

Translation from Arabic

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

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

For the 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 separate financial position of Juhayna Food Industries S.A.E as of 31 December 2023, and the related separate 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 separate financial statements are the responsibility of the company's management. Management is responsible for the preparation and fair presentation of these separate 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 separate 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 separate 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 separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the separate 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 separate 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 separate 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 separate financial statements.

Opinion

In our opinion, the separate financial statements referred to above present fairly, in all material respects, the separate financial position of Juhayna Food Industries S.A.E as of 31 December 2023, and of its separate financial performance and its 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 separate financial statements.

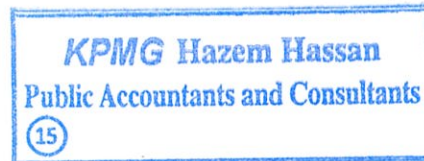
Report on Other Legal and Regulatory Requirements

The company maintains proper books of accounts, which include all that is required by law and the status of the company, and the separate financial statements agree thereto.

The financial information included in the Board of Directors', prepared in accordance with by law No. 159 of 1981 and its executive regulation, is in agreement with the Company's books of account.

Samy Abdelhafiz Ahmed Ibrahim
KPMG Hazem Hassan
Public Accountants & Consultants

Cairo, 8 April 2024



Juhayna Food Industries
(An Egyptian Joint Stock Company)
Separate statement of financial position as at

<u>L.E</u>	Note no.	<u>Translated from Arabic</u>	
		31/12/2023	31/12/2022
Assets			
Non-current assets			
Property, plant and equipment	(10)	152 546 246	158 432 039
Projects under construction	(12)	43 821 690	9 812 699
Investment in subsidiaries and under joint control	(11-2)-(11-1)	2 273 491 193	2 273 491 193
Total non-current assets		2 469 859 129	2 441 735 931
Current assets			
Debtors and other debit balances	(15)	5 638 653	5 722 875
Due from related parties	(23-2)	371 001 375	565 187 191
Cash and cash equivalent	(16)	3 133 471	1 361 300
Total current assets		379 773 499	572 271 366
Total assets		2 849 632 628	3 014 007 297
Equity			
Issued and paid up capital	(17)	941 405 082	941 405 082
Legal reserve		470 702 541	470 702 541
General reserve - share issuance premium	(17-1)	330 920 428	330 920 428
Retained earnings		993 099 770	1 179 620 047
Total equity		2 736 127 821	2 922 648 098
Non-current liabilities			
Lease contract liabilities-non current portion	(22-1)	22 948 392	41 354 955
Deferred tax liabilities	(13-2)	15 606 623	12 463 215
Total non-current liabilities		38 555 015	53 818 170
Current liabilities			
Provisions	(19)	201 330	526 346
Suppliers and other credit balances	(20)	34 817 513	16 207 892
Lease contract liabilities- current portion	(22-1)	18 745 443	15 875 352
Bank Credit facility	(24)	19 771 099	-
Due to related party	(23-3)	1 414 407	-
Income tax liabilities		-	4 931 439
Total current liabilities		74 949 792	37 541 029
Total liabilities		113 504 807	91 359 199
Total equity and liabilities		2 849 632 628	3 014 007 297

The notes from no. (1) to no.(27) are an integral part of these separate financial statements and should be read there to.

Associate Chief Financial Officer
Osama El-Tawceel

Finance Director
Hany shaker

Chairman
Ahmed El-Wakil

Audit report "attached"

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

Translated from Arabic

	Note no.	2023	2022
<u>L.E</u>			
Revenue from Investment in subsidiaries	(5)	-	400 852 380
Other operating revenues	(6)	2 925 100	17 128 947
Impairment loss of trade and other receivables /(Reverse)		309 247	28 107
General and administrative expenses	(7)	(3 081 704)	(3 747 231)
Other Operating expenses	(8)	(2 310 504)	(5 454 467)
(Loss) / Gain from operating activities		(2 157 861)	408 807 736
Net finance income/ (expenses)	(9)	1 204 514	(161 905)
Net (loss) / profit for the year before income tax		(953 347)	408 645 831
Deferred tax	(13)	(3 143 408)	(2 024 913)
Income Tax	(13)	-	(44 493 304)
Net (loss) / profit for the year after tax		(4 096 755)	362 127 614
(loss) / Earning per share for the year (L.E /share)	(18)	(0.004)	0.34

The notes from no. (1) to no.(27) are an integral part of these separate financial statements and should be read there to.

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Separate statement of other comprehensive income
For the financial ended 31 December 2023

Translated from Arabic

	2023	2022
L.E		
Net (loss) /profit for the year	<u>(4 096 755)</u>	<u>362 127 614</u>
Total other comprehensive (Loss)/income	<u><u>(4 096 755)</u></u>	<u><u>362 127 614</u></u>

The notes from no. (1) to no.(27) are an integral part of these separate financial statements and should be read there to.

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

Translated from Arabic

	Issued & paid up capital	Legal Reserve	General reserve- issuance premium	Retained earnings	Total
L.E					
Balance as of 1 January 2022	941 405 082	461 256 581	330 920 428	1222 373 835	2 955 955 926
Comprehensive income					
Profit for the year	-	-	-	362 127 614	362 127 614
Legal reserve formed	-	9 445 960	-	(9 445 960)	-
Other comprehensive income items	-	-	-	-	-
Total comprehensive income	-	9 445 960	-	352 681 654	362 127 614
Transactions with company owners					
Dividends to shareholders	-	-	-	(329 491 778)	(329 491 778)
Dividends to employees and board of directors	-	-	-	(65 943 664)	(65 943 664)
Total Transactions with company owners	-	-	-	(395 435 442)	(395 435 442)
Balance as of 31 December 2022	941 405 082	470 702 541	330 920 428	1 179 620 047	2 922 648 098
Balance as of 1 January 2023	941 405 082	470 702 541	330 920 428	1 179 620 047	2 922 648 098
Comprehensive income					
Loss for the year	-	-	-	(4 096 755)	(4 096 755)
Other comprehensive income items	-	-	-	-	-
Total comprehensive loss	-	-	-	(4 096 755)	(4 096 755)
Transactions with company owners					
Dividends to shareholders	-	-	-	(141 210 761)	(141 210 761)
Dividends to employees and board of directors	-	-	-	(41 212 761)	(41 212 761)
Total Transactions with company owners	-	-	-	(182 423 522)	(182 423 522)
Balance as of 31 December 2023	941 405 082	470 702 541	330 920 428	993 099 770	2 736 127 821

The notes from no. (1) to no.(27) are an integral part of these separate financial statements and should be read there to.

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Separate statement of cash flows
For the financial period ended 31 December 2023

Translated from Arabic

	Note no.	31/12/2023	31/12/2022
L.E			
Cash flows from operating activities			
Net (loss) / profit for the year before income tax		(953 347)	408 645 831
Adjustments:			
PPE depreciation	(10)	11 832 079	14 266 778
Capital gain from sale of PPE		-	(310 000)
Right of use interest	(22)	9 305 314	7 056 848
Credit interests	(9)	(845 405)	(1 242 636)
Financial income expenses		1 555 283	53 958
		<u>20 893 924</u>	<u>428 470 779</u>
Changes in:			
Debtors and other debit balances		84 222	344 573
Related parties		195 600 223	52 674 626
Suppliers and other credit balances		18 609 621	(40 055 572)
Provisions		(325 016)	(27 999 998)
Net cash flows resulted from operating activities		<u>234 862 974</u>	<u>413 434 408</u>
Collected credit interests		845 405	1 242 636
Finance interests and expenses paid		(1 555 283)	(53 958)
Dividends paid to employees and board of directors		(41 212 761)	(65 943 677)
Income taxes paid		(4 931 439)	(9 768 737)
Net cash flows resulted from operating activities		<u>188 008 896</u>	<u>338 910 672</u>
Cash flows from investing activities			
Acquisition of PPE and projects under construction		(39 955 277)	(14 878 414)
Proceeds from sale of PPE		-	310 000
Net cash flows (used in) investing activities		<u>(39 955 277)</u>	<u>(14 568 414)</u>
Cash flows from financing activities			
lease liability paid		(24 841 786)	(21 716 437)
Dividends paid to shareholders		(141 210 761)	(517 772 795)
Proceeds from credit facility	(24)	19 771 099	-
Net cash flows (used in) financing activities		<u>(146 281 448)</u>	<u>(539 489 232)</u>
Net change in cash and cash equivalents during the period		1 502 697	(214 223 176)
Net Change in foreign currency		269 474	(923 798)
Cash and cash equivalents at 1 Jan		1 361 300	216 508 274
Cash and cash equivalents at 31 December 2023	(16)	<u>3 133 471</u>	<u>1 361 300</u>

The notes from no. (1) to no.(27) are an integral part of these separate financial statements and should be read there to.

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Notes to the separate 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) of 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. The Company life 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- Sodice West- Sheikh Zayed, Giza. 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, all its derivatives, all types of cheeses, 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 in the (A)list.

2- Basis of preparation

a. Statement of compliance

- The financial statements have been prepared in accordance with Egyptian Accounting Standards ("EAS"), and in the light of prevailing Egyptian laws.
- The financial statements were authorized for issuance by the Board of Directors on 28 March 2024

b. Basis of measurement

- The financial statements have been prepared on the historical cost basis except for the, certain financial assets and liabilities measured subsequent to initial recognition by amortized cost or fair values.
- The financial statements have been prepared on going concern basis.
- **Functional and presentation currency**
The financial statements are presented in Egyptian pound, which is the Company's functional currency.

c. Use of estimates and judgments

- The preparation of financial statements in conformity with Egyptian Accounting Standards requires from management to make judgments, estimates and assumptions that affect the implementation of policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.
- Estimates and underlying assumptions are reviewed continuously. Any modifications to accounting estimates are recognized in the year in which the estimate is revised and in any future years affected.
- Information about important estimates in applying accounting policies that have the most significant effect on the amounts which are recognised in the financial statements are presented in the following notes:
 - Accounting policy no (3-6): lease contract.

Notes to the separate financial position for the financial year ended 31 December 2023

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

- Note (15): Impairment of other debit balances.
- Note (19): Provisions
- Note (13): Deferred tax liabilities and assets.

3- Significant accounting policies

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

3-1 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.

3-2 Investments**3-2-1 Investments in subsidiary companies**

Subsidiaries are those entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Investments in subsidiaries are carried in the balance sheet at cost, less any impairment in the value of individual investments which is charged to the income statement.

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 if no impairment loss had been recognized.

3-2-2 Investment under joint control

The companies under joint control are companies which the group has joint control on the investee company, the investments under joint control are carried in the balance sheet at cost, less any impairment in the value of individual investments which is charged to the income statement.

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, if no impairment loss had been recognized.

3-3 Financial instruments**3-3-1 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.

Notes to the separate financial position for the financial year ended 31 December 2023**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.
- **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.

Notes to the separate financial position for the financial year ended 31 December 2023**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 Financial instruments**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.

Other financial liabilities

The Company 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.

De-recognition of financial instruments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks, on hands and 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.

Notes to the separate financial position for the financial year ended 31 December 2023**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. Subsequent to 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 at banks and on hand for the purpose of the statement of cash flows.

3-5 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 10).

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. The estimated useful lives for

Notes to the separate financial position for the financial year ended 31 December 2023

the current and comparative years are as follows:

Description	Estimated useful life
	(Years)
Buildings & Constructions	50
Transportation & Transport Vehicles	5
Office equipment & Furniture	10
Computers	3

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

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3-6 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 12). No depreciation is charged until the project is completed and transferred to fixed asset

3-7 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 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 lease contracts (sale and lease back):

- If the entity (the lessee) transfers the asset to the other entity (the lessor) and leased back the asset, the entity must determine whether the asset is being accounted for as sales transaction or not.

In case of the transfer of asset that is not sale transaction:

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

Notes to the separate financial position for the financial year ended 31 December 2023**3-8 Impairment in value****Non –derivative financial assets**

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than 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.

3-9 Advantages of Pensions

The company pays contributions to the General Authority for Social Insurance for the employees of the company, according to the Social Insurance Law No. (79) of 1975. According to this law, the employees and the company paid fixed subscriptions rate from the salary. The company is under no obligation to pay any further amounts for previous other than the value of the previous mentioned subscriptions.

3-10 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.

3-11 Revenue**Dividends revenue from subsidiaries**

Dividends revenue from subsidiaries is recognized when the holders of shares have the right to collect dividends. Dividends income received from investments is recognized in profit or loss on the date of collection

Rental income

Rental income from other assets is recognized in other income.

3-12 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.

Notes to the separate financial position for the financial year ended 31 December 2023

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.

3-13 Income tax

Income tax on profit or loss for the year includes both current income tax and deferred tax.

Current income tax:

Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity. Current tax is the expected tax payable on the taxable income for the year, 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 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.

3-14 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. 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. The legal reserve is unable to distribute.

3-15 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 – to a formal detailed plan to either terminate the employment contract before the normal retirement date or to provide end of service benefits as a result of resignations (voluntary leave) according to law (12) of 2003 and related Egyptian Laws and policies approved and declared by the company. If the benefit is payable for a year of more than 12 months after the date of preparation of the financial statements, it is reduced to its present value.

3-16 Transactions with related parties:

The company records all transactions with the related parties in the context of their regular accounting and as per the conditions established by the board of directors.

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.

Financial asset values are determined at the current purchase prices of those assets, while the value of financial liabilities are determined at the current rates at which such liabilities can be settled.

In the absence of an active market to determine the fair value of financial instruments, fair value is estimated using the various valuation techniques, taking into consideration recent transaction prices, and guidance on the current fair value of other instruments that are substantially similar - discounted cash flow method or other valuation method which results in reliable values.

Notes to the separate financial position for the financial year ended 31 December 2023

When using deductible cash flow method as a revaluation method, the future cash flows are estimated on the base of the best estimates for the management. The used discount rate is determined according to the price at reporting date for the same financial instruments of its nature and activities.

Wherever possible, additional disclosures about the assumptions used in determining fair value are disclosed in the notes to these assets and liabilities.

5- Revenue from Investment in subsidiaries

	2023	2022
	L.E	L.E
Egyptian Company for Dairy Products	-	87 491 250
Egyptian Company for Food Industries (Egyfood)	-	129 976 080
Eldawlya For Modern Food Industries	-	73 492 650
Tiba for trading and distributing.	-	85 914 000
Al-Marwa for Food Industries	-	23 978 400
	<u>-</u>	<u>400 852 380</u>
Less: Tax on revenue from investment in subsidiaries	-	(40 085 238)

6- Other operating revenues

	2023	2022
	L.E	L.E
Income from rental of assets to subsidiaries	2 640 000	2 640 000
Judicial refund	275 272	-
Provisions no longer required	-	14 178 947
Gain from sale of fixed assets	-	310 000
Other	9 828	-
	<u>2 925 100</u>	<u>17 128 947</u>

7- General and administrative expenses

	2023	2022
	L.E	L.E
Personnel expenses	91 542 092	59 204 428
Depreciation expenses	11 832 079	14 266 778
Termination of service	15 079 833	2 188 832
Subscription and licenses	3 625 963	1 006 834
Other administrative expenses	25 159 721	19 704 537
Board of Directors remunerations	90 000	90 000
Expenses charged to subsidiaries*	(144 247 984)	(92 714 178)
	<u>3 081 704</u>	<u>3 747 231</u>

* The amount of L.E 144 247 984 of general and administrative expenses was deducted and charged to subsidiaries (note 25).

Notes to the separate financial position for the financial year ended 31 December 2023**8- Other operating expenses**

	2023	2022
	L.E	L.E
Provisions for claims	838 669	5 346 115
Property tax	1 461 760	-
Health insurance contribution	10 075	10 482
Other debit balances allowance	-	97 870
	<u>2 310 504</u>	<u>5 454 467</u>

9- Net finance income/ (expenses)

	2023	2022
	L.E	L.E
Right of use interest	(9 305 314)	(7 056 846)
Interest expenses	(1 555 283)	(53 958)
Credit interest	845 405	1 242 636
Loss from foreign currency exchange	269 474	(923 798)
Expenses Charged to subsidiaries *	10 950 232	6 630 063
	<u>1 204 514</u>	<u>(161 905)</u>

* The amount of L.E 10 950 232 of finance expenses was deducted and charged to subsidiaries (note 25)

Juhayna Food Industries
Notes to the separate financial statements for the financial year ended 31 December 2023

Translated from Arabic

10- Property, plant, and equipment

Description	Lands		Buildings & constructions		Buildings and constructions result from lease contract		Transportation & transport vehicles		Office furnitures & equipments		Computers		Total
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	
Cost as of 1/1/2022	11 870 738	111 706 795	44 387 809	4 840 543	11 531 616	90 632 215	274 969 716						
Additions during the year	-	-	-	588 300	6 982	4 960 361	5 555 643						
Disposals during the year	-	-	-	(256 000)	(25 822)	-	(281 822)						
Cost as of 31/12/2022	11 870 738	111 706 795	44 387 809	5 172 843	11 512 776	95 592 576	280 243 537						
Additions during the period	-	-	-	-	13 800	5 932 486	5 946 286						
Disposals during the period	-	-	-	(292 000)	-	-	(292 000)						
Cost as of 31/12/2023	11 870 738	111 706 795	44 387 809	4 880 843	11 526 576	101 525 062	285 897 823						
Accumulated depreciation as of 1/1/2022	-	9 252 519	12 428 586	4 219 502	9 388 516	72 537 419	107 826 542						
Depreciation for the year	-	3 121 892	-	283 521	368 401	10 492 964	14 266 778						
Depreciation of disposals	-	-	-	(256 000)	(25 822)	-	(281 822)						
Accumulated depreciation as of 31/12/2022	-	12 374 411	12 428 586	4 247 023	9 731 095	83 030 383	121 811 498						
Depreciation for the year	-	2 234 136	887 756	322 741	365 277	8 022 169	11 832 079						
Disposals Depreciation during the year	-	-	-	(292 000)	-	-	(292 000)						
Accumulated depreciation as of 31/12/2023	-	14 608 547	13 316 342	4 569 764	10 096 372	91 052 552	133 351 577						
Net book value as of 31/12/2023	11 870 738	97 098 248	31 071 467	311 079	1 430 204	10 472 510	152 546 246						
Net book value as of 31/12/2022	11 870 738	99 332 384	31 959 223	925 820	1 781 681	12 562 193	158 432 039						

• Land includes an amount of L.E 11 680 388 from finance lease contracts.

Juhayna Food Industries
Notes to the separate financial statements for the year ended 31 December 2023

Translated from Arabic

11- Investments

Name of the investee company	Legal entity	Number of purchased shares	Participation percentage	Nominal value per share	Total Nominal value	Percentage paid	Total investment cost	Impairment in the value of investment as at	Net Investment	
									31/12/2023	31/12/2022
(11-1) Investment in subsidiary companies										
Egyptian Company for Dairy Products	SAE	2 999 700	99.99 %	100	299 970 000	100	359 911 533	-	359 911 533	359 911 533
International Company For Modern Food Industries	SAE	4 999 500	99.99	100	499 950 000	100	499 950 000	-	499 950 000	499 950 000
The Egyptian Company For Food Industries "Egyfood"	SAE	499 908	99.98	1 000	499 908 000	80	386 893 852	-	386 893 852	386 893 852
Tiba for Trading and Distribution	SAE	1 998 000	99.90	100	199 800 000	100	199 800 000	-	199 800 000	199 800 000
Al-Marwa for Food industries	SAE	12 256 279	99.91	10	122 562 790	100	196 815 808	-	196 815 808	196 815 808
Enmaa for Agriculture Development Co. and biological wealth	SAE	6 499 700	99.995	100	649 970 000	100	599 970 000	-	599 970 000	599 970 000
Paid on account of investment										
Tiba for Trading and Distribution	SAE	2 000 000	100	100	200 000 000	10	20 000 000	-	20 000 000	20 000 000
(11-2) Investment in under joint companies										
Aju For Food Industries*	SAE	1 015 000	50.75	10	10 150 000	100	10 150 000	-	10 150 000	10 150 000
Balance as at 31 December 2023					<u>2 482 310 790</u>		<u>2 273 491 193</u>		<u>2 273 491 193</u>	<u>2 273 491 193</u>
(11-3) Investments at fair value through profit and loss										
Egyptian for Trading and Marketing	SAE	1 000	0.54	100	100 000	100	100 000	(100 000)	-	-
Balance as at 31 December 2023					<u>100 000</u>		<u>100 000</u>	<u>(100 000)</u>		<u>-</u>

* On November 30, 2021, the decision of the Juhayna Board of Directors, based on the request of Aju, to liquidate Aju and cancel the partnership with other companies

Notes to the separate financial position for the financial year ended 31 December 2023**12- Projects under construction**

	31/12/2023	31/12/2022
	<u>L.E</u>	<u>L.E</u>
Software programs (SAP Update)	40 383 015	5 271 908
Advance for fixed assets	3 438 675	4 540 791
	<u>43 821 690</u>	<u>9 812 699</u>

13- Income tax expense for year

	2023	2022
	<u>L.E</u>	<u>L.E</u>
Dividends tax	-	(40 085 238)
Current year tax	-	(4 408 066)
	<u>-</u>	<u>44 493 304</u>
Deferred tax expense from lease contract	(3 143 408)	(2 024 913)
	<u>(3 143 408)</u>	<u>(46 518 217)</u>

13-1 Reconciliation of effective tax rate

	2023	2022
Net (Loss) / Profit for the year before income tax	<u>(953 347)</u>	<u>408 645 831</u>
Income tax using the Company's domestic tax rate (22.5%)	(214 503)	91 945 312
Non -deductible expenses	188 701	1 202 876
Dividends exempted by tax	-	(81 172 607)
Other adjustments	-	(3 647 200)
Dividend tax (10%)	-	40 085 238
Taxable depreciation diff and lease	25 802	2 024 913
Income tax for previous year	3 143 408	(3 920 315)
Income Tax	<u>3 143 408</u>	<u>46 518 217</u>
Effective tax rate	<u>-</u>	<u>11.38%</u>

Notes to the separate financial position for the financial year ended 31 December 2023**13-2 Deferred tax liabilities****A- Deferred tax assets and liability arising from lease contract**

	<u>31/12/2023</u>	<u>31/12/2022</u>
	<u>L.E</u>	<u>L.E</u>
Deferred tax liabilities	(1 548 024)	(2 846 368)
Deferred tax liabilities	(8 257 216)	(4 761 510)
Net Deferred tax liability	(9 805 240)	(7 607 878)

Deferred tax liability and assets

Fixed Assets	(5 801 383)	(4 855 337)
Total deferred tax liability	(15 606 623)	(12 463 215)

Deferred tax movement

	Balance as of 1/1/2023	Deferred tax (expense) for the financial year ended 31/12/2023	Balance as of 31/12/2023
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Total Deferred tax liability	12 463 215	3 143 408	15 606 623

14- Tax status.**14-1 Corporation tax**

The corporate tax due from the Company is an annual tax according to income tax law No. 91 for the year 2005 and the tax paid according to the result of the company performance yearly.

The period from the beginning of operation till year 2018

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

Year 2019 till 2022

The Company submitted the annual tax return in the due date and did not request for inspection.

14-2 Payroll tax**The period from the beginning of operation till year 2022**

The tax inspection is performed, and all tax inspection were paid.

Year 2023

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

14-3 Stamp tax**The period from the beginning of operation till 2020**

The tax inspection performed, and differences settled.

Year 2021 till 2023

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

14-4 Sales tax / Value added tax**From 2013 to 2015**

The tax inspection is 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 be applied as of the day following its issuance date on 7 September 2016. The company supplies the tax and submits the returns on legal dates.

Notes to the separate financial position for the financial year ended 31 December 2023**From 2016 to 2020**

The tax inspection is performed, and all tax inspection were paid.

Year 2021 to 2023

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

14-5 Withholding tax

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

15- Debtors and Other debit balances

	31/12/2023	31/12/2022
	L.E	L.E
Suppliers – advance payments	574 781	254 336
Prepaid expenses	3 283 503	3 747 737
Letter of guarantees margin	25 398	25 398
Deposits with others	432 125	239 397
Other debtors with the government	1 367 244	1 367 244
Other debit balances	153 472	286 633
	<u>5 836 523</u>	<u>5 920 745</u>
Less: Impairment in other debit balances	(197 870)	(197 870)
	<u>5 638 653</u>	<u>5 722 875</u>

16- Cash at banks and on hand

	31/12/2023	31/12/2022
	L.E	L.E
Banks – current accounts	2 915 446	1 083 612
Cash on hand	218 025	277 688
	<u>3 133 471</u>	<u>1 361 300</u>

17-Capital**Authorized capital**

The Company's authorized capital amounts to L.E 5 billion.

Issued and paid-up capital

The Company's issued and fully paid-up capital was amounted to L.E 941 405 082 (Nine hundred forty-one million and four hundred five thousand and eighty-two) divided into 941 405 082 (Nine hundred forty-one million and four hundred five thousand and eighty-two) shares at par value L.E 1 each.

Notes to the separate financial position for the financial year ended 31 December 2023

	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%

17-1 General reserve - issuance premium

The balance of general reserve – issuance premium as follows: -

Collected from issuance premium of 205 972 632 shares during the year 2010	999 379 210
<u>Less:</u>	
i.Nominal value of issued shares with a premium	205 972 632
ii.Issuance fees	38 507 164
iii.Legal reserve formed to reach 50 % of paid up capital	350 398 732
iv.Difference between the nominal value and the cost of own shares cancelled on 5/2/2012.	73 580 254
General reserve balance	330 920 429

18- Basic/ Diluted (Loss) Earnings per share

The Company presents basic / diluted earnings per share (EPS) data for its ordinary shares. Basic/diluted EPS is calculated by dividing the profit 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 :

	2023	2022
	L.E	L.E
Net (Loss) /profit for the period according to profit or loss statement	(4 096 755)	362 127 614
Less:		
Employees share (Estimated/Actual)	-	(36 212 761)
Board of directors (Estimated/Actual)	-	(5 000 000)
Net payable to shareholders	(4 096 755)	320 914 853
Weighted average to number of shares	941 405 082	941 405 082
Basic/Diluted EPS (L.E/Share)	(0.004)	0.34

Notes to the separate financial position for the financial year ended 31 December 2023**19-Provision**

Description	Balance on 1/1/2023 L.E	Provision formed L.E	Provision used L.E	Balance on 31/12/2023 L.E
Provision for claims	<u>526 346</u>	<u>838 669</u>	<u>(1 163 685)</u>	<u>201 330</u>

* 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.

20- Suppliers and other credit balances

	31/12/2023 L.E	31/12/2022 L.E
Suppliers	12 055 805	5 256 557
Accrued expenses	17 459 033	7 806 737
Taxes- Tax authority	4 369 980	2 226 432
Dividends payable	13 984	13 969
Accrued health insurance	10 075	10 482
Social Insurance Authority	328 788	284 812
Other credit balances	579 848	608 903
	<u>34 817 513</u>	<u>16 207 892</u>

21- 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.

Notes to the separate financial position 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

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:

	Carrying amount	
	<u>31/12/2023</u>	<u>31/12/2022</u>
	<u>L.E</u>	<u>L.E</u>
Debtors and other debit balances	5 638 653	5 722 875
Due from related parties	371 001 375	565 187 191

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 sufficient 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 is keeping the following credit process:

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements

	Carrying amount	
	<u>31/12/2023</u>	<u>31/12/2022</u>
	<u>L.E</u>	<u>L.E</u>
Suppliers and other credit balances	34 817 513	16 207 892
lease contract liabilities	41 693 835	57 230 307

The contractual lease value and its life payments information refer to note. 22. The payments during this year amounted approx.to L.E 21 million and the lease interest amounted approx. to L.E 9 million.

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 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 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

Notes to the separate financial position for the financial year ended 31 December 2023**Foreign currency risk****Exposure to currency risk**

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

	USD	EURO
Creditors	(800)	-
Cash at banks and on hand	4 486	1 427
31 December 2023	3 686	1 427
31 December 2022	8 445	1 427

The following significant exchange rates applied during the year: The following significant exchange rates applied during the year:

	Average rate		Actual closing Rate	
	<u>31/12/2023</u>	<u>31/12/2022</u>	<u>31/12/2023</u>	<u>31/12/2022</u>
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 equity and 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.

31 December 2023	
10% Effect	
USD	11 408
Euro	4 876

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	197 711	(197 711)

31 December 2022

Financial instruments that carry a variable interest rate

-

Capital management.

Total liabilities

The Board's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. Total equity consists of paid-up capital and retained earnings and reserves. The Board of Directors monitors the return on capital, as well as the level of dividends to shareholders.

Notes to the separate financial position for the financial year ended 31 December 2023

	<u>31/12/2023</u>	<u>31/12/2022</u>
	<u>L.E</u>	<u>L.E</u>
Total liabilities	113 504 807	91 359 199
Less: cash at banks and on hand	(3 133 471)	(1 361 300)
Net debt	110 371 336	89 997 899
Total equity	2 736 127 821	2 922 648 098
Net debt to equity ratio	% 4.3	% 3.1

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

22- Financial lease contracts**Lease contracts (Sale and lease back)**

On 23/3/2016 the Company signed a contract with regard to a sale & lease back for a land (including the building built thereon), for 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	Lease value		Lease period Months	Purchase	Quarterly
	Contractual value L.E	Accrued interest L.E		value at end	lease value
				of contract L.E	rounded L.E
Contract from 24/3/2016 to 25/12/2025	125 000 000	119 813 200	120	1	6 179 374

- The company made an agreement with Tiba For Trading and Distribution Company -Subsidiary company- with a percentage of 99,9% for leasing the administrative building of the subsidiary company with a monthly rental value with a total amount of L.E 2 640 000 during the financial year ended 31 Dec 2023 (An amount of L.E 2 640 000 during the period ended 31 December 2022).
- The finance interests of the lease contract amounted to L.E 9 305 314 during the financial period ended 31 December 2023.

22-1 Loan (arising from lease contract)

	<u>31/12/2023</u>	<u>31/12/2022</u>
	<u>L.E</u>	<u>L.E</u>
Liabilities from lease contract (current portion)	18 745 443	15 875 352
Long-term liability from lease contract (non-current portion)	22 948 392	41 354 955
Total	41 693 835	57 230 307

Notes to the separate financial position for the financial year ended 31 December 2023**Payment of lease contracts liabilities are as follows:**

	Loan principal		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 more than 1 year	22 948 392	41 354 955	1 769 103	6 549 757

23- Related party transactions

The related parties are represented in the Company's shareholders, key management and companies in which they own directly or indirectly shares giving them significant influence or control.

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

23-1 Board of directors allowances

	31/12/2023	31/12/2022
	L.E	L.E
Board of directors allowances	90 000	825 000

*Classified with general and administrative expenses (Note 7).

23-2 Due from related parties

	Nature of transaction	Total value of transactions 31/12/2023	Balance as of		
			31/12/2022	31/12/2023	31/12/2022
			L.E	L.E	L.E
Tiba For Trading and Distribution	Collections	44 319 594	(71 179 428)	120 460 837	46 562 842
	Dividends	-	77 322 600		
	Leases Assets				
	Dividends	2 640 000	2 640 000		
	Collection	-	-		
	Expense distribution	26 938 401	18 617 888		
International Company for Modern Food Industries	Collections/Current	(16 575 350)	5 428 155	-	51 907 116
	Dividends	-	66 143 385		
	Dividend Collection	(55 344 465)	(97 190 280)		
	Expense distribution	19 382 560	12 534 962		

Notes to the separate financial position for the financial year ended 31 December 2023

El Marwa For Food Industries	Current/collection	(39 820 949)	32 375 160	-	81 384 910
	Dividends	(56 169 484)	(9 723 661)		
	Expense distribution	13 821 255	5 139 644		
	Dividend		116 978 472		
EGY Food	Dividend's Collection	(103 480 956) (29 190 413)	(180 866 714) (12 357 211)	905 237	102 977 097
	Collections/current	30 599 509	20 498 407		
	Expense distribution				
	Current/collections	(26 531)	(37 931)	30 641	57 172
Enmaa For Agricultural Reclamation					
Enmaa For Agriculture Development and Biological Wealth	Current/collections	17 250 641	419 797	244 110 009	226 859 368
Egyptian Company for Dairy Products	Collections	(82 484 653)	(37 815 433)	3 673 183	46 056 023
	Dividends	-	78 742 125		
	Dividends collections	(38 246 175)	(131 386 860)		
	Expense distribution	78 347 988	49 917 159		
Enmaa For Livestock	Current	(9 772 574)	598 919	9 09 1	9 781 665
Arju for food industries	Current	1 902 133	498 112	2 403 208	501 075
Total				371 592 206	566 087 269
ECL from related parties				(590 831)	(900 078)
Net				371 001 375	565 187 191

Notes to the separate financial position for the financial year ended 31 December 2023**23-3 Due to related parties**

Nature of transaction		Total value of transactions	Total value of transactions	Balance as of	Balance as of
		31/12/2023	2022/12/31	31/12/2023	31/12/2022
		L.E	L.E	L.E	L.E
El Marwa for Food Industries	Current/collection Dividends	784 268		784 268	-
	Expense distribution				-
International Company for Modern Food Industries	Collections/Current	630 139		630 139	
Net				1 414 407	-

24- Overdraft facility

The outstanding balance amounted to 19 771 099 EGP represents the outstanding balance for the overdraft facility from HSBC for working capital requirement including overheads, taxes and utilities expenses amounted to EGP 20 million with interest rate equal 20% (the corridor rate +0.75%) for promissory note.

25 Distribution of the holding companies' expenses

According to the Board of Director meeting No. 276 held on May 24, 2022, the Company will distribute its expenses to the following companies (The Egyptian Dairy Products, the Egyptian Food Industries "Egy food", the International Food Industries, Tiba, Al-Marwa Food Industries) according to the percentage of each Company's contribution in the consolidated revenues.

26 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
Egyptian Accounting Standard No. (10) amended 2023 "Fixed Assets" and Egyptian Accounting Standard No. (23) amended 2023 "Intangible Assets".	1- These standards were reissued in 2023, allowing the use of revaluation model when subsequent measurement of fixed assets and intangible assets. - 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: - Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors".	The change doesn't have an impact on the financial statement of the Company.	The amendments of adding the option to use the revaluation model are effective for financial periods starting on or after January 1, 2023, retrospectively , cumulative impact of the preliminary applying of the revaluation model shall be added to

Notes to the separate financial position 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
	<ul style="list-style-type: none"> - 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 under paragraph 28(f) of Egyptian Accounting Standard No. (5) should be disclosed for each comparative period presented.</p> <ul style="list-style-type: none"> - 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>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,</u> <u>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 Company applies this treatment for the first time.</p>

Notes to the separate financial position 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>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 <u>on or after January 1, 2023, retrospectively</u>, 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 Standard No. (36) amended 2023 "Exploration for and Evaluation of Mineral Resources"</p>	<p>1- This standard was reissued in 2023, allowing the use of revaluation model 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 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 consistent with the classification of assets in accordance with paragraph No. (15) of Egyptian Accounting Standard No. (36) amended 2023.</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>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>

Notes to the separate financial position 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>Egyptian Accounting Standard No. (35) amended 2023 "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</u> <u>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 Company applies this treatment for the first time.</p>

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
<p>Egyptian Accounting Standard No. (50) "Insurance Contracts".</p>	<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>The Company is currently assessing the impact of applying this new standard on its financial statements.</p>	<p>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</p>

Notes to the separate financial position for the financial year ended 31 December 2023

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
	<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 Egyptian Accounting Standard No. (50) "Insurance Contracts", as follows:</p> <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". 		should disclose that fact.
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)	Egyptian Accounting Standard No. (17) "Separate Financial Statements" was reissued in 2024, adding the option to use the equity	Management is currently studying the possibility of changing the accounting	The amendments shall apply to financial periods

Notes to the separate financial position for the financial year ended 31 December 2023

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
amended 2024 "Separate Financial Statements"	method as described in Egyptian Accounting Standard No. (18) "Investments in Sister Companies" when accounting for investments in associates, sister companies and jointly controlled companies.	policy followed and instead use the equity method to account for investments in subsidiaries, associated companies and jointly controlled companies, and assessing the potential impact on the financial statements if this method has been used.	commencing on or after January 1, 2024 with early adaption allowed 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:

Notes to the separate financial position for the financial year ended 31 December 2023

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 the date of initial application.
Accounting Interpretation No. (2) "Carbon	Carbon Credits Certificates: Are financial instruments subject to trading that represent units for reducing greenhouse gas emissions. Each unit represents one ton of equivalent	The management is currently studying the financial implications of	The application starts on or after the first of January

Notes to the separate financial position for the financial year ended 31 December 2023

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
Reduction Certificates"	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".	applying the accounting interpretation to the Company's financial statements.	2025, early adaption is allowed.

27 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 had limited impact on the company.
- 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.

Appendix (1)

Juhayna Food Industries

Translation from Arabic

(An Egyptian Joint Stock Company)

Proposed appropriation statement

For the financial year ended 31 December 2023

	31/12/2023	31/12/2022
	L.E.	L.E.
Net profit for the year	(4 096 755)	362 127 614
Retained earnings	997 196 525	817 492 433
Distributable profits	993 099 770	1179 620 047
To be appropriated as follows		
Legal reserve	-	-
Employees' profit share	-	36 212 761
Shareholders' first trench Dividends	47 070 254	47 070 254
Board remuneration	8 000 000	5 000 000
Shareholders 'second trench dividends	141 210 762	94 140 508
Retained earnings	796 818 754	997 196 523
	993 099 770	1179 620 047