

Translation from Arabic

**Juhayna Food Industries
(An Egyptian Joint Stock Company)
Consolidated financial statements
For the financial year ended
31 December 2023
And Auditor's report**

**Juhayna Food Industries
(An Egyptian Joint Stock Company)
Consolidated financial statements**

For the financial year ended 31 December 2023

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Hazem Hassan

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Translation from Arabic

Auditor's report

To: The shareholders' of Juhayna Food Industries S.A.E

Introduction

We have audited the consolidated statement of financial position of Juhayna Food Industries S.A.E as of 31 December 2023, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

These consolidated financial statements are the responsibility of the company's management. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Egyptian Accounting Standards and in the light of the prevailing Egyptian laws, management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing and in the light of provisions of applicable Egyptian laws. Those standards require that we comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors judgment, including the assessment of the risk of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.



Hazem Hassan

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Juhayna Food Industries S.A.E as of 31 December 2023, and of its consolidated financial performance and cash flows for the year then ended in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these consolidated financial statements.

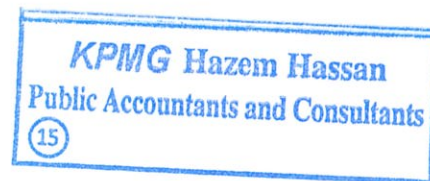
Emphasis of the matter

We draw attention to the following notes to the consolidated financial statements:

- Note No. (16) which describes that a subsidiary of the group is the plaintiff in a lawsuit regarding tax exemption for the years 2009 to 2018. The tax department appeal committee revoked the tax exemption for the period from 2009 to 2014. The group has made an assessment, following the legal and tax advice, that it is more likely than not that it will be successful in defending the lawsuit brought against it. Therefore, it has concluded that it does not have a present obligation and has not recognized a provision in the consolidated financial statements. Instead, the group has concluded that contingent liability exists on the base that the claim is indicative of a possible obligation, and this matter is disclosed in the consolidated financial statements. Our opinion is not modified in respect of this matter.
- Note No. (37) which describes that as a result of the current global and local economic circumstances and geopolitical risks and its consequences, this may affect the Company's ability to manage its financial and operational obligations in foreign currencies. Our Opinion is not modified in respect of this matter.

Samy Abdelhafiz Ahmed Ibrahim
KPMG Hazem Hassan
Public Accountants & Consultants

Cairo, 8 April 2024



Juhayna Food Industries
(An Egyptian Joint Stock Company)
Consolidated statement of financial position
As of 31 December 2023

Translated from Arabic

	Note No.	31/12/2023	31/12/2022
		L.E	L.E
Assets			
Non-current assets			
Property, plant and equipment	(12)	3 077 685 183	3 007 277 888
Projects under construction	(13)	299 334 840	127 380 566
Biological assets	(14) - (15)	305 114 220	261 791 331
Equity accounted investees	(11)	15 670 070	16 926 093
Right of use assets	(29-2)	38 966 498	47 182 377
Goodwill	(33)	97 092 890	97 092 890
Other asset		707 329	715 600
Non-current assets		3 834 571 030	3 558 366 745
Current assets			
Biological assets		29 465 780	20 276 099
Inventories	(17)	2 783 515 178	1 725 513 368
Trade and other receivables	(18)	834 918 362	642 632 203
Due from related party	(32 -1)	2 760 164	559 970
Cash and cash equivalents	(19)	1 093 526 328	294 504 052
PPE held for sale		1 610 291	1 942 496
Current assets		4 745 796 103	2 685 428 188
Total assets		8 580 367 133	6 243 794 933
Equity			
Issued and paid up capital	(20)	941 405 082	941 405 082
Legal reserve		742 112 963	719 145 789
General reserve - issuance premium	(20-1)	330 920 428	330 920 428
Retained earnings		2 233 885 644	1 418 366 451
Total equity attributable to owners of the company		4 248 324 117	3 409 837 750
Non-controlling interest		1 444 468	894 422
Total equity		4 249 768 585	3 410 732 172
Non-current liabilities			
Loans	(21)	90 395 408	78 951 620
Lease contract liabilities	(29)	53 847 845	80 440 307
Deferred tax liabilities	(26-1)	321 767 403	304 602 189
Other liabilities	(25)	-	297 878
Deferred income	(35)	6 023 113	-
Non-current liabilities		472 033 769	464 291 994
Current liabilities			
Provisions	(23)	183 529 210	78 789 406
Bank credit facilities	(22)	1 096 229 656	707 922 331
Creditors and other credit balances	(24)	2 261 080 629	1 340 285 565
Due to related parties	(32 -2)	17 871 750	-
Income tax liabilities	(26-2)	177 047 207	87 586 989
Lease contracts liabilities	(29)	57 958 125	30 742 133
Loans	(21)	57 204 336	123 444 343
Deferred income	(35)	7 643 866	-
Current liabilities		3 858 564 779	2 368 770 767
Total liabilities		4 330 598 548	2 833 062 761
Total equity and total liabilities		8 580 367 133	6 243 794 933

The notes from No.(1) to No.(37) are an integral part of these consolidated financial statements and should be read there to.

Audit report " attached

Associate Chief Financial Officer
Osama Eltaweel

Finance Director
Hany Shaker

Chairman
Ahmed Elwakil

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Consolidated statement of profit or loss
For the financial year ended 31 December

Translated from Arabic

	Note No.	2023 L.E.	2022 L.E.
Net sales	(10)	16 128 101 761	11 363 960 170
Cost of sales	(4)	(11 906 411 622)	(8 458 554 544)
Gross profit		4 221 690 139	2 905 405 626
Other operating income	(5)	178 863 933	122 415 644
Selling and Marketing expenses	(6)	(1 933 987 009)	(1 544 969 079)
General and administrative expenses	(7)	(388 147 620)	(286 403 392)
Impairment loss of trade and other receivables /(Reverse)		5 971 372	(13 140 483)
Other expenses	(8)	(282 461 208)	(158 362 348)
Results from operating activities		1 801 929 607	1 024 945 968
Share of (Loss) /profit of Equity accounted investees,net of tax	(11)	(1 256 023)	1 809 251
Net finance (cost)	(9)	(320 893 260)	(123 313 682)
Loss on investment at FV through profit or loss		(115 108 535)	-
Net profit for the year before income tax		1 364 671 789	903 441 537
Income tax expense	(26)	(343 211 571)	(265 442 589)
Net profit for the year after tax		1 021 460 218	637 998 948
Distributed as follows			
Owners of the company		1 020 909 888	637 721 335
Non-controlling interests		550 330	277 613
		1 021 460 218	637 998 948
Earning per share for the year (L.E /share)	(34)	0.98	0.63

The notes from No.(1) to No.(37) are an integral part of these consolidated financial statements and should be read there to.

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Consolidated statement of comprehensive income
For the financial year ended 31 December

	2023	2022
	L.E.	L.E.
Net profit for the year after tax	1 021 460 218	637 998 948
Other comprehensive income	-	-
Total other comprehensive income	1 021 460 218	637 998 948
Distributed as follows		
Parent owners of the company	1 020 909 888	637 721 335
Non-controlling interests	550 330	277 613
	1 021 460 218	637 998 948

The notes from No.(1) to No.(37) are an integral part of these consolidated financial statements and should be read there to.

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Consolidated statement of changes in equity
For the financial year ended 31 December 2023

	Translated from Arabic					
	Issued & paid up capital L.E	Legal reserve L.E	General reserve- issuance premium L.E	Retained earnings L.E	Non-controlling interest L.E	Total L.E
Balance as at 1 January 2022	941 405 082	688 879 026	330 920 428	1 206 348 929	762 819	3 168 316 284
Total other comprehensive income for the year ended 31 December 2022	-	-	-	637 721 335	277 613	637 998 948
Transaction with owners of the company						
Dividends to shareholders	-	-	-	(329 491 778)	-	(329 491 778)
Dividends to employees and board of directors	-	-	-	(65 945 272)	-	(65 945 272)
Dividends to non controlling interests	-	-	-	-	(146 010)	(146 010)
Holding Company's share in reserves of subsidiaries	-	30 266 763	-	(30 266 763)	-	-
Balance as at 31 December 2022	941 405 082	719 145 789	330 920 428	1 418 366 451	894 422	3 410 732 172
Balance as at 1 January 2023	941 405 082	719 145 789	330 920 428	1 418 366 451	894 422	3 410 732 172
Total other comprehensive income for the year ended 31 December 2023	-	-	-	1 020 909 888	550 330	1 021 460 218
Transaction with owners of the company						
Dividends to shareholders	-	-	-	(141 210 760)	(284)	(141 211 044)
Dividends to employees and board of directors	-	-	-	(41 212 761)	-	(41 212 761)
Holding Company's share in reserves of subsidiaries	-	22 967 174	-	(22 967 174)	-	-
Balance as at 31 December 2023	941 405 082	742 112 963	330 920 428	2 233 885 644	1 444 468	4 249 768 585

The notes from No.(1) to No.(37) are an integral part of these consolidated financial statements and should be read there to.

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Consolidated statement of cash flows
For the financial year ended 31 December

Translated from Arabic

	Note No.	2023 L.E.	2022 L.E.
Cash flows from operating activities			
Net profit for the year before income tax and minority interest share in profits		1 364 671 789	903 441 537
Adjustments for:			
PPE depreciation	(12)	289 525 405	301 215 747
Capital (gain)	(8)	(2 250 345)	(5 514 826)
Amortization of asset right of use (lands)		8 272	8 271
Amortization of Biological Wealth	(14-1)	31 854 996	30 466 088
Amortization of plant wealth (productive)		1 406 006	515 184
Cost of drying period		38 518 126	21 355 851
Capitalized animal wealth		(107 938 902)	(59 574 426)
Share of loss/profit equity accounted investees	(11)	1 256 023	(1 809 250)
Amortization of right of use	(29)	7 835 388	13 920 698
Lease liabilities interest	(29)	3 342 389	5 607 128
Biological wealth due to newborn		(18 869 300)	(17 834 500)
Gain (Loss) from selling of animal wealth	(15)	(18 942 275)	1 904 766
Investment Loss		115 108 535	-
Foreign currencies exchange differences	(9)	163 778 368	51 509 327
Interest income	(9)	(33 980 381)	(32 096 244)
Finance interests & expenses	(9)	191 095 272	98 293 471
		2 026 419 366	1 311 408 823
Changes in:			
Inventories	(17)	(1 058 001 809)	(846 247 280)
Biological assets- Existing Agriculture		(9 179 408)	(9 587 038)
Biological assets- calves		(10 273)	394 212
Trade and other receivables	(18)	(225 982 557)	(312 103 191)
Due from related parties	(32-1)	15 671 556	(557 004)
Creditors & other credit balances	(24)	989 940 736	600 703 706
Provisions		104 739 999	8 710 485
Net cash flows from operating activities		1 843 597 610	752 722 713
Dividends paid to employees		(41 212 761)	(65 943 677)
Income tax paid		(202 889 739)	(227 919 133)
		1 599 495 110	458 859 903
Cash flows from investing activities			
Acquisition of PPE & projects under construction	(12-13)	(561 472 449)	(202 642 510)
Held for sale		332 205	(335 069)
Herd plant		(25 169 717)	(19 692 568)
Proceeds from sale of PPE		29 040 869	10 851 789
Proceeds from plant wealth unproductive	(14-15)	25 974 936	18 431 705
Payment to plant wealth unproductive		(3 947 238)	3 350 158
Payments to invest in biological assets		(39 375 650)	-
Proceeds from credit interests		33 980 381	32 096 244
Proceeds from the compensation of calves death		6 517 050	4 271 181
Paid for investment at F.V through P/L		(253 309 040)	-
Proceeds from investment at F.V through P/L		138 200 504	-
Net cash flows (used in) investing activities		(649 228 151)	(153 669 071)
Cash flows from financing activities			
Proceeds from credit facilities	(22)	388 307 325	434 691 568
(Payments for) financial lease contract liabilities	(29)	(2 338 367)	(31 334 382)
Proceeds from bank loans		77 733 022	-
(Payments for) bank loans	(21)	(118 862 262)	(199 483 703)
Finance interests & expenses paid		(191 095 272)	(98 293 471)
Dividends paid to shareholders		(141 210 761)	(517 772 795)
Net cash flows from (used in) financing activities		12 533 685	(412 192 783)
Change in cash & cash equivalents during the period		962 800 644	(107 001 951)
The effect of foreign exchange difference	(9)	(163 778 368)	(51 509 327)
Cash & cash equivalents at 1 January		294 504 052	453 015 330
Cash & cash equivalents at 31 December	(19)	1 093 526 328	294 504 052

The notes from No.(1) to No.(37) are an integral part of these consolidated financial statements and should be read there to.

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Notes to the consolidated financial statements
For the financial year ended 31 December 2023

1 Reporting the entity

The Company was established in 1995 according to the Investment Law No. (230) of 1989 as replaced by the investment incentives and guarantees law No. (8) 1997 and the decree of the Minister of Economic and Foreign Trade No. 636 of 1994 approving the Company's establishment.

The Company was registered in the commercial registry under No. 100994 on 10/1/1995. Company's period is 50 years starting from the date of registration in the commercial registry.

The address of the Company's registered office is building no.2 Polygon Sodic West, Sheikh Zayed Giza.

The factory address: 6th Oct. city the industrial zone No. 1, plot No. 39, 40.

Mr. Ahmed Elwakil is the Chairman of the Board of Directors.

The Company is considered a holding Company.

The Company's purpose.

The Company primarily is involved in producing, manufacturing, packaging and packing of all types of dairy products and all its derivatives, all types of cheese, fruit juices, drinks and frozen material, preparing, manufacturing, packaging and packing all types of food materials and in general manufacturing of agriculture products.

Registration in the Stock Exchange

The Company is listed in the Egyptian Stock Exchanges.

2 Basis of preparation

2-1 Statement of compliance with laws and regulation

The consolidated financial statements have been prepared in accordance with the Egyptian Accounting Standards ("EAS"), and in the light of prevailing Egyptian laws.

The financial statements were authorized for issue by the Board of Directors on 28 March 2024

2-2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following significant items in the balance sheet.

- Financial assets and liabilities which are stated at fair values or at amortized cost. (Note 4-1).
- Biological assets and Agricultural crops are measured at fair value less cost to sell unless the fair value cannot be reliably measured (Note 4-2).

The methods used to measure fair values are discussed further in note (4).

2-3 Functional and presentation currency

These consolidated financial statements are presented in Egyptian pound.

2-4 Use of estimates and judgments

The preparation of consolidated financial statements in conformity with Egyptian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial year ended 31 December 2023

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Accounting policy no (3-10): lease classification.

Information about assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment within the future financial statements are included in the following notes:

- Note (18): impairment of trade and notes receivable.
- Note (23): provisions & contingent liabilities
- Note (26): deferred tax.
- Note (4-2): biological assets

3 Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

3-1 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company. The financial statement of subsidiaries is included in the consolidated financial statements from the date that control commences until the date that control ceases.

Transactions eliminated on consolidation

Intra-group balances, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3-2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. In general currency gain or loss are recognized in the profit and loss statement.

3-3 Equity accounted investees

Companies under joint control are companies over which the group exercises control jointly with another party. Joint control is in place when decisions on main activities require the unanimous consent of the controlling parties. Investments under joint control entities are presented in the consolidated financial statements using the equity method so that initial recognition is recognized at cost including costs associated with the acquisition and the subsequent measurement in the consolidated financial statements increases or decreases the carrying amount of the investment by the Group's share of profit or loss.

Juhayna Food Industries Company (S.A.E.)
Notes to the consolidated financial statements for the financial year ended 31 December 2023

3-4 Financial instruments

3-4-1 Financial assets

A. Classification:

The Group classified its financial assets into the following measurement categories:

- financial assets at fair value through profit or loss or through other comprehensive income, and
- financial assets measured at amortized cost.

The classification depends on the Company's business model for managing those financial assets and the contractual terms of the cash flows.

B. Recognition and derecognition:

The normal way of buying and selling financial assets, on the trade date, which is the date on which the Group has a commitment to buy or sell the financial asset. A financial asset is derecognized when the contractual rights to receive cash flows from the financial asset expire, or those rights are transferred in a transaction in which substantially all the risks and rewards of ownership of the financial asset have been transferred.

C. Measurement:

On initial recognition, the Group measures the financial asset at its fair value plus or minus, in the case of a financial asset not at fair value through profit or loss statement, transaction costs directly attributable to the acquisition of the financial asset. Transaction costs of financial assets at fair value through profit or loss are expensed in the statement of profit or loss.

Embedded financial assets are considered entirely embedded derivatives when determining whether their cash flows are solely payments of principal and interest.

Debt instruments:

The measurement of debt instruments depends on the company's business for managing the asset and characteristics of cash flow of the asset, there are three measurement categories by which the Group classifies debt instruments:

- **Amortized cost:** Assets held to maturity date to collect contractual cash flows, where those cash flows represent only payment of original amount and interest, are measured at amortized cost. Interest income from these financial assets is included in financing income using the interest rate method. Any gains or losses resulting from the disposal of investments are recognized directly in the statement of profit or loss, and they are classified under other income / (expenses). Impairment losses are presented as a separate item in the statement of profit or loss.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial year ended 31 December 2023

- **Fair value through other comprehensive income:** Assets held for the purpose of collecting contractual cash flows and also for the purpose of selling financial assets, where the cash flows of assets represent only payment of original amount and interest, are measured at fair value through other comprehensive income. Changes in carrying amount are taken into other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in the statement of profit or loss. When the financial asset is disposed of, the cumulative gain or loss previously recognized in other comprehensive income from equity is reclassified to profit or loss and recognized in other income/(expenses). Interest income from these financial assets is included in financing income using the interest rate method, and impairment expense is presented as a separate item in the statement of profit or loss.
- **Fair value through profit or loss:** Assets that do not meet the criteria for depreciated cost or fair value through other comprehensive income are measured at fair value through profit or loss. Gains or losses on investment in debt instruments that are subsequently measured at fair value through profit or loss are recognized in profit or loss and are presented as a separate item in the statement of profit or losses in the period in which they arise.

Equity instruments

The Group subsequently measures all investments in equity instruments at fair value. When the company's management chooses to present the fair value gains and losses on investments in equity instruments in the statement of other comprehensive income, it is not subsequently reclassified to the statement of profit or loss after disposal of the investment. Dividends from these investments continue to be recognized in the statement of profit or loss as other income when the Company's right to receive dividends is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in other income/(expenses) in the statement of profit or loss. Impairment losses (and reversals of impairment losses) on investments in equity instruments that are measured at fair value through other comprehensive income are not recognized separately from other changes in fair value.

d- Impairment:

The Group assesses the expected credit losses associated with the investment in debt instruments, which are carried at amortized cost and fair value through other comprehensive income. Where the applied impairment methodology depends on whether there is a significant deterioration in the credit risk of customers, the Group applies the simplified approach allowed by Egyptian Accounting Standard no. 47, which requires recognizing expected losses over the life of the initial recognition of customers.

3-4-2 Financial liabilities and equity instruments issued by the Group

Classification as debt or equity

Financial instruments are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangement at the date of issuance of these instruments.

Equity instruments

Equity instruments represent any contract that gives the Group the right to the net assets of an entity after deducting all of its obligations.

Equity instruments issued by the Group are recorded at the value of the proceeds received or the net value of the assets transferred, deduct the costs of issuance directly attributable to the transaction.

Financial liabilities

Financial liabilities are classified as either financial liabilities (at fair value through profit or loss) or other financial liabilities.

Juhayna Food Industries Company (S.A.E.)
Notes to the consolidated financial statements for the financial year ended 31 December 2023

Other financial liabilities

The Group has classified its financial liabilities as trade payables, due to related parties borrowings and other credit balances, which are initially measured at fair value, net of transaction costs and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest rate is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

3-4-3 De-recognition of financial instruments

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

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

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Debtors

Debtors are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs.

Generally, short-duration trade and other receivables with no stated interest rate are stated at their nominal value (original invoice amount) less an allowance for any doubtful debts.

Debtors comprise cash and cash equivalents, and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Company in the management of its short-term commitments.

Non-derivative financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated as at fair value through profit or loss) are recognized initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

The Company classifies non – derivative financial liabilities into the other financial liabilities' category. Such financial liabilities are recognised initially at the fair value plus any directly attributable transaction costs.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial year ended 31 December 2023

After initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables. Generally, trade payables are recorded at their nominal value.

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

3-5 Intangible assets and goodwill

Recognition & Measurement

Goodwill

Goodwill arise from acquisition of subsidiaries. Goodwill is initially measured at its cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities. After initial recognition, the group measures acquired goodwill at cost less impairment losses. Recognized goodwill impairment losses are not subsequently reversed. Goodwill is not amortized.

3-6 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses (note 12).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain and loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognized net within other income/other expenses in profit or loss.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Land is not depreciated.

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The estimated useful lives are as follows:

Description	Estimated useful life (Years)
Buildings & Constructions	13.3- 50
Machinery & Equipment	More than -13
Transportation & Transport Vehicles	1.5- 8
Tools	3 – 10
Office equipment & Furniture	More than -10
Empty plastic containers & pallets	5
Computers	3.33-5
Wells	25 or Wells use full life

Depreciation commences when the fixed asset is completed and made available for use.

The depreciation method, useful life and residual value are reviewed at each reporting date and adjusted as appropriate.

3-7 Projects under construction

Expenditures incurred on purchasing and constructing fixed assets are initially recorded in projects under construction until the asset is completed and becomes ready for use. Upon the completion of the assets, all related costs are transferred to fixed assets. Projects under construction are measured at cost less accumulated impairment losses (note no. 13). No depreciation is charged until the project is completed and transferred to fixed assets.

3-8 Government grants

The company government grant is in the form of a loan at below prevailing market interest rate. The differences of the interest rates is initially recognized as deferred income and then recorded in the profit or loss in other income according to a regular systematic base over the loan period .

3-9 Plant wealth

This item represents the amounts spent for cultivation of fruit trees which were recognized as noncurrent assets in the balance sheet in plant wealth unproductive and when it reaches the planned marginal productivity it will be classified as noncurrent assets (plant wealth) and will be depreciated over (25-50) years respectively according to the nature of those assets.

3-10 Lease Contracts

Operating lease contracts

The group assess whether a contract is or contains a lease at inception of the contract. The assessment involves the exercise of judgment about whether it depends on a specified asset, whether the Group obtains substantially all the economic benefits from the use of that asset, and whether the group has the right to direct the use of the asset.

The group recognize right of use (ROU) asset and a lease liability at the lease commencement date, except for short term leases of 12 months or less which are expensed in the income statement in a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If this rate cannot be readily determined, the group uses an incremental borrowing rate specific to the country, term, and currency of the contract. Lease payments can include fixed payments; variable payment that depend on an index or rate known at the commencement date; and extension option payments or purchase options, if the Group is

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial year ended 31 December 2023

reasonably certain to exercise. The lease liability is subsequently measured at amortized cost using the effective interest rate method and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, change of an index or rate or in case of reassessment of options.

At inception, the ROU asset comprises, the initial lease liability, initial direct costs, and the obligations to refurbish the asset, less any incentives granted by the lessors. The ROU asset is depreciated over the shorter of the lease term or useful life of the underlying asset. The ROU asset is subject to testing of impairment if there is an indicator for impairment, as for owned assets.

- **Finance leases contracts (sale and lease back):**

If an entity (the lessee) transfers an asset to another entity (the lessor) and re-leases the asset, the entity must determine whether the asset is being accounted for as a sale transaction on that asset or not.

- **In case the transfer of the asset is not a sale transaction**

The lessee must continue to recognize the transferred asset and must recognize a financial liability equal to the proceeds of the transfer.

3-11 Inventories

Inventories of raw materials, supplies, packing materials and spare parts are measured at the lower of cost or net realizable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price, in the ordinary course of business, less estimated costs of the completion and selling expenses.

The inventory is measured at the lower of cost, which is determined based on the cost of last process reached, or net realizable value.

Finished production is measured at the lower of manufacturing cost or net realizable value. The manufacturing cost comprises raw materials, direct labor, and cost includes an appropriate share of overheads based on normal operating capacity.

3-12 Impairment

Non –derivative financial assets

Impairment of financial assets

The Group applies the expected credit loss model (ECL) to measure impairment loss on its financial assets. A loss allowance is recognized for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantees contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group uses the simplified approach and always recognizes lifetime expected credit losses (ECL) for trade receivables, contract assets, and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group uses the general approach in EAS 47 and recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is

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Notes to the consolidated financial statements for the financial year ended 31 December 2023

expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Expected credit loss

Expected credit losses of a financial instrument is measured in a way that reflects (a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, (b) time value of money, and (c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions, and forecasts of future economic conditions .

When measuring expected credit losses, it is not necessary to identify every possible scenario. However, consideration should be made to the risk or probability that a credit loss occurs by reflecting the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the possibility of a credit loss occurring is very low.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default (PD), loss given default (i.e., the magnitude of the loss if there is a default - LGD), and the exposure at default (EAD). The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying

amount at the reporting date; for financial guarantees contracts, the exposure includes the amount drawn down by the debtor as at the reporting date, together with any additional amounts expected to be drawn down in the future, by default date, determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with EAS 49. The maximum period to consider when measuring expected credit losses is the maximum contractual period (including extension options) over which the entity is exposed to credit risk and not a longer period, even if that longer period is consistent with business practice.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor, or any other party.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used where the loss allowance continues to be measured at the lifetime ECL.

Regarding certain financial assets such as trade receivables, if individual assets are tested and it is determined that their value is not impaired, then their impairment is assessed collectively. Objective evidence of impairment may include the group's previous experience in collecting installments, an increase in the number of overdue installments in the portfolio that exceed the average credit period, as well as significant changes in national or local economic conditions related to the inability to collect receivables.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized

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in other comprehensive income and accumulated in the investment revaluation reserve and does not reduce the carrying amount of the financial asset in the statement of financial position.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than biological assets, investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives, the recoverable amount is tested annually for impairment.

An impairment loss is recognized if the carrying amount of an asset or cash – generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognized in profit or loss. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3-13 Defined contribution plans

The Company contributes to the government social insurance system for the benefits of its personnel in accordance with the social insurance Law No. 79 of 1975 and its amendments. Under this Law the employees and the employers contribute into the system on a fixed percentage – of- salaries basis. The Company's contributions are recognized in income statement using the accrual basis of accounting. The company's obligation in respect of employees' pensions is confined to the amount of contributions.

3-14 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3-15 Revenue

Sales of goods

Revenue for sale of goods is recognized based on the transaction price of the received or receivable payment. The transaction price is determined considering returns, trade discounts and volume rebates. Revenue is recognized in the income statement when pervasive evidence exists of the settlement of contractual performance obligation by transfer of goods to the customer. Pervasive evidence usually exists in the form of an executed sales agreement. Settlement of the performance obligation has pervasively occurred when control over the goods has been transferred to the customer, associated costs and possible return of goods can then be estimated reliably and there is no continuing control or involvement with the goods.

Discounts are recognized as a reduction of revenues when they will probably be granted, and the discounts amount can be measured reliably. When discounts granted over past performance obligations, a provision is recognized in the balance sheet. In case a discount will be granted over future performance obligations, a contract liability will be recognized.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial year ended 31 December 2023

Export subsidy revenue

The company recognize export subsidy according to its quota in the export sales invoices claimed and accepted by the relevant authority.

3-16 Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, fair value losses on financial assets at fair value through profit or loss, impairment losses recognized on financial assets.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3-17 Income tax

Current tax

Current tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3-18 Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Immediately before classification as held-for-sale, the assets, or components of a disposal group, are premeasured in accordance with the Company's other accounting policies. Thereafter, generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets & biological assets, which continue to be measured in accordance with the Company's other accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on re-measurement are recognized in profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

3-19 Legal reserve

According to the Companies Law requirements and the statutes of the Company, 5% of the annual net profit shall be transferred to a legal reserve until the accumulated reserve reaches 50% of the issued share capital.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial year ended 31 December 2023

The reserve is un-distributable; however, it can be used to increase the share capital or to offset losses. If the reserve falls below the defined level (50% of the issued share capital), then the Company is required to resume setting aside 5% of the annual profit until it reaches 50% of the issued share capital.

3-20 End of service benefits

End of service benefits are recognized as an expense when the company is committed clearly-without having the possibility of cancellation – a formal detailed plan to either finish the work before the normal retirement date or to provide end of service benefits as a result of resignations (voluntary) / left the work voluntarily according to law (12) of 2003 and related Egyptian Laws and the policy approved and declared by the company.

If the benefit is payable for a period of more than 12 months after the date of preparation of the financial statements, it is reduced to its present value.

3-21 Segmentation reporting

A segment is a group of associated assets and processes that are characterized by risks and rewards that differ from those of other segments or within a same economic environment with risks and rewards that are related to other segments operating in a different economic environment. All the operating results of the operating segments are reviewed regularly by the Group's business leaders (chief operating decision maker), where the Group makes decisions about the resources allocated to the segments and assesses their performance, which provides detailed financial information.

The group has 5 operational segments, which represent segments for which financial reporting is provided to high management. These reports present different products and services and are managed separately because they require different technology and marketing strategies. The operation of each sector is reported below:

Segmentation reports	Operations
Dairy sectors	Manufacture and sell dairy products & its derivatives
Juice & concentrate sector	Manufacture and sell various products of juice & fruit concentrates
Other sectors	Produce agriculture crops in- addition to livestock farm that produce dairy product and sell to dairy sector

4 Determination of fair value

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non- financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

4-1 Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

4-2 Biological assets

Biological assets are measured by fair value less cost to sell unless the fair value cannot be measured reliably. If the fair value cannot be measured reliably, the biological assets acquired during the Financial Year are presented according to their cost at the date of acquisition Also biological assets which are internally grown are presented at cost of breeding or growth until commercial production (called the increase in the value of the biological assets), less accumulated depreciation and accumulated impairment loss, If any. The cost of small bio-assets is determined by the cost of breeding or growth according to the age group. These young ones are also not consumed. The biological assets are depreciated on a straight-line basis to their estimated residual values over periods, as summarized below.

Cows	4 years
Orange trees	35 Years

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4 Cost of sales

	2023	2022
	L.E	L.E
Changes of FG	313 879 771	150 718 331
RM, EP and others	11 379 909 322	8 090 545 850
Depreciation	212 622 529	217 290 363
	<u>11 906 411 622</u>	<u>8 458 554 544</u>

5 Other operating income

	2023	2022
	L.E	L.E
Export subsidy revenue	96 028 906	60 627 040
Capital gain	1 248 536	739 999
Increase in biological assets due to newborn	18 869 300	17 834 500
Gain from fixed assets sale	14 283 779	22 444 906
Gain from selling of animal wealth	18 942 275	-
Income from the sale of scrap and waste	14 375 367	8 954 544
Fixed assets write-down	1 001 809	4 460 625
Income from leasing assets (under the company's control)	1 500 000	3 932 297
Government grant income	5 060 740	-
Other income	7 553 221	3 421 733
	<u>178 863 933</u>	<u>122 415 644</u>

6 Selling and marketing expenses

	2023	2022
	L.E	L.E
Advertising expenses	856 039 205	667 851 105
Salaries and wages	446 055 220	354 833 389
Cost of replaced items	171 103 733	119 931 464
Depreciation	59 331 435	62 264 284
Vehicles expenses	153 798 581	115 585 354
Shipping & export expenses	91 054 578	98 353 786
Rent	12 017 388	11 027 787
Temporary labor contractors	51 248 249	40 505 848
Others	93 338 620	74 616 062
	<u>1 933 987 009</u>	<u>1 544 969 079</u>

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Notes to the consolidated financial statements for the financial year ended 31 December 2023

7 General and administrative expenses

	2023	2022
	L.E	L.E
Salaries and wages	171 159 581	122 812 446
Depreciation expense	17 571 444	21 661 100
Rent expense	17 735 912	14 265 873
Subscription fees and licenses	53 549 023	37 454 668
Repair and maintenance expenses	13 140 534	9 635 321
End of service expenses	32 771 447	13 868 474
BOD Allowances and bonus (32-3)	10 130 000	3 265 000
Other administrative expenses	72 089 679	63 440 510
	<u>388 147 620</u>	<u>286 403 392</u>

Juhayna Food Industries Company (S.A.E.)
Notes to the consolidated financial statements for the financial year ended 31 December 2023

8 Other expenses

	2023	2022
	L.E	L.E
Donations	12 635 083	8 636 428
Real estate tax	2 323 297	620 622
Custom Claims	126 107 915	44 714 413
Health insurance	77 194 167	54 274 512
Loss from selling animal wealth	-	1 904 766
Cost of drying period	38 518 126	21 355 851
Impairment of fixed assets	892 587	-
Inventory write-off	4 725 463	11 710 676
Others	20 064 570	15 145 080
	<u>282 461 208</u>	<u>158 362 348</u>

9 Net finance cost

	2023	2022
	L.E	L.E
Interest expense	(191 095 273)	(103 900 600)
Interest income	33 980 381	32 096 244
(loss) from foreign currency exchange	(163 778 368)	(51 509 326)
	<u>(320 893 260)</u>	<u>(123 313 682)</u>

10 Segmentation reports

10-1 Segmentation reports for the financial year ended 31 December 2023

The segmentation reports was prepared on an activity segments basis, the primary report for the activity segments was prepared in accordance with the organizational and Activity segmentations results include a direct participation unit in each sector activity.

The primary report for activity segmentations:

Revenues and expenses according to activity segmentat as follows:

	Activity Segments				Elimination of consolidated transactions L.E 31/12/2023	Total L.E 31/12/2023
	Dairy sector L.E 31/12/2023	Concentrates & Juices sector L.E 31/12/2023	Other items L.E 31/12/2023			
Net Sales	12 069 399 723	3 735 631 496	323 070 541		16 128 101 761	
Sales between segments	10 655 391 597	2 603 457 451	880 578 974	(14 139 428 023)	-	
COGS, SG&A	(11 113 663 178)	(3 118 566 371)	(278 777 910)		(14 511 007 459)	
Other operating income	64 666 091	118 991 019	1 178 194	-	184 835 305	
Finance and investment expenses					(437 257 814)	
Net profit before tax					1 364 671 793	
Taxes					(343 211 575)	
					1 021 460 218	
Other Information						
Depreciation	192 807 528	67 066 737	29 651 143	-	289 525 408	
Assets	5 286 138 436	2 927 992 203	366 236 493	-	8 580 367 133	
Liabilities	2 822 260 109	1 484 448 087	23 890 352	-	4 330 598 548	

* The Group operates in one geographical sector - Arab Republic of Egypt - Operating revenues primarily result from activities related to the foodstuffs.

10 Segmentation reports

10-1 Segmentation reports for the financial year ended 31 December 2022

The segmentation reports was prepared on an activity segments basis, the primary report for the activity segments was prepared in accordance with the organizational and Activity segmentations results include a direct participation unit in each sector activity.

The primary report for activity segmentations:

Revenues and expenses according to activity segmentat as follows:

	Activity Segments				Elimination of consolidated transactions L.E 31/12/2022	Total L.E 31/12/2022
	Dairy sector L.E 31/12/2022	Concentrates & Juices sector L.E 31/12/2022	Other items L.E 31/12/2022			
Net Sales	8 830 177 913	2 281 973 080	251 809 176			11 363 960 170
Sales between segments	7 577 102 233	2 028 239 813	526 721 821	(10 132 063 867)		-
COGS, SG&A	(8 250 939 000)	(1 986 330 576)	(224 160 270)			(10 461 429 846)
Other operating income	52 959 781	62 568 662	6 887 201	-		122 415 644
Finance and investment expenses						(121 504 431)
Net profit before tax						903 441 537
Taxes						(265 442 589)
						637 998 948
Other Information						
Depreciation	206 625 065	82 699 322	11 891 360	-		301 215 747
Assets	3 946 301 044	1 925 426 453	372 067 436	-		6 243 794 933
Liabilities	1 883 477 536	928 568 704	21 016 521	-		2 833 062 761

* The Group operates in one geographical sector - Arab Republic of Egypt - Operating revenues primarily result from activities related to the foodstuffs.

Notes to the consolidated interim financial statements for the financial year ended 31 December 2023

11 Equity accounted investees

Name of the investee company	Share percentage %	Current assets		Total assets		Current liabilities		Total liabilities		Carrying amount of investment L.E
		L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	
Arju Company For food Industrial*	50.75% *	18 907 369	18 907 369	18 907 369	3 237 300	3 237 300	15 670 070			
Balance as of 31 December 2023		18 907 369	18 907 369	18 907 369	3 237 300	3 237 300	15 670 070			()
Arju Company For food Industrial*	50.75%	18 667 277	18 667 277	18 667 277	1 741 184	1 741 184	16 926 093			
Balance as at 31 December 2022		18 667 277	18 667 277	18 667 277	1 741 184	1 741 184	16 926 093			-

Equity accounting investees movement

Opening balance	16 926 093
Loss for the year	(1 256 023)
Ending balance	15 670 070

* The group has joint control over the investee as the decisions on main activities require the unanimous consent of the controlling parties aside from the participation %

Juhayna Food Industries
Notes to the consolidated financial statements for the financial period ended 31 December 2023

Translation from Arabic

12 Property, plant and equipment

Description	Land	Buildings & Constructions	Machinery & Equipment	Transportation & transport vehicles	Tools	Empty plastic containers & Palettes	Display ref's	Wells	Office furniture & equipment	Computers	Total
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.
Cost	183 500 802	1 649 357 443	2 714 596 383	371 618 473	161 427 637	72 100 035	97 584 532	39 789 600	35 421 050	150 780 934	5 476 176 889
Cost as at 1/1/2022	-	10 074 454	89 084 831	5 599 198	19 666 262	17 037 300	-	-	23 054 710	6 416 157	169 932 912
Additions of the year	-	(3 842 360)	(47 688 134)	(16 791 495)	(372 611)	(5 378 362)	(1 224 473)	-	(63 366)	(72 416)	(75 433 217)
Disposals of the year	183 500 802	1 655 589 537	2 755 993 080	360 426 176	180 721 288	83 758 973	96 360 059	39 789 600	57 412 394	157 124 675	5 570 676 584
Additions during the year	-	12 932 123	249 372 659	72 541 448	23 128 828	17 058 520	(816 994)	(30 616)	1 232 930	13 251 669	389 518 176
Disposals during the year	-	(1 156 632)	(61 176 632)	(292 060)	(9 626 084)	(13 224 253)	(816 994)	(50 616)	(2 045 633)	(91 743)	(87 460 387)
Cost as of 31/12/2023	183 500 802	1 668 365 028	2 944 189 106	432 675 624	194 224 032	87 593 240	95 543 065	39 738 984	56 599 691	170 284 601	5 872 714 173
Accumulated depreciation as at 1/1/2022	-	277 530 700	1 416 681 084	201 088 781	100 117 853	47 236 545	79 992 997	12 767 634	23 997 973	127 189 990	2 286 603 557
Depreciation of the year	-	41 155 870	176 743 469	31 178 137	13 895 944	13 970 086	4 202 958	1 489 635	4 068 112	14 511 536	301 215 747
Accumulated depreciation of disposals of the year	-	(584 433)	(21 979 146)	(15 553 570)	(279 707)	(5 378 365)	(1 224 473)	-	(59 894)	(72 199)	(65 111 785)
Accumulated depreciation as of 31/12/2022	-	318 102 137	1 571 445 407	216 733 348	113 734 090	55 838 268	82 971 482	14 257 269	28 006 191	141 699 327	2 542 707 519
Depreciation of the year	-	41 269 379	170 618 579	29 159 232	14 077 105	13 984 473	4 202 704	1 489 634	4 634 112	10 090 137	289 525 405
Accumulated depreciation of disposals of the year	-	(107 059)	(32 692 003)	(292 000)	(9 659 919)	(13 089 905)	(816 994)	-	(2 038 076)	(91 743)	(58 787 699)
Accumulated depreciation as of 31/12/2023	-	359 264 457	1 709 371 983	245 600 630	118 151 276	56 722 836	86 357 192	15 746 903	30 602 227	151 627 221	2 773 445 225
Fixed assets impairment as of 31/12/2023	10 354 591	4 407 390	6 591 855	-	-	-	-	259 929	-	-	21 583 765
Net book value as of 31/12/2023	193 855 393	1 313 507 962	1 241 408 978	187 074 994	76 072 756	30 870 404	9 185 873	24 222 009	25 997 464	18 656 880	3 077 685 183
Impairment of fixed assets 31/12/2022*	10 354 591	132 189	9 974 467	-	-	-	-	229 931	-	-	20 691 178
Net book value as of 31/12/2022	173 146 211	1 337 355 211	1 174 573 206	143 692 828	66 987 198	27 930 705	13 388 577	25 302 400	29 406 203	15 495 348	3 007 277 888

*The company obtained an independent valuer assessment of the fair value of the lands amounted to L.E 12.5 million at 31 Dec 2023. Impairments made represent historical costs of acres not suitable for agriculture.

The depreciation expense for the year disstiputed as follow-

Cost of sales	212,022,529
Selling and Marketing expenses	59,331,435
General and administrative	17,571,444
	<u>289,525,405</u>

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial year ended 31 December 2023

13 Projects under construction

	Nature	% of completion	Timeline	31/12/2023	31/12/2022
				L.E	L.E
Buildings and constructions in progress	Building	50% to 70%	Within one year	70 704 021	12 179 201
Machineries under installation	Machinery	70% to 80%	Within one year	62 679 328	56 662 054
Advance payments for purchase of fixed assets	Advances	70% to 80%	Within one year	109 240 153	43 780 203
Computer software	Software Programs	70% to 80%	Within one year	40 383 015	5 271 908
Transport vehicles under preparation	Transporting fleet cabinet and cooling system	80%	Within one year	16 328 323	9 487 200
				299 334 840	127 380 566

13-1 Movement of projects under construction

	Opening Balance	Additions	Capitalized	Ending Balance
Building	13 442 323	67 470 986	10 209 287	70 704 022
Machinery	60 538 050	232 699 435	230 558 157	62 679 328
Computer Software	5 271 908	35 111 107	-	40 383 015
Transportation	9 487 200	78 695 030	71 853 907	16 328 323
Downpayment	38 641 085	-	-	109 240 152
	127 380 566	413 976 558	312 621 351	299 334 840

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial year ended 31 December 2023

14 Plant wealth**14-1 Plant wealth - productive**

	31/12/2023	31/12/2022
	L.E	L.E
Cost at the beginning of the year	47 045 779	28 614 074
Additions during the year	25 169 717	18 431 705
Cost at end of the year	<u>72 215 496</u>	<u>47 045 779</u>
Less:		
Accumulated depreciation at beginning of the year	(3 055 402)	(2 540 218)
Depreciation during the year	(1 406 004)	(515 184)
Accumulated depreciation at end of the year	<u>(4 461 406)</u>	<u>(3 055 402)</u>
Net	<u>67 754 090</u>	<u>43 990 377</u>

14-2 Plant wealth – unproductive

	330 / 150 / 192 Projects acre	Palm project	Total
Balance on 01 January 2023	19 868 658	460 211	20 328 869
Additions	5 317 468	52 184	5 369 652
Transferred productive plant wealth	(25 186 126)	-	(25 186 126)
Balance at end of the year	<u>-</u>	<u>512 395</u>	<u>512 395</u>

Juhayna Food Industries

Notes to the consolidated financial statements for the financial year ended 31 December 2023

Translated from Arabic

15- Biological assets

	Biological assets (Flock of dairy livestock - productive)		Biological assets (Flock of dairy livestock - unproductive)		Total	
	L.E		L.E		L.E	L.E
Amount of flock of livestock at the beginning of the year	193 654 290		67 534 325		261 188 615	252 429 668
Add:						
Transferred from biological assets (Flock of dairy livestock - unproductive)	63 312 300		(63 312 300)		-	-
* Births of flock	-					
Female	2 809 877		11 826 100		11 826 100	10 793 000
Capital cost during drying -off	259 776 467		104 605 004		107 414 881	59 574 426
			120 653 129		380 429 596	322 797 094
Biological assets sales	50 829 623		11 287 897		62 117 520	54 432 692
The death of live stock losses	5 842 240		5 243 190		11 085 430	7 175 787
Cost of flock of livestock as of the end of the year	56 671 863		16 531 087		73 202 950	61 608 479
Accumulated depreciation	203 104 604		104 122 042		307 226 646	261 188 615
Beginning of the year	63 716 528		63 716 528		63 716 528	56 235 249
Depreciation of the year	31 854 996		-		31 854 996	30 466 088
Accumulated depreciation of disposals of sales case	(22 479 733)		-		(22 479 733)	(20 763 911)
Accumulated depreciation of disposals of death case	(2 712 880)		-		(2 712 880)	(2 220 896)
Accumulated depreciation as of end year	70 378 911		-		70 378 911	63 716 530
Net amount of flock of livestock as of year end	132 725 693		104 122 042		236 847 735	197 472 085

* Calfs of flocks are measured at fair value deducted by selling costs. Any increase or decrease in fair value under book value is recognized at financial statement date in the income statement.

** The company management measure the flocks of dairy livestock at cost because an active market to rely on to determine the fair value is unavailable.

Juhayna Food Industries Company (S.A.E.)
Notes to the consolidated financial statements for the financial year ended 31 December 2023

16 Tax status

16-1 Holding Company

Corporate tax

The corporate tax due from the Company is an annual tax according to income tax law No. 91 for the year 2005 and payments due over annual taxable profits.

The period from the beginning of operation till year 2018

The Company has been inspected and all tax inspection differences were paid.

Year 2019 - 2022

The Company submitted the annual tax return in the due date and was not requested for inspection.

Payroll tax

The period from the beginning of operation till year 2022

The tax inspection performed, and differences settled.

Year 2023

The Company submitted the monthly tax return in the due date and was not requested for inspection.

Stamp tax

The period from the beginning of operation till 2020

The tax inspection performed, and differences settled.

Year 2021/2023

The Company submitted the monthly tax return in the due date and was not requested for inspection yet.

Sales tax/ Value added tax.

The tax inspection performed, and the company settled differences till 31/12/2015.

The sales tax was replaced by value added tax by the issuance of the law no. 67 for year 2016 to applied as of the day following its issuance date on 7 September 2016.

Years 2016 till 2020

The tax inspection is performed and and differences settled.

Year 2021/2023

The Company submitted the monthly tax return in the due date and was not requested for inspection yet.

Withholding tax

The company remitted the amount that was deducted to tax authority on due dates.

Juhayna Food Industries Company (S.A.E.)
Notes to the consolidated financial statements for the financial year ended 31 December 2023

Subsidiaries

First: Corporate tax

The Company that benefits from the corporate tax exemption

	Tax exemption ending date
Inmaa for Livestock.	02/11/2029

The Companies that are not exempted.

Egyptian Companies for Food Industries: -

Inspected from beginning of its activity to 2012. (Tax years 2013-2019 form 19 has been notified and the objection was made in legal time frame and the dispute is being resolved in the internal committee.)

Years 2020-2022 was not requested for inspection yet

Modern Company for Concentrates (Former): -

Inspected from beginning of its activity to 2009 the company objected the inspection result before the Council of State. Years 2010-2012 the objection was made in legal date.

2013 -2014 notified the company of Form 19, and it was objected to within the legal deadlines.

Years 2015–2018 requested for inspection. Years 2019 – 2022 not requested for inspection and the Company submitted the annual tax return in the due date

International Company for Food industries: -

The tax departments inspected the subsidiary books of accounts for the year 2009 to 2014 in accordance with the reinspection memo dated 20/11/2019. The tax department revoked the tax exemption certificate issued by the General Authority for Investment (GAFI) to this subsidiary.

The tax department notified the subsidiary by the tax base (Form 19) for the tax years 2009 to 2014.

The Group challenged the tax assessment before the tax department higher appeal committee in its dispute No. 850 /2022. The committee decided on the appeal on 30/8/2022 to revoke the aforementioned exemption and to claim corporate tax from the subsidiary for the tax years 2009 up to 2014 for an amount of L.E 61.5 million and additional tax of L.E 4.2 million. These amounts of taxes are due for payment to the tax Authority after the decision of the appeal committee.

The management has made an assessment, following legal and tax advice, that it is more likely than not that it will be successful in defending the lawsuit it brought against the tax department based on GAFI tax exemption certificates dated 23/12/2008 and 10/11/2009, in-addition to the certificate issued on 25/3/2021. The management challenges the tax department decision which disagree with article No 64 of the Investment law No. 8 for the year 1997 and the tax instructions by the tax department No 27 for the year 2007 and No 21 for the year 2015. These instructions stipulate the tax department commitment to the exemption decisions issued by GAFI as these exemptions are irrevocable with no requirement of further approvals. The company submitted its appeal to the primary court as of 3/11/2022. Therefore, the management concluded that there is no present obligation and has not recognized a provision in the financial statements.

On 13 December 2022, the company submitted a request the tax department dispute resolution committee, for their foresight. The dispute is currently under discussion with the committee.

Years 2015–2018 Estimated form no 19 was received and the objection was made in legal date and a decision was issued to re-examine the actual and ongoing inspection.,

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial year ended 31 December 2023

Year 2019/2022

The Company submitted the monthly tax return in the due date and was not requested for inspection yet.

Egyptian Company for Dairy Products

The years from the beginning of its activity till 2005 was not requested for inspection. Years from 2006-2012 was inspected and settled years. 2013-2019 under inspection in the internal committee Years 2020-2022 not requested for inspection and the Company submitted the annual tax returns in the due dates.

Tiba for Trading and Distribution

The company was not requested for inspection from beginning of its activity until 2008.

Year 2009-2012 was inspected and settled. Tax years 2013-2019 form 19 has been notified and the objection was made in legal date and the dispute is being resolved in the internal committee.

Years 2020-2022 the declarations were submitted on the legal date and not requested for inspection and the Company submitted the annual tax return in the due date.

Al Marwa for Food Industries

The company was inspected from the beginning of its operations and settled till 2013. Years 2014-2019 were inspected and objected on certain disputed items and the internal committee's decision was approved. Years 2020/2022 not requested for inspections.

Inmaa for Agriculture Development and Reclamation

The company not inspected yet.

Inmaa for Livestock

The company not inspected yet.

Second: Salaries tax

Subsidiaries

Tax inspection ending date

Egyptian Company for Dairy Products

- Inspection was performed from starting of activity till 2019 and tax settled.

Years 2020-2023 the Company submitted the quarter tax return in the due date.

Al-Marwa for Food industries

- Inspection was performed from starting activity till 2020. Years 2021/2023 not inspected yet.

- Tax inspection was performed from start of activity till 2018.

Former: Modern Concentrates Industrial Company

Years 2019/2023 the Company submitted tax return quarterly in the due date.

Tiba for Trading and Distribution

- Inspection was performed from starting of activity till 2019 and differences settled.

Years 2020/2023 not inspected yet.

International Company for Modern Food Industries

- Tax inspection was performed from start of activity till 2020 and tax settled

Years 2021/2023 the Company submitted tax return quarterly in the due date.

The Egyptian Company for Food Industries "Egyfood"

- Tax inspection was performed from start of activity till 2020 and tax settled.

Years 2021/2023 the Company submitted tax return quarterly in the due date.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial year ended 31 December 2023

Inmaa for Agriculture Development Co. and Biological Wealth	- Tax inspection was performed and settled till 2015 was inspected and settled. Years 2016/2023 the Company submitted tax return in the due dates
Inmaa for Livestock	- From the beginning of activity till 2021 inspected and settled. Year 2022/ 2023 the Company submitted tax returns in the due dates
Inmaa for Agriculture	- From the beginning of activity till 2019 was inspected and settled Years 2020/2023 the Company submitted the quarterly tax returns in the due date
 Third: Stamp tax	
Egyptian Company for Dairy Products	- Inspection has been performed and difference settled till 2020. Years 2021/2023 not inspected yet
Al-Marwa for Food Industries	- Inspection has been performed and difference settled till 2020. Years 2021/2023 the Company submitted tax return in the due date
Former: Modern Concentrates Industrial Company	- Inspection has been performed and difference settled till 2022. The company inspected till 2022.
Tiba for Trading and Distribution	- Inspection has been performed and difference settled till 2019. Years 2020/2023 not inspected yet.
International Company for Modern Food Industries	- Inspection has been performed and difference settled till 2020. Year 2021/2023 not inspected yet.
The Egyptian Company for Food Industries "Egyfood"	- From the beginning of activity till 2020 was inspected and settled - Years 2021 – 2023 not inspected yet.
Inmaa for agricultural development and biological wealth	- Inspection has been performed and difference settled till 2017. Years 2018-2020 inspected and objected. Years 2021/2023 not inspected yet.
Inmaa for agriculture	Years till 2019 was inspected and settled. Years 2020/2023 not inspected yet.
Inmaa for livestock	- Inspection has been performed and difference settled till 2017. Years 2018/2023 not inspected yet.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial year ended 31 December 2023

Fourth: Value added tax (Sales tax)

Egyptian Company for Dairy Products	- The company products are exempted from sales tax and entity submitted monthly sales tax return. the company was inspected, and difference settled till 2022
Al-Marwa for Food Industries	- 2023 The company the submit the tax return in the due date Inspected and settled till 2019. Years 2020/2023 not inspected yet.
Former: Modern concentrates Industrial Company	-The inspection was performed from the beginning of activity till 2013, preparing for tax inspection from 2014 till 2022.
International Company for Modern Food Industries	-The company submitted sales tax return on monthly basis from starting of activity, inspected and difference settled. till 2020 Years 2021/2023 not inspected yet.
Tiba for Trading and Distribution	-The company submits the sales tax return on monthly basis, inspected and differences settled till 2020 years 2021/2023 not inspected yet.
Inmaa for Agriculture Development and biological wealth.	- The tax inspection performed till 2019 Years 2020/2023 not inspected yet.
Inmaa for livestock	-The tax inspection was performed from 15/3/2012 till 31/8/2016 Years 1/09/2016 till /2023 not inspected yet.
Inmaa for agricultural reclamation	-Inspected and difference is settled from beginning of activity till August 2016 Years 1/09/2016 till /2023 not inspected yet.
The Egyptian Company for Food Industries "Egyfood"	-The tax inspection performed till 2022 -The year2023 the company the submit the tax return in the due date

17 Inventories

	31/12/2023	31/12/2022
	L.E	L.E
Raw materials	869 035 593	514 750 127
Packaging and packing materials	505 755 185	486 448 453
Finished goods	875 366 224	561 486 453
Consumables and miscellaneous supplies	150 608 669	96 617 666
Goods in transit - L/C's for goods purchase	382 749 507	66 210 669
	2 783 515 178	1 725 513 368

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial year ended 31 December 2023

18 Trade and other receivables

	31/12/2023	31/12/2022
	L.E	L.E
Trade receivables	488 776 350	446 191 534
Less: Expected credit losses	(35 186 866)	(42 638 430)
	453 589 484	403 553 104
Note receivables	5 850 036	2 229 862
Suppliers – advance payments	182 402 951	63 794 691
Prepaid expenses	2 959 754	8 453 413
Export subsidy*	135 953 809	67 088 638
Tax Authority	13 098 018	27 418 794
Customs Authority	17 410 276	9 986 809
Deposits with others	19 644 893	22 793 771
Debtors- sales of PP&E	10 664 181	34 274 181
Other debit balances	9 612 445	8 642 244
	851 185 847	648 235 507
Less: Impairment in other debit balances	(16 267 485)	(5 603 304)
	834 918 362	642 632 203

* The collections occurred during the year ended 31 December 2023 is L.E 30 012 958 after deducting bank commissions and governmental fees and L.E 24 883 529 during the year 2022.

19 Cash and cash equivalent

	31/12/2023	31/12/2022
	L.E	L.E
Banks – current accounts	273 012 000	204 436 734
Cash on hand	2 930 902	5 883 317
Banks - Treasury Bills	817 583 426	-
Time deposits *	-	84 184 001
	1 093 526 328	294 504 052

*The above-mentioned time deposits are with original maturity less than 3 months.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial year ended 31 December 2023

20 Share capital

	31/12/2023	31/12/2022
	L.E	L.E
Authorized capital	5 000 000 000	5 000 000 000
Issued & paid-up capital (divided into 941 405 082 shares with nominal value L. E 1 each)	941 405 082	941 405 082

The shareholder's structure on 31 December 2023 is as follows:

Shareholder	No. of shares	Owner percentage
PHARON INVESTMENT LIMITED	471 331 200	50.07%
Bladna	154 247 362	16.38%
RIMCO E G T INVESTMENT LLC	102 497 429	10.89%
Other Shareholders	213 329 091	22.66%
	941 405 082	100%

20-1 General reserve

The balance of general reserve is as follows: -

Collected from issuance premium of 205 972 632 shares during the year 2010	999 379 210	999 379 210
<u>Less:</u>		
i. Nominal value of issued shares with a premium	(205 972 632)	(205 972 632)
ii. Issuance fees	(38 507 164)	(38 507 164)
iii. Legal reserve formed to reach 50 % of paid-up capital	(350 398 732)	(350 398 732)
iv. Difference between the nominal value and the cost of own shares cancelled on 5 February 2012.	(73 580 254)	(73 580 254)
General reserve	330 920 428	330 920 428

Juhayna Food Industries Company (S.A.E.)
Notes to the consolidated financial statements for the financial year ended 31 December 2023

21 Loans

The long-term loans and short-term that are granted to the group companies are as follow:

	Long term loans		Total L.E
	Current portion L.E	Non-current portion L.E	
	Commercial International Bank (CIB)	15 206 134	
Attijariwafa Bank	30 183 387	-	30 183 387
HSBC bank	11 814 815	27 868 521	39 683 336
Balance at 31/12/2023	57 204 336	90 395 408	147 599 744
Balance at 31/12/2022	123 444 343	78 951 620	202 395 963

These loans are subject to variable interest rates and guaranteed by promissory notes.

21-2 Adjustments on the movement of borrowing to access the net cash (used in) financing activities

	2023 <u>EGP</u>	2022 <u>EGP</u>
Balance of borrowing at the beginning of the year	202 395 962	401 879 666
Withdrawals from Loans	77 733 022	-
Paid from loans	(118 862 262)	(199 483 703)
Deferred income	(13 666 978)	-
Balance of borrowing and other financial liabilities as of 31 December	147 599 744	202 395 963

22 Bank credit facilities

This balance amounted to L.E 1 096 229 656 at 31 December 2023 (against L.E 707 922 331 as at 31 December 2022), represents the drawn down portion of the L.E 1.685 billion of the group bank facilities. Interest is charged on such drawn amounts at a variable interest rate. These lending banks were provided with different collaterals from the group.

23 Provision for claims

Description	Balance at 01/01/2023	Formed during the year	No longer require for the year	Used during the year	Balance at 31/12/2023
	L.E	L.E	L.E	L.E	L.E
	Provision for claims	78 789 406	123 961 783	(5 168 266)	(14 053 713)

* The provisions represent the value of claims that can be estimated reliably related to the company's activities. The management reviews these provisions periodically and adjusts the amount of the provision according to the latest coordination of developments, discussions and agreements.

Juhayna Food Industries Company (S.A.E.)
Notes to the consolidated financial statements for the financial year ended 31 December 2023

24 Creditors and other credit balances

	31/12/2023	31/12/2022
	L.E	L.E
Suppliers	1 883 852 520	1 061 323 992
Notes Payables	500 000	1 250 000
Dividends payable*	13 736 384	41 965 398
Accrued expenses	154 611 302	111 627 404
Tax authority	67 820 821	39 013 987
Deposits for others	4 601 908	3 452 962
Sales tax installments on the imported machineries and equipment (Note No. 25)	-	184 852
Social Insurance Authority	7 174 200	6 600 182
Due to health insurance	76 971 901	54 214 156
Advances from customers	20 040 498	14 924 486
Other credit balances	31 771 095	5 728 146
	<u>2 261 080 629</u>	<u>1 340 285 565</u>

*The amount is dividends to shareholders and dividends tax withheld till the dividends is remitted to MCDR

25 Other non-current liabilities

	31/12/2023	31/12/2022
	L.E	L.E
The value of sales tax installments on the imported machineries and equipment due from January 2018.	-	297 878
	<u>-</u>	<u>297 878</u>

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial year ended 31 December 2023

26-1 Deferred tax liabilities

Deferred tax liability amounted to L.E 321 767 403 at 31/12/2023 representing net book value of taxable assets and liabilities, with LE 304 602 189 at 31/12/2022.

Deferred Tax (Lease Contracts)

	Balance 31/12/2023	Balance 31/12/2022
	L.E	L.E
Deferred tax liability (Lease Contracts)	(9 805 240)	(7 607 878)
Deferred tax liability from fixed assets	(311 962 163)	(296 994 311)
Total deferred tax liability	(321 767 403)	(304 602 189)

	Balance on 1/1/2023	Movement during the year	Balance on 31/12/2023
	L.E	L.E	L.E
Deferred tax liability	304 602 189	17 165 214	321 767 403

26-2 Income tax – current

	31/12/2023	31/12/2022
	L.E	L.E
Income tax at the beginning of the year	213 078 927	180 249 503
Income tax expense	343 211 571	228 047 412
Dividends Tax	-	40 085 238
Taxes paid during the year	(202 889 739)	(227 919 133)
Tax difference in previous years	-	(7 384 093)
	353 400 759	213 078 927
Withholding Tax Receivable	(176 353 552)	(125 491 938)
	177 047 207	87 586 989

Juhayna Food Industries Company (S.A.E.)
Notes to the consolidated financial statements for the financial year ended 31 December 2023

26-3 Reconciliation of Effective Tax Rate

	2023	2022
	L.E	L.E
Consolidated net profit before tax	1 364 671 789	903 441 537
Tax rate	22.5%	22.5%
Income tax calculated according to the tax rate (22.5%)	307 051 152	203 274 346
Tax settlements:		
Tax exemption	(34 333 675)	(16 115 951)
Dep.Tax. Diff	(11 660 004)	5 009 241
Provision formed	20 884 938	22 705 092
Provision used	(493 345)	(445 831)
Provision no longer required	(3 815 891)	(2 921 258)
Not allowed expenses	42 642 315	50 475 646
Deferred tax	17 165 224	4 694 032
Other	5 770 857	(1 232 730)
Income tax according to the tax return	343 211 571	265 442 587
Effective tax rate	25.1%	29.38%

26-4 Unrecognized deferred tax asset

	2023	2022
Provisions	3 370 105	6 579 156
Tax losses	11 168 795	17 089 578

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial year ended 31 December 2023

27 Group companies

The following sets out the subsidiaries of Juhayna Food Industries Company controlled by the Company as at 31/12/2023 and the investment under joint control which are shown together with their respective contribution percentage held as at the financial position date.

Subsidiary Name	Contribution % 31/12/2023	Contribution % 31/12/2022	Country
Egyptian Co. for Dairy Products	99.99 %	99.99 %	Egypt
International Co. for Modern Food Industries	99.99 %	99.99 %	Egypt
The Egyptian Company for Food Industries "Egyfood"	99.98 %	99.98 %	Egypt
Tiba For Trading & Distributing	99.90 %	99.90 %	Egypt
Al-Marwa for Food Industries*	99.91 %	99.91 %	Egypt
Inmaa for Agriculture Development Co. and Livestock	99.994 %	99.994 %	Egypt
Inmaa for Livestock	Indirect 99.862 %	Indirect 99.862 %	Egypt
Inmaa for Agriculture and improvement	Indirect 99.964 %	Indirect 99.964 %	Egypt
<u>Under joint control</u>			
Arju Company for Food Industries	50.75 % under joint control	50.75 % under joint contr	Egypt

*As of 22 June 2022, Modern concentrates Industries company was merged in Al-Marwa for Food Industries.

28 Financial instruments

Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's Board is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the B.O.D.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial year ended 31 December 2023

Credit risk

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer including the default risk of the industry in which customers operate, as these factors may have an influence on credit risk

Trade and other receivables

The Company distributes the credit risk on several customers who have strong and stable financial positions. Also, it deals with its customers through signed contracts and agreements, in addition the Company review the credit limits granted to customers on a regular basis as it gets sufficient guarantees from its customers.

Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	Carrying amount	
		31/12/2023	31/12/2022
		L.E	L.E
Trade and other receivables	(18)	665 496 871	529 684 548
Cash	(19)	1 093 526 328	294 504 052
Related Party	(32-1)	2 760 164	559 970

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have enough liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimizing its cash return on investments. Typically, the company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Company maintains the following lines of credit.

Banks - credit facilities in a principal amount of L.E 1 096 229 656 on which the interest is charged at a variable interest rate for facilities in Egyptian pound.

Banks - Loans in a principal amount of L.E 57 204 735 on which the interest is charged at a variable interest rate for facilities in Egyptian pound.

Liquidity risk

The liabilities due to the Company's suppliers and bank at reporting date of the consolidated statement of financial position are as follows:

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial year ended 31 December 2023

2023

	Total book value	Contractual cash flows	6-12 months	1-5 years
Trade payables	1 883 852 520	1 883 852 520	1 883 852 520	-
Loans	147 599 744	147 599 744	57 204 336	90 395 408
Credit facilities	1 096 229 656	1 096 229 656	1 096 229 656	-
Lease liabilities	41 693 835	41 693 835	18 745 443	22 948 392

2022

	Total book value	Contractual cash flows	6-12 months	1-5 years
Trade payables	1 061 323 992	1 061 323 992	1 061 323 992	-
Loans	202 395 963	202 395 963	123 444 343	78 951 620
Credit facilities	707 922 331	707 922 331	707 922 331	-
Lease liabilities	57 230 307	57 230 307	15 875 352	41 354 955

Market risk

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

The Company incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the management.

Currency risk

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Company, primarily the L.E The currencies in which these transactions primarily are denominated are Euro, USD, and Swiss Francs (CHF).

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Foreign currency risk

Exposure to currency risk

The Group's exposure to foreign currency risk was as follows based on notional amounts:

	USD	Euro
Trade and other receivables	2 843 394	4 418
Cash at banks and on hand	2 796 106	17 003
Creditors and other credit balances	(27 808 811)	(3 625 220)
31 December 2023	(22 169 312)	(3 603 798)
31 December 2022	(5 749 889)	(2 277 613)

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Notes to the consolidated financial statements for the financial year ended 31 December 2023

The following significant exchange rates applied during the year:

	Average rate		Closing Rate	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
USD	30.86	19.76	30.95	24.76
Euro	33.47	20.67	34.17	26.35

sensitivity analysis

Any reasonably possible strengthening (weakness) of the EUR, USD or GBP/EGP 31 December by 10% would affect the measurement of financial instruments denominated in a foreign currency and affect profit or loss in the amounts set out below. This analysis assumes that all other variables particularly interest rates remain constant and ignore any influence of expected sales and purchases.

EGP	31 December 2023
	10% Effect
USD	68 614 020
Euro	12 314 178

Interest rate risk

The Company adopts a policy of ensuring that its exposure to changes in interest rates on borrowings is on a fixed-rate basis, considering assets with exposure to changes in interest rates.

A reasonably possible change of 100 basis points in interest rates at the reporting date could increase (decrease) equity and profit or loss by the amounts described below. This analysis assumes that all other variables particularly foreign exchange rates remain constant.

The effect is in Egyptian pounds

31 December 2023	Profit or Loss	
	100 points increase	100 points decrease
Financial instruments that carry a variable interest rate	12 351 021	(12 351 021)
31 December 2022		
Financial instruments that carry a variable interest rate	9 103 183	(9 103 183)

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Notes to the consolidated financial statements for the financial year ended 31 December 2023

Capital management

The Board'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. Capital consists of paid-up capital and retained earnings. The Board of Directors monitors the return on capital, as well as the level of dividends to shareholders.

	31/12/2023	31/12/2022
	L.E	L.E
Total liabilities	4 330 598 548	2 833 062 761
Less: cash and cash equivalent	(1 093 526 328)	(294 504 052)
Net debt	<u>3 237 072 220</u>	<u>2 538 558 709</u>
Total equity	4 249 768 585	3 410 732 172
Net debt to equity ratio	<u>76%</u>	<u>74%</u>

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial year ended 31 December 2023

There were no changes in the company's approach to capital management during the year.

29 Lease contracts

29-1 Liabilities arising from lease contracts

- Lease contracts (Sale and lease back)

On 23/3/2016 the Company signed a contract regarding a land lease (including the building built there on), of land located on plot no. 21 of the Crazy water's corridor in Zayed City with a total area of 15 374.47 m². The contract terms became effective starting 24/3/2016. The following is a summary of the above-mentioned contract:

Description	Contract value		Contract year	Purchase value at end of contract	Quarterly Installment value
	Contractual value	Accrued interest			
	L.E	L.E	Months	L.E	L.E
Contract from 24/3/2016 to 23/3/2026	125 000 000	119 813 200	120	1	6 179 374

In accordance with the provisions of the transitional rules of the Egyptian Accounting Standard No. 49 of 2019 on leasing contracts, the initial application date of this standard is the beginning of the annual reporting period in which the Finance Leasing Law No. 95 of 1995 was amended and the Financial Leasing and Factoring Law No. 176 For the year 2018, in respect of leasing contracts which were subject to Law 95 of 1995 and were accounted for in accordance with IAS 20 (Accounting Standards and Standards for Financial Leasing Transactions).

Lease contract liabilities

	31/12/2023	31/12/2022
	L.E	L.E
Liabilities from lease contracts current portion	18 745 443	15 875 352
Liability from lease contracts non-current portion	22 948 392	41 354 955
	<u>41 693 835</u>	<u>57 230 307</u>

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Notes to the consolidated financial statements for the financial year ended 31 December 2023

Lease contracts liabilities payment are as follows:

	Payment of liability principal		Payment of accrued interest	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	L.E	L.E	L.E	L.E
Liabilities for one year	18 745 443	15 875 352	5 972 051	8 077 004
Liabilities between 1-5 years	22 948 392	41 345 955	1 769 103	6 549 757

29-2 Operating Lease contracts liabilities

The group is renting buildings and stores, and this rent is performed individually, and each contract has its special terms, the contracts period ranges from 1.5 to 10 years and some of these contracts has a term for extending the lease which provide more flexibility for the group.

	31/12/2023	31/12/2022
	L.E	L.E
Buildings, warehouses, and stores	84 738 466	85 118 957
Accumulated amortization during the year	(45 771 968)	(37 936 580)
Net book value	38 966 498	47 182 377

During the year ended 31 December 2023 the group has been charged by L.E 3 342 389 as interest from leasing contracts.

Operating lease contract liability

	31/12/2023	31/12/2022
	L.E	L.E
Liabilities from lease contracts-current portion	39 212 682	14 866 781
Liability from lease contracts non-current portion	30 899 453	39 085 352
Total	70 112 135	53 952 133

Payment of lease contracts liabilities are as follows:

	Liabilities in present value		Accrued interest	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	L.E	L.E	L.E	L.E
Liabilities for one year	39 212 682	14 866 781	4 150 276	4 800 404
Liabilities between 1-5 years	30 405 231	35 771 294	6 992 157	8 584 429
Liabilities more than 5 years	494 222	3 314 058	12 737	212 279

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Notes to the consolidated financial statements for the financial year ended 31 December 2023

30 Contingent Liabilities

The Contingent Liabilities are represented in IDC'S during the year ended 31 December 2023 and due after the that date amounting to L.E 402 649 962.

The contingent liabilities related to group subsidiaries are disclosed in Note (16).

31 Capital commitments

The capital commitments related to setting up and acquiring fixed assets amounted to L.E 232 044 269 on 31/12/2023.

32 Related party transactions

The related parties are represented in the Group shareholders and companies in which they own directly or indirectly shares giving them significant influence or control over these companies.

The following is a summary of significant transactions concluded, during the year, between the Group and its related parties.

32 -1 Due from related parties

Company's name	Nature of transaction	Total value of transactions		Balance as at	
		31/12/2023	31/12/2022	31/12/2023	31/12/2022
		L.E	L.E	L.E	L.E
Arju Company for Food Industries	Current account	2 200 194	498 111	2 760 164	559 970
				2 760 164	559 970

32-2 Due to related parties

Company's name	Nature of transaction	Total value of transactions		Balance as at	
		31/12/2023	31/12/2022	31/12/2023	31/12/2022
		L.E	L.E	L.E	L.E
Wakalex Industry & Trade Company	Purchase	192 631 315	-	17 871 750	-
	Payment	174 759 565	-		
				17 871 750	-

32-3 Board of Director's remuneration

The total allowances and bonus received by the board of directors during the year amounted to LE 10 130 000 against LE 3 265 000 during the year ended 31 December 2022.

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Notes to the consolidated financial statements for the financial year ended 31 December 2023

33 Goodwill

	31/12/2023	31/12/2022
	L.E	L.E
Goodwill resulting from acquiring the Egyptian Company for Dairy Products	46 433 934	46 433 934
Goodwill resulting from acquiring Al-Marwa for Food Industries Company	50 658 956	50 658 956
	<u>97 092 890</u>	<u>97 092 890</u>

34 Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year after reducing dividends to employees and BOD as follows :

	31/12/2023	31/12/2022
	L.E	L.E
Net profit/Loss for the period according to profit or loss statement	1 020 909 888	637 721 335
Less:		
Employees share and Board of directors (Estimated)	<u>(95 456 001)</u>	<u>(41 212 761)</u>
Net payable to shareholders	925 453 887	596 508 574
Weighted average to number of shares	<u>941 405 082</u>	<u>941 405 082</u>
EPS (L.E/Share)	<u>0.98</u>	<u>0.63</u>

35 CIB Loan

The company obtained a loan L.E 91.4 million loan from the Commercial International Bank (CIB) in August 2022 as part of 91.4 million the Central Bank of Egypt's initiative to support industrial companies, at an interest rate of 8%, which is lower than the prevailing market rate for a similar loan which equal average 19.25%. The withdraw amount of the loan is L.E 91.4 million the difference between the two interest is recognized amounted to L.E 18 727 719 as follows:

- a) Deferred income – non-current Liabilities L.E 6 023 113
- b) Deferred income - current liabilities L.E 7 643 866
- c) Other income – income statement L.E 5 060 740

The following is a statement of the loan balances and deferred income of government grants:

	Less than one year <u>L.E</u>	More than one year <u>L.E</u>	Total <u>L.E</u>
Loan	22 850 000	68 550 000	91 400 000
Discount (Deferred Income)	(7 643 866)	(6 023 113)	(13 666 979)
Balance at 31/12/2023	<u>15 206 134</u>	<u>62 526 887</u>	<u>77 733 021</u>

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Notes to the consolidated financial statements for the financial year ended 31 December 2023

36 New Editions and Amendments to Egyptian Accounting Standards

On 6 March 2023, the Prime Minister's Decree No. (883) of 2023 was issued amending some provisions of the Egyptian accounting standards, and on 3 March 2024, another decision was issued by the Prime Minister No. (636) of 2024 amending some other provisions of the Egyptian accounting standards, and the following is a summary of the most important of those amendments:

New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
<p>Egyptian Accounting Standard No. (10) amended 2023 "Fixed Assets" and Egyptian Accounting Standard No. (23) amended 2023 "Intangible Assets".</p>	<p>1- These standards were reissued in 2023, allowing the use of revaluation model when subsequent measurement of fixed assets and intangible assets.</p> <ul style="list-style-type: none"> - This resulted in amendment of the paragraphs related to the use of the revaluation model option in some of the applicable Egyptian Accounting Standards, which are as follows: <ul style="list-style-type: none"> - Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors". - Egyptian Accounting Standard No. (24) "Income Taxes" - Egyptian Accounting Standard No. (30) "Interim Financial Reporting" - Egyptian Accounting Standard No. (31) "Impairment of Assets" - Egyptian Accounting Standard No. (49) "Leasing Contracts" <p>2- In accordance with the amendments made to the Egyptian Accounting Standard No. (35) amended 2023 "Agriculture", paragraphs (3), (6) and (37) of Egyptian Accounting Standard No. (10) "Fixed assets" have been amended, and paragraphs 22(a), 80(c) and 80(d) have been added to the same standard, in relation to agricultural produce harvested.</p> <p>The Company is not required to disclose the quantitative information required under paragraph 28(f) of Egyptian Accounting Standard No. (5) for the current period, which is the period of the financial statements in which the Egyptian Accounting Standard No. (35) amended 2023 and Egyptian Accounting Standard No. (10) amended 2023 are applied for the first time in relation to agricultural produce harvested. However, the quantitative information required</p>	<p>The change doesn't have an impact on the financial statement of the Company.</p>	<p>The amendments of adding the option to use the revaluation model are effective for financial periods starting <u>on or after January 1, 2023, retrospectively</u>, cumulative impact of the preliminary applying of the revaluation model shall be added to the revaluation surplus account in equity, at the beginning of the financial period in which the Company applies this model for the first time.</p> <p>These amendments are effective for annual financial periods starting <u>on or after January 1, 2023, retrospectively</u>, cumulative impact of the preliminary applying of the accounting treatment for agricultural produce harvested shall be added to the balance of retained earnings or losses at the</p>

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Notes to the consolidated financial statements for the financial year ended 31 December 2023

New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
	<p>under paragraph 28(f) of Egyptian Accounting Standard No. (5) should be disclosed for each comparative period presented.</p> <p>- The Company may elect to measure an agricultural produce harvested item at its fair value at the beginning of the earliest period presented in the financial statements for the period in which the Company have been applied the above-mentioned amendments for the first time and to use that fair value as its deemed cost on that date. Any difference between the previous carrying amount and the fair value in the opening balance should be recognized by adding it to the revaluation surplus account in equity at the beginning of the earliest period presented.</p>		<p>beginning of the financial period in which the Company applies this treatment for the first time.</p>
<p>Egyptian Accounting Standard No. (34) amended 2023 "Investment property".</p>	<p>1- This standard was reissued in 2023, allowing the use fair value model when subsequent measurement of investment property.</p> <p>2- This resulted in amendment of some paragraphs related to the use of the fair value model option in some of the applicable Egyptian Accounting Standards, which are as follows:</p> <ul style="list-style-type: none"> - Egyptian Accounting Standard No. (1) "Presentation of Financial Statements" - Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors". - Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates" - Egyptian Accounting Standard No. (24) "Income Taxes" - Egyptian Accounting Standard No. (30) "Interim Financial Reporting " - Egyptian Accounting Standard No. (31) "Impairment of Assets" - Egyptian Accounting Standard No. (32) "Non-Current Assets Held for Sale and Discontinued Operations" - Egyptian Accounting Standard No. (49) "Leasing Contracts". 	<p>The Company doesn't have this type of asset. Accordingly, this change doesn't have an impact on the financial statement of the Company.</p>	<p>The amendments of adding the option to use the fair value model are effective for financial periods starting on or after January 1, 2023, retrospectively, cumulative impact of the preliminary applying of the fair value model shall be added to the balance of retained earnings or losses at the beginning of the financial period in which the Company applies this model for the first time.</p>
<p>Egyptian Accounting</p>	<p>1- This standard was reissued in 2023, allowing the use of revaluation model</p>	<p>The Company doesn't have this type of asset.</p>	<p>The amendments of adding the</p>

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Notes to the consolidated financial statements for the financial year ended 31 December 2023

New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
<p>Standard No. (36) amended 2023</p> <p>"Exploration for and Evaluation of Mineral Resources"</p>	<p>when subsequent measurement of exploration and valuation assets.</p> <p>2- The Company applies either the cost model or the revaluation model for exploration and valuation assets, the evaluation should be carried out by experts specialized in valuation and registered in a register maintained for this purpose at the Ministry of Petroleum, and in the case of applying the revaluation model (whether the model stated in the Egyptian Accounting Standard (10) "Fixed Assets" or the model stated in Egyptian Accounting Standard (23) "Intangible Assets") should be consistent with the classification of assets in accordance with paragraph No. (15) of Egyptian Accounting Standard No. (36) amended 2023.</p>	<p>Accordingly, this change doesn't have an impact on the financial statement of the Company.</p>	<p>option to use the revaluation model are effective for financial periods starting <u>on or after January 1, 2023, retrospectively</u>, cumulative impact of the preliminary applying of the revaluation model shall be added to the revaluation surplus account in equity, at the beginning of the financial period in which the Company applies this model for the first time.</p>
<p>Egyptian Accounting Standard No. (35) amended 2023</p> <p>"Agriculture".</p>	<p>This standard was reissued in 2023, where paragraphs (1-5), (8), (24), and (44) were amended and paragraphs (5a) - (5c) and (63) were added, with respect to the accounting treatment of agricultural produce harvested, (Egyptian Accounting Standard (10) "Fixed assets" was amended accordingly).</p>	<p>The Company doesn't have this type of asset. Accordingly, this change doesn't have an impact on the financial statement of the Company.</p>	<p>These amendments are effective for annual financial periods starting <u>on or after January 1, 2023 retrospectively</u>, cumulative impact of the preliminary applying of the accounting treatment for agricultural produce harvested shall be added to the balance of retained earnings or losses at the beginning of the financial period in which the</p>

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New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
			Company applies this treatment for the first time.

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
Egyptian Accounting Standard No. (50) "Insurance Contracts".	<p>1-This standard determines the principles of recognition of insurance contracts falling within the scope of this standard, and determines their measurement, presentation, and disclosure. The objective of the standard is to ensure that the Company provides appropriate information that truthfully reflects those contracts. This information provides users of financial statements with the basis for assessing the impact of insurance contracts on the Company's financial position, financial performance, and cash flows.</p> <p>2-Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts". Any reference to Egyptian Accounting Standard No. (37) in other Egyptian Accounting Standards to be replaced by Egyptian Accounting Standard No. (50).</p> <p>3-The following Egyptian Accounting Standards have been amended to comply with the requirements of the application of</p>	The Company is currently assessing the impact of applying this new standard on its financial statements.	Egyptian Accounting Standard No. (50) is effective for annual financial periods starting <u>on or after July 1, 2024</u> , and if the Egyptian Accounting Standard No. (50) shall be applied for an earlier period, the Company should disclose that fact.

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New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
	Egyptian Accounting Standard No. (50) "Insurance Contracts", as follows: <ul style="list-style-type: none"> - Egyptian Accounting Standard No. (10) "Fixed Assets". - Egyptian Accounting Standard No. (23) "Intangible Assets". - Egyptian Accounting Standard No. (34) " Investment property ". 		
Egyptian Accounting Standard No. (34) amended 2024 "Investment Property "	The Egyptian Accounting Standard No. (34) "Investment Property" was reissued in 2024, to amend the fair value application mechanism by the mandate of recognizing the gain or loss arising from the change in the fair value of the investment property in the statement of profit or loss for the period in which the change arises or through the statement of other comprehensive income for one time in the life of the asset or investment, taking into account paragraphs (35a) and (35b) of the standard.	The Company doesn't have this type of asset. Accordingly, this change doesn't have an impact on the financial statement of the Company.	The amendments to the amendment of addition of the option to use the fair value model apply to financial periods commencing on or after January 1, 2024 with early adaption allowed retrospectively by recognizing the cumulative impact of the application of the fair value model initially by adding it to the opening balance of retained earnings/losses as at the beginning of the financial period in which the Company applies this model for the first time.
Egyptian Accounting Standard No. (17) amended 2024 "Separate Financial Statements"	Egyptian Accounting Standard No. (17) "Separate Financial Statements" was reissued in 2024, adding the option to use the equity method as described in Egyptian Accounting Standard No. (18) "Investments in Sister Companies" when accounting for investments in associates,	Management is currently studying the possibility of changing the accounting policy followed and instead use the equity method to account for investments	The amendments shall apply to financial periods commencing on or after January 1, 2024 with early adaption allowed

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New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
	sister companies and jointly controlled companies.	in subsidiaries, associated companies and jointly controlled companies, and assessing the potential impact on the financial statements if this method has been used.	retrospectively by recognizing the cumulative impact of the application of the equity method by adding it to the opening balance of retained earnings/losses as at the beginning of the financial period in which the Company applies this method for the first time.
Egyptian Accounting Standard No. (13) amended 2024 "Effects of changes in foreign exchange rates"	<p>This standard was reissued in 2024, to add how to determine the spot exchange rate when exchange between two currencies is difficult and what are the conditions that must be met for determining the spot exchange rate at the measurement date.</p> <p>An appendix to the application guidelines has been added, which includes guidelines for assessing whether a currency is exchangeable for another currency, and guidelines for applying the required treatments in case of non-exchangeability.</p>	The Company is currently assessing the impact of applying the amendments of this standard on its financial statements.	Amendments regarding the determination of spot exchange rate when it is difficult to exchange between two currencies is applicable to financial periods commencing on or after January 1, 2024 with early adaption allowed. If the entity made an early application, this has to be disclosed. Entity shall not be modifying comparative information and instead should:

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New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
			<ul style="list-style-type: none"> • When the entity reports foreign currency transactions to its functional currency, any effect of the initial application is recognized as an adjustment to the opening balance retained earnings/losses on the date of initial application. • When an entity uses presentation currency different than its functional currency or translates the results and balances of foreign operation, the resulting differences and financial position of a foreign transaction, any effect of the initial application is recognized as an adjustment to the cumulative translation adjustment reserve - accumulated in equity section on

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New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
			the date of initial application.
Accounting Interpretation No. (2) "Carbon Reduction Certificates"	Carbon Credits Certificates: Are financial instruments subject to trading that represent units for reducing greenhouse gas emissions. Each unit represents one ton of equivalent carbon dioxide emissions and are issued in favor of the reduction project developer (owner/non-owner), after approval and verification in accordance with internationally recognized standards and methodologies for reducing carbon emissions, carried out by verification and certification bodies, whether local or international, registered in the list prepared by the Financial Regulatory Authority "FRA" for this purpose. Companies can use Carbon Credits Certificates to meet voluntary emissions reduction targets to achieve carbon trading or other targets, which are traded on the Voluntary Carbon Market "VCM".	The management is currently studying the financial implications of applying the accounting interpretation to the Company's financial statements.	The application starts on or after the first of January 2025, early adaption is allowed.

37 Significant events

- In light of the global and local economic conditions and geopolitical risks facing the country, the government, represented mainly in the Central Bank of Egypt, has taken a number of financial measures during 2022 and 2023 to contain the impact of these crises as well as the resulting inflationary impact over the Egyptian economy, including the devaluation of the Egyptian pound against foreign currencies, raising the interest rate on overnight deposits and lending rates, and setting maximum limits on cash withdrawals and deposits in banks. This resulted in a decrease in exchange rates and availability of foreign currencies through the official channels, which resulted in delaying foreign currencies debts payments as well as the increase of purchases' costs as well as settlement costs.
- On March 6, 2024, the Central Bank of Egypt decided to raise the overnight deposit and lending rates by 600 basis points to reach 27.25% and 28.25%, respectively. Also, the credit and discount rate was raised by also 600 points to reach 27.75 with allowing the use of a flexible exchange rate driven by market mechanisms, which led to an increase in the average official exchange rate of US dollars during the first week of the Central Bank's decision date, to reach between 49 to 50 EGP/USD.