TRAFIGURA

2023 INTERIM REPORT

TRAFIGURA GROUP PTE. LTD.

H1 2023 financial and business highlights[1]

Group revenue

$131.3bn

$170.6 bn in H1 2022[2]
$98.4 bn in H1 2021[3]

Underlying EBITDA

$8.1bn

$4.7 bn in H1 2022[2]
$3.7 bn in H1 2021[3]

Net profit

$5.5bn

$2.7 bn in H1 2022[2]
$2.1 bn in H1 2021[3]

Total Group equity

$17.7bn

$15.1 bn in 2022[4]
$10.6 bn in 2021[4]

Total assets

$90.5bn

$98.6 bn in 2022[4]
$90.2 bn in 2021[4]

Total non-current assets

$16.2bn

$19.4 bn in 2022[4]
$15.1 bn in 2021[4]

1. For the six-month period ended 31 March 2023.
2. For the six-month period ended 31 March 2022.
3. For the six-month period ended 31 March 2021.
4. As at year end 30 September.

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Statement from the Executive Chairman and Chief Executive Officer

Strong performance as our services remained in high demand

Jeremy Weir
Executive Chairman and Chief Executive Officer

The six-month period to the end of March 2023 saw our teams continue to work hard to help reconfigure supply chains after the disruptions of recent years.

We continued to experience strong demand for our services from a global customer base that relies on us to help secure access to vital resources in an increasingly complex world.

As we have highlighted in previous reports, our core business of moving commodities from where they are produced to where they are needed has become more complex but also more critical and more in demand than ever before.

Indeed, many of the trends that characterised markets in the last six months of our 2022 financial year continued into this period, which also saw China's economy re-open after three years of isolation due to the pandemic.

All this came against a backdrop of rising interest rates, as central banks attempted to quell inflationary pressures and a series of bank failures in the US that spilled over into Europe.

The switch to cleaner forms of energy, which are highly metals intensive, also continued to gather momentum with the launch of new policies such as the EU's Net Zero Industry Act.

By drawing on the experience and capabilities that we have built up over the past three decades, we were able to deliver a high level of service to our clients and achieve a net profit of USD5,544 million for the period.

In spite of our strong performance, we did have a major issue in our nickel business, uncovering a significant fraud against the company, and resulting in a write-off of close to USD600 million, mainly in inventories. This systematic fraud against our company, which involved widespread falsification of documents and misrepresentations by counterparties, is extremely disappointing and something we take very seriously. While there was no wholesale failure of systems or processes across Trafigura, and no evidence of complicity by any of our employees, we have, of course, needed to make a number of improvements.

We have appointed new Co-Heads of Battery Metals and made several changes to the management structure of our operational teams to further improve oversight. We are also continuing to undertake a thorough review to identify opportunities to tighten our systems and processes.

Fraud has no place in our industry and we believe it is important to share information about alleged fraudsters to prevent further malfeasance or illegal activity – unfortunately, something that all too often does not happen. We continue to pursue the perpetrators of this fraud through the courts.

At a divisional level, our Oil and Petroleum Products teams delivered another robust performance. They were quick in adapting to changing market conditions and trade flows.

During the period, we secured a deal to provide crude oil for one of the biggest refineries in southern Europe, the ISAB operation in Sicily, including an agreement to market the refined fuels it produces. The transaction is a good example of the supply chain and logistics solutions we can provide.

▲ Trafigura has signed a concession agreement with the Angolan government to refurbish and operate the 1,300km Lobito rail corridor, offering a western route to market for crucial energy transition metals produced in the DRC.

Our natural gas and LNG teams had a strong half year, working hard to provide security of supply to customers in a stressed market environment. This was highlighted by a long-term agreement we signed to deliver a substantial amount of gas to Securing Energy for Europe (SEFE), including a guarantee from the German Federal government export credit agency.

Our power trading activities continued to gain momentum and recorded a significantly higher profit during the period.

There was also a strong contribution from our Shipping and Chartering team, which used its fleet expertly in one of the strongest tanker markets in recent history to help our commercial teams and external customers.

I am also pleased to report that our Shipping and Chartering division managed to reduce the intensity of its carbon emissions and is on track to meet its long-term environmental targets.

As part of our wider Group sustainability commitments, and following on from pledges to uphold commitments in the Shipping and Aluminium sectors, in January 2023, we joined other leading companies in the First Movers Coalition with a pledge to purchase at least 50,000 tonnes of durable and scalable net carbon dioxide removal credits by the end of 2030 generated through advanced carbon dioxide removal technologies.

In Metals and Minerals, our teams across non-ferrous metals and bulk minerals delivered a robust performance overall in challenging market conditions.

During the first half of the year, as part of a consortium, we signed a concession agreement with the Angolan government to refurbish and operate the 1,300km Lobito rail corridor, which offers a western route to market for crucial energy transition metals from the African Copperbelt that is quicker and less carbon intensive than long-distance road transport.

We also completed the acquisition of the Stolberg multi-metals smelter in Germany, adding another strategic processing asset to Nyrstar's portfolio of metals processing operations in Europe.

This year marks the 30th anniversary since Trafigura was founded. In that time, we have built a global, resilient and successful business.

It is becoming increasingly clear that our industry will need to play an important role to facilitate the shift to a low-carbon economy. Our insights and expertise in managing global supply chains and developing new markets and investments in new supply of low-carbon fuels such as hydrogen and key transition metals, mean that we are well placed to play a crucial role in this transition.

At the same time, we also have a responsibility to provide energy and power to meet the needs of a growing global population.

All of that makes me very confident in our prospects over the medium and long term.

In the near term, however, we do not expect the extraordinary conditions that have characterised global commodity markets in 2022 and the first half of 2023 to continue in the remainder of this year.

The impact of tighter monetary policy on the global economy, a less stressed environment for commodity supply chains and seasonal factors that affect demand for commodities such as gas, are all helping to moderate volatile conditions and are likely to see the pace of our growth slow compared to the previous 12 months.

Financial review

Reconfiguring global supply chains

Trafigura delivered a strong performance in the first half of its 2023 financial year, covering the six months to the end of March, with net profit for the period of USD5,544 million.

Christophe Salmon
Group Chief Financial Officer

Group revenue

$131.3bn

2023 131.3[1]
2022 170.6[2]

Total assets

$90.5bn

2023 90.5[1]
2022 98.6[3]

Underlying EBITDA

$8.1bn

2023 8.1[1]
2022 4.7[2]

Non-current assets

$16.2bn

2023 16.2[1]
2022 19.4[3]

Net profit

$5.5bn

2023 5.5[1]
2022 2.7[2]

Total Group equity

$17.7bn

2023 17.7[1]
2022 15.1[3]

[1] For the six-month period ended 31 March 2023.
[2] For the six-month period ended 31 March 2022.
[3] As at 30 September 2022.

Strong demand for our services amid challenging market conditions and continued disruption to the movement of vital resources around the world, enabled Trafigura Group to report a strong performance for the six-month period ended in March.

Net profit for the period was USD5,544 million, more than double the figure of USD2,659 million registered at the same time a year earlier.

This result was driven by our ability to help our customer base adapt to changing trade flows, particularly in natural gas and shipping, as many of the complex issues that defined commodity markets in our 2022 financial year persisted.

As has been observed repeatedly in recent years, these types of conditions play directly to the strength of companies such as Trafigura, with deep knowledge of markets and logistics backed up by infrastructure and with access to liquidity.

The Group's underlying earnings before interest, tax, depreciation and amortisation (EBITDA) rose 73 percent to USD8,136 million, up from USD4,713 million in the first half of 2022.

Revenues were 23 percent lower at USD131,335 million, down from USD170,609 million. This was a result of lower average commodity prices and trading volumes.

In the financial year to date, Trafigura has traded an average of 6.3 million barrels per day of oil and petroleum products, compared to an average of 7.3 million barrels per day in the first six months of the 2022 financial year. In non-ferrous metals and bulk minerals, volumes fell by 8 percent to 54.4 million tonnes in the six months to the end of March, compared with the corresponding period a year ago.

In spite of our strong performance, as referenced in the CEO statement, we did encounter a serious fraud in our nickel business, which we disclosed in February.

Although many of the shipments were in transit and awaiting inspection, we nevertheless decided to record a charge of almost USD600 million in the first half of 2023 related to the fraud. The charge is predominantly presented in the consolidated statement of income under materials, transportation and storage.

▲ In February 2023, Trafigura completed the acquisition of the Stolberg multi-metals smelter in Germany, adding another strategic processing asset to Nyrstar's portfolio of metals processing operations in Europe.

Turning to our industrial assets, in January 2023 we completed the sale of our minority interest in Nayara Energy, which operates one of the largest refineries in India, while in October 2022, Puma Energy completed the sale of 19 infrastructure and storage assets.

Consolidated statement of income

Revenue fell 23 percent year-on-year due to lower trading volumes and weaker commodity prices. However, our operating profit before depreciation and amortisation was up 74 percent to USD8,088 million, compared to USD4,648 million a year ago, as a result of strong demand for our supply chain services.

Of total revenue, the Energy segment, which also includes our gas and power businesses, contributed USD89,162 million, 21 percent less than the USD112,903 million generated in the first half of 2022. Operating profit before depreciation and amortisation in the Energy segment was USD7,284 million, compared to USD2,889 million in the same period a year earlier.

In Metals and Minerals, revenue dropped 27 percent to USD42,173 million from USD57,706 million, and divisional operating profit before depreciation and amortisation fell 54 percent to USD813 million mostly due to the USD590 million charge taken in relation to the nickel fraud.

Lower traded volumes and prices resulted in the cost of materials, transportation and storage falling to USD121,597 million from USD164,191 million. Our net finance expense increased to USD995 million, from USD689 million because of the sharp rise in base rates. However, it is important to note that these costs are passed through to our supply chain services.

The result from equity-accounted investees and investments rose sharply to USD169.7 million, from USD3.8 million, mainly because of the Nayara sale transaction.

Balance sheet

At the end of the period, our total balance sheet was USD90,451 million, down 8 percent from USD98,634 million at the end of September 2022. The reduction was driven by lower financing needs for our trading activity, primarily thanks to lower commodity prices.

Lower trading volumes and prices were reflected by the drop in current assets to USD74,020 million at the end of March 2023, down from USD78,767 million six months earlier.

Total non-current assets were also lower, down 17 percent from the corresponding period six months ago at USD16,174 million.

Current loans and borrowing dropped by 3 percent to USD28,699 million as a result of slightly lower working capital needs.

Our ratio of adjusted debt to Group equity stood at minus 0.22, significantly below our financial policy on leverage target of 1 times Group equity.

Due to our strong profitability, Group equity at the end of the period was USD17,654 million, 17 percent up from USD15,079 million at the end of September 2022. A USD2,985 million dividend was declared by Trafigura in March 2023. In accordance with its financial policy, Trafigura can declare and pay dividends subject to maintaining the Group's liquidity and financial leverage at an adequate level. This dividend forms part of our balance sheet management, along with the deleveraging achieved over the past few years as reflected in our adjusted debt ratio.

▲ In October 2022, Trafigura entered into a USD3 billion four-year loan agreement to deliver substantial volumes of gas to the German government.

Liquidity and financing

Trafigura secured increased access to financing lines, throughout the half year, strengthening our ample liquidity buffer to manage potential future spikes of volatility in commodity markets. Total credit lines reached a level of USD75 billion, excluding Puma Energy, from a network of around 150 financial institutions. Overall, our funding position leaves us very well placed to cope with increased market volatility and continue to meet the needs of our customer base.

The majority of our day-to-day trading activity is financed through uncommitted, self-liquidating trade finance facilities, while we use corporate credit facilities to finance other short-term liquidity requirements, such as margin calls or bridge financing. This funding model gives us the necessary flexibility to cope with periods of enhanced price volatility as utilisation of the trade finance facilities increases or decreases to reflect the volumes traded and underlying prices. We also maintain a debt capital markets presence to secure longer-term finance in support of our investments.

In October 2022, the Group refinanced its Asian Syndicated Revolving Credit Facility (RCF) and Term Loan Facilities (TLF) at USD2.4 billion equivalent, with 28 banks participating in the transaction, including three new lenders. The new facilities comprised a 365-day USD RCF (USD685 million), a one-year CNH TLF (c. USD1,217 million-equivalent) and a three-year USD TLF (USD469 million). In line with our European RCF from March 2022, we updated the set of key performance indicators (KPIs) of the sustainability-linked loan structure.

Also, in October 2022, we entered into a USD3.0 billion four-year loan agreement guaranteed by the government of Germany acting through the German Export Credit Agency (ECA). This loan supports the commitment by Trafigura to deliver substantial volumes of gas to Securing Energy for Europe (SEFE), over the next four years.

In January 2023, we continued growing our portfolio of ECA financing lines with a USD135 million two-year facility with Abu Dhabi Exports Office (ADEX), the export financing arm of Abu Dhabi Fund for Development. The financing will support Trafigura's continued procurement of metals, minerals and refined hydrocarbons from the UAE.

In March 2023, we refinanced our flagship 365-day European multi-currency syndicated revolving credit facilities (ERCF) totalling USD1.9 billion, while extending and increasing our USD3.5 billion three-year RCF. In line with the last two years, we structured these facilities as sustainability-linked loans, with an updated set of KPIs, including a new target on the reduction of lost time incident rate (LTIR). The new 365-day ERCF was initially launched at USD1.5 billion and closed substantially oversubscribed.

Finally, in March 2023, Trafigura closed a USD225 million US Private Placement (USPP) across seven- and ten-year tenors. The deal was our seventh in this market following our first issuance in 2006, and was timed to refinance USD110.5 million USPP maturities. The transaction was upsized from an initial USD100 million following strong investor demand, with almost two-thirds of the total amount raised in the ten-year tranche. The issuance was Trafigura's second largest USPP to date and our first USPP without a tranche of five years or less, as investors focused towards longer tenors.

Cash flow

Our performance over the first half of the year resulted in a rise in operating cash flow before working capital changes by 73 percent to USD8,112 million from USD4,677 million.

We believe operating cash flow before working capital changes is the most reliable measure of Trafigura's financial performance because the level of working capital is predominantly driven by prevailing commodity prices and is financed under the Group's self-liquidating finance lines. Net cash from operating activities was USD5,695 million, as net financing costs increased while working capital requirements remained fairly stable over the period.

Investing activities resulted in a net cash use of USD763 million, compared to a cash inflow of USD506 million in the first half of 2022.

Net cash used in financing activities was a net outflow of USD3,132 million, with the overall balance of cash and cash equivalents standing at USD16,681 million as of 31 March 2023, up 12 percent compared to 30 September 2022.

Outlook

The profitability of the Group during the first half of the year is a testament to the resilient, global business that we have built up since we were founded in 1993.

While we expect our supply chain management services to remain in demand during the second half of the year, we are seeing a return to more normal market conditions. Therefore we expect the pace of our growth to slow compared to the previous 12 months.

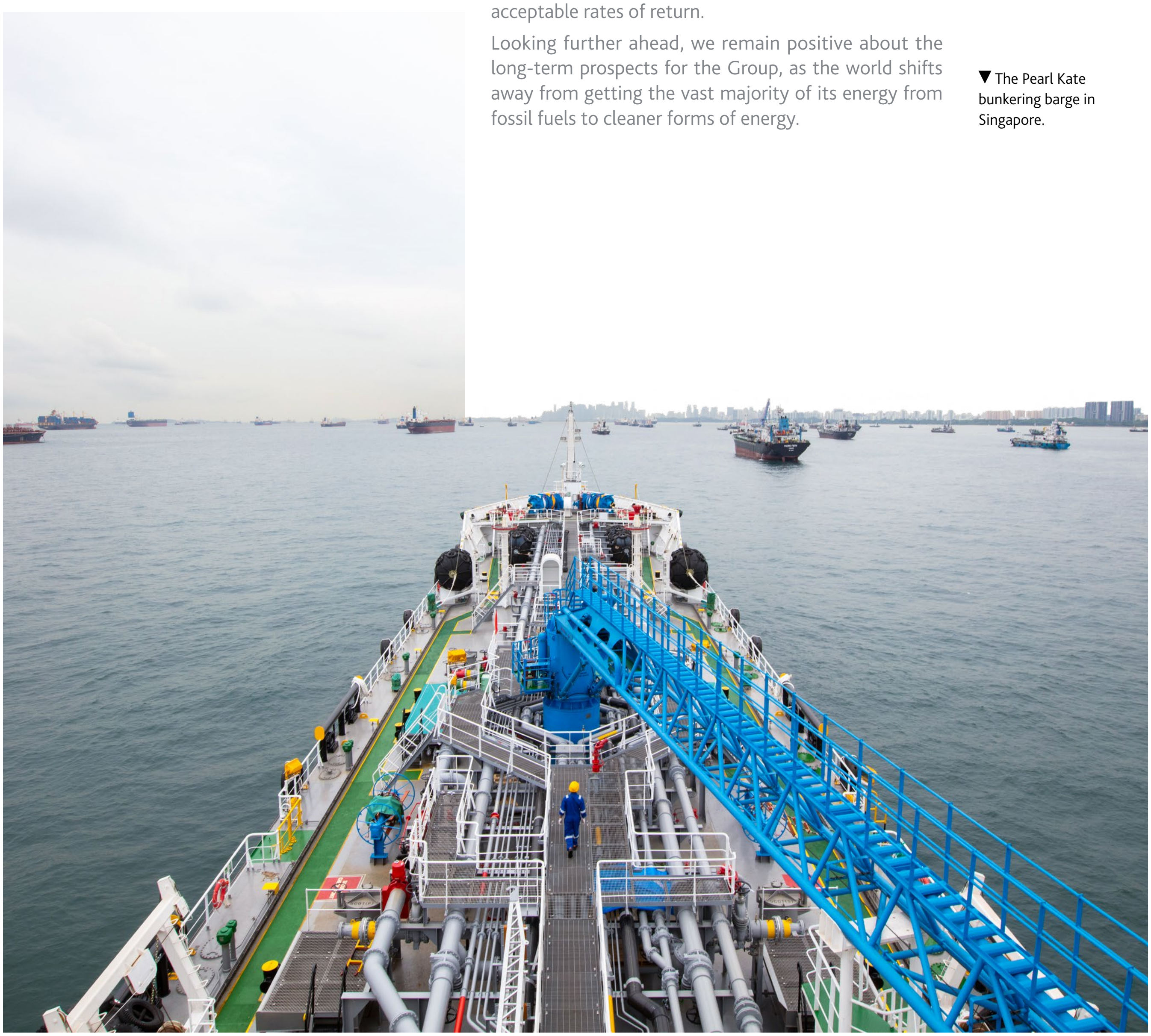
We are also conscious that there are a growing number of headwinds, including inflationary pressures, higher interest rates and ongoing geopolitical tensions, which could impact global economic growth.

To that end, we will maintain a sharp focus on credit risk amid a shortage of US dollars in some parts of the developing world.

The Group will also maintain a disciplined approach to acquisitions. While we will continue to invest in assets that support our core supply chain activities, this will be done in a very measured way and only when it can deliver acceptable rates of return.

Looking further ahead, we remain positive about the long-term prospects for the Group, as the world shifts away from getting the vast majority of its energy from fossil fuels to cleaner forms of energy.

▼ The Pearl Kate bunkering barge in Singapore.



Marketplace review

Commodity markets: Macro headwinds clash with micro tailwinds

Saad Rahim
Chief Economist

Many of the key themes that defined commodity markets since the onset of the war in Ukraine continued during the six months to the end of March 2023.

At the start of our financial year, inflation remained high and central banks continued to raise interest rates to levels that are now proving restrictive for growth.

The turmoil seen earlier this year in the banking sector, primarily in the US but with some spill-over into Europe, has been one of the direct results of tighter monetary policy.

The idea that looser credit conditions in China, combined with the re-opening of the country late last year after the end of its zero-COVID-19 policy, would offset the impact of tighter financial conditions in the West, has yet to play out.

Unlike previous periods of weakness, it appears that China's problem is not the supply of credit. Rather, it is the demand for credit, as repeated lockdowns, high youth unemployment and shaken faith in real estate developers are combining to keep consumer confidence, and therefore spending, low.

Facing those macroeconomic headwinds, commodity prices unsurprisingly struggled so far in 2023, even though some OPEC members cut oil production – which should support the market later this year – and stockpiles of metal have continued to draw in China.

At the time of writing, Brent crude oil, which was close to USD90 per barrel in January 2023, was trading at USD75 per barrel, while copper was just above USD8,300 per tonne, compared to USD9,400 per tonne in January 2023.

During the reporting period, gas and power prices in Europe were volatile, swinging from over EUR200 per megawatt hour in Autumn, to below EUR30 per megawatt hour, helped by a mild winter and demand reduction measures, particularly in the industrial sector. Higher LNG prices also allowed Europe to attract more cargoes, away from other markets." In shipping, longer transit times due to the sanctions levied on Russian oil effectively removed tankers from the market and saw so-called "oil-on-water" volumes increase materially.

Looking forward, the most recent data points to a US economy that is still running hot, especially in terms of employment and in the services sector.

As such, commodity prices may struggle in the months ahead, especially if higher interest rates slow growth, the US dollar continues to rise and downbeat sentiment around China persists. Manufacturing globally is already contracting.

Still, across the major economies there are significant shock absorbers in the form of savings built up over the last three years that should provide some support.

Consumers in the US, Europe and China still have around USD4-5 trillion of excess savings thanks to stimulus efforts and deferred consumption during COVID-19.

The situation is therefore very different to the run-up to the 2007-08 financial crisis when savings were stretched and consumers had taken on significant amounts of debt.

An eventual end to the rate hiking cycle should allow consumers to deploy pent-up savings and growth to resume.

Oil market challenged by macro-economic headwinds

US Two-year Treasury Yield
Stated in % yield

Brent Crude Oil (inverted)
Stated in USD/barrel

Source: Bloomberg Research

Oil markets

Last year, oil markets were buffeted by the threat of Russian disruptions, China's zero-COVID-19 policy and record oil releases from strategic reserves in the US and its allies.

In the end, lockdowns resulted in China exporting significant volumes of refined products, particularly diesel, to the rest of the world, more than offsetting any possible disruptions.

The fact that there were no real disturbances to Russian flows meant that markets ended up being quite well supplied, especially as there were large releases from strategic petroleum reserves (SPR). The US SPR, for example, released 200 million barrels of crude oil following the invasion of Ukraine.

Despite higher prices for most of the year and China's lockdowns, global demand still grew by a very healthy 2.3 million barrels per day in 2022. Given that the International Energy Agency reported China's demand contracting by 0.4 million barrels per day over the course of 2022, that meant global demand excluding China grew by over 2.7 million barrels per day, which would be one of the strongest increments of recent years.

Even with the US and Europe seeing demand falter slightly due to higher interest rates and rising recession risk, China's re-opening at the turn of the year has helped support demand.

Demand growth projections for 2023 are again above 2.0 million barrels per day, led by China, which is expected to account for almost half of that gain. Much of that global demand comes from demand recovery in jet fuel, as air travel has picked up.

Looking back to the financial crisis, global oil demand contracted by 2.0 million barrels per day over 2008-09. Despite concerns about an economic slowdown, the forecast is for something much milder in 2023.

Set against any demand losses, voluntary production cuts announced by some key OPEC members that are in theory as high as 2.0 million barrels per day, although in reality will probably be around half that. However, Saudi Arabia continues to make additional voluntary cuts, including those announced at the June OPEC+ meeting. Those supply cuts plus emerging market demand growth should still point towards material draws in inventories later this year.

For over a decade, tightening oil markets could always rely on the US shale industry to ramp up production to bring markets back into balance.

However, it is difficult to see how US production is going to increase this year given lower oil prices, higher interest rates and rising costs – and certainly not by the levels many forecasters were projecting coming into the year, in some cases as high as 1.0 million barrels per day. We can already see that in the number of oil rigs being deployed, which has fallen steadily by a total of 72 rigs since the most recent peak in November 2022 (which in itself was down almost 1,000 rigs from the all-time peak in 2014).

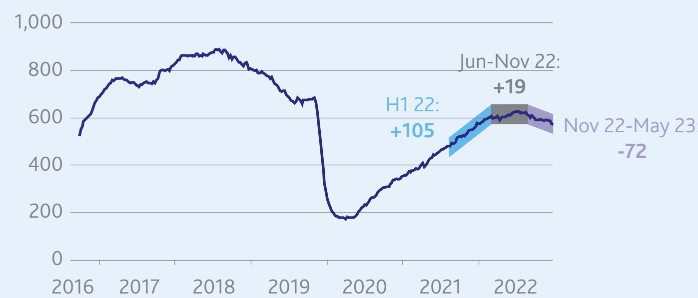
But it is not just the US; across the globe, oil companies have slashed exploration and production spending, dropping to levels that are 40 percent or less of the last peak of spending in 2014.

Thus, while refining capacity, which has previously been a bottleneck, is now starting to expand, led by extra capacity in China and the Middle East, there will likely be a structural dearth of crude oil in the coming years to feed both these refineries and any future demand growth needed to meet the needs of a growing global population.

This raises the prospect of higher prices and heightened volatility in the years ahead, despite the rapidly increasing adoption of electric vehicles.

Baker Hughes US oil rig count

Stated in number of rigs



Source: Baker Hughes, Bloomberg, Trafigura Research

Metals markets

For most of last year, tightening fundamentals, highlighted by stock levels, which declined to historically low levels in many cases, did not translate into higher prices for metals, as normally would be the case.

This unusual dynamic was driven in large part by investment flows; specifically, the strength of the US dollar, which meant capital flowed into that market and out of other assets, in particular commodities. At the same time, there was also a view that China's COVID-19 lockdowns and property woes meant that metals demand was weak.

The reality was actually quite different, with China seeing record levels of demand for copper, aluminium, stainless steel and other metals.

Much of this growth was due to government-driven spending on infrastructure, especially the build-out of the electrical grid, but also the production of electric vehicles, which exceeded expectations by a wide margin. As regards the electrical grid, it has not just been an increase in overall capacity, but specifically more renewable capacity, which is metals intensive.

China added 125 gigawatts of installed renewable power generation capacity in 2022, with wind growing by 38 gigawatts and solar capacity by 87 gigawatts. Added to the growth seen in the first quarter of the 2023 calendar year, we could potentially see these numbers grow by over 30 percent and 150 percent respectively over the next six months, bringing the total to over 170 gigawatts for the 2023 calendar year.

That said, we are seeing relatively high inventories of finished goods in China, mainly as the result of consumer demand shifting from goods to services, but also due to the debottlenecking of disrupted supply chains. A persistent overhang of real estate inventory in China is also contributing to a weaker recovery than would have been hoped for, although the trajectory is still positive.

The important point to note for both metals and energy is that any economic growth slowdown this year will not just impact demand but will also further depress investment in the supply of commodities which are needed for the energy transition and to meet the needs of a growing global population.

As such, when demand recovers it will do so quickly, and run up against short stocks, low spare capacity and few response mechanisms, with new project pipelines running dry.

Global visible stocks for base metals

Stated in weeks of global use

Source: LME, SMM, COMEX, SHFE, Trafigura Research

Unaudited interim consolidated financial statements

For the six-month period ended 31 March 2023

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A. Interim consolidated statement of income

For the six-month period ended 31 March 2023

	Note	2023 USD'M	2022 USD'M
Revenue	4	131,334.5	170,609.1
Materials, transportation and storage		(121,597.0)	(164,191.0)
Employee benefits	32	(734.8)	(829.7)
Services and other		(914.9)	(940.4)
Operating profit or (loss) before depreciation and amortisation	4	**8,087.8**	4,648.0
Depreciation (right-of-use assets)	13	(778.5)	(582.7)
Depreciation and amortisation (PP&E and intangible fixed assets)	11/12	(305.6)	(286.2)
Impairments (fixed assets)	7	(19.9)	(0.9)
Reversal of impairments (financial assets and prepayments)	7	12.0	19.4
Operating profit or (loss)		**6,995.8**	3,797.6
Share of profit/(loss) of equity-accounted investees	8	31.2	23.4
Disposal results and impairments of equity-accounted investees	8	127.8	(17.6)
Income/(expenses) from investments	8	10.7	(2.0)
Result from equity-accounted investees and investments		**169.7**	3.8
Finance income		957.2	216.2
Finance expense		(1,952.5)	(905.5)
Result from financing activities		**(995.3)**	(689.3)
Profit before tax		**6,170.2**	3,112.1
Income tax	9	(626.5)	(452.7)
Profit for the period		**5,543.7**	2,659.4
Profit attributable to:			
Owners of the Company		5,534.5	2,654.3
Non-controlling interests		9.2	5.1
Profit for the period		**5,543.7**	2,659.4

See accompanying notes.

B. Supplementary statement of income information

For the six-month period ended 31 March 2023

Reconciliation to Underlying EBITDA	Note	2023 USD'M	2022 USD'M
Operating profit or (loss) before depreciation and amortisation	4	**8,087.8**	4,648.0
Adjustments	10	47.9	64.6
Underlying EBITDA	10	**8,135.7**	4,712.6

See accompanying notes.

C. Interim consolidated statement of other comprehensive income

For the six-month period ended 31 March 2023

	Note	2023 USD'M	2022 USD'M
Profit for the period		**5,543.7**	2,659.4
Other comprehensive income			
Items that are or may be reclassified to profit or loss:			
Gain/(loss) on cash flow hedges	30	1.5	108.9
Effect from hyperinflation adjustment		21.0	6.8
Tax on other comprehensive income		13.6	(42.8)
Exchange gain/(loss) on translation of foreign operations		67.8	11.6
Share of comprehensive income/(loss) from associates		11.7	(1.4)
Recycling of FCTR on disposal of equity-accounted investee	8	(176.7)	–
Recycling of CFHR on disposal of equity-accounted investee	8	55.1	–
Items that will not be reclassified to profit or loss:			
Net change in fair value through other comprehensive income, net of tax		15.5	(0.2)
Defined benefit plan actuarial gains/(losses), net of tax		(0.5)	(1.9)
Other comprehensive income for the period, net of tax		**9.0**	81.0
Total comprehensive income for the period		**5,552.7**	2,740.4
Total comprehensive income attributable to:			
Owners of the Company		5,546.6	2,734.2
Non-controlling interests		6.1	6.2
Total comprehensive income for the period		**5,552.7**	2,740.4

See accompanying notes.

D. Interim consolidated statement of financial position

As at 31 March 2023

	Note	31 March 2023 USD'M	30 September 2022 USD'M
Assets			
Property, plant and equipment	11	4,619.5	4,377.1
Intangible assets	12	1,596.3	2,112.7
Right-of-use assets	13	4,132.1	3,904.5
Equity-accounted investees	14	973.1	979.6
Prepayments	15	1,429.4	1,534.1
Loans receivable	15	714.8	307.5
Other investments	15	835.3	595.5
Derivatives	30	672.9	1,125.2
Deferred tax assets		161.1	210.4
Other non-current assets	16	1,039.5	4,285.9
Total non-current assets		**16,174.0**	19,432.5
Inventories	17	22,492.1	22,583.6
Trade and other receivables	18	26,093.1	27,630.5
Derivatives	30	4,531.1	7,179.0
Prepayments	15	2,317.6	2,117.2
Income tax receivable		403.4	311.4
Other current assets	20	1,443.0	3,422.3
Deposits	21	59.5	642.0
Cash and cash equivalents	21	16,680.5	14,881.3
Total current assets		**74,020.3**	78,767.3
Assets classified as held for sale	22	256.6	434.1
Total assets		**90,450.9**	98,633.9

	Note	31 March 2023 USD'M	30 September 2022 USD'M
Equity			
Share capital	23	1,503.7	1,503.7
Capital securities	23	671.5	654.1
Reserves	23	(545.8)	(537.5)
Retained earnings	23	15,859.4	13,288.4
Equity attributable to the owners of the Company		**17,488.8**	14,908.7
Non-controlling interests		165.4	169.9
Total group equity		**17,654.2**	15,078.6
Liabilities			
Loans and borrowings	24	11,415.9	9,614.5
Long term lease liabilities	13	2,630.7	2,817.1
Derivatives	30	354.8	2,723.7
Provisions		453.0	474.2
Other non-current liabilities		520.1	521.9
Deferred tax liabilities		310.4	380.4
Total non-current liabilities		**15,684.9**	16,531.8
Loans and borrowings	24	28,698.8	29,663.6
Short term lease liabilities	13	1,586.6	1,170.1
Trade and other payables	25	22,363.0	25,649.5
Current tax liabilities		1,274.8	1,037.9
Other current liabilities	26	885.8	1,562.1
Derivatives	30	2,290.2	7,910.9
Total current liabilities		**57,099.2**	66,994.1
Liabilities classified as held for sale	22	12.6	29.4
Total group equity and liabilities		**90,450.9**	98,633.9

See accompanying notes.

E. Interim consolidated statement of changes in equity

For the six-month period ended 31 March 2023

		Equity attributable to the owners of the Company									
USD'M	Note	Share capital	Currency translation reserve	Revaluation reserve	Cash flow hedge reserve	Capital securities	Retained earnings	Profit for the period	Total	Non-controlling interests	Total Group equity
Balance at 1 October 2022		1,503.7	(420.2)	(79.9)	(37.4)	654.1	6,294.2	6,994.2	14,908.7	169.9	15,078.6
Profit for the period		–	–	–	–	–	–	5,534.5	5,534.5	9.2	5,543.7
Other comprehensive income		–	(93.7)	15.5	69.8	–	20.5	–	12.1	(3.1)	9.0
Total comprehensive income for the period		–	(93.7)	15.5	69.8	–	20.5	5,534.5	5,546.6	6.1	**5,552.7**
Profit appropriation		–	–	–	–	–	6,994.2	(6,994.2)	–	–	–
Dividend	23	–	–	–	–	–	(2,985.0)	–	(2,985.0)	(17.5)	(3,002.5)
Acquisition of non-controlling interest in subsidiary	5	–	–	–	–	–	(1.3)	–	(1.3)	(6.0)	(7.3)
Share-based payments	32	–	–	–	–	–	47.9	–	47.9	–	47.9
Purchase of capital securities	23	–	–	–	–	(5.0)	–	–	(5.0)	–	(5.0)
Capital securities (currency translation)	23	–	–	–	–	27.6	(27.6)	–	–	–	–
Capital securities dividend	23	–	–	–	–	–	(24.0)	–	(24.0)	–	(24.0)
Divestment and deconsolidation of subsidiary		–	–	–	–	–	–	–	–	13.0	13.0
Other		–	0.1	–	–	(5.2)	6.0	–	0.9	(0.1)	0.8
Balance at 31 March 2023		1,503.7	(513.8)	(64.4)	32.4	671.5	10,324.9	5,534.5	17,488.8	165.4	**17,654.2**

		Equity attributable to the owners of the Company									
USD'M	Note	Share capital	Currency translation reserve	Revaluation reserve	Cash flow hedge reserve	Capital securities	Retained earnings	Profit for the period	Total	Non-controlling interests	Total Group equity
Balance at 1 October 2021		1,503.7	(79.4)	(34.9)	(175.2)	1,173.9	4,814.8	3,100.0	10,302.9	242.7	10,545.6
Profit for the period		–	–	–	–	–	–	2,654.3	2,654.3	5.1	2,659.4
Other comprehensive income		–	6.8	(0.2)	68.3	–	5.0	–	79.9	1.1	81.0
Total comprehensive income for the period		–	6.8	(0.2)	68.3	–	5.0	2,654.3	2,734.2	6.2	**2,740.4**
Profit appropriation		–	–	–	–	–	3,100.0	(3,100.0)	–	–	–
Dividend	23	–	–	–	–	–	–	–	–	(12.1)	(12.1)
Acquisition of non-controlling interest in subsidiary	5	–	–	–	–	–	(32.4)	–	(32.4)	(29.0)	(61.4)
Share-based payments	32	–	–	–	–	–	64.6	–	64.6	–	64.6
Capital securities issued		–	–	–	–	–	–	–	–	–	–
Repayment of capital securities	23	–	–	–	–	(479.2)	–	–	(479.2)	–	(479.2)
Capital securities (currency translation)	23	–	–	–	–	(12.3)	12.3	–	–	–	–
Capital securities dividend	23	–	–	–	–	–	(40.5)	–	(40.5)	–	(40.5)
Divestment and deconsolidation of subsidiary		–	–	–	–	–	–	–	–	(66.1)	(66.1)
Other		–	–	–	–	2.3	(0.1)	–	2.2	–	2.2
Balance at 31 March 2022		1,503.7	(72.6)	(35.1)	(106.9)	684.7	7,923.7	2,654.3	12,551.8	141.7	**12,693.5**

See accompanying notes.

F. Interim consolidated statement of cash flows

For the six-month period ended 31 March 2023

	Note	2023 USD'M	2022 USD'M
Cash flows from operating activities			
Profit before tax		6,170.2	3,112.1
Adjustments for:			
Depreciation and amortisation	11/12/13	1,084.1	868.9
Impairments (included in operating profit or loss)	7	7.9	(18.5)
Result from equity-accounted investees and investments	8	(169.7)	(3.8)
Result from financing activities		995.3	689.3
Equity-settled share-based payment transactions		47.9	64.6
Provisions		(10.7)	3.8
(Gain)/loss on sale of fixed assets (included in services and other)		(13.3)	(39.2)
Operating cash flows before working capital changes		**8,111.7**	4,677.2
Changes in:			
Inventories	17	182.2	(396.6)
Trade and other receivables and derivatives	18	10,797.3	(17,314.6)
Prepayments	15	(85.2)	(170.4)
Trade and other payables and derivatives	25	(11,819.3)	10,160.6
Cash generated from/(used in) operating activities		**7,186.7**	(3,043.8)
Interest paid		(1,939.2)	(893.7)
Interest received		936.2	190.4
Dividends (paid)/received		6.6	14.2
Tax (paid)/received		(495.7)	(292.7)
Net cash flows from/(used in) operating activities		**5,694.6**	(4,025.6)
Cash flows from investing activities			
Acquisition of property, plant and equipment	11	(354.4)	(551.8)
Proceeds from sale of property, plant and equipment	11	26.7	363.2
Disposal of assets/liabilities held for sale	22	166.1	34.9
Acquisition of intangible assets	12	(112.7)	(36.4)
Proceeds from sale of intangible assets	12	0.2	–
Acquisition of equity-accounted investees	14	(22.6)	(24.0)
Disposal of equity-accounted investees	14	–	709.6
Loans receivable and advances granted	15	(279.6)	(6.2)
Repayment of loans receivable and advances granted	15	4.0	5.8
Acquisition of other investments	15	(225.1)	(0.4)
Disposal of other investments	15	71.0	10.8
Acquisition of subsidiaries, net of cash acquired	5	(36.8)	–
Net cash flows from/(used in) investing activities		**(763.2)**	505.5
Cash flows from financing activities			
Payment of capital securities dividend	23	(18.6)	(34.7)
Dividend and payments in relation to the share redemption by the direct parent company	23	(2,985.0)	–
Purchase/repayment of capital securities	23	(5.0)	(479.2)
Acquisition of non-controlling interest		(3.9)	–
Dividend non-controlling interest		(16.4)	–
Increase in long-term loans and borrowings	24	3,278.6	1,742.3
(Decrease) in long-term loans and borrowings	24	(566.3)	(123.5)
Payment of leases	13	(772.4)	(579.9)
Net increase/(decrease) in short-term bank financing	24	(2,043.2)	2,605.2
Net cash flows from/(used in) financing activities		**(3,132.2)**	3,130.2
Net increase/(decrease) in cash and cash equivalents		**1,799.2**	(389.9)
Cash and cash equivalents at 1 October		14,881.3	10,677.5
Cash and cash equivalents at 31 March	21	**16,680.5**	10,287.6

See accompanying notes.

G. Notes to the interim consolidated financial statements

1. Corporate information

The principal business activities of Trafigura Group Pte. Ltd. ('Trafigura' or the 'Company') and its subsidiaries (the 'Group') are trading in crude and petroleum products, power and renewables, non-ferrous concentrates, refined metals and bulk commodities such as coal and iron ore. The Group also invests in assets, including through investments in associates, which have strong synergies with its core trading activities. These include storage terminals, service stations, metal warehouses, industrial facilities and mines.

The Company is incorporated in Singapore and its principal business office is at 10 Collyer Quay, Ocean Financial Centre, #29-01/05, Singapore, 049315.

The Company's immediate holding company is Trafigura Beheer B.V., a company incorporated in the Netherlands. Trafigura Beheer B.V. is ultimately controlled by Farringford Foundation, which is established under the laws of Panama.

The interim consolidated financial statements for the six-month period ended 31 March 2023 were authorised for issue by the Board of Directors on 7 June 2023.

2. Basis of preparation

2.1 Statement of compliance

The Company's interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The interim consolidated financial statements have not been audited.

2.2 Basis of measurement

The interim consolidated financial statements have been prepared under the historical cost convention except for inventories, derivatives and certain other financial instruments that have been measured at fair value. The consolidated financial statements have been prepared on a going concern basis.

2.3 Functional and presentation currency

The Group's presentation currency is the US dollar (USD) and all values are rounded to the nearest tenth of a million (USD'M 0.1) unless otherwise indicated. The US dollar is the functional currency of most of the Group's principal operating subsidiaries. Most of the markets in which the Group is involved are USD denominated.

2.4 Accounting policies

The interim consolidated financial statements for the first half of 2023 financial year follow the same accounting policies as described in the Group's consolidated financial statements for the financial year ended 30 September 2022, except for any new, amended, or revised accounting standard and interpretations endorsed by the IASB, effective for the accounting period beginning on 1 October 2022.

Any new or amended standards and interpretations that may impact Trafigura are presented in the next section.

These interim financial statements contain selected accounting policies and should therefore be read in conjunction with the Group's consolidated financial statements for the financial year ended 30 September 2022.

2.5 Key accounting estimates and judgements

Preparing the interim consolidated financial statements in compliance with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the interim consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, and are used to judge the carrying amount of assets and liabilities that are not readily apparent from other sources. Actual outcomes could differ from those estimates. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

For the areas the Group identified as being critical to understanding its financial position, reference is made to the 2022 annual report.

2.6 Going concern

Trafigura assessed the going-concern assumptions, during the preparation of the Group's consolidated financial statements. The Group believes that no events or conditions including those related to the Ukraine war, give rise to doubt about the ability of the Group to continue in operation in the next reporting period. This conclusion is drawn based on the knowledge of the Group, the estimated economic outlook and identified risks and uncertainties in relation thereto.

Furthermore, this conclusion is based on review of the current cash balance, and expected developments in liquidity and capital. The Group has sufficient cash and headroom in its credit facilities. Therefore, it expects that it will be able to meet contractual and expected maturities and covenants. Consequently, it has been concluded that it is reasonable to apply the going-concern concept as the underlying assumption for the financial statements.

G. Notes to the interim consolidated financial statements

3. Adoption of new and revised standards

3.1 New and amended standards or interpretations adopted

In the current period, the Group adopted the following new and amended standards or interpretations:

Standard/Interpretation	Name of standard/interpretation or amendments	Date of publication	Effective as of
Amendments to IAS 16	Property, Plant and Equipment (Proceeds before Intended Use)	14 May 2020	1 January 2022
Amendments to IAS 37	Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts, Settlement Costs from Contracts)	14 May 2020	1 January 2022
Amendments to IFRS 3	Business Combinations (Amendment to References to the Conceptual Framework)	14 May 2020	1 January 2022
Annual improvements to IFRS 2018-2020	Amendments to: • IFRS 1 (Subsidiary as a First-Time Adopter) • IFRS 9 (Fees in the "10% Test" Regarding Derecognition of Financial Liabilities) • IFRS 16 (Lease Incentives) • IAS 41 (Taxation in Fair Value Measurements)	14 May 2020	1 January 2022

The amendments shown in the table had no material effect on the interim consolidated financial statements.

3.2 New standard and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the 2023 financial year reporting periods and have not been early adopted by the Group:

Standard/Interpretation	Name of standard/interpretation or amendments	Date of publication	Expected date of initial application (financial years starting as of)
Amendments to IFRS 17	Insurance Contracts (including amendments to the standard)	25 June 2020	1 January 2023
Amendments to IAS 1	Presentation of Financial Statements (Classification of Liabilities as Current or Non-current) (including Deferral of Effective Date)	23 January 2020 (15 July 2020)	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Presentation of Financial Statements and Making Materiality Judgements (Presentation of Key Accounting Policies)	12 February 2021	1 January 2023
Amendments to IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Changes in Accounting Policies and Accounting Estimates)	12 February 2021	1 January 2023
Amendments to IAS 12	Income Taxes (Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction)	7 May 2021	1 January 2023
Amendments to IFRS16	Lease Liability in a Sale and Leaseback Amendments to IFRS	22 September 2022	1 January 2024
Amendments to IAS 1	Non-current liabilities with Covenants	31 October 2022	1 January 2024

The Group does not expect that these new standards, amendments and interpretations not yet adopted will have a material effect on its reporting.

4. Operating segments

	First half of financial year 2023				First half of financial year 2022			
	Energy	Metals and Minerals	Corporate and Other	Total	Energy	Metals and Minerals	Corporate and Other	Total
	USD'M	USD'M	USD'M	USD'M	USD'M	USD'M	USD'M	USD'M
Sales revenue from external customers	87,061.3	41,861.3	–	128,922.6	112,156.5	57,420.3	–	169,576.8
Service revenue from external customers	2,100.6	311.3	–	2,411.9	746.6	285.7	–	1,032.3
Revenue	**89,161.9**	**42,172.6**	**–**	**131,334.5**	**112,903.1**	**57,706.0**	**–**	**170,609.1**
Operating expenses	(81,878.4)	(41,359.3)	(9.0)	(123,246.7)	(110,013.9)	(55,927.4)	(19.8)	(165,961.1)
Operating profit or (loss) before depreciation and amortisation	**7,283.5**	**813.3**	**(9.0)**	**8,087.8**	**2,889.2**	**1,778.6**	**(19.8)**	**4,648.0**

The basis of the segmentation of the Company has not changed compared to the annual consolidated financial statements.

A fraud involving misrepresentation and presentation of false documentation has been perpetrated against Trafigura. The fraud is isolated to a specific line of business. Trafigura believed it had paid for a significant quantity of LME grade nickel but subsequent inspections have indicated otherwise. Legal proceedings have been commenced against the counterparties involved.

The Group has recorded a USD590 million charge, which is predominantly presented under Materials, transportation and storage in the consolidated statement of income for the six-month period ended 31 March 2023.

5. Business combinations and non-controlling interests

5.1 First half of financial year 2023

In February 2023, the Group completed the acquisition of the Ecobat Resources Stolberg GmbH business following the satisfaction of customary conditions precedent including the receipt of regulatory approvals. Stolberg is a multi-metals processing plant and acquired for a preliminary purchase price of EUR34.3 million. The final purchase price will be determined during the second half of financial year 2023.

5.2 Financial year 2022

5.2.1 Acquisition of additional shareholding in Puma Energy

Trafigura's share in Puma Energy increased from 93.4 percent to 96.7 percent as per 30 September 2022 as Cochan Holdings LLC ceased to be a shareholder in Puma Energy in December 2021.

6. Deconsolidation of subsidiaries

There was no significant deconsolidation of subsidiaries and non-controlling interest during the six-month period ended 31 March 2023 and the financial year ended 30 September 2022.

7. Impairments

	2023 USD'M	2022 USD'M
(Reversal of) Impairments of property, plant and equipment	20.6	(0.4)
(Reversal of) Impairments of right-of-use assets	(0.7)	–
Impairments of intangible assets	–	1.3
Impairments of fixed assets	**19.9**	0.9
(Reversal of) Impairments of financial assets	(1.7)	(15.5)
(Reversal of) Impairments of prepayments	(10.3)	(3.9)
(Reversal of) Impairments of financial assets and prepayments	**(12.0)**	(19.4)
Total (reversal of) impairments – included in operating profit or loss	**7.9**	(18.5)
(Reversal of) Impairments of equity-accounted investees	(6.3)	0.2
(Reversal of) Impairments of equity-accounted investees	**(6.3)**	0.2
Total (Reversal of) impairments	**1.6**	(18.3)

7.1 First half of financial year 2023

There were no significant impairments or reversals of impairments during the six-month period ended 31 March 2023.

7.2 First half of financial year 2022

There were no significant impairments or reversals of impairments during the six-month period ended 31 March 2022.

G. Notes to the interim consolidated financial statements

8. Result from equity-accounted investees and investments

	2023 USD'M	2022 USD'M
Share of profit/(loss) of equity-accounted investees	**31.2**	23.4
Disposal result of equity-accounted investees	121.5	(17.4)
Reversal of (Impairments) of equity accounted investees	6.3	(0.2)
Disposal results and impairments of equity-accounted investees	**127.8**	(17.6)
Income/(expenses) from equity-accounted investees	**159.0**	5.8
Gain/(loss) on fair value through profit and loss instruments	(2.2)	2.4
Gain/(loss) on divestment of subsidiaries	–	(4.1)
Gain/(loss) from disposal of other investments	7.8	(1.2)
Dividend income	5.1	0.9
Income/(expenses) from investments	**10.7**	(2.0)
Result from equity-accounted investees and investments	**169.7**	3.8

8.1 First half of financial year 2023

In January 2023, the Group completed the sale of its investment in Tendril Ventures Pte Ltd to Hara Capital Sarl for a consideration of USD168.9 million. Hara Capital is a wholly owned subsidiary of Mareterra Group Holding, an energy investment group with a focus on energy and carbon efficiency infrastructure. Upon the disposal of the investment, the Group recycled the related foreign currency translation reserve and cashflow hedge reserve balances from Consolidated Statement of Other Comprehensive Income to the Consolidated Statement of Income. Although the net impact on equity is nil this resulted in a USD121.5 million gain on the income statement for the first half year.

8.2 First half of financial year 2022

In September 2021, the Group sold its 50 percent stake in Minas de Aguas Tenidas SA (MATSA) to Sandfire Resources Limited for a total expected consideration of USD777.8 million. The sale was agreed in partnership with the Group's former joint-venture partner, Mubadala Investment Company PJSC, which received the same corresponding consideration, making Sandfire Spain Holdings Limited the new sole owner of MATSA. In the first half of 2022 financial year an adjustment has been made to the contingent consideration, which was recorded under the disposal result of equity-accounted investees.

9 Income tax

9.1 Tax expense

Income tax expense recognised in the Consolidated Statement of Income consists of the following:

	2023 USD'M	2022 USD'M
Current income tax expense	630.9	467.6
Adjustments in relation to current income tax of previous periods	6.1	10.0
Deferred tax expense/(income)	(12.6)	(33.8)
Withholding tax in the current period	2.1	8.9
Total	**626.5**	452.7

10 Underlying EBITDA

Accounting policy

The Group believes that the supplemental presentation of underlying EBITDA provides useful information on the Group's financial performance, its ability to service debt, to fund capital expenditures and to provide a helpful measure for comparing its operating performance with that of other companies.

Underlying EBITDA, when used by Trafigura, means operating profit or loss before depreciation and amortisation excluding share-based payments and other adjustments. In addition to share-based payments, the adjustments made to arrive at underlying EBITDA are considered exceptional and/or non-operational from a management perspective based on their size or nature. They can be either favourable or unfavourable. These items include for example:

- Significant restructuring costs and other associated costs arising from significant strategy changes that are not considered by the Group to be part of the normal operating costs of the business;
- Significant acquisition and similar costs related to business combinations such as transaction costs;
- Provisions that are considered to be exceptional and/or non-operational in nature and/or size to the financial performance of the business; and
- Various legal settlements that are significant to the result of the Group.

From time to time, it may be appropriate to disclose further items as exceptional or non-operational items in order to reflect the underlying performance of the Group.

Underlying EBITDA is not a defined term under IFRS and may therefore not be comparable with similarly-titled profit measures and disclosures reported by other companies. It is not intended to be a substitute for, or superior to, GAAP measures.

	2023 USD'M	2022 USD'M
Operating profit or (loss) before depreciation and amortisation	**8,087.8**	4,648.0
Adjustments		
Share-based payments	47.9	64.6
Adjustments	**47.9**	64.6
Underlying EBITDA	**8,135.7**	4,712.6
As percentage of revenue	6.2%	2.8%

Share-based payments have been excluded due to their non-cash nature.

11. Property, plant and equipment

USD'M	Land and buildings	Machinery and equipment	Barges and vessels	Mine property and development	Other fixed assets	Total
Cost						
Balance at 1 October 2022	2,254.8	3,140.1	703.1	113.6	1,224.2	**7,435.8**
Additions	23.6	38.7	8.1	4.4	279.6	354.4
Acquired in business combination	28.1	6.6	–	–	5.6	40.3
Reclassifications	35.8	115.4	(4.9)	8.2	(172.4)	(17.9)
Effect of movements in exchange rates, including hyperinflation adjustment	37.4	86.8	0.7	0.9	21.1	146.9
Disposals	(7.7)	(10.1)	(5.8)	–	(3.1)	(26.7)
Balance at 31 March 2023	2,372.0	3,377.5	701.2	127.1	1,355.0	**7,932.8**
Depreciation and impairment losses						
Balance at 1 October 2022	781.3	1,393.7	312.8	21.5	549.4	**3,058.7**
Depreciation	48.9	132.2	18.3	6.9	39.4	245.7
Impairment losses	2.8	0.2	–	–	17.6	20.6
Reclassifications	(7.2)	(11.4)	(7.1)	–	3.8	(21.9)
Effect of movements in exchange rates, including hyperinflation adjustment	20.2	3.8	0.7	0.2	(0.4)	24.5
Disposals	(3.3)	(8.0)	(1.3)	–	(1.7)	(14.3)
Balance at 31 March 2023	842.7	1,510.5	323.4	28.6	608.1	**3,313.3**
Net book value at 31 March 2023	1,529.3	1,867.0	377.8	98.5	746.9	**4,619.5**

Total additions for the period (USD354.4 million) mainly relate to investments in Nyrstar industrial facilities (USD138.7 million), the Puma Energy retail network (USD68.9 million) and various individually smaller projects. The investments in Nyrstar predominantly relate to sustaining capital expenditures, with investments split across the Group's global operations.

Included in the 'Other fixed assets' category are assets under construction, which relates to assets not yet in use, and some Nyrstar related assets. Net book value as at 31 March 2023 of assets under construction amounted to USD441.9 million (30 September 2022: USD415.4 million). Once the assets under construction come into operation they are reclassified to the appropriate asset category and from that point they are depreciated.

Depreciation is included in depreciation and amortisation. Impairment charges are separately disclosed in the Consolidated Statement of Income.

Please refer to Note 7 for details on impairments.

G. Notes to the interim consolidated financial statements

12. Intangible fixed assets

USD'M	Goodwill	Brand name and customer relationships	Other intangible assets	Total
Cost				
Balance at 1 October 2022	1,203.7	427.6	1,209.1	**2,840.4**
Additions	4.9	–	107.8	112.7
Acquired in business combination	–	–	2.1	2.1
Reclassifications	1.6	–	(69.0)	(67.4)
Effect of movements in exchange rates, including hyperinflation adjustment	4.2	(8.5)	3.7	(0.6)
Disposals	–	–	(306.5)	(306.5)
Balance at 31 March 2023	1,214.4	419.1	947.2	**2,580.7**
Amortisation and impairment losses				
Balance at 1 October 2022	196.9	39.4	491.4	**727.7**
Amortisation	–	18.4	41.5	59.9
Effect of movements in exchange rates, including hyperinflation adjustment	–	1.1	0.8	1.9
Reclassifications	1.6	–	(2.3)	(0.7)
Disposals	–	–	(0.2)	(0.2)
Balance at 31 March 2023	198.5	58.9	531.2	**788.6**
Net book value at 31 March 2023	1,015.9	360.2	416.0	**1,792.1**
Non-current	1,015.9	360.2	220.2	1,596.3
Current (Note 20)	–	–	195.8	195.8
Balance at 31 March 2023	1,015.9	360.2	416.0	**1,792.1**

Additions in first half of the 2023 financial year primarily result from environmental emission credits and allowances for own use (USD81.1 million), which are acquired for the purpose of settling emission obligations in the ordinary course of business. Disposals under Other intangible assets refer to retirement of environmental emission credits and allowances during the period.

13. Leases

The Group leases various assets including land and buildings, storage facilities, vessels and service stations. Leases are negotiated on an individual basis and contain a wide range of different terms and conditions, including termination and renewal rights. The Group, as a lessor, only has finance leases.

The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

13.1 Right-of-use assets

	2023 USD'M	2022 USD'M
Freight	2,862.8	2,544.7
Storage	491.4	521.2
Land and buildings	299.5	295.2
Service stations	149.2	155.8
Other	329.2	387.6
Total	**4,132.1**	3,904.5

USD'M	Freight	Storage	Land and buildings	Service stations	Other	Total
Balance at 1 October 2022	2,544.7	521.2	295.2	155.8	387.6	**3,904.5**
Additions/remeasurements	1,107.7	11.9	20.0	7.4	6.6	1,153.6
Reclassifications	(2.5)	2.1	–	–	0.4	–
Disposals	(158.3)	–	(0.1)	(0.2)	–	(158.6)
Reversal of (Impairment losses)	–	–	–	–	0.7	0.7
Depreciation	(637.0)	(45.1)	(20.8)	(13.5)	(62.1)	(778.5)
Effect of movement in exchange rates	–	1.3	4.1	(0.3)	0.2	5.3
Other	8.2	–	1.1	–	(4.2)	5.1
Balance at 31 March 2023	2,862.8	491.4	299.5	149.2	329.2	**4,132.1**

During the first half of the 2023 financial year, both the additions and disposals in the Freight category primarily relate to vessels.

The Other category mainly includes assets located in Corpus Christi, Texas, that enable transportation, storing, processing, and vessel loading of crude oil and crude oil products.

G. Notes to the interim consolidated financial statements

13.2 Lease liabilities

	2023 USD'M	2022 USD'M
Opening balance	**3,987.2**	2,572.1
Interest	104.9	134.7
Additions/remeasurements	1,187.2	3,067.9
Disposals	(181.2)	(314.6)
Payments	(903.1)	(1,438.9)
Effect of movement in exchange rates	17.0	(48.3)
Other	5.3	14.3
Closing balance	**4,217.3**	3,987.2
Current	1,586.6	1,170.1
Non-current	2,630.7	2,817.1
Closing balance	**4,217.3**	3,987.2

The following table sets out a maturity analysis of the lease liabilities at 31 March 2023 and 30 September 2022, indicating the undiscounted lease amounts to be paid:

	2023	2022
Less than one year	1,672.8	1,355.3
Later than one year and less than five years	2,526.6	2,558.4
Later than five years	750.7	604.1
Total undiscounted lease payable	**4,950.1**	4,517.8
Future finance costs	(732.8)	(530.6)
Lease liabilities included in the statement of financial position	**4,217.3**	3,987.2

14. Equity-accounted investees

	2023 USD'M	2022 USD'M
Opening balance	**979.6**	842.2
Effect of movements in exchange rates	12.6	(34.2)
Additions	22.6	150.9
Disposals	(7.2)	(10.4)
(Impairments)/reversals	6.3	(34.9)
Share of net profit/(loss)	31.2	54.2
Dividends/Repayment of capital	(71.2)	(21.4)
Reclassification to assets held for sale	–	(9.4)
Other	(0.8)	42.6
Total	**973.1**	979.6

Corporate guarantees in favour of associates and joint ventures as at 31 March 2023 amount to USD160.0 million (30 September 2022: USD151.1 million).

14.1 First half of financial year 2023

Additions for the first half of 2023 financial year consist of various small investments.

During the period, Nala Lux Holdco S.à r.l transferred its stake in Swift Current Energy to Trafigura which was settled via repayment of capital (USD69.7 million). Trafigura's pro-rata share of Swift Current Energy was subsequently sold to Buckeye Partners, L.P., the majority owner of Swift Current Energy.

The share of net profit from investments amounts to USD31.2 million. This is predominantly the result of profits in Guangxi Jinchuan (USD15.7 million), Mineração Morro do Ipê S.A. (USD10.5 million) and Nala Lux HoldCo S.à.r.l. (USD8.0 million) and partly offset by Empresa Minera del Caribe S.A. (a loss of USD8.5 million) and Porto Sudeste do Brasil (a loss of USD3.9 million).

14.2 Financial year 2022

The additions to equity-accounted investees amounted to USD150.9 million. As Nala Renewables is expanding, a new holding company has been incorporated, Nala Lux HoldCo S.à r.l., and additional investments have been made (USD112.0 million). Also, various other investments were made in financial year 2022.

The share of net profit from investments amounts to USD54.2 million. This is predominantly the result of profits in ITG S.à r.l. (USD25.7 million), Atalaya Mining PLC (USD23.4 million) and Guangxi Jinchuan (USD17.1 million), and partly offset by Porto Sudeste do Brasil (a loss of USD23.6 million).

During the 2022 financial year, the Group received USD21.4 million in dividends from various equity-accounted investees.

15. Prepayments and financial assets

15.1 Prepayments

	2023 USD'M	2022 USD'M
Current	**2,317.6**	2,117.2
Non-current	**1,429.4**	1,534.1
Total	**3,747.0**	3,651.3

Prepayments relate to prepayments of commodity deliveries, and are split into non-current prepayments (due > 1 year) and current prepayments (due < 1 year). A significant portion of the non-current prepayments, as well as current prepayments, are either financed on a non-recourse basis or insured.

Out of the total current prepayments balance, an amount of USD0.8 billion (30 September 2022: USD1.3 billion) relates to prepayments which are made for specifically identified cargos.

The contractually outstanding prepayments amount decreases in size with each cargo that is delivered, until maturity. Once the contractually agreed total cargo has been fully delivered, the prepayment agreement falls away leaving no remaining contractual obligations on Trafigura or the supplier.

The Group monitors the commodity prices in relation to the prepayment contracts and manages the credit risk together with its financial assets as described in Note 29. A portion of the long-term prepayments, as well as short-term prepayments, is on a limited recourse basis. Interest on the prepayments is added to the prepayment balance.

The Group has calculated expected credit losses on the outstanding prepayments as from the 2020 financial year onwards. The methodology of the expected credit loss calculation is similar to the methodology used in the expected credit loss calculations on loans receivable.

Based upon the individual analysis of the prepayments, the cumulated expected credit losses on these prepayments recorded by the Group amount to USD110.0 million (30 September 2022: USD133.3 million). The following table explains the movements of the expected credit loss between the beginning and the end of the reporting period and the gross carrying amounts of the prepayments by credit risk category:

	31 March 2023			30 September 2022		
	Performing 12-months ECL USD'M	**Under-performing Lifetime ECL USD'M**	**Total USD'M**	Performing 12-months ECL USD'M	Under-performing Lifetime ECL USD'M	Total USD'M
Expected credit loss (ECL) provision						
Opening balance – 1 October	44.0	89.3	133.3	24.7	99.4	124.1
ECL on prepayments recognised during the period	1.1	–	1.1	3.9	12.4	16.3
ECL on prepayments derecognised during the period	(0.1)	(5.9)	(6.0)	–	(0.5)	(0.5)
Changes in PD/LGD/EAD	(13.8)	(4.6)	(18.4)	15.4	(22.0)	(6.6)
Closing balance	**31.2**	**78.8**	**110.0**	44.0	89.3	133.3
Carrying amount						
Current	2,129.1	188.5	2,317.6	2,060.9	56.3	2,117.2
Non-current	700.6	728.8	1,429.4	385.0	1,149.1	1,534.1
Total	**2,829.7**	**917.3**	**3,747.0**	2,445.9	1,205.4	3,651.3

G. Notes to the interim consolidated financial statements

15.2 Loans and other receivables

	2023 USD'M	2022 USD'M
Loans to associates and related parties	46.4	43.2
Other non-current loans receivable	668.4	264.3
Total	**714.8**	307.5

Other non-current loans receivables include various loans that are granted to counterparties that the Group trades with. This line also includes the debt agreement with the Ministry of Finance of Angola, which relates to compensation for iron ore investments made by the Group following the liquidation of a consolidated Angolan subsidiary in 2016. During the first half of the 2023 financial year, the Ministry of Finance continued regular repayments of the debt which amounted to USD17.2 million in aggregate.

In addition, this line also includes a series of financial instruments provided to Wolverine Fuels LLC (Wolverine) with a total carrying value of USD371.2 million as per 31 March 2023 (30 September 2022: USD87.9 million). Wolverine's liquidity became severe during 2022 as labour shortages and logistical issues involving Wolverine's rail provider severely affected Wolverine's ability to move coal tonnage and deliver against its customers obligations. As a result, an impairment amounting to USD154.3 million was recorded during the 2022 financial year. During the first half of the 2023 financial year a secured loan of USD272.6 million has been granted to Wolverine.

Based upon the individual analysis of these loans, the recorded expected credit losses on these loans amount to USD307.1 million (30 September 2022: USD282.7 million). The following table explains the movements of the expected credit loss between the beginning and the end of the reporting period and the gross carrying amounts of the loan receivables by credit risk category:

	31 March 2023			30 September 2022		
	Performing 12-months ECL USD'M	Under-performing Lifetime ECL USD'M	Total USD'M	Performing 12-months ECL USD'M	Under-performing Lifetime ECL USD'M	Total USD'M
Expected credit loss (ECL) provision						
Opening balance – 1 October	3.1	279.6	282.7	2.4	134.2	136.6
ECL on new loans originated during the period	–	9.1	9.1	–	56.6	56.6
Changes in PD/LGD/EAD	4.3	11.0	15.3	0.7	88.8	89.5
Closing balance at 30 September	**7.4**	**299.7**	**307.1**	3.1	279.6	282.7
Carrying amount						
Current (Note 18)	172.7	5.5	178.2	211.1	3.8	214.9
Non-current (Note 15)	442.4	272.4	714.8	144.9	162.6	307.5
Total	**615.1**	**277.9**	**893.0**	356.0	166.4	522.4

15.3 Other investments

	2023 USD'M	2022 USD'M
Listed equity securities – Fair value through OCI	0.7	0.9
Listed equity securities – Fair value through profit or loss	299.9	63.2
Listed debt securities – Fair value through profit or loss	186.4	203.0
Unlisted equity investments – Fair value through profit or loss	133.9	130.1
Unlisted equity investments – Fair value through OCI	214.4	198.3
Total	**835.3**	595.5

The Group's long-term investments consist of listed equity securities, listed debt securities and unlisted equity securities. The listed equity securities have no fixed maturity or coupon rate. The fair values of listed equity investments are based on quoted market prices, while the fair value of the unlisted equity securities is determined based on a Level 3 valuation as prepared by management.

Additions for the first half of the 2023 financial year consist of investment in Korea Zinc Company Limited (USD147.5 million), Saras S.p.A (USD64.6 million) and various small investments.

16. Other non-current assets

	2023 USD'M	2022 USD'M
Non-financial hedged items	643.4	3,821.6
Restricted deposits	33.7	94.7
Other	362.4	369.6
Total	**1,039.5**	4,285.9

For further information on the non-financial hedged items, please refer to Note 30.2. The restricted deposits mainly represent amounts placed on deposit accounts relating to Puma Energy and Nyrstar mining operations.

17. Inventories

	2023 USD'M	2022 USD'M
Storage inventories	13,180.0	11,477.7
Floating inventories	8,250.5	10,194.8
Work-in-progress inventories	771.6	752.9
Supplies and other	290.0	158.2
Total	**22,492.1**	22,583.6

Trafigura policy provides that the inventory (except the item Supplies and other) has either been pre-sold or hedged. Part of the inventory has been pledged for securitisation purposes.

Work-in-progress inventories predominantly relate to intermediate inventories being processed at the Nyrstar smelters.

18. Trade and other receivables

	2023 USD'M	2022 USD'M
Trade debtors	10,849.2	10,472.6
Provision for bad and doubtful debts	(132.2)	(94.2)
Accrued turnover	10,492.9	8,638.0
Broker balances	2,748.2	2,550.5
Other debtors	1,113.4	3,965.8
Loans to third parties	40.0	185.9
Loans to related parties	138.2	29.0
Other taxes	619.3	545.9
Related parties	224.1	1,337.0
Total	**26,093.1**	27,630.5

All financial instruments included in trade and other receivables are held to collect the contractual cash flows. Furthermore, the cash flows that the Group receives on these instruments are solely payments of principal and interest except for trade and other receivables related to contracts including provisional pricing features.

The Group entered into a number of dedicated financing facilities, which finance a portion of its receivables. Part of these facilities meet the criteria of derecognition of the receivables according to IFRS.

As at 31 March 2023, an amount of USD6,066.8 million (30 September 2022: USD8,147.3 million) of trade debtors has been discounted. Of this amount, USD5,043.3 million (30 September 2022: USD6,566.0 million) has been derecognised, as the Group has transferred substantially all the risks and rewards of ownership of the financial asset with non-recourse. The remaining part of discounted receivables which does not meet the criteria for derecognition amounting to USD1,023.5 million (30 September 2022: USD1,581.2 million), continues to be recognised as trade debtors. For the received amount of cash of these items the Group has recognised a liability under current loans and borrowings.

Of USD10,849.2 million trade debtors (30 September 2022: USD10,472.6 million), USD3,149.2 million had been sold on a non-recourse basis under the receivables securitisation programmes (30 September 2022: USD4,095.1 million). Of the USD224.1 million receivables on related parties (30 September 2022: USD1,337.0 million), USD12.1 million had been sold on a non-recourse basis under the receivables securitisation programmes (30 September 2022: USD30.9 million). Please refer to Note 19.

As at 31 March 2023, 11.9 percent (30 September 2022: 10.7 percent) of receivables were between 1-60 days overdue, and 5.1 percent (30 September 2022: 4.9 percent) were greater than 60 days overdue. Trafigura applied the simplified method in assessing expected credit losses. The accounts receivables have been divided in aging buckets and based on an analysis on historical defaults and recovery rates, and considering forward looking information, a percentage for expected credit losses has been determined. Trafigura manages to limit credit losses by renegotiating contracts in the case of a default.

From the above analysis, an expected credit loss as at 31 March 2023 amounting to USD3.1 million (30 September 2022: USD3.8 million) has been recorded. The loss allowance provision as at 31 March 2023 amounts to USD132.2 million (30 September 2022: USD94.2 million). The provision mostly relates to demurrage claims and commercial disputes with our clients. Accrued turnover represents receivable balances for sales which have not yet been invoiced. They have similar risks and characteristics as trade debtors. Trade debtors and accrued turnover have similar cash flow characteristics and are therefore considered to be a homogeneous group of financial assets.

Total trade and other receivables related to contracts including provisional pricing features amount to USD8.0 billion (30 September 2022: USD6.5 billion).

Other debtors primarily relate to collateral for OTC derivatives.

G. Notes to the interim consolidated financial statements

19. Securitisation programmes

The Group operates various securitisation programmes: Trafigura Securitisation Finance plc. (TSF) and Argonaut Receivables Company S.A. (Argonaut) enable the Group to sell eligible receivables, and an inventory securitisation programme, through Trafigura Commodities Funding Pte. Ltd. (TCF), and Trafigura Global Commodities Funding Pte. Ltd. (TGCF), enables Trafigura to sell and repurchase eligible inventories. Those securitisation vehicles are consolidated and consequently the securitised receivables and inventories are included within the consolidated trade debtor and inventory balances.

19.1 Receivables securitisation

Over time the external funding of TSF has increased significantly in size, mostly through Variable Funding Notes (VFN) purchased by bank sponsored conduits, while incorporating a longer term committed funding element, in the form of Medium Term Notes (MTN).

Argonaut is funded through short-term VFN only.

The available external funding of the receivables securitisation programmes consists of:

	Interest rate	Maturity	2023 USD'M	2022 USD'M
TSF AAA MTN	Libor + 0.53%	2024 – July	139.5	139.5
TSF AAA MTN	1.09%	2024 – July	139.5	139.5
TSF BBB MTN	1.79%	2024 – July	21.0	21.0
TSF AAA VFN	Various	Various throughout the year	4,129.9	4,798.3
TSF BBB VFN	Various	Various throughout the year	310.8	361.2
Argonaut Receivables Securitisation	Various	Various throughout the year	300.0	300.0
TSF senior subordinated debt		2026 – March	237.5	225.7
Total			**5,278.2**	5,985.2

The rate of interest applied to the TSF AAA and BBB VFN is principally determined by the demand for commercial paper issued by ten bank-sponsored conduits and the liquidity of the interbank market. The Group benchmarks the rate provided against Libor and SOFR rates. The maturity of the TSF AAA and BBB VFNs has been staggered to diversify the maturity profile of the notes. This is aimed at mitigating the 'liquidity wall' risk associated with a single maturity date for a significant funding amount.

19.2 Inventory securitisation

The available external funding of the inventory securitisation programme consists of:

	Interest rate	Maturity	2023 USD'M	2022 USD'M
TCF/TGCF VFN	SOFR + 1.0%	2023 – November	355.0	465.0
TCF/TGCF MLF	SOFR + 0.5%	2023 – November	45.0	50.0
Total			**400.0**	515.0

20. Other current assets

	2023 USD'M	2022 USD'M
Non-financial hedged items	943.4	3,064.9
Prepaid expenses	257.2	326.7
Current intangible assets	195.8	–
Other	46.6	30.7
Total	**1,443.0**	3,422.3

Please refer to Note 30.2 for further information on the non-financial hedged items. Prepaid expenses relate to prepayments other than those made for physical commodities.

21. Cash and cash equivalents, and deposits

	2023 USD'M	2022 USD'M
Cash at bank and in hand	**12,534.7**	11,766.6
Short-term deposits	**4,145.8**	3,114.7
Cash and cash equivalents	**16,680.5**	14,881.3

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates. The fair value of cash and cash equivalents approximates the carrying value.

An amount of USD102.0 million (30 September 2022: USD102.4 million) of cash at bank is restricted, including restrictions that require the funds to be used for a specified purpose and restrictions that limit the purpose for which the funds can be used, unless fixed asset construction invoices are presented to the banks.

As at 31 March 2023, the Group had USD15.4 billion (30 September 2022: USD12.7 billion) of committed unsecured syndicated loans, of which USD6.4 billion (30 September 2022: USD6.3 billion) remained unutilised. The Group had USD11.8 billion (30 September 2022: USD8.6 billion) of immediately (same day) available cash in liquidity funds. Therefore, the Group had immediate access to available liquidity balances from liquidity funds and corporate facilities in excess of USD18.2 billion (30 September 2022: USD14.9 billion).

21.1 Deposits

Short-term deposits made for periods longer than three months are shown separately in the Consolidated Statement of Financial Position and earn interest at the respective short-term deposit rates.

22. Assets classified as held for sale and discontinued operations

	2023 USD'M	2022 USD'M
Assets classified as held for sale	256.6	434.1
Liabilities classified as held for sale	(12.6)	(29.4)
Net assets classified as held for sale	**244.0**	404.7

The net assets classified as held for sale as per 31 March 2023 predominantly relates to the remaining part of the Puma Infrastructure business. Compared to 30 September 2022, the balance of the net assets classified as held for sale decreased by USD160.7 million. This decrease is mostly attributable to the disposal of the Group's equity investment in Tendril Ventures (Nayara) (30 September 2022: USD165.9 million). The Group expects to complete the disposal of the remaining assets classified as held for sale within the next twelve months.

Puma Energy decided to divest its Infrastructure division at the end of the 2021 financial year, resulting in its classification as held for sale at 30 September 2021. This asset held for sale was based on its fair value less cost of disposal as part of the purchase price allocation. During the 2022 financial year, the Group signed a Share Sales Agreement with ITG S.à r.l., parent company of Impala Terminals Group (ITG). Before completion, Puma's Infrastructure business was required to be carved out into a separate entity. Given the different pace of progress in the various jurisdictions, completion of the transaction has been staggered such that the majority of the terminals would be transferred at Main Completion, with the remaining terminals being transferred at a subsequent completion date.

At 30 September 2022, all of the completion conditions for Main Completion were satisfied. As a consequence, the assets held for sale related to Main Completion were derecognised. The reported balances as at 30 September 2022 as well as 31 March 2023 relate to the remaining terminals. During the first half of the 2023 financial year, the valuation changed predominantly as a result of working capital movements between the held-for-sale perimeter and the remaining Group without material impact on the Group's Consolidated Statement of Income.

G. Notes to the interim consolidated financial statements

23. Capital and reserves

23.1 Share capital

As at 31 March 2023, the Company has 25,000,000 ordinary shares outstanding and a capital of USD1,503.7 million. During the six-month period ended 31 March 2023, no changes took place in the outstanding share capital.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

23.2 Capital securities

As part of the financing of the Company and its subsidiaries, the Company has two capital securities instruments with a total carrying value of USD671.5 million as at 31 March 2023 (30 September 2022: two capital securities instruments amounting to USD654.1 million). These two capital securities have a par value of EUR262.5 million and USD400.0 million respectively (30 September 2022: EUR262.5 million and USD400.0 million respectively).

These two capital securities are perpetual in respect of which there is no fixed redemption date. The distribution on the capital securities is payable semi-annually in arrears from the date of issue. The Company may elect to defer (in whole but not in part except for the USD400.0 million capital security where partial interest deferral is allowed) any distribution in respect of these capital securities by providing no more than 30 or less than five business days' notice, unless a compulsory interest payment event has occurred, including amongst others the occurrence of a dividend payment in respect of subordinated obligations of the Company. Any interest deferred shall constitute arrears of interest and shall bear interest.

In the event of a winding-up, the rights and claims of the holders in respect of the capital securities shall rank ahead of claims in respect of the Company's shareholders, but shall be subordinated in right of payment to the claims of all present and future senior obligations, except for obligations of the Company that are expressed to rank pari passu with, or junior to, its obligations under the capital securities.

The EUR262.5 million capital security was issued on 31 July 2019 and is listed on the Singapore Stock Exchange. The distribution on the capital security is 7.5 percent per annum until the distribution payment date in July 2024. The capital security may be redeemed at the Company's option in whole, but not in part, in the period starting 90 calendar days before, and ending at, the distribution payment date in July 2024 or any distribution date thereafter upon giving not less than 30 nor more than 60 days' notice to the holders. The early redemption amount payable by the Company shall be the principal amount of the capital security, together with any interest accrued to the date fixed for redemption, all arrears of interest and all additional interest amounts.

The USD400.0 million capital security was issued on 24 September 2021 and is listed on the Singapore Stock Exchange. The distribution on the capital security is 5.875 percent per annum until the distribution payment date in September 2027. The capital security may be redeemed at the Company's option in whole, but not in part, in the period starting 90 calendar days before, and ending at, the distribution payment date in September 2027 or any distribution date thereafter upon giving not less than 30 nor more than 60 days' notice to the holders. The early redemption amount payable by the Company shall be the principal amount of the capital security, together with any interest accrued to the date fixed for redemption, all arrears of interest and all additional interest amounts.

23.3 Currency translation reserve

The currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Company's net investment in a foreign operation.

23.4 Revaluation reserve

The revaluation reserve comprises the fair value measurements movements of the equity investments which are accounted for at fair value through other comprehensive income. On realisation of these gains or losses, for example the sale of an equity instrument, the cumulative amounts of this reserve are transferred to retained earnings. Included in the revaluation reserve is a loss of USD64.4 million (30 September 2022: a loss of USD79.9 million) related to the mark-to-market valuation of equity investments.

23.5 Cash flow hedge reserve

The Group has elected not to apply the cost of hedging option. A change in the fair value of derivatives designated as a cash flow hedge is initially recognised as a cash flow hedge reserve in other comprehensive income. The deferred amount is then released to the Consolidated Statement of Income in the same period during which the hedged transaction affects the Consolidated Statement of Income.

Included in the cash flow hedge reserve is a gain of USD32.4 million (30 September 2022: a loss of USD37.4 million) related to the effective portion of the changes in fair value of cash flow hedges, net of tax. These cash flow hedges predominantly relate to hedging of interest and currency exposure on corporate loans, currency exposure on future capital and operational expenditures, expected electricity consumption, and price exposure on highly probable future production, purchases and sales of commodities. The cash flow hedge positions on hedging derivatives currently shown in the cash flow hedge reserve will be recycled to the statement of income in the period where the hedged item are recognised. Over time, the overall net impact of the hedged items and hedging instruments together to the Consolidated Statement of Income and other comprehensive income will be minimal.

The cash flow hedge reserves as at 31 March 2023 includes a positive reserve of USD2.5 million relating to the Group's share in the cash flow hedge reserves of equity-accounted investees (30 September 2022: USD52.2 million negative).

23.6 Dividends

The value of the dividends declared on the ordinary shares for the period ending 31 March 2023 amount to USD2,985.0 million (30 September 2022: USD1,721.2 million), representing USD119.4 per share (30 September 2022: USD68.8 per share). Dividend payments are mostly made in relation to the share redemption by the immediate holding company.

24. Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate, foreign currency and liquidity risk, please refer to Note 29.

	2023 USD'M	2022 USD'M
Non-current		
Committed unsecured syndicated loans	5,591.5	3,933.7
Private placements	1,382.6	1,052.2
Listed bonds	1,180.7	1,134.2
Securitisation programmes	537.5	300.0
Puma Energy financing*	1,409.8	1,459.1
Other loans	1,313.8	1,735.3
Total non-current	**11,415.9**	9,614.5
Current		
Committed unsecured syndicated loans	2,484.0	1,263.0
Private placements	170.9	118.1
Listed bonds	180.5	635.7
Securitisation programmes	3,555.3	5,191.5
Puma Energy financing*	153.5	652.3
Other loans	1,135.6	1,313.6
Current bank borrowings	21,019.0	20,489.4
Total current	**28,698.8**	29,663.6
Total	**40,114.7**	39,278.1
Outstanding debt	19,095.7	18,788.7
Current bank borrowings	21,019.0	20,489.4
Total	**40,114.7**	39,278.1

* Loans and borrowings issued by Puma Energy have not been guaranteed by other Trafigura entities

During the six-month period ended 31 March 2023, a number of important transactions for the Group were completed:

- Refinancing of its Asian syndicated revolving credit and term loan facilities of USD2.4 billion-equivalent in October 2022. Similar to previous year, the facilities include a sustainability-linked loan structure, with an updated set of key performance indicators (KPIs).
- Closing of a USD3.0 billion four-year loan agreement, guaranteed by the Government of Germany, acting through the German Export Credit Agency in October 2022.
- Closing of a USD135 million two-year facility with Abu Dhabi Exports Office (ADEX), the export financing arm of Abu Dhabi Fund for Development in January 2023.
- Refinancing of its 365-day European multi-currency syndicated revolving credit facility totalling USD1.9 billion as well as the extension and increase of its USD3.5 billion three-year facility in March 2023. The facilities include a sustainability-linked loan structure, with an updated set of KPIs.
- Closing of a USD225 million US Private Placement across seven- and ten-year tenors in March 2023.

The Group was in compliance with all its corporate and financial covenants as at 31 March 2023.

G. Notes to the interim consolidated financial statements

24.1 Terms and debt repayment schedule

The terms and conditions of the outstanding debt (excluding short-term bank borrowings) as at 31 March 2023 are as follows:

Principal		Interest rate	Maturity	Floating/fixed rate debt	< 1 year USD'M	1-5 years USD'M	> 5 years USD'M	Total USD'M
CNH	1,571.6	CNH Hibor + 0.90%	2023 – October	Floating	228.6	–	–	228.6
CNH	7,261.6	3.25%	2023 – October	Fixed	1,057.4	–	–	1,057.4
USD	288.0	SOFR + 1.20%	2023 – October	Floating	288.0	–	–	288.0
USD	810.5	SOFR + 1.20%	2024 – October	Floating	–	810.5	–	810.5
USD	135.0	SOFR + 1.15%	2025 – January	Floating	–	135.0	–	135.0
USD	120.0	Libor + 0.80%	2025 – January	Floating	–	120.0	–	120.0
USD	30.0	Libor + 0.45%	2025 – January	Floating	–	30.0	–	30.0
JPY	84,750.0	JPY TONA + 0.85%	2025 – March	Floating	–	638.3	–	638.3
JPY	9,000.0	JPY TONA + 1.00%	2025 – March	Floating	–	67.8	–	67.8
USD	469.0	SOFR + 1.20%	2025 – October	Floating	–	469.0	–	469.0
USD	3,000.0	SOFR + 1.50%	2026 – October	Floating	750.0	2,250.0	–	3,000.0
USD	800.0	SOFR + 1.15%	2027 – September	Floating	160.0	560.0	–	720.0
USD	375.0	SOFR + 1.40%	2027 – September	Floating	–	375.0	–	375.0
EUR	125.0	EURIBOR + 0.85%	2027 – September	Floating	–	135.9	–	135.9
Committed unsecured syndicated loans					**2,484.0**	**5,591.5**	**–**	**8,075.5**
USD	53.0	5.55%	2023 – May	Fixed	53.0	–	–	53.0
EUR	101.5	3.50%	2024 – February	Fixed	110.3	–	–	110.3
CNH	700.0	5.00%	2024 – December	Fixed	–	101.9	–	101.9
USD	35.0	4.01%	2025 – March	Fixed	–	35.0	–	35.0
USD	67.0	5.72%	2025 – May	Fixed	–	67.0	–	67.0
EUR	8.5	4.00%	2026 – February	Fixed	–	9.2	–	9.2
USD	37.5	3.87%	2026 – April	Fixed	–	37.5	–	37.5
USD	83.0	4.17%	2027 – March	Fixed	–	83.0	–	83.0
USD	48.5	4.41%	2028 – April	Fixed	–	–	48.5	48.5
USD	20.0	5.86%	2028 – May	Fixed	–	–	20.0	20.0
USD	400.0	6.00%	2029 – September	Fixed	–	–	400.0	400.0
USD	85.0	4.60%	2030 – March	Fixed	–	–	85.0	85.0
USD	81.0	7.21%	2030 – March	Fixed	–	–	81.0	81.0
USD	117.5	4.89%	2031 – April	Fixed	–	–	117.5	117.5
USD	144.0	7.34%	2033 – March	Fixed	–	–	144.0	144.0
USD	200.0	6.33%	2036 – July	Fixed	7.6	29.8	123.2	160.6
Private placements					**170.9**	**363.4**	**1,019.2**	**1,553.5**
CHF	165.0	2.25%	2023 – May	Fixed	180.5	–	–	180.5
CHF	55.0	3.25%	2024 – September	Fixed	–	60.2	–	60.2
USD	500.0	5.88%	2025 – September	Fixed	–	493.5	–	493.5
EUR	500.0	3.88%	2026 – February	Fixed	–	542.5	–	542.5
USD	138.5	–	2026 – July	Fixed	–	84.5	–	84.5
Listed bonds					**180.5**	**1,180.7**	**–**	**1,361.2**
USD	355.0	SOFR + 1.00%	2023 – November	Floating	167.5	–	–	167.5
USD	45.0	SOFR + 0.50%	2023 – November	Floating	10.0	–	–	10.0
USD	139.5	Libor + 0.53%	2024 – July	Floating	–	139.5	–	139.5
USD	139.5	1.09%	2024 – July	Fixed	–	139.5	–	139.5
USD	21.0	1.79%	2024 – July	Fixed	–	21.0	–	21.0
USD	237.5	SOFR + 4.25%	2026 – March	Floating	–	237.5	–	237.5
USD	4,740.7	Various	Various	Floating	3,377.8	–	–	3,377.8
Securitisation programmes					**3,555.3**	**537.5**	**–**	**4,092.8**
USD	105.0	SOFR + 2.00%	2024 – May	Floating	–	105.0	–	105.0
EUR	50.0	2.65%	2024 – May	Fixed	34.5	18.2	–	52.7
USD	600.0	5.13%	2024 – October	Fixed	–	556.4	–	556.4
USD	750.0	5.00%	2026 – January	Fixed	–	729.1	–	729.1
USD	104.1	Various	Various	Various	60.9	1.1	–	62.0
Other short term loans					58.1	–	–	58.1
Puma Energy financing (not guaranteed by other Trafigura entities)					**153.5**	**1,409.8**	**–**	**1,563.3**
Other Loans					1,135.6	1,300.3	13.5	2,449.4
Total					**7,679.8**	**10,383.2**	**1,032.7**	**19,095.7**

25. Trade and other payables

	2023 USD'M	2022 USD'M
Trade creditors	4,868.5	5,367.9
Accrued costs and expenses	15,456.7	17,192.2
Broker balances	188.3	–
Related parties	117.8	107.9
Other creditors	1,731.7	2,981.5
Total	**22,363.0**	25,649.5

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 29.

Total trade and other payables related to contracts including provisional pricing features amount to USD8.7 billion (30 September 2022: USD8.7 billion).

Other creditors primarily relate to collateral for OTC derivatives.

26. Other current liabilities

	2023 USD'M	2022 USD'M
Non-financial hedged items	133.9	89.5
Deferred revenue	386.5	679.3
Other	365.4	793.3
Total	**885.8**	1,562.1

Please refer to Note 30.2 for further information on the non-financial hedged items.

As per 30 September 2022, Other includes payables relating to the receipt of certain commodities that are due to be repaid within one year.

27. Offsetting of financial assets and liabilities

In accordance with IAS 32, the Group reports financial assets and liabilities on a net basis in the Consolidated Statement of Financial Position only if there is a legally enforceable right to set off the recognised amounts and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. The financial assets and liabilities subject to offsetting, enforceable master netting and similar agreements as at 31 March 2023 and 30 September 2022 were as follows:

	Amounts eligible for set off under netting agreements				
31 March 2023	Gross amount USD'M	Amounts offset USD'M	Net amount USD'M	Amounts not subject to netting agreements USD'M	Net amounts presented in the statement of financial position USD'M
Related parties	301.5	(77.4)	224.1	–	224.1
Derivative assets	6,866.9	(2,508.7)	4,358.2	845.8	5,204.0
Related parties	(195.2)	77.4	(117.8)	–	(117.8)
Derivative liabilities	(4,720.5)	2,508.7	(2,211.8)	(433.2)	(2,645.0)

	Amounts eligible for set off under netting agreements				
30 September 2022	Gross amount USD'M	Amounts offset USD'M	Net amount USD'M	Amounts not subject to netting agreements USD'M	Net amounts presented in the statement of financial position USD'M
Related parties	1,415.1	(78.1)	1,337.0	–	1,337.0
Derivative assets	11,358.4	(5,899.9)	5,458.5	2,845.7	8,304.2
Related parties	(186.0)	78.1	(107.9)	–	(107.9)
Derivative liabilities	(15,000.7)	5,899.9	(9,100.8)	(1,533.8)	(10,634.6)

For the financial assets and liabilities subject to enforceable master netting or similar arrangements above, each agreement between the Group and the counterparty allows for net settlement of the relevant financial assets and liabilities in the ordinary course of business. Where practical reasons may prevent net settlement, financial assets and liabilities may be settled on a gross basis. However, each party to the master netting or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

G. Notes to the interim consolidated financial statements

28. Commitments and contingencies

The Company and its subsidiaries are party to a number of legal claims and proceedings arising out of their business operations. The Company believes that the ultimate resolution of these claims and proceedings will not, in the aggregate, have a material adverse effect on the Group's financial position, income or cash flows. Such legal claims and proceedings, however, are subject to inherent uncertainties and the outcome of individual matters is unpredictable. It is possible that the Group could be required to make expenditures, in excess of established provisions, in amounts that cannot be reasonably estimated.

The total contingent liabilities related to trade finance instruments, such as letters of credit and guarantees, as at 31 March 2023 amount to USD7,849.6 million (30 September 2022: USD9,980.7 million).

The Group had outstanding commitments at the end of 31 March 2023 and 30 September 2022 as follows:

	2023 USD'M	2022 USD'M
Service arrangement contracts	1,725.2	1,880.1
Long-term lease commitments – Not yet started	606.6	476.8
Short-term lease contracts	500.5	515.7
Subtotal commitments	**2,832.3**	2,872.6
Assets under construction	93.2	114.4
Total commitments	**2,925.5**	2,987.0

	2023 USD'M	2022 USD'M
Less than one year	1,115.6	995.1
Later than one year and less than five years	1,321.2	1,301.3
Later than five years	395.5	576.2
Commitments excluding assets under construction	**2,832.3**	2,872.6

Guarantees include guarantees to trading partners in the normal course of business.

29. Financial risk management objectives and policies

The Group is exposed to a number of different financial risks arising from normal business exposures as well as its use of financial instruments, including market risks relating to commodity prices, foreign currency exchange rates, interest rates and equity prices, credit risk, and liquidity risk.

Prudently managing these risks is an integral element of the Group's business and has been institutionalised since the Group's foundation. Risk management guidelines are established at senior management level. The various risks the Group is exposed to are managed through a combination of internal procedures, such as strict control mechanisms and policies, as well as external third parties such as the derivative, insurance and bank markets. As a rule, the Group actively manages and lays off where possible a large majority of the risks inherent to its activity. The Group's conservative risk management process is designed to:

- Provide a full and accurate awareness of risks throughout the Group;
- Professionally evaluate and monitor these risks through a range of risk metrics;
- Limit risks via a dynamic limit setting framework;
- Manage risks using a wide range of hedging instruments and strategies; and
- Ensure a constant dialogue between trading desks, risk managers and senior management.

The three main reinforcing components of the Group's risk management process are the Chief Risk Officer, the Risk Committee and the trading teams.

The Chief Risk Officer is independent of the revenue-producing units and reports to the Chief Operating Officer and the Management Committee. The Chief Risk Officer has primary responsibility for assessing and monitoring the Group's market risks. The Chief Risk Officer's team liaises directly with the trading teams to analyse new opportunities and ensure that risk assessments adapt to changing market conditions. The Chief Risk Officer's team also ensures the Group's risk management capabilities incorporate ongoing advances in technology and risk management modelling capabilities.

The Risk Committee, which comprises members of the Management Committee and the Chief Risk Officer, is responsible for applying the Group's risk management capabilities towards improving the overall performance of the Group. In the reporting period, the Risk Committee met at least weekly to discuss and set risk and concentration limits, review changing market conditions and analyse new market risks and opportunities.

The Group's trading teams provide deep expertise in hedging and risk management in the specific markets each team operates in. While the trading teams have front line responsibility for managing the risks arising from their activities, the Group's process ensures a strong culture of escalation and accountability, with well-defined limits, automatic notifications of limit overages and regular dialogue with the Chief Risk Officer and Risk Committee.

29.1 Market risk

Market risk is the risk of loss in the value of the Group's positions as a result of changes in market prices. The Group holds positions primarily to ensure the Group's ability to meet physical supply commitments to the Group's customers, to hedge exposures arising from these commitments and to support the Group's investment activities. The Group's positions change due to changing customer requirements and investment opportunities. The value of the Group's positions is accounted for at fair value and therefore fluctuates on a daily basis due to changes in market prices. Categories of market risk the Group is exposed to include:

- Commodity price risk, resulting from exposures to changes in spot prices, forward prices and volatilities of commodities, such as crude oil, petroleum products, natural gas, carbon, power, base metals, coal and iron ore.
- Currency rate risk, resulting from exposures to changes in spot prices, forward prices and volatilities of currency rates.
- Interest rate risk, resulting from exposures to changes in the level, slope and curvature of yield curves, the volatilities of interest rates, and credit spreads.
- Equity price risk, resulting from exposures to changes in prices and volatilities of individual equities and equity indices.

The Group hedges a large majority of price risks arising from its activities. When there is a difference in the characteristics of available hedging instruments and the corresponding commodity price exposures, the Group remains exposed to a residual price risk referred to as basis risk. Dynamically managing the basis risk that arises from the Group's activities requires specialist skills and is a core focus of the Group's trading and risk management teams.

Value at Risk

Value at Risk (VaR) is a statistical estimate of the potential loss in value of the Group's positions and unsold in-transit material due to adverse market movements. The Group calculates VaR over a one-day time horizon with a 95 percent confidence level. The Group uses an integrated VaR model that captures risks including commodity prices, interest rates, equity prices and currency rates. The Group's integrated VaR model facilitates comparison of VaR across portfolios comprised of a range of different risk exposures. The Group believes average VaR over the year reflects the most representative understanding of the Group's sensitivity to such risks.

Average market risk VaR (one-day 95 percent) during the first half of the year was USD111.2 million (0.63 percent of Group equity) compared to USD199.8 million in the previous full financial year (1.33 percent of Group equity). The Group's Management Committee has set a target of maintaining VaR (one-day 95 percent) below one percent of Group equity.

The Group is aware of the inherent limitations to VaR and therefore uses a variety of risk measures and risk management techniques to create a robust risk management process. Limitations of VaR include:

- VaR does not estimate potential losses over longer time horizons where the aggregate moves may be extreme.
- VaR does not take account of the liquidity of different risk positions and therefore does not estimate the losses that might arise if the Group liquidated large positions over a short period of time.
- VaR is based on statistical analysis of historical market data. If this historical data is not reflective of futures market prices movements, VaR may not provide accurate predictions of future possible losses.

The Group's VaR calculation covers its trading businesses in the crude oil, refined oil products, petrochemical, natural gas, metals, concentrates, coal, iron ore and freight markets, and assesses the open-priced positions that are those subject to price risk, including inventories of these commodities. The Group's VaR model is based on historical simulations, with full valuation of more than 5,000 market risk factors.

VaR is calculated based on simultaneously shocking these risk factors. More recent historical price data is more heavily weighted in these simulations, which enables the VaR model to adapt to more recent market conditions and improves the accuracy of the Group's estimates of potential losses.

The Group's VaR model utilises advanced statistical techniques that incorporate the non-normal price dynamics that are an important feature of commodity markets. The Group's VaR model is continuously and automatically calibrated and back-tested to ensure that its out-of-sample performance adheres to well-defined targets. In addition, the Group's VaR model is regularly updated to ensure it reflects the current observed dynamics of the markets the Group is active in.

The Group has made a significant, ongoing investment in risk management systems, including a reporting system that automatically distributes customised risk reports throughout the Group on a daily basis. These reports provide up-to-date information on each team's risk position using industry standard measures, including 95 percent and 99 percent VaR and performance indicators such as Sharpe ratios.

All trading books have well-defined VaR risk limits. Management and the trading teams are automatically notified whenever a book nears its risk limit, as well as whenever a VaR limit breach occurs. In addition, the Group's deals desk management team is automatically notified whenever statistically anomalous changes occur in the profit and loss of any deal.

For senior management, the daily reports provide a comprehensive view of the Group's risk, classified according to various risk factors. These reports emphasise the risk diversification created by the Group's varied activities and highlight any excessive risk concentrations.

G. Notes to the interim consolidated financial statements

29.2 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument or physical contract fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment in debt and equity securities.

The Group has a formalised credit process with credit officers in key locations around the world. Strict credit limits are set up for each counterparty on the basis of detailed financial and business analysis. These limits are constantly monitored and revised in light of counterparty or market developments and the amount of exposure relative to the size of the Group's Consolidated Statement of Financial Position. The Group makes extensive use of the banking and insurance markets to cover any counterparty or country risks that are in excess of its credit limits.

The risk management monitoring and decision-making functions are centralised and make extensive use of the Group's integrated bespoke IT system. The Group conducts transactions with the following major types of counterparties:

- Physical commodity counterparties spread across the vertical chains for both oil and bulk (e.g. producers, refiners/smelters and end-users). Sales to investment grade and non-investment grade counterparties are made on open terms up to internally approved credit limits. Exposures above such limits are subject to payment guarantees.
- Payment guarantee counterparties (e.g. prime financial institutions from which the Group obtains payment guarantees).
- Hedge counterparties comprising a number of prime financial institutions and physical participants in the relevant markets. There is no significant concentration of risk with any single counterparty or group of counterparties. Collateral is obtained from counterparties when the Group's exposure to them exceeds approved credit limits. It is the Group's policy to have ISDA Master Agreements or ISDA-based Long-Form Confirmation Agreements in place with all hedging counterparties.

The Group trades in all major geographic regions. Where appropriate, guarantees, insurance and letters of credit are used to reduce payment or performance risk. The Group has gross credit exposure in locations across the world with a concentration in emerging markets. Most of this exposure is transferred to third parties, while the Group retains between 10 percent and 20 percent on average of the individual exposures.

The Group's maximum exposure to credit risk, without considering netting agreements or without taking into account of any collateral held or other credit enhancements, is equal to the carrying value of its financial assets as indicated in the Consolidated Statement of Financial Position plus the guarantees to third parties and associates.

The Group has amounts and guarantees outstanding related to countries that are affected by sanctions currently imposed by the United States and the European Union. The Group analysed the sanctions and exposures and concluded that these do not materially impact the Group's positions.

29.2.1 Concentration of credit risk

Concentrations of credit risk exist when changes in economic, industry or geographical factors similarly affect the Group's counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The carrying amount of financial assets represents the maximum credit exposure. The Group determines concentrations of credit risk by monitoring the country profile of its third-party receivables on an on-going basis.

The Group has a diverse customer base, with no customer representing more than 4.0 percent of its revenues over the six-month period ended 31 March 2023 (30 September 2022: 1.8 percent of its revenues over financial year 2023).

Please refer to Note 18 for the aging of trade and other receivables at the reporting date that were not impaired.

29.2.2 Financial assets that are not past due

Trade and other receivables that are not past due are creditworthy debtors with good payment records with the Group. Cash and cash equivalents and derivatives that are not past due are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default. The credit quality of trade and other receivables is assessed based on a strict credit policy. The Group has monitored customer credit risk, by grouping trade and other receivables based on their characteristics.

Based on the Group's monitoring of customer credit risk, the Group believes that, except as indicated above, no material expected credit loss allowance is necessary in respect of trade receivables not past due.

29.2.3 Impairment of financial assets

Information regarding impairment of financial assets is disclosed in Note 7 (Impairment) and Note 18 (Trade and other receivables).

29.2.4 Guarantees

The Group's policy is to provide financial guarantees only to wholly owned subsidiaries and trading partners in the normal course of business. As part of the Group's ordinary physical commodity trading activities, Trafigura Group Pte. Ltd. may act as guarantor by way of issuing guarantees accepting responsibility for subsidiaries' contractual obligations.

29.3 Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations when due or that it is unable, on an on-going basis, to borrow funds in the market on an unsecured or secured basis at an acceptable price to fund actual or proposed commitments.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash and cash equivalents and ready sources of committed funding available to meet anticipated and unanticipated funding needs. Sound financial management with a focus on liquidity has been instrumental to the Group's success. The Group has demonstrated the ability to raise the appropriate types of financing to match the needs of the business and to tap various investor bases (e.g. syndicated loan markets, trade finance markets, bond markets, private placement markets, securitisation), maturities and geographies.

The Group manages its treasury and liquidity risks maintaining a strong liquidity position through the following:

- Targeting immediately available cash on hand of a minimum of USD2.0 billion under normal conditions (higher in the case of extreme volatility);
- Maintaining transactional lines which allow the Group to mark-to-market financings to the value of the underlying physical assets. Mark-to-market financing is performed weekly (or intra-weekly in the case of extreme volatility) and provides an additional source of liquidity that is not available to competitors, which are financed purely from revolving credit facilities and/or capital markets securities;
- Committed unsecured credit facilities;
- Maintaining headroom under transactional trade finance lines and committed revolving credit facilities; and
- Reasonable distribution of profit (in order to generate retained earnings) and subordination of repurchased, but not yet paid, equity.

The Group also tracks Cash At Risk (CaR) (same system and methodology as for the VaR) over a 60 days horizon to help in calibrating the adequate level of liquidity.

The maturity analysis of the Group's financial liabilities based on the contractual terms is as follows:

31 March 2023	0-1 years USD'M	1-5 years USD'M	> 5 years USD'M	**Total USD'M**
Financial liabilities				
Current and non-current loans and borrowings	28,698.8	10,383.2	1,032.7	40,114.7
Trade and other payables	22,363.0	–	–	22,363.0
Derivative financial liabilities	2,290.2	354.4	0.4	2,645.0
Total financial liabilities	53,352.0	10,737.6	1,033.1	**65,122.7**

30 September 2022	0-1 years USD'M	1-5 years USD'M	> 5 years USD'M	**Total USD'M**
Financial liabilities				
Current and non-current loans and borrowings	29,663.6	8,802.3	812.2	39,278.1
Trade and other payables	25,649.5	–	–	25,649.5
Derivative financial liabilities	7,910.9	2,710.7	13.0	10,634.6
Total financial liabilities	63,224.0	11,513.0	825.2	**75,562.2**

29.4 Interest rate risk

Despite borrowing mostly floating rate debt, the Group is not exposed to significant interest rate risk because most of its debt is short term (ranging from a few weeks to a few months) and each new commercial transaction is priced based on current interest rate levels. Interest rate risk of the Group is mainly applicable to the long-term debt of the Group, which is mostly floating rate.

From time to time, the Group enters into interest rate derivative transactions to lock in current interest rate levels. For instance, interest rate swaps provide a method of reducing the Group's exposure to floating interest rates. To realise the desired matching of derivative results with the hedged interest rate payments, cash flow hedge accounting is applied and the derivatives are designated as hedging instruments. The derivatives are carried on balance and their effectiveness is tested on a quarterly basis.

Interest rate benchmark reform

In August 2020, the IASB issued Interest Rate Benchmark Reform Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (the Phase 2 Amendments). The Phase 2 Amendments are effective from the 2022 financial year onwards for Trafigura.

Trafigura has set up an internal working group to monitor market developments and manage transition to new alternative benchmark rates. The internal working group has identified various workstreams that are catering to all the aspects of transition.

Financial instruments and relevant agreements linked to discontinued benchmarks have already been transitioned to alternative benchmark rates as at the end of the half year and the Group is in the process of mitigating the remaining financial instruments and agreements that are linked to other IBORs not yet transitioned on or before the expected cessation date for respective benchmarks. USD London Inter-bank Offered rate (LIBOR) is the most significant IBOR for the Group.

Below is the table reflecting the significant LIBOR exposures that were yet to be transitioned as at 31 March 2023:

		2023		2022	
	Interest rate Benchmark	**Notional USD'M**	**Assets/ (Liabilities) USD'M**	Notional USD'M	Assets/ (Liabilities) USD'M
Non-derivative financial assets	USD LIBOR	–	541.4	–	1,475.1
	EUR IBOR	–	8.2	–	234.6
Non-derivative financial liabilities	USD LIBOR	–	(1,827.1)	–	(8,274.2)
	EUR IBOR	–	(148.6)	–	(199.5)
Interest-rate Swaps	USD LIBOR	723.5	40.9	2,853.1	111.8

29.5 Currency risk

The Group has few exposures to foreign currency risk on its trading activities and those that do exist are hedged out. The Group does not use financial instruments to hedge the translation risk related to equity and earnings of foreign subsidiaries and non-consolidated companies.

The Group uses cross-currency swaps to hedge currency risk on the principal and related payments of foreign currency denominated loans and bonds for which cash flow hedge accounting is applied. The hedge relationship is expected to be highly effective due to the matching of critical terms between the underlying hedged item and the associated hedge instrument.

The periods when the cash flows are expected to occur are similar to the periods when the cash flows on the foreign currency denominated loans and bonds occur as indicated in Notes 23 and 29.3. Ineffectiveness may arise (i) if the underlying interest reference rate is divergent to the underlying reference rate in the Group's debt agreements; (ii) to the extent that the hedging instrument is already in the money or out of the money at the point of designation (compared to the hypothetical derivative that must be created on market); (iii) when the timing of the hedging instrument goes beyond the hedged item and it is not considered highly probable that the hedged item will be refinanced beyond its current maturity date; or (iv) if the hedging instrument is for an amount greater than the hedged item.

G. Notes to the interim consolidated financial statements

29.6 Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company's immediate parent, Trafigura Beheer B.V., is exclusively owned by employees of the Group. This shareholding arrangement leads to an alignment of the long-term interests of the Group and its management team. By virtue of having its own capital at risk, senior and middle management are incentivised to take a long-term view of the Group's overall performance and to protect its capital.

The Group's capital management aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings. There have been no breaches in the financial covenants of any loans and borrowing in the current period.

The Group monitors its capital adequacy using an adjusted debt-to-equity ratio, which is adjusted debt divided by the Group's equity. For this purpose, the adjusted debt metric represents the Group's total non-current and current debt less cash, deposits, readily marketable inventories (including purchased and pre-paid inventories which are being released), debt related to the Group's receivables securitisation programme and the non-recourse portion of loans from third parties.

The Company's long-term average target adjusted debt-to-equity ratio is 1.0x. A negative adjusted debt figure means that the combined adjustments are larger than the debt amount. The Company's adjusted net debt-to-equity ratio at the end of the reporting period was as follows:

	2023 USD'M	2022 USD'M
Non-current loans and borrowings	11,415.9	9,614.5
Current loans and borrowings	28,698.8	29,663.6
Total debt	**40,114.7**	39,278.1
Adjustments		
Cash and cash equivalents	16,680.5	14,881.3
Deposits	59.5	642.0
Inventories (including purchased and pre-paid inventories)	23,330.0	23,873.6
Receivables securitisation debt	3,914.7	5,390.7
Non-recourse debt	31.4	1,607.1
Adjusted total debt	**(3,901.4)**	(7,116.6)
Group equity	**17,654.2**	15,078.6
Adjusted debt to Group equity ratio at the end of the period	**(0.22x)**	(0.47x)

30. Hedging activities and derivatives

The Group utilises derivative financial instruments (shown separately in the Consolidated Statement of Financial Position) to hedge its primary market risk exposures, primarily risks related to commodity price movements, and to a lesser extent, exposure to foreign currency exchange rates and interest rate movements. Commodity derivative contracts may be utilised to hedge against commodity price risk exposures in relation to physical purchase and sales contracts, including inventory. Commodity swaps, options and futures are used to manage price and timing risks in conformity with the Group's risk management policies.

	2023 USD'M	2022 USD'M
Physical forwards	3,260.8	5,550.3
OTC derivatives	1,117.5	1,052.5
Futures	5.2	66.6
Interest rate swaps	266.0	263.5
Cross-currency swaps	29.0	2.2
Other financial derivatives	525.5	1,369.1
Derivative assets	**5,204.0**	8,304.2
Non-current	672.9	1,125.2
Current	4,531.1	7,179.0
Derivative assets	**5,204.0**	8,304.2

	2023 USD'M	2022 USD'M
Physical forwards	1,028.0	5,899.1
OTC derivatives	906.5	3,190.6
Futures	32.5	91.8
Interest-rate swaps	32.8	39.2
Cross-currency swaps	203.8	281.2
Other financial derivatives	441.4	1,132.7
Derivative liabilities	**2,645.0**	10,634.6
Non-current	354.8	2,723.7
Current	2,290.2	7,910.9
Derivative liabilities	**2,645.0**	10,634.6

30.1 Cash flow hedge accounting

In some instances, the Group has applied cash flow hedge accounting to certain highly probable cash flows. These cash flows relate to the following hedged items:

- Purchases of electricity consumed in the smelting process and redelivery for electricity not consumed;
- Sales of mining production; and
- Operating expenditure, interest payments, repayment of foreign currency corporate loans and other forecasted purchases and sales.

The designated hedge derivatives are recognised at fair value. Movements in the fair value of the hedge derivatives are being deferred through other comprehensive income to the extent that they are deemed to be entered in an effective hedge relationship with cash flows that are yet to be reflected in the Consolidated Statement of Income. Any fair value movements that are not considered to be an effective hedge are recognised directly through the Consolidated Statement of Income.

The effectiveness of the economic relationship between the hedging instruments and the hedged item has been assessed at the inception of the hedge accounting designation and is reassessed at least on an annual basis. The hedge ratio is determined by the ratio that provides a strong relationship between movements in the fair value of the hedged item and hedging instruments at the inception of the hedge accounting relationship. Ineffectiveness will occur due to time spread between the hedged item and the hedging instrument as well as due to the basis risk.

The overview of the cash flow hedges is as follows:

	Maturity	Equivalent	Notionals 2023	Notionals 2022	Fair values 2023 USD'M	Fair values 2022 USD'M
Cross-currency/interest swaps hedging interest payments	0-5 years	USD'M	6,565.2	4,918.5	(130.2)	(177.0)
Commodity futures hedging future purchases and sales of Refinery	0-1 year	various	19.1	–	(2.2)	–
Fx swaps hedging future non-USD loan transaction and opex payments	0-3 years	USD'M	2,523.5	2,309.6	(16.9)	(273.2)
LME futures hedging future sales and mining production	0-2 years	DMT	32,725.4	9,425.0	16.7	(17.0)
Commodity swaps hedging future sales of metals	0-3 years	DMT	3,222.0	3,504.0	(48.8)	(41.2)
Electricity swaps hedging future redelivery of electricity	0-1 year	EUR'M	87.8	148.1	(16.3)	24.0
Electricity swaps hedging future purchase of electricity	0-7 years	AUD'M	439.9	470.7	35.3	55.0
Total					**(162.4)**	(429.4)

	Ineffectiveness recognised through statement of income 2023 USD'M	Ineffectiveness recognised through statement of income 2022 USD'M	Gain/(loss) on cash flow hedges through other comprehensive income 2023 USD'M	Gain/(loss) on cash flow hedges through other comprehensive income 2022 USD'M
Cross-currency/interest swaps hedging interest payments	(1.2)	0.3	(106.9)	145.4
Gas and fx futures/swaps hedging future purchases and sales of LNG	–	–	–	4.7
Commodity futures hedging future purchases and sales of Refinery	–	–	(2.2)	–
Fx swaps hedging future non-USD loan transaction and opex payments	(0.3)	(3.5)	166.6	(5.3)
LME futures hedging future sales and mining production	0.1	(3.9)	9.8	(103.9)
Commodity swaps hedging future sales of metals	–	–	(7.6)	(55.9)
Electricity swaps hedging future purchase/redelivery of electricity	(2.7)	2.7	(58.2)	123.9
Oil related instruments hedging future purchases, sales and cost	–	–	–	–
Total	**(4.1)**	(4.4)	**1.5**	108.9
Cash flow hedge reserve on equity-accounted investees			54.7	2.2
Tax on cash flow hedge reserve			13.6	(42.8)
Cash flow hedge reserve movement in statement of changes in equity			**69.8**	68.3
Cash flow hedge reserve at 1 October			(37.4)	(175.2)
Cash flow hedge reserve at closing in statement of changes in equity			**32.4**	(106.9)

G. Notes to the interim consolidated financial statements

30.2 Fair value hedge accounting

In some instances, the Group elects to apply fair value hedge accounting to certain physical forward contracts described in the table below (the hedged items) and the corresponding paper hedge positions (the hedging instruments). Under the strict rules of hedge accounting, the Group is required to match each paper hedge position with the corresponding physical contract position. The intention is that a movement in fair value of a physical contract is accounted against the corresponding (and opposite) movement in fair value of the related paper hedges: both movements (increase and decrease) are recorded in the Consolidated Statement of Income (specifically to the line materials, transportation and storage), leading to a neutral result. It is important to note that the fair value of the physical contracts does not include any trading margin or any form of potential profit of the physical contracts.

The Group has elected to apply fair value hedge accounting to non-financial hedged items or certain risk components of non-financial hedged items. These non-financial hedged items relate to firm commitments with respect to tolling agreements, a transportation agreement, offtake agreements and bareboat charter and time charter agreements, among others.

	Tolling agreements	Transportation agreements	LNG agreements	Bareboat and Time charter agreements
Nature of forward contract (=hedged item)	Convert crude to refined products	Transport crude from Permian Basin to Gulf Coast	Offtake LNG in the US, Middle East and Asia	Freight lease agreement
Main counterparty of forward contract/Types of contracts	Buckeye Texas Processing LLC and Magellan Processing LP	Cactus II Pipeline LLC	Cheniere Marketing LLC; Freeport LNG Marketing LLC; Brunei Energy Services and Trading SDN BHD; Oman LNG LLC; Petronas LNG LTD; and others	Asset classes: Very Large Crude Carriers, Suezmax, Aframax and Long Range vessels
Maturity of forward contract	Completing in FY2023	Ranging from FY2023 to FY2025	Ranging from FY2023 to FY2033	Ranging from FY2023 to FY2034
Trading strategy	Process crude into refined products	Transport crude from Permian Basin to Gulf Coast	Purchase LNG, transport, transform back into natural gas, and/or sell natural gas in Europe/Asia	Freight lease agreement to generate freight income from external counterparties
Nature of paper hedge (=hedging instrument)	Hedging spread exposure (crude vs refined products) with futures and swaps	Hedging spread exposure (Permian Basin crude vs Gulf Coast crude) with futures and swaps	1) Hedging spread exposure (LNG in the US vs natural gas in Europe/Asia) with futures and swaps 2) Hedging Gas Slope with futures and swaps	Hedging freight routes with Freight Forward Agreements

30.2.1 Hedged items

The Group's tolling agreements represent non-financial hedged items, which the Group has entered into for fractionation services to convert crude feedstock into various crude refined products. The derivative hedging instruments (hedges consisting of futures and swaps) are entered into to hedge the spread exposures, referred to as the hedged risk, between the purchase of crude feedstock and the sale of crude refined products.

The Group's transportation agreement represents a non-financial hedged item, which the Group has entered into for the transportation of crude oil from the Permian Basin of Texas to the Gulf Coast. The derivative hedging instruments (hedges consisting of futures and swaps) are entered into to hedge the spread exposures, referred to as the hedged risk, between the purchase of inland crude oil barrels and the sale of those barrels on the Gulf Coast.

The Group's offtake agreements represent a non-financial hedged item, which the Group has entered into for the purchase of liquefied natural gas (LNG) from the United States with a number of counterparties. The derivative hedging instruments (hedges consisting of futures and swaps) are entered into to hedge the spread exposures, referred to as the hedged risk, between purchasing LNG from the US and selling LNG to its expected destination markets. Additionally, some Asian and Middle East LNG supply contracts that also represent a non-financial hedged item are further covered in the scope of hedge accounting. The LNG price in these contracts is indexed to Brent against a coefficient. The coefficient is referred to as the Gas Slope and is driven by the correlation between Brent and Asian LNG market. The derivative hedging instruments (hedges consisting of futures and swaps) are entered into to hedge the Gas Slope, referred to as the hedged risk.

The Group's bareboat and time charter agreements represent non-financial hedged items, which the Group has entered into for the purpose of transporting commodities and generating freight revenue. The derivative hedging instruments are entered to hedge freight exposure on the different bareboat and time charter contracts.

30.2.2 Hedging instruments

When applicable, the Group designates derivative hedging instruments as fair value hedges in relationship to the associated hedged items. The maturity profiles of the hedging instruments are as follows:

- Tolling agreements: varies from one month to one year.
- Transportation agreement: varies from one month to three years.
- Offtake agreements: varies from one month to three years.
- Bareboat and time charter agreements: varies from one month to three years.

The designated hedge derivatives are accounted for at fair value through profit and loss. The identified hedged items are accounted for at fair value and recognised in materials, transport and storage within the Consolidated Statement of Income. The fair value is reflected in the Consolidated Statement of Financial Position as either a recognised asset or liability. The fair value is determined using benchmarks best representing the designated hedged item. Specifically, in the case of LNG, the fair value of the hedged item also considers unobservable inputs.

30.2.3 Economic relationship

IFRS 9 requires the existence of an economic relationship between the hedged item and the hedging instrument. At designation and at the start of each reporting period, critical terms of both hedged items and hedge instruments in a hedge relationship are reviewed to ascertain the expectation that the value of the hedging instrument and the value of the hedged item would move in opposite directions as a result of the common underlying and therefore meet the risk management objective of the hedge relationship.

30.2.4 Hedge effectiveness assessment

At each reporting date or on significant changes in circumstances a quantitative hedge effectiveness assessment is performed. The fair values of both hedged items and hedging instruments are measured and the net difference of the changes is the hedge ineffectiveness amount. The hedge ineffectiveness amount is analysed by its various sources (for example: basis differences, location differences, timing differences, quantity or notional amount differences, currency basis and forward points, credit risk or other risks) where applicable. Specific factors that may affect ineffectiveness are a mismatch in the designated hedge period and the maturity period of the hedging instrument and a differential of the various benchmarks for the pricing of the hedging instruments and the hedged items.

In the case of LNG specifically, during the previous year, a material portion of the hedge ineffectiveness was attributed to the fact that physical LNG was pricing at a higher discount against the TTF price index. This was mainly on account of lower liquidity of the TTF index since the war in Ukraine, which had led to significant price moves, sometimes decorrelated with the underlying physical market. During the first half of this financial year, the TTF prices cooled off, as a result of which the higher discount experienced in the previous year, disappeared, thereby reversing a portion of the loss on ineffectiveness from previous year. The ineffectiveness in the first half of the 2023 financial year amounted to a gain of USD327.2 million (FY2022: a loss of USD1,076.0 million).

Further in LNG, the hedged item designated includes foreign currency exposure. However, the foreign currency hedges have not been designated into the hedge relationship, giving rise to additional ineffectiveness. The fair value of the foreign exchange hedges that have not been designated can be seen in the table below.

The fair value adjustment on the non-financial hedged items is presented in the Consolidated Statement of Financial Position under the following categories:

	31 March 2023		30 September 2022	
	USD'M	USD'M	USD'M	USD'M
	Other non-current assets (Note 16)	Other current assets (Note 20)	Other non-current assets (Note 16)	Other current assets (Note 20)
Non-financial hedged items – Tolling agreements	–	3.9	–	24.4
Non-financial hedged items – Transportation agreement	–	–	–	–
Non-financial hedged items – LNG agreements	631.8	809.0	3,795.1	2,897.4
Non-financial hedged items – Bareboat charter agreements	11.6	130.5	26.5	143.1
Non-financial hedged items – Storage agreements	–	–	–	–
Closing balance of the hedged item	**643.4**	**943.4**	3,821.6	3,064.9

	31 March 2023		30 September 2022	
	USD'M	USD'M	USD'M	USD'M
	Other non-current liabilities	Other current liabilities (Note 26)	Other non-current liabilities	Other current liabilities (Note 66)
Non-financial hedged items – Tolling agreements	–	–	–	–
Non-financial hedged items – Transportation agreement	0.3	25.8	3.9	77.3
Non-financial hedged items – LNG agreements	3.7	75.1	–	–
Non-financial hedged items – Bareboat charter agreements	1.6	33.0	1.5	10.0
Non-financial hedged items – Storage agreements	–	–	–	2.2
Closing balance of the hedged item	**5.6**	**133.9**	5.4	89.5
Net balance of the hedged item (+ = asset/ - = liability)		**1,447.3**		6,791.6

The following table summarises the movements in the non-financial hedged items and the related derivatives recognised in the Consolidated Statement of Income:

Fair value hedge accounting	31 March 2023 USD'M	30 September 2022 USD'M
Opening balances of the derivatives marked as hedges	**(7,464.1)**	(2,397.0)
Fair value movement included in the hedge relationship	4,086.4	(8,668.4)
Hedges for which hedge relationship matured	1,812.5	3,582.8
Hedges not designated in hedge relationship	6.8	18.5
Closing balance of the derivatives marked as hedges	**(1,558.4)**	(7,464.1)
Opening balance of the hedged item	**6,791.6**	2,452.6
Fair value movement included in the hedge relationship	(3,759.2)	7,592.1
Release of fair value adjustment due to matured hedge relationship	(1,585.1)	(3,253.1)
Closing balance of the hedged item	**1,447.3**	6,791.6
Lifetime to date net gain/(loss)	(111.1)	(672.5)
Year to date net gain/(loss)	561.4	(728.1)

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31. Fair value

31.1 Fair values versus carrying amounts

The fair values of inventories, financial assets and liabilities, together with the carrying amounts shown in the Consolidated Statement of Financial Position, are as follows:

	31 March 2023		30 September 2022	
	Carrying value	Fair value	Carrying value	Fair value
	USD'M	USD'M	USD'M	USD'M
Assets				
Listed equity securities – Fair value through OCI	0.7	0.7	0.9	0.9
Listed equity securities – Fair value through profit or loss	299.9	299.9	63.2	63.2
Listed debt securities – Fair value through profit or loss	186.4	186.4	203.0	203.0
Unlisted equity investments – Fair value through profit or loss	133.9	133.9	130.1	130.1
Unlisted equity investments – Fair value through OCI	214.4	214.4	198.3	198.3
Loans receivable*	714.8	714.8	307.5	307.5
Inventories – Storage inventories	13,180.0	13,180.0	11,477.7	11,477.7
Inventories – Floating inventories	8,250.5	8,250.5	10,194.8	10,194.8
Trade and other receivables*	26,093.1	26,093.1	27,630.5	27,630.5
Non-financial hedged items	1,586.8	1,586.8	6,886.5	6,886.5
Derivatives	5,204.0	5,204.0	8,304.2	8,304.2
Deposits*	59.5	59.5	642.0	642.0
Cash and cash equivalents*	16,680.5	16,680.5	14,881.3	14,881.3
Total financial assets and inventories	**72,604.5**	**72,604.5**	80,920.0	80,920.0
Liabilities				
Loans and borrowings				
Floating rate borrowings*	34,349.7	34,349.7	33,708.4	33,708.4
Fixed rate borrowings	5,765.0	5,579.6	5,569.7	5,262.4
Trade and other payables*	22,363.0	22,363.0	25,649.5	25,649.5
Non-financial hedged items	139.5	139.5	94.9	94.9
Derivatives	2,645.0	2,645.0	10,634.6	10,634.6
Total financial liabilities	**65,262.2**	**65,076.8**	75,657.1	75,349.8

* Management has determined that these carrying amounts reasonably approximate their fair values because these are mostly short-term in nature and are re-priced regularly.

Changes in fair value of derivatives are predominantly caused by physical forward contracts. The gains or losses recorded on these contracts are typically offset by similar but opposite gains or losses on associated derivatives hedging these physical contracts.

31.2 Fair value hierarchy

The table below analyses financial instruments and other assets and liabilities carried at fair value, by valuation method. The different levels have been defined as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Regarding financial instruments: Level 1 classifications primarily include futures and natural gas physical forwards with a maturity of less than one year. Level 2 classifications primarily include swaps and natgas physical forward transactions which derive their fair value primarily from exchange quotes and readily observable broker quotes. Level 3 classifications primarily include other physical forward transactions which derive their fair value predominately from calculations that use broker quotes and applicable market-based estimates surrounding location, quality and credit differentials. In circumstances where Trafigura cannot verify fair value with observable market inputs (Level 3 fair values), it is possible that a different valuation model could produce a materially different estimate of fair value.

It is Trafigura's policy to hedge significant market risk, therefore sensitivity to fair value movements is limited. Trafigura manages its market risk using the Value at Risk (VaR) as disclosed in Note 29.1.

	31 March 2023				30 September 2022			
Financial assets and inventories	Level 1 USD'M	Level 2 USD'M	Level 3 USD'M	Total USD'M	Level 1 USD'M	Level 2 USD'M	Level 3 USD'M	Total USD'M
Listed equity securities – Fair value through OCI	0.7	–	–	0.7	0.9	–	–	0.9
Listed equity securities – Fair value through profit or loss	299.9	–	–	299.9	63.2	–	–	63.2
Listed debt securities – Fair value through profit or loss	–	–	186.4	186.4	0.3	–	202.7	203.0
Unlisted equity investments – Fair value through profit or loss	–	–	133.9	133.9	–	–	130.1	130.1
Unlisted equity investments – Fair value through OCI	–	–	214.4	214.4	–	–	198.3	198.3
Futures	5.2	–	–	5.2	66.6	–	–	66.6
OTC derivatives	–	1,082.2	35.3	1,117.5	–	969.1	83.4	1,052.5
Physical forwards	1,564.8	894.9	801.1	3,260.8	2,924.6	798.2	1,827.5	5,550.3
Cross-currency swaps	–	29.0	–	29.0	–	2.2	–	2.2
Interest-rate swaps	–	266.0	–	266.0	–	263.5	–	263.5
Non-financial hedged items	–	832.4	754.4	1,586.8	–	3,264.3	3,622.2	6,886.5
Other financial derivatives	–	525.5	–	525.5	–	1,369.1	–	1,369.1
Inventories – Storage inventories	–	13,180.0	–	13,180.0	–	11,477.7	–	11,477.7
Inventories – Floating inventories	–	8,250.5	–	8,250.5	–	10,194.8	–	10,194.8
Total	1,870.6	25,060.5	2,125.5	**29,056.6**	3,055.6	28,338.9	6,064.2	**37,458.7**

Financial liabilities	Level 1 USD'M	Level 2 USD'M	Level 3 USD'M	Total USD'M	Level 1 USD'M	Level 2 USD'M	Level 3 USD'M	Total USD'M
Futures	32.5	–	–	32.5	91.8	–	–	91.8
OTC derivatives	–	906.5	–	906.5	–	3,162.2	28.4	3,190.6
Physical forwards	395.2	230.4	402.4	1,028.0	4,206.4	1,077.1	615.6	5,899.1
Cross-currency swaps	–	203.8	–	203.8	–	281.2	–	281.2
Interest-rate swaps	–	32.8	–	32.8	–	39.2	–	39.2
Non-financial hedged items	–	74.0	65.5	139.5	–	94.9	–	94.9
Other financial derivatives	–	441.4	–	441.4	–	1,132.7	–	1,132.7
Fixed rate borrowings	–	5,765.0	–	5,765.0	–	5,569.7	–	5,569.7
Total	427.7	7,653.9	467.9	**8,549.5**	4,298.2	11,357.0	644.0	**16,299.2**
Net financial assets/(liabilities) and inventories	1,442.9	17,406.6	1,657.6	**20,507.1**	(1,242.6)	16,981.9	5,420.2	**21,159.5**

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The movements in the Level 3 hierarchy can be summarised as follows:

USD'M	Physical forwards/ Derivatives	Equity/ Debt securities	Firm commitments	Other investments	Total
Balance at 1 October 2022	1,266.9	531.1	3,622.2	–	**5,420.2**
Invested	–	2.1	–	–	2.1
Total gain/(loss) recognised in statement of income	(813.0)	(14.4)	(2,165.9)	–	(2,993.3)
Total gain/(loss) recognised in OCI	(15.5)	15.9	–	–	0.4
Total realised	(4.3)	–	(767.5)	–	(771.8)
Balance at 31 March 2023	434.1	534.7	688.8	–	**1,657.6**

USD'M	Physical forwards/ Derivatives	Equity/ Debt securities	Firm commitments	Other investments	Total
Balance at 1 October 2021	106.9	622.6	2,081.3	862.3	**3,673.1**
Invested	–	28.6	–	–	28.6
Total gain/(loss) recognised in Consolidated Statement of Income	1,180.6	(37.1)	4,153.0	628.3	5,924.8
Total gain/(loss) recognised in Consolidated Statement of Comprehensive Income	166.7	(43.8)	–	–	122.9
Disposals	–	(36.7)	–	–	(36.7)
Reclassification	–	(2.5)	–	112.0	109.5
Total realised	(187.3)	–	(2,612.1)	(1,602.6)	(4,402.0)
Balance at 30 September 2022	1,266.9	531.1	3,622.2	–	**5,420.2**

There have been no transfers between fair value hierarchy Levels in the reporting periods ended 31 March 2023 and 30 September 2022. Materially all Level 3 physical forwards are settled in the next year. See Note 15.3 for equity/debt securities and other investments.

The overview of the fair value hierarchy and applied valuation methods can be specified as follows:

Listed equity securities – Fair value through OCI		**2023 USD'M**	2022 USD'M
– Level 1	Assets	0.7	0.9
	Liabilities	–	–
Valuation techniques and key inputs:	Quoted prices in an active market.		
Significant unobservable inputs:	None		

Listed equity securities – Fair value through profit or loss		**2023 USD'M**	2022 USD'M
– Level 1	Assets	299.9	63.2
	Liabilities	–	–
Valuation techniques and key inputs:	Quoted prices in an active market.		
Significant unobservable inputs:	None		

Listed debt securities – Fair value through profit or loss		**2023 USD'M**	2022 USD'M
– Level 1	Assets	–	0.3
	Liabilities	–	–
Valuation techniques and key inputs:	Quoted prices in an active market.		
Significant unobservable inputs:	None		

Futures		**2023 USD'M**	2022 USD'M
– Level 1	Assets	5.2	66.6
	Liabilities	32.5	91.8
Valuation techniques and key inputs:	Quoted prices in an active market.		
Significant unobservable inputs:	None		

Physical forwards		**2023 USD'M**	2022 USD'M
– Level 1	Assets	1,564.8	2,924.6
	Liabilities	395.2	4,206.4
Valuation techniques and key inputs:	Quoted prices in an active market.		
Significant unobservable inputs:	None		

OTC derivatives		**2023 USD'M**	2022 USD'M
– Level 2	Assets	1,082.2	969.1
	Liabilities	906.5	3,162.2
Valuation techniques and key inputs:	Reference prices. Inputs include observable quoted prices sourced from traded reference prices or recent traded price indices in an active market for identical assets or liabilities.		
Significant unobservable inputs:	None		

Physical forwards		**2023 USD'M**	2022 USD'M
– Level 2	Assets	894.9	798.2
	Liabilities	230.4	1,077.1
Valuation techniques and key inputs:	Reference prices. Inputs include observable quoted prices sourced from traded reference prices or recent traded price indices in an active market for identical assets or liabilities.		
Significant unobservable inputs:	None		

Cross-currency swaps		**2023 USD'M**	2022 USD'M
– Level 2	Assets	29.0	2.2
	Liabilities	203.8	281.2
Valuation techniques and key inputs:	Discounted cash flow model. Inputs include observable quoted prices sourced from exchanges or recent traded price indices in an active market for identical assets or liabilities. Prices are adjusted by a discount rate that captures the time value of money and counter-party credit considerations.		
Significant unobservable inputs:	None		

Interest-rate swaps		2023 USD'M	2022 USD'M
– Level 2	Assets	266.0	263.5
	Liabilities	32.8	39.2
Valuation techniques and key inputs:	Discounted cash flow model. Inputs include observable quoted prices sourced from exchanges or recent traded price indices in an active market for identical assets or liabilities. Prices are adjusted by a discount rate that captures the time value of money and counter-party credit considerations.		
Significant unobservable inputs:	None		

Non-financial hedged items		2023 USD'M	2022 USD'M
– Level 2	Assets	832.4	3,264.3
	Liabilities	74.0	94.9
Valuation techniques and key inputs:	Reference prices. Inputs include observable quoted prices sourced from traded reference prices or recent traded price indices in an active market for identical assets or liabilities.		
Significant unobservable inputs:	None		

Other financial derivatives		2023 USD'M	2022 USD'M
– Level 2	Assets	525.5	1,369.1
	Liabilities	441.4	1,132.7
Valuation techniques and key inputs:	Discounted cash flow model. Inputs include observable quoted prices sourced from exchanges or traded reference indices in an active market for identical assets or liabilities. Prices are adjusted by a discount rate that captures the time value of money and counterparty credit considerations.		
Significant unobservable inputs:	None		

Inventories		2023 USD'M	2022 USD'M
– Level 2	Assets	21,430.5	21,672.5
	Liabilities	–	–
Valuation techniques and key inputs:	Reference prices. Quoted prices in an active market, adjusted with a premium/discount for quality and/or location.		
Significant unobservable inputs:	None		

Fixed-rate borrowings		2023 USD'M	2022 USD'M
– Level 2	Assets	–	–
	Liabilities	5,765.0	5,569.7
Valuation techniques and key inputs:	Discounted cash flow model. Cash flows discounted at current borrowing rates for similar instruments.		
Significant unobservable inputs:	None		

Listed debt securities – Fair value through profit or loss		2023 USD'M	2022 USD'M
– Level 3	Assets	186.4	202.7
	Liabilities	–	–
Valuation techniques and key inputs:	Discounted cash flow model. The resultant asset is a discounted cash flow of the underlying throughput.		
Significant unobservable inputs:	– Forecast throughput – Discount rates using weighted average cost of capital – Market illiquidity – Operating cost and capital expenditures		

Unlisted equity investments – Fair value through profit or loss		2023 USD'M	2022 USD'M
– Level 3	Assets	133.9	130.1
	Liabilities	–	–
Valuation techniques and key inputs:	Valuations obtained from the asset managers of the funds.		
Significant unobservable inputs:	– Market illiquidity		

Unlisted equity investments – Fair value through OCI		2023 USD'M	2022 USD'M
– Level 3	Assets	214.4	198.3
	Liabilities	–	–
Valuation techniques and key inputs:	Valuations obtained from the asset managers of the funds.		
Significant unobservable inputs:	– Market illiquidity		

OTC derivatives		2023 USD'M	2022 USD'M
– Level 3	Assets	35.3	83.4
	Liabilities	–	28.4
Valuation techniques and key inputs:	Discounted valuation of cashflows generated based on unobservable inputs.		
Significant unobservable inputs:	Total load consumption forecast, scaling factor		

Physical forwards		2023 USD'M	2022 USD'M
– Level 3	Assets	801.1	1,827.5
	Liabilities	402.4	615.6
Valuation techniques and key inputs:	Valuation model based on market assumptions and reference prices. Key input is the definition of the observable risk position that forms the basis for the valuation of these physical forwards.		
Significant unobservable inputs:	The definition of the observable risk position		

Non-financial hedged items		2023 USD'M	2022 USD'M
– Level 3	Assets	754.4	3,622.2
	Liabilities	65.5	–
Valuation techniques and key inputs:	Valuation model based on market assumptions and reference prices. Key input is the market liquefaction fee curve that is defined using (1) observable quoted prices sourced from traded reference prices or recent traded price indices in an active market for identical assets or liabilities, (2) observable risk positions, (3) assumptions on ratios attributed to the different observable risk positions.		
Significant unobservable inputs:	The identification of observable risk positions and ratios attributed to them		

G. Notes to the interim consolidated financial statements

32. Equity participation plan

The immediate parent of the Company, Trafigura Beheer B.V., has an equity participation plan (EPP) that is open to employees of the Group. Shares issued to employees are preference shares of Trafigura Beheer B.V., which give rights to economic benefits with limited voting rights. The Board of Directors of Trafigura Control Holdings Pte. Ltd., a parent company of Trafigura Beheer B.V., in consultation with the Board of Directors of the Company, decide on the share awards to be issued to employees. Annual remuneration (which includes the equity participation awards) is subject to review by the remuneration committee of the Group.

The value of the shares is based on the net asset value of an ordinary share as set out in the Articles of Association of Trafigura Beheer B.V., which management believe is a fair approximation of the fair value. Shares awarded under the EPP may vest immediately or over a period of several years.

Employees do not have the right to freely sell shares that have vested unless Trafigura Control Holdings Pte. Ltd. has granted approval and has refrained from its right to nominate a prospective purchaser and make a purchase offer. Upon termination of employment, employees must transfer all of their shares at the direction of Trafigura Control Holdings Pte. Ltd. or hold the shares subject to further directions of Trafigura Control Holdings Pte. Ltd.

Neither Trafigura Beheer B.V. nor the Group have a legal or constructive obligation to settle the shares held by employees in cash. If employment is ceased prior to the end of the vesting period the shares will be forfeited unless otherwise determined by Trafigura Control Holdings Pte. Ltd.

The Group's EPP is classified as an equity-settled plan in the Group's financial statements; the fair value of the shares granted, determined at the grant date, is recorded in the Consolidated Statement of Income rateably over the vesting period of the shares.

Compensation in respect of share-based payments recognised in staff costs for the first half of the 2023 financial year amounted to USD47.9 million (first half of the 2022 financial year: USD64.6 million).

Unrecognised staff costs in respect of rateably vesting shares expected to be recognised from 2023 to 2027 amount to USD121.7 million at 31 March 2023 (31 March 2022: USD172.7 million for the period from 2022 to 2026).

33. Related parties

In the normal course of business, the Group enters into various transactions with related parties including fixed price commitments to sell and to purchase commodities, forward sale and purchase contracts, agency agreements and management service agreements. Outstanding balances at period end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related-party receivables or payables.

All transactions between the Company and its subsidiaries are eliminated on consolidation along with any unrealised profits and losses between its subsidiaries, associates and joint ventures.

Related-party receivables/(payables)	2023 USD'M	2022 USD'M
Trafigura Control Holdings Pte. Ltd.	(33.8)	3.2
Porto Sudeste do Brasil S.A.	(82.7)	(48.8)
Guangxi Jinchuan Non-ferrous Metals Co., Ltd	197.3	200.3
Empresa Minera del Caribe S.A. (Emincar)	224.8	226.6
Trafigura Beheer B.V.	14.6	15.1
Nayara Energy Limited	–	69.3
ITG S.à r.l.	229.0	1,041.2
Terrafame Oy	104.1	132.9
Trafigura Liaoning Port International trading (Liaoning) Co. Ltd.	0.4	(71.7)
Others	18.3	14.2
Total	**672.0**	1,582.3

	2023 USD'M	2022 USD'M
Sales	2,220.5	3,218.6
Purchases	1,647.5	3,682.2
Interest income	14.5	24.4
Cost recharge income/(expense)	(1.1)	(12.0)

Transactions between related parties are made on commercial terms.

Below table summarises the nature of relationship and nature of transactions entered with the related party:

Party	Nature of relationship	Nature of transaction
Empresa Minera del Caribe S.A. (Emincar)	Equity-accounted investee	Financing and trading agreement
ITG S.à r.l.	Equity-accounted investee	Multimodal logistics, warehousing and storage
Guangxi Jinchuan Non-ferrous Metals Co., Ltd	Equity-accounted investee	Trading agreement
Terrafame Oy	Associate	Financing and trading agreement
Porto Sudeste do Brasil S.A.	Equity-accounted investee	Loans and cost recharges
Trafigura Beheer B.V.	Parent company	Loans and cost recharges
Trafigura Liaoning Port International trading (Liaoning) Co. Ltd.	Equity-accounted investee	Trading agreement
Trafigura Control Holdings Pte. Ltd.	Parent company	Equity participation plan

34. Subsequent events

There are no significant subsequent events which require disclosure.

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