Interim Condensed Consolidated Financial Statements
As at and For the period ended October 31, 2024
(With comparative AUDITED figures as at July 31, 2024)

August 1, 2024 – October 31, 2024

Prepared by
Rektron Group Inc.
Suite 406, 5307 Victoria Drive
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December 16, 2024

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying interim condensed consolidated financial statements of Rektron Group Inc. were prepared by management in accordance with International Financial Reporting Standards. The most significant of these standards have been set out in the note 1 of these interim condensed consolidated financial statements. Any applicable changes in accounting policies have also been disclosed in these financial statements. Management acknowledges responsibility for the preparation and presentation of the financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The Board of Directors is responsible for ensuring management fulfills its financial reporting responsibilities and for reviewing and approving the financial statements together with other financial information. Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS

National Instrument 51-102, Part 4, subsection 4.3(3)(a)

The accompanying unaudited interim condensed financial statements have been prepared by management and approved by the Audit Committee.

The Company's independent auditors have not performed a review of these interim condensed financial statements in accordance with the International Financial Reporting Standards (IFRS) established by International Accounting Standards Board (IASB) for a review of interim financial statements by an entity's auditors.

A. Interim Condensed Consolidated statement of income

(unaudited)

USD 1,000	Note	For the period ended 31/10/2024	31/10/2023
Continuing Operations			
Revenue	2	651,380	629,183
Cost of sales	2	- 641,566	- 621,696
Gross profit	**2**	**9,814**	**7,487**
Operating expenses			
Selling and administrative expenses	3	- 3,788	- 2,797
Operating profit		6,026	4,690
Non-operating expenses			
Financial income	4	-	645
Financialexpense	4	- 5,640	- 1,719
Non-operating Income			
Gains from sale of Inland Shipping	5	1,025	-
Operating profit		- 4,615	- 1,074
Profit before tax		**1,411**	**3,616**
Income tax expense		-	-
Profit from continuing operations		**1,411**	**3,616**
Profit		**1,411**	**3,616**
Profit attributable to:			
Equity holders of Rektron Group Inc.		1,329	3,660
Non-controlling interests		82	- 44
		1,411	3,616
Basic Earning Per Share		0.02	0.05
Diluted Earning Per Share		0.02	0.05

APPROVED ON BEHALF OF THE BOARD

"Atanas Kolarov"
CEO& Director

Date : 16/12/2024

"Trevor Turner"
Director

Date : 16/12/2024

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

B. Interim Condensed Consolidated statement of Comprehensive Income

(unaudited)

USD 1,000	for the period ended 31/10/2024	31/10/2023
Profit	1,411	3,616
Other comprehensive income		
Translation differences foreign associated companies	-96	- 130
Total comprehensive income	1,315	3,486
Total comprehensive income atrributable to:		
Equity holders of Rektron Group Inc.	1,233	3,530
Non-controlling interests	82	- 44
Total result	1,315	3,486

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

C. Interim Condensed Consolidated Statement of Financial Position

(unaudited)

USD 1,000	Note	As At 31/10/2024 (Unaudited)	As At 31/07/2024 (Audited)
Assets			
Non-current assets			
Property plant and equipment	6	237	35,715
Total non-current assets		**237**	**35,715**
Current assets			
Inventories	7	2,524	3,275
Receivables, prepayments and accrued	8	372,102	241,351
Cash and cash equivalents	9	7,745	7,679
Total current assets		**382,371**	**252,305**
Total assets		**382,608**	**288,020**
Equity and liabilities			
Equity			
Share capital		9,634	4,844
Reserves and retained earnings		110,724	109,805
Equity attributable to the owners of the company	10	120,358	114,649
Non-controlling interest	10	6,293	6,210
Total equity		**126,651**	**120,859**
Non-current liabilities			
Loans and borrowings	11	1,306	1,537
Total non-current liabilities		**1,306**	**1,537**
Current liabilities and accruals	11	254,651	165,624
Total current liabilities		**254,651**	**165,624**
Total equity and liabilities		**382,608**	**288,019**

APPROVED ON BEHALF OF THE BOARD

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CEO& Director

Date : 16/12/2024

"Trevor Turner"
Director

Date : 16/12/2024

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D. Interim Condensed Consolidated Statement of Cash Flows

(unaudited)

USD 1,000	For the period ended 31/10/2024	31/10/2023
Operating profit	6,026	4,690
Adjustments for:		
- Depreciation (and other changes in value)	13	436
Working capital changes		
- Movements trade receivables	-94,802	-44,610
- Movements inventories	751	0
- Movements on Other receivable	-35,949	465
- Movements trade payables	85,486	37,511
- Movements other payables and liabilities	3,046	225
- Movements trade finance	448	2,380
Corporate Income tax paid	-	-
Cash flow from operating activities	**-34,981**	**1,097**
Investments in other fixed assets	-	-6
Disposal of Fixed Assets	36,537	-
Share Issue	4,476	-
Cash flow from investment activities	**41,013**	**-6**
Repayment of Long term liabilities	-231	-296
Other finance income	-	645
Other finance expense	-3,152	-380
Interest paid	-2,488	-1,339
Cash flow from financing activities	**-5,871**	**-1,370**
Exchange rate and translation differences on movements in cash	-96	-130
Movements in cash	**66**	**-409**
Opening balance	7,679	9,783
Closing balance	7,745	9,374
Movement in cash	**66**	**-409**

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

E. Interim Condensed Consolidated Statement of Changes in Equity

(before appropriation of result)

USD 1,000	Issued share capital	Share premium	Hedging reserve	Translation reserve	Other reserves	Retained Earnings	Result for the year	Legal entity share in group equity	Non-controlling interest	Group Equity
2024										
Opening Balance 01/08/2023	148	20,719	146	-136	46,486	20,745	13,523	101,630	6,410	108,040
Total comprehensive income and expense for the 3 month period ended 31/10/2023										
Profit/(loss) for the period	-	-	-	-	-	-	3,660	3,660	-44	3,616
Foreign currency translation differences	-	-	-	-130	-	-	-	-130	-	-130
Total comprehensive income and expense for the 3 month period ended 31/10/2023	-	-	-	-130	-	-	3,660	3,530	-44	3,486
Other movements in equity for the 3 month period ended 31/10/2023										
Allocation of prior year result	-	-	-	-	-	13,523	-13,523	-	-	-
Share issue (share exchange)	594	-	-	-	-594	-	-	-		-
Total other movements in equity	594	-	-	-	-594	13,523	-13,523	-	-	-
Closing balance 31/10/2023	742	20,719	146	-266	45,892	34,268	3,660	105,160	6,366	111,526
Opening Balance 01/11/2023	742	20,719	146	-266	45,892	34,268	3,660	105,160	6,366	111,526
Total comprehensive income and expense for the 9 month period ended 31/07/2024										
Profit/(loss) for the period	-	-	-	-	-	-	9,554	9,554	-156	9,398
Foreign currency translation differences	-	-	-	-66	-	-	-	-66	-	-66
Total comprehensive income and expense for the 9 month period ended 31/07/2024	-	-	-	-66	-	-	9,554	9,488	-156	9,332
Other movements in equity for the 9 month period ended 31/07/2024										
Allocation of prior year result	-	-	-	-	-	-	-	-	-	-
Share issue (share exchange)	-	-	-	-	-	-	-	-		-
Conversion of Share Warrants into Equity	4,102	-	-	-	-4,102	-	-	-1	-	-1
Total other movements in equity	4,102	-	-	-	-4,102	0	0	-	-	-
Closing balance 31/07/2024	4,844	20,719	146	-332	41,790	34,268	13,214	114,649	6,210	120,859
2025										
Opening Balance 01/08/2024	4,844	20,719	146	-332	41,790	34,268	13,214	114,649	6,210	120,859
Total comprehensive income and expense for the 3 month period ended 31/10/2024										
Profit/(loss) for the period	-	-	-	-	-	-	1,329	1,329	82	1,411
Foreign currency translation differences	-	-	-	-96	-	-	-	-96	-	-96
Total comprehensive income and expense for the 3 month period ended 31/10/2024	-	-	-	-96	-	-	1,329	1,233	82	1,315
Other movements in equity for the 3 month period ended 31/10/2024										
Allocation of prior year result	-	-	-	-	-	13,214	-13,214	-	-	-
Share issue	5,000	-	-	-	-524	-	-	4,476	-	4,476
Conversion of Share Warrants into Equity	-	-	-	-	-	-	-	-	-	-
Cancellation of Shares	-210	-	-	-	210	-	-	-	-	-
Total other movements in equity	4,790	-	-	-	-314	13,214	-13,214	4,476	-	4,476
Closing balance 31/10/2024	9,634	20,719	146	-428	41,476	47,482	1,329	120,359	6,293	126,651

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

F. Notes to the Interim Condensed Consolidated Financial Statements

NOTE 1 – ACCOUNTING POLICIES

1.1 CORPORATE INFORMATION

Rektron Group Inc. ("Rektron" or "the Company") is a company incorporated in Canada under the legislation of the province of British Columbia. The registered office of the Company is located at Suite 406, 5307 Victoria Drive, Vancouver, British Columbia.

The Company is a holding company that primarily invests in operating enterprises in the commodities sector. The group's trading expertise includes principal energy and metals products. In particular, the primary products traded are ferrous and nonferrous metals, crude oil and refined oil products. Rektron optimizes its balance sheet to support the trading activities of its subsidiaries (in oils and metals), further enhancing its ability to transect competitively and efficiently.

The financial year end of the Company is July 31st.

These Interim Condensed Consolidated Financial Statements comprise the financial information of the Company and of its investments in which it exercises a controlling interest. These investments are fully included in the consolidation.

The Company is a reporting issuer in the Province of British Columbia. All public filings for the Company can be found on the SEDARPLUS website www.sedarplus.ca.

1.2 STATEMENT OF COMPLIANCE

The Interim Condensed Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the International Accounting Standards Board (IASB), The above Standards and Interpretations are collectively referred to as "IFRS" in these financial statements.

1.3 BASIS OF PREPARATION

METHODOLOGY

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board (IASB) and interpretations of the IFRS Interpretations Committee (IFRIC). These interim condensed consolidated financial statements should be read in conjunction with the Financial Statements and the notes thereto included in the audited 2024 Annual Report of Rektron Group Inc.

These Interim Condensed Consolidated Financial Statements for the three months ended October, 31 2024 do not constitute statutory accounts. Certain financial information that is included in the audited annual financial statements but is not required for interim reporting purposes has been condensed or omitted.

These financial statements were approved and authorized for issue from the Board of Directors on December 15, 2024.

GOING CONCERN

The interim financial report for the three-months ended October 31, 2024 has been prepared on a going concern basis as the directors believe there are no material uncertainties that lead to significant doubt that the Group can continue as a going concern in the foreseeable future, a period not less than 12 months from the date of this report. Further information is included in the Directors report.

FUNCTIONAL CURRENCY

All amounts are expressed in thousands of US Dollars, unless otherwise stated, consistent with the predominant functional currency of the company's operations.

SEASONALITY AND CYCLICALITY

The impact of seasonality or cyclicality on operations is not regarded as significant to the unaudited condensed interim consolidated financial statements.

CHANGES IN ESTIMATES

There are no changes in estimates reported in prior (interim) periods of the current financial year or prior financial years that have a material effect in the current interim period.

MEASUREMENT

These financial statements have been prepared on a historical cost basis, except for certain financial instruments, classified as financial instruments at fair value through profit or loss which are stated at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

1.4 BASIS OF CONSOLIDATION

These interim condensed consolidated financial statements incorporate the financial statements of the Company and its controlled subsidiaries. Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. Power over an investee exists when an investor has existing rights that give it the ability to direct the activities that significantly affect the investee's returns. This control is generally evidenced through owning more than 50% of the voting rights or currently exercisable potential voting rights of a Company's share capital. All significant intercompany transactions and balances have been eliminated upon consolidation.

1.5 New and revised IFRSs

A number of amendments is effective for annual periods that begin on or after 1 January 2023 and have been adapted in preparing these consolidated financial statements. None of these amendments had a significant effect on the financial statements.

The following new and revised IFRSs that are relevant for the Company have been issued but are not yet effective:

New or amended standards and interpretations that became effective on 1 January 2023. The amended standards and interpretations that came into effect in 2023 are listed below.

• Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – effective for year ends beginning on or after 1 January 2023 – The amendments specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations, and clarify that the initial recognition exception does not apply to transactions where both an asset and a liability are recognised in a single transaction. Accordingly, deferred tax is required to be recognised on such transactions.

• Definition of Accounting Estimates (Amendments to IAS 8) – effective for year ends beginning on or after 1 January 2023 – The amendments introduce the definition of accounting estimates and include other amendments to IAS 8 to help entities distinguish changes in accounting estimates from changes in accounting policies.

• Materiality of Accounting Policy Disclosure (Amendments to IAS 1) – effective for year ends beginning on or after 1 January 2023 – The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies.

• IFRS 17 – Insurance Contracts and amendments to IFRS 17 – effective for year ends beginning on or after 1 January 2023 – IFRS 17 replaces IFRS 4 'Insurance Contracts' and provides a new general model for accounting for contracts where the issuer accepts significant insurance risk from another party and agrees to compensate that party if future uncertain events adversely affect them.

New and amended standards and interpretations accepted by the IASB that will be effective for financial years starting on or after 1 January 2024 are not yet being applied by the Group The following new and/or amended IFRS standards have been adopted, but are not yet effective, and therefore have not yet been applied by the Group:

• Classification of Liabilities as current or non-current (Amendments to IAS 1) – effective for year ends beginning on or after 1 January 2024

• Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) – effective for year ends beginning on or after 1 January 2024

• Lack of Foreign Currency Exchangeability (Amendments to IAS 21) – effective for year ends beginning on or after 1 January 2026

1.6 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date the identifiable assets acquired and the liabilities assumed are recognized at their fair value except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interest proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interest are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is re-measured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is re-measured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

1.7 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns rebates and other similar allowances.

Revenue is recognized when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amounts of revenue can be measured reliably;
- it is probably that the economic benefits associated with the transaction will flow to the Group;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.8 Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical costs in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future reductive use which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.
- Exchange differences on transactions entered into in order to hedge foreign currency risks.
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Euros using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset) all of the exchange differences accumulated in equity in respect of the operation attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognized in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in other comprehensive income.

1.9 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

1.10 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before tax" as reported in the consolidated statement of profit or loss and other comprehensive income, because items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax based used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized., based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the consequences that would follow from the manner in which the Group expects at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination the tax effect is included in the accounting from the business combination.

1.11 Property, plant and equipment

Property, plant and equipment and intangible assets are stated at cost, being the fair value of the consideration given to acquire or construct the asset, including directly attributable costs required to bring the asset to the location or to a condition necessary for operation and the direct cost of dismantling and removing the asset, less accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment are depreciated to their estimated residual value over the estimated useful life of the specific asset concerned. The major categories of property, plant and equipment are depreciated on a straight-line basis as follows:

- Plant and Equipment: 4% - 33%
- Other operating assets: 2%

Assets under finance leases, where substantially all the risks and rewards of ownership transfer to the Group as lessee, are capitalized and depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. All other leases are classified as operating leases, the expenditures for which are charged against income over the accounting periods covered by the lease term.

1.12 Impairment

At the end of each reporting period the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When a reasonable and consistent basis can be identified, Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount but so that the increased carrying amount, does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

A reversal of an impairment loss is recognized immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.13 Inventories

Production Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on a first-in-first-out basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

1.14 Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.15 Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instruments. The Group classifies its financial instruments as either financial assets at amortized cost, at fair value through other comprehensive income (FVTOCI) or at fair value through profit or loss (FVTPL). The classification depends on the Group´s business model for managing the financial assets and contractual terms of the cash flows.

- Amortized cost : Assets that are held for collection of contractual cash flows represent solely payments of principal and interest. Interest income from those financial is included in finance income.
- FVTOCI : Assets that are held for collection of contractual cash flows and for selling the financial assets, where the cash flows of the assets represent solely payments of principal and interest. Interest income from these financial assets is included in finance income using the effective interest rate method. Unrealized gains or losses are recorded as a fair value adjustment in the consolidated statement of comprehensive income and transferred to the consolidated income statement when this financial asset is sold. Exchange gains and losses and impairments related to these financial assets are immediately recognized in the consolidated income statement.

- FVTPL : Assets that do not meet the criteria for amortized cost or FVTOCI.

Changes in fair value of financial instruments at FVPL are immediately recognized in the consolidated income statement. Listed redeemable notes held by the Group that are traded in an active market are classified as FVTPL and are stated at fair value at the end of each reporting period. Changes in the carrying amount of FVTPL monetary financial assets relating to changes in foreign currency rates, interest income calculated using the effective interest method and dividends on FVTPL equity investments are recognized in profit or loss. Other changes in the carrying amount of FVTPL financial assets are recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is reclassified to profit or loss. Dividends on FVTPL equity instruments are recognized in profit or loss when the Group’s right to receive the dividends is established.

The fair value of FVTPL monetary financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate prevailing at the end of the reporting period. The foreign exchange gains and losses that are recognized in profit or loss are determined based on the amortized cost of the monetary asset. Other foreign exchange gains and losses are recognized in other comprehensive income. FVTPL equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period.

Financial assets are initially recognized at fair value on the trade date, including, in the case of instruments not recorded at fair value through profit or loss, directly attributable costs. Other investments, provisionally priced trade receivables and derivates are carried at fair value. Trade receivables (without provisional price features), loans and other receivables are carried at amortized cost adjusted for any loss allowance.

Financial liabilities (except derivates and liabilities with provisional price features) are initially recognized at fair value of consideration received net of transaction costs as appropriate and subsequently carried at amortized cost. Derivates and financial liabilities including provisional price features are carried at FVTPL.

1.16 Financial Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For FVTPL equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment. For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group’s past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

A loss allowance for expected credit losses is determined for all financial assets, other than those at FVTPL, at the end of each reporting period. The expected credit loss recognized represents a probability-weighted estimate of credit losses over the expected life of the financial instrument. The Company applies the simplified approach to measure the loss allowance for trade receivables classified as amortized cost using the lifetime expected loss provision. The expected credit loss on trade receivables is estimated using a provision matrix by reference to past default experience and an equivalent credit rating, adjusted as appropriate for current observable data and forward-looking information. For all other financial assets at amortized cost the Group recognizes lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the financial asset’s original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset’s carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss. For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of FVTPL equity securities, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of FVTPL debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

1.17 De-recognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

On de-recognition of a financial asset other than its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the group allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or losses allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

1.18 Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale issue or cancellation of the Company's own equity instruments.

1.19 Derivatives and hedging activities

Derivative instruments, which mainly include contracts to sell or purchase commodities that do not meet the own use exemption, as well as FX derivatives to a minor extend, are initially recognize at fair value when the Company becomes a party to the contractual provisions of the instrument and are subsequently re-measured to fair value at the end of each reporting period. Fair values are determined using quoted market prices, dealer price quotations or using models and other valuation techniques, the key inputs for which include current market and contractual prices of the underlying instrument, time to expiry, yield curves, volatility of the underlying instrument and counterparty risk.

Gains and losses on derivative instruments for which hedge accounting is not applied, other than the revenue adjustment mechanism embedded within provisionally priced sales, are recognized in cost of goods sold.

Those derivatives qualifying and designated as hedges are either

(i) a Fair Value Hedge of the change in fair value of a recognized asset or liability or an unrecognized firm commitment, or

(ii) a Cash Flow Hedge of the change in cash flows to be received or paid relating to a recognized asset or liability or a highly probably transaction.

A change in the fair value of derivatives designated as a Fair Value Hedge is reflected together with the change in the fair value of the hedged item in the statement of income.

A change in the fair value of derivatives designated as a Cash Flow Hedge is initially recognized as a cash flow hedge reserve in shareholders' equity. The deferred amount is then released to the statement of income in the same periods during which the hedged transaction affects the statement of income. Hedge ineffectiveness is recorded in the statement of income when it occurs.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in shareholders' equity and is recognized in the statement of income when the committed or forecast transaction is ultimately recognized in the statement of income.

A derivative may be embedded in a "host contract". Such combinations are known as hybrid instruments and at the date of issuance, the embedded derivative is separated from the host contract and accounted for as a stand-alone derivative if the criteria for separation are met. The host contract is accounted for in accordance with its relevant accounting policy.

1.20 Critical accounting policies, key judgments and estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual outcomes could differ from those estimates.

The Company has identified the following areas as being critical for understanding the Company's financial position as they require management to make complex and/or subjective judgments and estimates about matters that are inherently uncertain:

Impairments (Note 1.12)
Investments in Associates and other investments, advances, and loans and property, plant and equipment, and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be fully recoverable or at least annually for goodwill and other indefinite life intangible assets.

If an asset's recoverable amount is less than the assets' carrying amount, an impairment loss is recognized. Future cash flow estimates which are used to calculate the asset's fair value are based on expectations about future operations primarily comprising estimates about production and sales volumes, commodity prices, reserves and resources, operating rehabilitations and restoration costs and capital expenditures. Changes in such estimates could impact recoverable values of these assets.

Estimates are reviewed regularly by management.

Valuation of derivative instruments (Note 1.19)
Derivative instruments are carried at fair value and the company evaluates the quality and reliability of the assumptions and data used to measure fair value in the three hierarchy levels, Level 1, 2 and 3, as prescribed by IFRS 13.

Fair values are determined in the following ways: externally verified via comparison to quoted market prices in active markets (Level 1); by using models with externally verifiably inputs (Level2); or using alternative procedures such as comparison to comparable instruments and/or using models with unobservable market inputs requiring the Company to make market based assumptions (Level 3).

Provisions
The amount recognized as a provision, including tax, legal, restoration and rehabilitation, contractual and other exposures or obligations is the best estimate of the consideration required to settle the related liability, including any related interest charges, taking into account the risks and uncertainties surrounding the obligation. The Group assesses its liabilities and contingencies based upon the best information available, relevant tax laws and other appropriate requirements.

Fair Value measurements (Note 1.15)
In addition to recognizing derivative instruments at fair value, as discussed above, an assessment of air value of assets and liabilities is also require in accounting for other transaction most notably, business combinations and disclosures related to fair values of marketing inventories, financial assets and liabilities. In such instances, fair value measurements are estimated based on the amounts for which the assets and liabilities could be exchanged at the relevant transaction date or reporting period end, and are therefore not necessarily reflective of the likely cash flow upon actual settlements. Where fair value measurements cannot be derived from publicly available information, they are estimated using models and other valuation methods. To the extent possible, the assumptions and inputs take into account externally verifiable inputs. However, such information is by nature subject to uncertainty; particularly where comparable market based transactions rarely exist.

1.21 Financial Income and Expenses

Financial Income

Financial income includes interest income on financial assets, foreign exchange gains, and gains on financial instruments measured at fair value through profit or loss. Interest income is recognized using the effective interest rate (EIR) method, which allocates interest income over the relevant period and ensures that the income is recognized at a constant yield on the carrying amount of the financial asset.

Financial Expense

Financial expenses include interest expense on borrowings, foreign exchange losses, and losses on financial instruments measured at fair value through profit or loss. Borrowing costs are recognized in profit or loss using the EIR method, except for those capitalized in accordance with IAS 23 Borrowing Costs. Foreign exchange gains and losses are recognized in profit or loss on translation or settlement of monetary items denominated in foreign currencies.

NOTE 2 – SEGMENT INFORMATION

2.1 GENERAL

The Company is organized in three segments, Energy, Metals and Soft commodities and other. This structure is used by management to assess the performance of the Company. Note that this assessment is based on revenue and gross margin. Overhead expenses, assets and liabilities are not allocated to the various segments.

USD 1,000	Revenue		Gross Profit	
	31/10/2024	31/10/2023	31/10/2024	31/10/2023
Product Segment				
Metals	650,800	628,950	9,814	7,254
Oil and other	-	233	-	233
Total	**650,800**	**629,183**	**9,814**	**7,487**

2.2 GEOGRAPHICAL INFORMATION

The group operates globally and operations are managed by the following geographical analysis. Note that the assets (apart from minor office furniture and equipment) are all located in Europe:

USD 1,000	Revenue		Gross Profit	
	31/10/2024	31/10/2023	31/10/2024	31/10/2023
Regional Segment				
Europe	3,476	5,197	116	310
Middle east	-	-	-	-
Asia - Pacific	647,324	623,986	9,698	7,177
Total	**650,800**	**629,183**	**9,814**	**7,487**

The allocation of Revenue is based on the country of port of discharge/ final destination of product for the sales counterparty. This may not necessarily be the incorporation country of the counterparty or its ultimate parent country.

Segment revenue reported above represents revenue generated from external customers. The accounting policies of the reportable segments are the same as the group's accounting policies described in Note 1.

NOTE 3 – EXPENSES

USD 1,000	for the period ended	
	31/10/2024	31/10/2023
Administrative expenses		
Personnel	-1,001	-959
Sales and marketing expenses	-6	-9
Professional services fees	-838	-730
Facilities and offices	-447	-424
Other operating expenses	-1,483	-239
Depreciation and amortization	-13	-436
Total Administrative expenses	**-3,788**	**-2,797**
Operating expenses	**-3,788**	**-2,797**

Personnel and Professional service fees increased due to the larger number of staff and service providers as well as performance related payments. Facilities and offices increased due to the expansion of our teams that required additional office space.

Depreciation and amortization relate to the depreciation of PPE and reference is made to note 6.

NOTE 4 – FINANCIAL INCOME AND EXPENSE

USD 1,000	for the period ended	
	31/10/2024	31/10/2023
Financial income and expense		
Interest expenses and similar charges	-2,488	-1,339
Other financing income	-	645
Other financing costs	-3,105	-372
Foreign currency translation effects	-47	-8
Total financial income and expense	**-5,639**	**-1,074**

Interest expenses and other financing costs increased due to the increase in sales.

Other financing income and expenses are related to the risk management activities in relation to the physical trading activities as well as the treasury activities of any excess cash that is available within the group.

NOTE 5 – TAXATION

The taxation will be calculated for the Group's global operations and in accordance with each relevant jurisdiction on an annual basis. The best estimate is that the taxation is in line with prior year.

No deferred taxes were accounted for in the consolidated statement of income or in other comprehensive income/loss.

NOTE 6 – PROPERTY PLANT AND EQUIPMENT

The movements in Property plant and equipment are as follows:

USD 1,000	Plant and Equipment	Other operating assets	Total
Gross carrying amount			
1 August 2023	42,658	311	42,969
Additions and other movements	-	10	10
31 July 2024	**42,658**	**321**	**42,979**
Accumulated depreciation and impairments			
1 August 2023	5,496	18	5,514
Depreciation	1,698	53	1,751
31 July 2024	**7,194**	**71**	**7,265**
Net book value at 31 July 2024	**35,464**	**250**	**35,714**
USD 1,000			
Gross carrying amount			
1 August 2024	42,658	321	42,979
Additions and other movements	-	-	-
Disposal of Fixed assets	- 42,658	-	- 42,658
31 October 2024	**- -**	**321**	**321**
Accumulated depreciation and impairments			
1 August 2024	7,194	71	7,265
Depreciation	-	13	13
Depreciation on Disposed Assets	- 7,194	-	- 7,194
31 October 2024	**- -**	**84**	**84**
Net book value at 31 October 2024	**-**	**237**	**237**

On October 30, 2024 DLH Istros Limited, a subsidiary of the Parent company, signed a Share Purchase Agreement with two parties for the sale of 100% of the shares of its subsidiary Inland Shipping & Supply Ltd. which holds its Plant and Equipment Assets . In effect of this SPA, the Plant and equipment were also disposed off in the books.

Other than above mentioned change, there are no significant changes in PPE compared to the last financial statements and only depreciation is accounted for.

Management has considered all the factors and concluded on the basis of the internal documents and management reports available that no impairment is required.

NOTE 7 – INVENTORIES

USD 1,000	31/10/2024	31/07/2024
Trading		
Finished products	2,524	3,275
Total financial income and expense	**2,524**	**3,275**

The Trading inventories in general are commodities that are already sold by, but still held by the Trading companies as the Company still retains the principal risks and rewards of ownership. As of October 31, 2024 this position comprise of one metals transaction of which the goods are sold to a customer and in transit. The customer received the material in the first week of November and is invoiced accordingly. There is no indication that an impairment is to be recorded.

NOTE 8 – RECEIVABLES PREPAYMENTS AND ACCRUED INCOME

USD 1,000	31/10/2024	31/07/2024
Trade receivables	329,958	235,156
Other receivables	41,027	5,597
Financial instrument	993	598
Taxation	-	-
Prepayments and accrued income	124	-
Total receivables, prepayments and accrued income	**372,102**	**241,351**

None of the Trade receivables are overdue and the credit risk of these trade receivables is insured at renowned insurance firms.

USD 1,000	31/10/2024	31/07/2024
Not yet due	329,958	235,156
0 - 30 days overdue	-	-
30 - 60 days overdue	-	-
60 - 90 days overdue	-	-
>90 days overdue	-	-
Total	**329,958**	**235,156**

Other receivables and Prepayments and accrued income include receivables and prepayments in relation to down payments made in order to secure material for trading purposes.

Financial instruments comprise of the derivatives that the Company acquired in order to mitigate the key trading risks (price and currency risk). Reference is made to note 11 for further information.

NOTE 9 – CASH AND CASH EQUIVALENTS

The total (unrestricted) cash position at October 31, 2024 amounts to USD 7,745 thousand as compared to USD 9,374 thousand as at October 31, 2023.

NOTE 10 – SHARE CAPITAL AND RESERVES

The movement in Equity is provided in E. Interim Condensed Consolidated statement of changes in equity.

The Company has authorized share capital of an unlimited number of common shares and preferred shares without par value. Common and/or preferred shares are entitled to receive dividends when they are declared by the Board of Directors.

As of October 31, 2024, the Company has a total issued and outstanding common shares: 80,098,311 (July 31, 2024 – 76,764,977).

The Company was incorporated on 22 March 2023 with the objective to restructure the group in preparation for an Initial Public Offering of the Group on the Canadian Securities Exchange. At the incorporation, 100 shares of USD 0.02 were issued.

On 15 October 2023, the Company received clearance from the Tax Authorities of the United Kingdom and completed the reverse acquisition of Rektron Group AQ Limited. Before this date, on 5 May 2023, already 74,168,960 shares of USD 0.01 were issued in exchange for the shares of Rektron AQ Limited and were held in escrow pending close of the transaction.

Following note 15 Business Combinations, the history of Rektron AQ Limited is reflected in the Equity movement as provided in E. Interim Condensed Consolidated Statement of Changes in Equity. The above mentioned amendments are reflected in the three months period that ended 31 October 2023 in the line item “Share Issue (share exchange)”.

MACA Special Warrants Conversion
MidAtlantic Capital Associates Ltd. (MACA) is a consultant to the group and as part of the Initial Public Offering. As part of the pending completion of the transaction, the Parent Company issued 2,595,917 common shares without payment of without payment of any additional consideration and without any further action on the part of the holder on March 5, 2024. The issue price is USD 1.58 and the total value amounts to USD 4,101,548.86. Following IAS 32 paragraph 35, these acquisition costs are accounted for as a deduction from equity (“Other Reserves”).

Initial Public Offering
On August 23, 2024 the Parent Company closed its initial public offering, having raised gross proceeds of USD 5.0m and having issued 3,333,333 units at a price of USD 1.50, comprised of one common share and one common share purchase warrant exercisable at a price of USD 2.25 to acquire one additional common share until August 23, 2027. The parent company’s shares began trading on the Canadian Securities Exchange (“CSE”) on August 26, 2024. In accordance with IAS 32, the associated expenses are accounted for as a deduction from equity ((“Other Reserves”).

Share surrendered for cancellation
On August 23, 2024, 21,000,000 shares were automatically surrendered for cancellation upon the closing of the IPO for no consideration. The transaction resulted in a reduction of share capital by USD 210,000, offset by a corresponding increase in equity (“Other reserves”) . The transaction had no impact on the total equity of the company.

Stock options
On September 23, 2024, the Parent Company issued stock options to its Senior Officers and Directors under its Stock Options Plan totaling 2 million options at an exercise price of $2.25 (above market) and vesting in accordance to the following schedule: 1/3 vesting immediately, 1/3 vesting on the first-year anniversary of the grant and 1/3 vesting on the second-year anniversary of the grant.

	As At October 31, 2024			As At July 31, 2024		
Class	Number of Shares	Issue price in USD	Total amount in USD	Number of Shares	Issue price in USD	Total amount in USD
Ordinary shares	59,098,310	0.16	9,633,241	76,764,977	0.06	4,843,241
Total	**59,098,310**	**0.16**	**9,633,241**	**76,764,977**	**0.06**	**4,843,241**

The table below shows the share capital continuity of Rektron Group Inc.:

	As At October 31, 2024		
Class	Number of Shares	Issue price in USD	Total amount in USD
Incorporation	100	0.02	2
Share Exchange Agreement	74,168,960	0.01	741,690
Conversion of Share Warrants into Equity	2,595,917	1.58	4,101,549
Initial Public Offering	3,333,333	1.50	5,000,000
Surrender of Shares for Cancellation	-21,000,000	0.01	-210,000
Total	**59,098,310**	**0.16**	**9,633,241**

NOTE 11 – LIABILITIES

USD 1,000	31/10/2024	31/07/2024
Long-term liabilities		
Subordinated related party loan	1,306	1,537
	1,306	**1,537**
Current liabilities and accruals		
Bank loans and similar (< 1 year)	44,237	43,789
Trade payables	204,049	118,516
Related Party Payables	-	-
Taxes and social security charges payable	909	910
Financial instruments	4,657	1,757
Other current liabilities	8	2
Accrued liabilities and deferred income	791	649
Total Current Liabilities	**254,651**	**165,624**
Total Liabilities	**255,957**	**167,161**

LONG-TERM LIABILITIES

The Subordinated related parties' loan is a payable to Plutus Partners, the management company of the shareholders. The loan is provided at arm's length condition and is subordinated to other debt. This loan is non-interest bearing and payable on 31 July 2026 as per signed agreement.

CURRENT LIABILITIES AND ACCRUALS

Bank loans and similar (<1 year) consists of lines provided by specialized institutions to facilitate the trades that the Company executes. The pricing of the facilities is within market standards. A breakdown is presented below.

Financial instruments comprise of the derivatives that the Company acquired in order to mitigate the key trading risks (price and currency risk). Reference is made to note 12 for further information.

UNCOMMITTED WORKING CAPITAL FINANCE LINES

At October 31, 2024, the Company has the following uncommitted working capital finance lines in place. These lines comprise of framework agreements with reputable banks and similar institutions that can accept transactions on a deal-by-deal basis, but are not obliged to do so. This type of financing is perceived as "self-liquidating": these facilities finance the purchase of commodities at a point in the supply chain of commodities and these are repaid through the payment from the customer. Securities taken by the financing institutions comprise of the underlying material, transport and credit insurances only to the extent that it is related to the transaction itself.

Type of Working capital financing	Uncommitted lines in USD 1 Million	Annualized interest rate
Letters of Credit	180	3 Months SOFR + 2 to 4%
Transactional Lines	160	3 Months SOFR + 1 to 3%
Receivables financing	48	3 Months SOFR +4%
Warrant purchasing	50	3 Months SOFR+2%
Total uncommitted working capital lines	**438**	

On October 15, 2024, the Parent Company announced that its wholly-owned subsidiary DL Hudson entered into a $50 million credit facility agreement with Saudi EXIM Bank (the "Facility"). The Facility is a revolving facility and bears an interest rate of SOFR + 1.45% due on the 90th day from the date of disbursement. The Facility is available for a period of twelve (12) months from the date of signing of the Facility.

The facilities provided by these institutions are letter of credit lines, transactional lines, bill of lading financing, receivables financing and warrants purchase financing.

- **Letter of Credit Lines**: Letter of credit lines are usually utilised for the energy trading business where a buyer would be required to issue a documentary letter of credit to the Company. The financing institution would, in turn, use this letter of credit from the client to issue a letter of credit to the Company's supplier. This is generally termed as a back-to-back letter of credit transaction. Furthermore, there are two types of letters of credit: stand-by letters of credit and documentary letters of credit. Stand-by letters of credit are a bank's unconditional commitment to pay, while documentary letters of credit are conditional on the approval of cargo documents, inspection reports, etc. In our energy business, we only operate with documentary letter of credit, as that ensures that all documents are in order and inspected which massively reduces the risk of releasing payment for products that may not meet the specifications required.
- **Transactional Lines**: In transactional lines, the financier assumes the direct risk of the Company's buyer. In particular, when the buyer is a large, reputed company, or state-owned or has a good credit rating, the financier would issue a letter of credit to the Company's supplier without any security from the buyer. The contract between the reputed buyer and DL Hudson is sufficient for the financing party.
- **Receivables Financing**: This is generally used for the metals business. the Company provides credit to a maximum of 90 days. The credit is contingent on getting insurance coverage on the buyer, and if insurance limits are provided, DL Hudson would sell to clients on credit. A receivables financier would provide cash against these credit insured receivables.
- **Warrant Purchase Financing**: Metals traded on the London Metals Exchange ("**LME**") are traded as warrants. The Company, through its brokers, buys warrants at certain geographical locations. These warrants are then converted to warehouse receipts at which point the Company is in control of the physical product while the title of the product is still held by the financier as security. The metals are then shipped to the end buyer. A warrant financier would finance the purchase of the warrant to the point where they are converted to warehouse receipts, the transport and until it arrives at the destination warehouse. The buyer would then pay for the goods for the financier to authorise the release of the product to them.

At balance sheet date, an amount of USD 44,237 thousand (July 31,2023 – USD 43,789 thousand) is utilized and reflected in the balance sheet under current liabilities (Bank loans and similar >1year).

NOTE 12 – FINANCIAL INSTRUMENTS

The table below provides an overview of the financial instruments of the group divided into the classes Fair Value through Profit and Loss ("FVTPL"), Available-for-sale, and Loans and Receivables. Held-to-maturity instruments are not applicable.

	Carrying amount				Fair Value			
31 July 2024 USD 1,000	Note	FVTPL	Loans and receivables	Total	Level 1	Level 2	Level 3	Total
Receivables, prepayments and accrued income	8	598	240,753	241,351	598	-	-	598
Cash and cash equivalents	9	7,679	-	7,679	7,679	-	-	7,679
Total financial assets		**8,277**	**240,753**	**249,030**	**8,277**	**-**	**-**	**8,277**
Borrowings	11	-	1,537	1,537	-	-	-	-
Current liabilities and accruals	11	1,757	163,867	165,624	1,757	-	-	1,757
Total financial liabilities		**1,757**	**165,404**	**167,161**	**1,757**	**-**	**-**	**1,757**
31 October 2024 USD 1,000	**Note**	**FVTPL**	**Loans and receivables**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Receivables, prepayments and accrued income	8	993	371,109	372,102	993	-	-	993
Cash and cash equivalents	9	7,745	-	7,745	7,745	-	-	7,745
Total financial assets		**8,738**	**371,109**	**379,847**	**8,738**	**-**	**-**	**8,738**
Borrowings	11	-	1,306	1,306	-	-	-	-
Current liabilities and accruals	11	4,657	249,994	254,651	4,657	-	-	4,657
Total financial liabilities		**4,657**	**251,300**	**255,957**	**4,657**	**-**	**-**	**4,657**

FAIR VALUE MEASUREMENTS

Fair values are primarily determined using quoted market prices or standard pricing models using observable market inputs where available and are presented to reflect the expected gross future cash in/outflows. The Company classifies the fair values of its financial instruments into three level hierarchy based on the degree of the source and observability of the inputs that are used to derive the fair value of the financial asset or liability as follows:

- Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can assess at the measurement date; or
- Level 2 – Inputs other than quoted inputs included in Level 1 that are observable for the assets or liabilities, either directly or indirectly; or
- Level 3 – Unobservable inputs for the assets or liabilities, requiring the Company to make market-based assumptions.

In the table above (in which the financial instruments are presented) cash and the financial instruments that are included in the receivables and liabilities are valued at fair value. All of these positions qualify as Level 1.

FINANCIAL AND CAPITAL RISK MANAGEMENT

The Group has exposure to the following risks arising from financial instruments:

A. Credit risk
B. Liquidity risk
C. Market risk

This note presents information about the group's exposure to each of the above risks, the group's objectives, policies and processes for measuring and managing risk, and the group's management of capital.

A. CREDIT RISK

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables from customers and loans related to resources development:

The Receivables, prepayments and accrued income mainly consists of Trade Receivables which is secured by adequate credit insurance. The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk.

The group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the group's payment and delivery terms and conditions are offered. This is done in close cooperation with the Trade Finance institutions and Credit insurance companies. Nevertheless, in principle insurance coverage is obtained for all Trade Receivables.

B. LIQUIDITY RISK

Liquidity risk is the risk that the group will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation. The group has extensive facilities that are provided by brokers in order to provide sufficient flexibility to the hedging activities in relation to the trades.

C. MARKET RISK

Market risk is the risk that results out of changes in market prices, such as foreign exchange rates, interest rates, market prices and equity prices and will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The group buys and sells derivatives in order to manage market risks. All such transactions are carried out within the guidelines set by the group. In principle all derivatives are accounted at FVTPL; if required and appropriate, the group seeks to apply hedge accounting in order to manage volatility in profit or loss.

Currency risk

The currency risk is limited as most of the contract deals are denominated in USD for both purchases and sales. Purchases are financed by means of trade finance in USD as well. As the purchase, sale and financing are all in USD, and as trading occurs in principle on a back-to-back basis, the deals are naturally hedged. In some circumstances, activities can be exposed to EUR and GPB in which case adequate hedging is applied.

Interest rates

To limit the interest rate risk, the Company decided to only give out and obtain loans with a fixed interest rate.

Market price risk

The Company mainly enters into back-to-back deals, which means that the market price risk is naturally hedged. In case that that a trade is subject to price risk, this is hedged through adequate instruments. When instruments are required, the Company prepares a sensitivity analysis with regards to the impact of the changes in commodity price and (if applicable) the changes in foreign currency risks. Based on this analysis an adequate non speculative hedging strategy is applied.

At October 31, 2024, the Company has a number of hedging instruments, which are presented under Current receivables as well as current liabilities. These instruments are designated as FVTPL and include trade related financial and physical forward purchase and sale commitments. Fair values are primarily determined using quoted market prices or standard pricing models using observable market inputs where available and are presented to reflect the expected gross future cash in/outflows.
It is the Group's policy that transactions and activities in trade related financial instruments are netted.

Note that the Company only purchases futures and options.

USD 1,000	31/10/2024	31/07/2024
Commmodity related contracts		
Futures	975	598
Options	18	-
Total Current assets FVTPL	**993**	**598**
Commmodity related contracts		
Futures	4,537	596
Options	120	1,161
Total Current liabilities FVTPL	**4,657**	**1,757**

In the profit and loss account an loss of USD 2.8 million is reflected in other financing cost. All instruments mature within 12 months.

NOTE 13 – TRANSACTIONS WITH RELATED PARTIES

In the reporting period, the Company conducted various transactions with related parties.

USD 1,000	Note	31/07/2024	31/07/2023
Related parties <1yr	8	-	-
Total Receivables		-	-
Subordinated related parties >1yr	11	1,306	1,537
Total Liabilities		**1,306**	**1,537**

The Subordinated related parties' loan is a payable to Plutus Partners, the management company of the shareholders. The loan is provided at arm's length condition and is subordinated to other debt.

The following amounts are accounted for in the profit and loss accounts:

USD 1,000	Three-month period ended 31 October 2024	Three-month period ended 31 October 2023
Plutus Partners Ltd.	**178**	**527**
Traders	-	37
Operations	13	139
Accounting, Legal and IT	42	146
Rent and facilities	24	30
Travelling	9	72
COO	10	-
Shareholders	80	103
CEO	439	60
CFO	326	30
Total	**943**	**617**

Plutus Partners Ltd. (hereinafter "Plutus) is the management company of the shareholders. Initially, all contracts with personnel and facilities were entered into with Plutus. In preparation for the IPO, all contracts are gradually being transitioned to the Group, so that in the future only the compensation for the work performed by the shareholders for their respective roles in the Company.

The Three-month period ended October 31, 2024 is relatively lower compared the same period of last financial year. From 1 August 202, the subsidiaries are paying their expenses which was earlier done through Plutus Partners Limited.

The CEO's remuneration based on the existing pre-IPO contract provides for a minimum base compensation in hours. As a result of the IPO and year-end process, additional hours were required and as such additional billings have gone through.

On October 11, 2024, the Parent Company and the Significant Shareholders entered into an exit agreement effective October 11, 2024 with Mr. Ricardo Phielix, director and CEO of the Company and Mr. Manny Bettencourt, director CFO, Corporate Secretary (the "Departing Directors") (together, the "Agreement") pursuant to which the Departing Directors will resign from their positions with the Company, on or before November 30, 2024. The significant increase in CFO and CEO amounts are due to amounts paid to them as per the exit agreement.

NOTE 14 – CONTINGENT ASSETS AND LIABILITIES

In the course of business, the group is involved in discussions with business partners from time to time. These discussions may include the interpretation and compliance with the terms and conditions of agreements and may also include claims made by the group, as well as against the group. As at October 31, 2024 the Group is not aware of any claims that have been assessed to be probable.

NOTE 15 – BUSINESS COMBINATIONS

On October 16, 2023, the Company completed the Reverse Takeover with Rektron AQ. In connection with the Reverse Takeover, the Company issued 74,168,960 shares in exchange for all the share outstanding in Rektron AQ.

Immediately following the completion of the Reverse Takeover, on a non-diluted basis, the former holders of Rektron AQ. shares held 100% of the voting rights of the Company.

At the time of the Reverse Takeover, the Company did not meet the definition of a business as defined under IFRS 3 "Business Combinations". Hence, the qualifying transaction was accounted for as an asset acquisition in accordance with IFRS 2, "Share-Based Payment". Rektron Group Inc. was identified as the accounting acquirer that issued shares to acquire all of the net assets of the Company, the accounting acquiree, and its legal status. These consolidated financial statements are considered to be a continuation of the financial statements of Rektron AQ., the accounting acquirer, present the value of its assets and liabilities at historical cost, up to the date of the qualifying transaction.

The fair value of the consideration issued to acquire the net assets of the Company is as follows:

	$USD
Consideration transferred as at October 16, 2023:	
100 shares at fair value of $1.58 per share	158
Total Consideration	158
Net assets of Rektron Group Inc. as at October 16, 2023:	
Cash and cash equivalents	2
GST/HST receivable	592
Accounts payable & Accrued liabilities	10,238
Total Net Assets	9,648
Listing expenses	9,490

The fair value of the Company's 100 shares was determined to be approximately USD$1.52 per share pursuant to the financing to be completed as part of the IPO.

NOTE 16 – EARNING PER SHARE (EPS)

CONTINUING OPERATION

The calculation of the Basic EPS of USD 0.02 (2023 : USD 0.05) is based on the profit attributable to Equity Owners of the Group of USD 1.33 million (2024 : 3.66 million) and on the weighted average number of ordinary shares of 63,369,372 (2024 : 76,764,977) in issue during the period.

For Diluted EPS, weighted average number of ordinary shares is 63,369,372 (2024 : 76,764,977) in issue during the period. The Company has outstanding Stock Options of 2 million shares and warrants of 3.33 million shares as a result of fresh issue of shares in IPO. Since the exercise price for each Stock Options and each Warrants is USD 2.25, which is above average market price, they are antidilutive in nature and not included in calculation of Diluted EPS.

In accordance with IAS 33, Basic and Diluted EPS are identical in 2024 and the effect of the exercise of share options or warrants would be to decrease the earning per share.

The calculation of Basic and Diluted Shares is as follows:

Period 1Aug 2024-31 Oct 2024	Type of Instrument	No. Of days	No. of shares	Weighted Shares
Basic				
First period (1 Aug - 22 Aug)	Issued Shares	22	76,764,977	18,558,566
Second Period (23 Aug - 31 Oct)	Issued Shares	69	59,098,310	44,810,806
Total Weighted Average No. of Shares				**63,369,372**
Diluted				
First period (1 Aug - 22 Aug)	Issued Shares	22	76,764,977	18,558,566
Second Period (23 Aug - 31 Oct)	Issued Shares	69	59,098,310	44,810,806
Total Weighted Average No. of Shares				**63,369,372**
Basic Earning Per Share				0.02
Diluted Earning per Share				0.02

NOTE 17 – LIST OF PRINCIPAL OPERATING, FINANCIAL AND INDUSTRIAL SUBSIDIARIES AND INVESTMENTS

Name	Country of incorporation	Ownership interest	
		2025	2024
Consolidated (direct)			
Rektron AQ Ltd.	United Kingdom	100.0%	100.0%
Consolidated (indirect)			
DL Hudson Ltd.	United Kingdom	100.0%	100.0%
DL Hudson Dunes LLC	United Emirates	100.0%	100.0%
DL Hudson Germany GmbH	Germany	100.0%	100.0%
DLH Istros Ltd.	United Kingdom	92.0%	92.0%
DL Hudson Yangtze Limited	Hong Kong	100.0%	100.0%
River Bunker Balkans D.O.O.	Serbia	100.0%	100.0%

The minority shareholders of DLH Istros Ltd. as well as DL Hudson Dunes LLC have preference shares that entitle each holder to an additional 2% profit allocation.

As on August 1, 2024, DL Hudson Limited, subsidiary company of the Group, acquired DL Hudson Yangtze Limited (formerly known as MAV Trading) as part of group business expansion plan in South East Asia region.

Also, in accordance with the terms of SPA signed between DLH Istros, a subsidiary company of the group, and two other parties, investment in Inland Shipping & Supply Limited was sold.

As described in Note 15 Business Combinations, the Company acquired Rektron AQ Ltd. through a reverse acquisition in the financial year 2024.

OTHER INFORMATION

1. REPORT IS UNAUDITED

This report has not been subject to an audit or review.

2. SUBSEQUENT EVENTS

On November 20, 2024, the Parent company welcomed Mr. Satyam Bhasin, an accomplished finance executive to its Board as its newest independent director and member of its audit committee and compensation committee. Mr. Bhasin replaces Mr. Stier who resigned on October 29, 2024, for personal reasons.

*On November 28, Mr. Swapnil Mokashi has been appointed as a director of the Company, effective November 28, 2024. He will also act as the Chairman of the board of directors of the Parent Company (the "**Board**")*

On November 30, 2024, Mr. Ricardo Phielix, director and CEO of the Company and Mr. Manny Bettencourt, director CFO, Corporate Secretary resigned from their positions with the Company as per the exit agreement effective October 11, 2024.

On December 7, 2024, *the Parent company welcomed Mr. Atanas Kolarov as the new CEO and director. He replaces the outgoing CEO Mr. Ricardo Phielix.*

Additionally, the Parent Company appointed Mr. Ronald Galetzki as an Independent Director to the Board, effective December 7, 2024.

Mr. Jigar Desai is appointed as the new CFO of the Parent company with effect from December 7, 2024, replacing Mr. Manny Bettencourt.