition</b>				
Recorded at a point in time	<b>1,825,024</b>	1,800,558	<b>5,518,193</b>	5,737,441

# Bahrain Flour Mills Company B.S.C.

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 September 2025

### 11 GOVERNMENT SUBSIDY

Government subsidy is available for most of the Company's products sold locally and is calculated as the difference between the actual cost of wheat purchased and used for local sales plus conversion fee of BD 31 per ton for flour and a range of BD 98 to BD 145 per ton for special products (2024: same) and the value of sales of these products made during the period.

The following table shows the details of Government subsidy:

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	<b>30 September 2025 (Reviewed) BD</b>	<i>30 September 2024 (Reviewed) BD</i>	<b>30 September 2025 (Reviewed) BD</b>	<i>30 September 2024 (Reviewed) BD</i>
Actual cost of wheat used for products sold subject to subsidy	<b>3,322,870</b>	3,546,019	<b>10,701,474</b>	11,740,775
Plus: landing costs on import of wheat	<b>54,786</b>	58,553	<b>97,826</b>	133,203
	<b>3,377,656</b>	3,604,572	<b>10,799,300</b>	11,873,978
Plus: conversion fee per ton of wheat products sold subject to subsidy	<b>994,597</b>	1,003,253	<b>2,989,598</b>	3,092,846
	<b>4,372,253</b>	4,607,825	<b>13,788,898</b>	14,966,824
Gross sales subject to subsidy	<b>(1,839,444)</b>	(1,813,474)	<b>(5,551,867)</b>	(5,716,113)
	<b>2,532,809</b>	2,794,351	<b>8,237,031</b>	9,250,711
Plus: Compensation (note 11.1)	<b>350,000</b>	-	<b>1,050,000</b>	-
	<b>2,882,809</b>	2,794,351	<b>9,287,031</b>	9,250,711

**11.1** This represents the amount approved by the Ministry of Finance and National Economy of the Kingdom of Bahrain to compensate for the increase in conversion costs per ton of the subsidised products sold.

Quantity sold during the nine-month period ended 30 September 2025 was 92,026 tons out of which 91,931 tons were subsidised and 95 tons were commercial sales (30 September 2024: 95,366 tons sold, out of which 94,955 tons were subsidised and 411 tons were commercial sales).

### 12 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributed to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period and is as follows:

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	<b>30 September 2025 (Reviewed)</b>	<i>30 September 2024 (Reviewed)</i>	<b>30 September 2025 (Reviewed)</b>	<i>30 September 2024 (Reviewed)</i>
Net profit for the period (BD)	<b>538,388</b>	358,905	<b>1,215,035</b>	528,444
Weighted average number of equity shares in issue	<b>24,825,570</b>	24,825,570	<b>24,825,570</b>	24,825,570
Basic and diluted earnings per share (fils)	<b>21.69</b>	14.46	<b>48.94</b>	21.29

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 September 2025

**13 RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties represent major shareholders (i.e. those who have control or significant influence over the Company), key management personnel of the Company and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management and Board of Directors.

Being an entity under the control of the Government of the Kingdom of Bahrain, the Company qualifies as a government related entity under the definitions provided in International Accounting Standard 24 *Related Party Disclosures* ("IAS 24"). Accordingly, the Company considers Government departments, ministries and other Government controlled organisations as its related parties. The Company purchases electricity, receives subsidy against the sale of goods in the local market, receives grant against specific expenses incurred, pays lease rentals and receives other services from various Government, semi-Government organisations and other Government related entities in the Kingdom of Bahrain. Other than the subsidy and grant, all such other transactions are not considered to be individually significant. All related party transactions and balances are in the normal course of business.

Transactions with the Government and other related parties included in the interim statement of comprehensive income are as follows:

	<i>Nine-month period ended</i>	
	<b>30 September</b>	<b>30 September</b>
	<b>2025</b>	<b>2024</b>
	<b>(Reviewed)</b>	<b>(Reviewed)</b>
	<b>BD</b>	<b>BD</b>
<b>Government</b>		
Government subsidy (note 11)	<b>9,287,031</b>	9,250,711
Other operating income	<b>289,625</b>	244,355
<b>Affiliates of Ultimate Parent</b>		
Finance cost on import finance loans	-	19,414
Interest income on bank balances and short-term deposits	<b>2,849</b>	277
Other operating expenses	<b>16,883</b>	24,951

Balances with the Government and other related parties included in the interim statement of financial position are as follows:

	<b>30 September</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>
	<b>(Reviewed)</b>	<b>(Audited)</b>
	<b>BD</b>	<b>BD</b>
<b>Government</b>		
Subsidy receivable (note 6)	<b>233,333</b>	-
Advance received from the Government	<b>2,918,100</b>	-
Amount due to the Government	-	2,902,669
<b>Affiliate of Ultimate Parent</b>		
Bank balances and short-term deposits	<b>197,069</b>	134,617

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 September 2025

**13 RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

**Compensation of key management personnel**

Key management personnel of the Company comprise of the Board of Directors and other members of key management having authority and responsibility for planning, directing and controlling the activities of the Company.

Transactions with the key management personnel included in the interim statement of comprehensive income are as follows:

	<i>Nine-month period ended</i>	
	<b>30 September 2025 (Reviewed) BD</b>	<b>30 September 2024 (Reviewed) BD</b>
<b>Board of Directors:</b>		
Remuneration	45,000	45,000
Sitting fees	42,000	49,000
Other expenses	9,230	19,802
<b>Other members of key management:</b>		
Salaries and short-term benefits	320,835	400,284
End of service benefits	12,696	11,558
	<b>429,761</b>	<b>525,644</b>

The balances of remuneration payable to the other members of key management included in the interim statement of financial position are as follows:

	<b>30 September 2025 (Reviewed) BD</b>	<b>31 December 2024 (Audited) BD</b>
Salaries and short-term benefits	16,084	20,480
End of service benefits	88,547	86,212
	<b>104,631</b>	<b>106,692</b>

**14 CLASSIFICATION AND FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS**

**Classification**

The details of classification of financial assets and financial liabilities held by the Company at the reporting date are as follows:

	<b>30 September 2025 (Reviewed)</b>		
	<i>Fair value through profit and loss BD</i>	<i>Amortised cost BD</i>	<i>Total carrying value BD</i>
<b>Financial assets</b>			
Investment securities	13,268,674	3,907,787	17,176,461
Receivables and other assets	-	462,643	462,643
Bank balances, short-term deposits and cash	-	4,876,167	4,876,167
	<b>13,268,674</b>	<b>9,246,597</b>	<b>22,515,271</b>

**14 CLASSIFICATION AND FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS  
(continued)**

**Classification (continued)**

	<i>31 December 2024 (Audited)</i>		
	<i>Fair value through profit and loss</i>	<i>Amortised cost</i>	<i>Total carrying value</i>
	<i>BD</i>	<i>BD</i>	<i>BD</i>
<i>Financial assets</i>			
Investment securities	12,992,041	3,918,414	16,910,455
Receivables and other assets	-	184,403	184,403
Bank balances, short-term deposits and cash	-	4,377,581	4,377,581
	12,992,041	8,480,398	21,472,439
		<b>30 September</b>	<b>31 December</b>
		<b>2025</b>	<b>2024</b>
		<b>(Reviewed)</b>	<b>(Audited)</b>
		<b>BD</b>	<b>BD</b>
<i>Financial liabilities at amortised cost</i>			
Lease liabilities		<b>4,725,929</b>	4,723,491
Term loan		<b>2,225,849</b>	2,202,091
Trade payables and other liabilities		<b>203,001</b>	216,366
Amount due to the Government		-	2,902,669
Import finance loans		<b>2,684,339</b>	2,258,413
		<b>9,839,118</b>	12,303,030

**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 in the principal, or in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

**Fair value hierarchy**

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

Level 1 - Quoted prices (unadjusted) 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 financial statements on a recurring basis, the Company 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.

There were no changes in the Company's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period.

**14 CLASSIFICATION AND FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS  
(continued)**

**Fair value measurement (continued)**

***Fair value of investment securities at fair value through profit or loss***

Fair values of quoted equity investments and a managed fund are derived from quoted prices in active markets. The fair values are categorized into level 1 of the fair value hierarchy. There were no transfers between the different levels of the fair value hierarchy during the current period and prior year.

***Fair value of other financial instruments***

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

- a) Receivables and other assets, bank balances, short-term deposits and cash, term loan, trade payables and other liabilities, amount due to the Government and import finance loans approximate their carrying amounts at the reporting date largely due to the short-term maturities of these instruments.
- b) Investment securities at amortised cost and lease liabilities are evaluated by the Company based on parameters such as interest rates. At the reporting date, the carrying amounts are not materially different from their fair values.

**15 APPROPRIATIONS**

At the Annual General Meeting of the shareholders held on 26 March 2025, a final cash dividend of 25 fils per share totalling BD 620,620 and contribution to charity of BD 25,000 for the year ended 31 December 2024 were declared (2024: at the Annual General Meeting of the shareholders held on 27 March 2024, a final cash dividend of 25 fils per share totalling BD 620,620 and contribution to charity of BD 25,000 for the year ended 31 December 2023 were declared).

The directors' remuneration of BD 46,815 for the year ended 31 December 2024 was approved by the shareholders at the Annual General Meeting held on 26 March 2025 (2024: the directors' remuneration of BD 60,000 for the year ended 31 December 2023 was approved by the shareholders at the Annual General Meeting held on 27 March 2024).

**16 SEGMENTAL INFORMATION**

A segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment) or in providing products or services within a particular environment (geographical segment), which is subject to risks and rewards that are different from those of other segment. The Company's current activities are primarily the production of flour and related products which are predominately sold in the local market. The revenue, expenses and results are reviewed only at a Company level and therefore no separate operating segment results and other disclosures are provided in the interim condensed financial statements.

**17 COMPARATIVE INFORMATION**

Certain comparative figures as presented below have been reclassified in order to conform to the current period presentation. Such reclassifications do not affect previously reported profit / (loss) or equity.

	<i>Three-month period ended 30 September 2024</i>		
	<i>As previously reported</i>	<i>Re-classification</i>	<i>Reclassified</i>
	<i>BD</i>	<i>BD</i>	<i>BD</i>
<b><i>Interim statement of comprehensive income</i></b>			
Cost of revenue	(4,255,192)	98,047	(4,157,145)
Other operating expenses	(324,082)	(98,047)	(422,129)

At 30 September 2025

## 17 COMPARATIVE INFORMATION (continued)

	<i>Nine-month period ended 30 September 2024</i>		
	<i>As previously reported BD</i>	<i>Re- classification BD</i>	<i>Reclassified BD</i>
<b><i>Interim statement of comprehensive income</i></b>			
Cost of revenue	(13,934,189)	260,128	(13,674,061)
Other operating expenses	(1,184,140)	(260,128)	(1,444,268)