

Translation from Arabic

**Juhayna Food Industries
(An Egyptian Joint Stock Company)
Consolidated interim financial statements
For the financial period ended
31 March 2024
And Review report**

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

For the financial period ended 31 March 2024

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Hazem Hassan

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Translation from Arabic

Report on Review of Consolidated Interim Financial Statements To the Board of Directors of Juhayna Food Industries S.A.E

Introduction

We have performed a limited review for the accompanying consolidated Interim statement of financial position of Juhayna Food Industries “An Egyptian Joint Stock Company”, as at 31 March 2024 and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the three month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our limited review.

Scope of Limited Review

We conducted our review in accordance with Egyptian Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A Limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the Company and applying analytical and other limited review procedures. A review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these consolidated interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not present fairly in all material respects, the consolidated financial position of the company as at 31 March 2024 and of its consolidated financial performance and its consolidated cash flows for the three month period then ended in accordance with Egyptian Accounting Standards.

Emphasis of a matter

We draw attention to Note [17] to the consolidated interim financial statements, 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 till 2014.

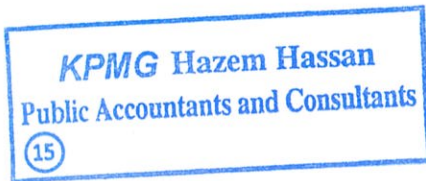


Hazem Hassan

The group has made an assessment, following legal and tax advice that it is more likely than not that it will be successful in defending its right in the lawsuit brought against the tax department appeal committee decision. Therefore, the group 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 a 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 conclusion is not modified in respect of this matter.

Samy Abdelhafez Ahmed Ibrahim
Financial Regulatory Authority Register No. (377)
KPMG Hazem Hassan

Cairo, 2 June 2024



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

Translated from Arabic

	Note No.	3/31/2024	31/12/2023
		L.E	L.E
Assets			
Non-current assets			
Property, plant and equipment	(13)	3 118 569 353	3 077 685 183
Projects under construction	(14)	490 292 143	299 334 840
Biological assets	(15) - (16)	320 707 079	305 114 220
Equity accounted investees	(12)	15 471 005	15 670 070
Right of use assets	(29-2)	83 859 734	38 966 498
Goodwill	(33)	97 092 890	97 092 890
Deferred tax assets	(26-1)	27 119 952	-
Other long term asset		705 261	707 329
Non-current assets		4 153 817 417	3 834 571 030
Current assets			
Biological assets		35 389 223	29 465 780
Inventories	(18)	3 186 487 864	2 783 515 178
Trade and other receivables	(19)	1 906 303 394	834 918 362
Due from related party	(32 -1)	7 288 889	2 760 164
Cash and cash equivalents	(20)	786 297 304	1 093 526 328
PPE held for sale		1 576 957	1 610 291
Current assets		5 923 343 631	4 745 796 103
Total assets		10 077 161 048	8 580 367 133
Equity			
Issued and paid up capital	(21)	941 405 082	941 405 082
Legal reserve		794 531 918	742 112 963
General reserve - issuance premium	(21-1)	330 920 428	330 920 428
Retained earnings		2 300 456 664	2 233 885 644
Total equity attributable to owners of the company		4 367 314 092	4 248 324 117
Non-controlling interest		1 856 168	1 444 468
Total equity		4 369 170 260	4 249 768 585
Non-current liabilities			
Loans	(22)	81 228 442	90 395 408
Lease contract liabilities	(29-1)	94 470 720	53 847 845
Deferred tax liabilities	(26-1)	362 726 736	321 767 403
Deferred income	(35)	4 857 455	6 023 113
Non-current liabilities		543 283 353	472 033 769
Current liabilities			
Provisions	(24)	178 915 345	183 529 210
Bank credit facilities	(23)	1 877 566 307	1 096 229 656
Creditors and other credit balances	(25)	2 604 448 720	2 261 080 629
Due to related parties	(32 -2)	-	17 871 750
Income tax liabilities		404 067 114	177 047 207
Lease contracts liabilities	(29-1)	53 685 289	57 958 125
Loans	(22)	39 538 209	57 204 336
Deferred income	(35)	6 486 451	7 643 866
Current liabilities		5 164 707 435	3 858 564 779
Total liabilities		5 707 990 788	4 330 598 548
Total equity and total liabilities		10 077 161 048	8 580 367 133

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

Associate Chief Financial Officer
Osama Eltaweel

Finance Director
Hany Shaker

Chairman
Ahmed Elwakil

Limited Review Report "attached"

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Consolidated statement of profit or loss
For the financial period ended 31 March 2024

Translated from Arabic

	Note No.	Financial period From 1/1/2024 To 31/3/2024 L.E.	Financial period From 1/1/2023 To 31/3/2023 L.E.
Net sales	(11 -1)	5 758 301 967	3 423 285 226
Cost of sales	(5)	(3 553 685 147)	(2 405 946 442)
Gross profit		2 204 616 820	1 017 338 784
Other operating income	(6)	100 060 968	47 103 303
Selling and Marketing expenses	(7)	(797 051 357)	(434 240 637)
General and administrative expenses	(8)	(140 023 959)	(91 555 064)
Impairment loss of trade and other receivables /(Reverse)		(818 822)	(203 045)
Other expenses	(9)	(53 700 839)	(39 721 427)
Results from operating activities		1 313 082 811	498 721 914
Share of (Loss) /profit of Equity accounted investees,net of tax		(199 065)	257 720
Net finance (cost)	(10)	(76 024 403)	(74 831 645)
Loss on investment at FV through profit or loss		(522 059 902)	-
Net profit for the period before income tax		714 799 441	424 147 989
Income tax expense	(26-2)	(236 054 471)	(84 733 617)
Net profit for the period after tax		478 744 970	339 414 372
Distributed as follows			
Owners of the company		478 333 270	339 217 994
Non-controlling interests		411 700	196 378
		478 744 970	339 414 372
Earning per share for the period (L.E /share)	(34)	0.51	0.36

The notes from No.(1) to No.(38) 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 period ended 31 March 2024

	Note No.	Financial period From 1/1/2024 To 31/3/2024	Financial period From 1/1/2023 To 31/3/2023
		L.E.	L.E.
Net profit for the period after tax		478 744 970	339 414 372
Foreign exchange / (Loss) of the tax		(359 343 295)	-
Transferred to retained earnings	(37)	359 343 295	-
Total other comprehensive income		478 744 970	339 414 372
Distributed as follows			
Parent owners of the company		478 333 270	339 217 994
Non-controlling interests		411 700	196 378
		478 744 970	339 414 372

The notes from No.(1) to No.(38) 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 period ended 31 March 2024

	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 2023	941 405 082	719 145 789	330 920 428	1 418 366 450	894 422	3 410 732 171
Total other comprehensive income for the period ended 31 March 2023	-	-	-	339 217 994	196 378	339 414 372
<u>Transaction with owners of the company</u>						
Holding Company's share in reserves of subsidiaries	-	22 861 193	-	(22 861 193)	(274)	(274)
Balance as at 31 March 2023	941 405 082	742 006 982	330 920 428	1 734 723 251	1 090 526	3 750 146 269
Balance as at 1 January 2024	941 405 082	742 112 963	330 920 428	2 233 885 644	1 444 468	4 249 768 585
Total other comprehensive income for the period ended 31 March 2024	-	-	-	118 989 975	411 700	119 401 675
<u>Transaction with owners of the company</u>						
Holding Company's share in reserves of subsidiaries	-	52 418 955	-	(52 418 955)	-	-
Balance as at 31 March 2024	941 405 082	794 531 918	330 920 428	2 300 456 664	1 856 168	4 369 170 260

The notes from No.(1) to No.(38) are an integral part of these consolidated financial statements and should be read there to.

	Note No.	2024/03/31 L.E.	2023/03/31 L.E.
Cash flows from operating activities			
Net profit for the year before income tax and minority interest share in profits		714 799 441	424 147 989
Adjustments for:			
PPE depreciation	(13)	77 797 972	72 195 402
Capital (gain)	(6)	(588 338)	
Amortization of asset right of use (lands)			2 068
Amortization of Biological Wealth	(14-1)	8 274 798	7 924 782
Amortization of plant wealth (productive)		493 227	338 412
Cost of drying period		35 234 769	16 300
Capitalized animal wealth		(3 104 200)	(22 698 884)
Share of loss/profit equity accounted investees	(12)		(257 720)
Amortization of right of use	(29)	3 549 147	3 452 236
Lease liabilities interest	(29)	1 758 272	979 969
Biological wealth due to newborn		(7 336 200)	(4 963 800)
Gain (Loss) from selling of animal wealth	(16)	12 454 294	1 904 766
Investment Loss		522 059 902	-
Foreign currencies exchange differences	(10)		27 500 005
Interest income	(10)	(10 536 340)	(3 573 141)
Finance interests & expenses	(10)	86 560 743	49 924 812
		<u>1 441 417 487</u>	<u>556 893 196</u>
Changes in:			
Inventories	(18)	(402 972 686)	(636 693 405)
Biological assets- Existing Agriculture		(5 923 443)	1 965 949
Biological assets- calves			
Trade and other receivables	(19)	(1 071 385 031)	(241 623 726)
Due from related parties	(32-1)	(22 400 475)	(2 048)
Creditors & other credit balances	(24)	281 327 523	668 208 848
Provisions		(4 613 864)	(5 220 770)
Net cash flows from operating activities		<u>215 449 511</u>	<u>343 528 044</u>
Dividends paid to employees			
Income tax paid		(16 525 005)	(1 028 138)
		<u>198 924 506</u>	<u>342 499 906</u>
Cash flows from investing activities			
Acquisition of PPE & projects under construction	(13-14)	(309 114 417)	(79 704 936)
Held for sale		33 334	
Herd plant		236 540	892 592
Proceeds from sale of PPE			(1 768 787)
Proceeds from plant wealth unproductive	(15-16)	524 150	1 869 532
Payment to plant wealth unproductive		15 297 837	10 301 415
Payments to invest in biological assets		(13 236 487)	(14 531 059)
Proceeds from credit interests		10 536 340	3 573 141
Proceeds from the compensation of calves death		4 674 336	1 300 361
Paid for investment at F.V through P/L		(843 171 021)	-
Proceeds from investment at F.V through P/L		321 111 119	-
Net cash flows (used in) investing activities		<u>(813 108 269)</u>	<u>(78 067 742)</u>
Cash flows from financing activities			
Proceeds from credit facilities	(23)	781 336 651	(77 895 769)
(Payments for) financial lease contract liabilities	(29)	(13 850 616)	(8 535 490)
Proceeds from bank loans			-
(Payments for) bank loans	(22)	(29 156 166)	(13 053 000)
Finance interests & expenses paid		(86 560 743)	(49 924 812)
Dividends paid to shareholders			
Net cash flows from (used in) financing activities		<u>651 769 126</u>	<u>(149 409 071)</u>
Change in cash & cash equivalents during the period		<u>37 585 363</u>	<u>115 023 094</u>
The effect of foreign exchange difference		<u>(344 814 387)</u>	<u>(27 500 005)</u>
Cash & cash equivalents at 1 January		<u>1093 526 328</u>	<u>294 504 052</u>
Cash & cash equivalents at 31 March	(20)	<u><u>786 297 304</u></u>	<u><u>382 027 141</u></u>

The notes from No.(1) to No.(38) 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 March 2024

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 30 May 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 period ended 31 March 2024

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 period ended 31 March 2024

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 period ended 31 March 2024

- **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 period ended 31 March 2024

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 period ended 31 March 2024

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.

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

Notes to the consolidated financial statements for the financial period ended 31 March 2024

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

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Notes to the consolidated financial statements for the financial period ended 31 March 2024

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

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Notes to the consolidated financial statements for the financial period ended 31 March 2024

instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is 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 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.

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

Notes to the consolidated financial statements for the financial period ended 31 March 2024

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.

Export subsidy revenue

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

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

Notes to the consolidated financial statements for the financial period ended 31 March 2024

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. 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.

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

Notes to the consolidated financial statements for the financial period ended 31 March 2024

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 reliable, 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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Notes to the consolidated financial statements for the financial period ended 31 March 2024

5 Cost of sales

	Financial period From 1/1/2024 To 31/03/2024	Financial period From 1/1/2023 To 31/03/2023
	L.E	L.E
Changes of FG	489 263 411	331 296 933
RM, EP and others	3 009 258 354	2 002 115 694
Depreciation	55 163 382	72 533 815
	<u>3 553 685 147</u>	<u>2 405 946 442</u>

6 Other operating income

	Financial period From 1/1/2024 To 31/03/2024	Financial period From 1/1/2023 To 31/03/2023
	L.E	L.E
Export subsidy revenue	71 746 879	36 898 721
Capital gain	159 999	24 600
Increase in biological assets due to newborn	7 336 200	4 963 800
Gain from fixed assets sale	1 171 670	-
Income from the sale of scrap and waste	3 919 380	3 463 031
Fixed assets write-down	428 339	-
Provisions no longer required	3 407 056	-
Government grant income	2 323 073	-
Other income	9 568 372	1 753 151
	<u>100 060 968</u>	<u>47 103 303</u>

7 Selling and marketing expenses

	Financial period From 1/1/2024 To 31/03/2024	Financial period From 1/1/2023 To 31/03/2023
	L.E	L.E
Advertising expenses	464 348 262	209 119 778
Salaries and wages	137 049 838	95 638 176
Cost of replaced items	48 453 913	30 317 414
Depreciation	16 672 792	15 338 318
Vehicles expenses	45 798 959	33 071 530
Shipping & export expenses	33 931 738	18 291 326
Rent	2 816 001	3 089 339
Temporary labor contractors	2 986 347	8 368 026
Others	44 993 507	21 006 730
	<u>797 051 357</u>	<u>434 240 637</u>

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Notes to the consolidated financial statements for the financial period ended 31 March 2024

8 General and administrative expenses

	Financial period From 1/1/2024 To 31/03/2024 L.E	Financial period From 1/1/2023 To 31/03/2023 L.E
Salaries and wages	53 936 494	35 194 523
Depreciation expense	5 468 570	4 239 605
Rent expense	4 702 891	3 829 705
Subscription fees and licenses	22 335 952	11 210 109
Repair and maintenance expenses	3 618 035	3 700 735
End of service expenses	22 578 029	16 618 846
BOD Allowances and bonus (32-3)	630 000	770 000
Other administrative expenses	26 753 988	15 991 541
	<u>140 023 959</u>	<u>91 555 064</u>

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

Notes to the consolidated financial statements for the financial period ended 31 March 2024

9 Other expenses

	Financial period From 1/1/2024 To 31/03/2024 L.E	Financial period From 1/1/2023 To 31/03/2023 L.E
Donations	4 127 136	511 838
Real estate tax	92 447	833 150
Custom Claims	1 819 482	10 320 400
Health insurance	27 327 219	16 291 182
Cost of drying period	12 454 294	6 556 115
Impairment of fixed assets	-	2 064 146
Inventory write-off	3 332 058	-
Others	4 548 203	3 144 596
	<u>53 700 839</u>	<u>39 721 427</u>

10 Net finance cost

	Financial period From 1/1/2024 To 31/03/2024 L.E	Financial period From 1/1/2023 To 31/03/2023 L.E
Interest expense	(86 560 743)	(50 904 781)
Interest income	10 536 340	3 573 141
(loss) from foreign currency exchange	-	(27 500 005)
	<u>(76 024 403)</u>	<u>(74 831 645)</u>

Juhayna Food Industries

Notes to the consolidated financial statements for the financial year ended 31 March 2024

Translation from Arabic

11 Segmentation reports

11-1 Segmentation reports for the financial year ended 31 March 2024

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 31/3/2024	Total L.E 31/3/2024
	Dairy sector L.E 31/3/2024	Concentrates & Juices sector L.E 31/3/2024	Other items L.E 31/3/2024			
Net Sales	2 561 027 665	3 180 240 541	17 033 761	-	-	5 758 301 967
Sales between segments	2 729 106 854	2 116 381 396	276 196 268	(5 121 684 518)	-	-
COGS, SG&A	(1 921 337 693)	(2 605 706 543)	(18 235 888)	-	(4 545 280 123)	(4 545 280 123)
Other operating income	15 967 797	84 081 189	11 981	-	100 060 968	100 060 968
Finance and investment expenses					(598 283 370)	(598 283 370)
Net profit before tax					714 799 442	714 799 442
Taxes					(236 054 471)	(236 054 471)
					478 744 970	478 744 970
Other Information						
Depreciation	28 286 278	41 651 730	7 366 735	-	77 304 744	77 304 744
Assets	4 147 556 346	5 543 249 644	386 355 058	-	10 077 161 048	10 077 161 048
Liabilities	2 394 521 718	3 302 436 775	11 032 295	-	5 707 990 788	5 707 990 788

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

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Notes to the consolidated financial statements for the financial year ended 31 March 2024

Translation from Arabic

11 Segmentation reports

11-1 Segmentation reports for the financial year ended 31 March 2023

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The primary report for activity segmentations:

Revenues and expenses according to activity segmentat as follows:

	Activity Segments				Elimination of consolidated transactions L.E 31/3/2023	Total L.E 31/3/2023
	Dairy sector L.E 31/3/2023	Concentrates & Juices sector L.E 31/3/2023	Other items L.E 31/3/2023			
Net Sales	1 771 055 556	1 571 104 389	81 125 281			3 423 285 226
Sales between segments	1 825 535 842	1 142 752 138	207 108 170	(3 175 396 150)		-
COGS, SG&A	(1 588 093 330)	(1 322 449 521)	(61 123 763)			(2 971 666 614)
Other operating income	8 785 420	38 585 448	(9 845)	-		47 361 023
Finance and investment expenses						(74 831 645)
Net profit before tax						424 147 990
Taxes						(84 733 617)
						339 414 373
Other Information						
Depreciation	23 812 121	41 043 819	7 677 874	-		72 533 814
Assets	2 872 775 701	4 091 159 869	384 154 348	-		7 348 089 919
Liabilities	1 550 622 930	2 017 220 822	30 099 898	-		3 597 943 650

* 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 period ended 31 March 2024

12 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		
Arju Company For food Industrial*	50.75% *	19 738 176		19 738 176		4 267 171		4 267 171		15 471 005
Balance as of 31 March 2024		19 738 176		19 738 176		4 267 171		4 267 171		15 471 005
Arju Company For food Industrial*	50.75%	18 907 370		18 907 370		3 237 300		3 237 300		15 670 070
Balance as at 31 December 2023		18 907 370		18 907 370		3 237 300		3 237 300		15 670 070

Equity accounting investees movement

Opening balance	15 670 070
Loss for the period	(199 065)
Ending balance	15 471 005

* 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 March 2024

Translation from Arabic

13 Property, plant and equipment

Description	Land		Buildings & Constructions		Machinery & Equipment		Transportation & transport vehicles		Tools		Empty plastic containers & Pallets		Display refills		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.	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	1,655,589,537	2,755,993,080	3,604,426,176	180,721,288	83,758,973	96,360,059	39,789,600	57,412,394	157,124,675	5570,676,584											
Cost as at 1/1/2023	-	12,932,123	249,372,659	72,541,448	23,128,828	17,058,520	-	-	1,232,930	13,251,669	389,518,176											
Additions of the year	-	(1,566,632)	(61,176,632)	(292,000)	(9,626,084)	(13,224,253)	(816,994)	(50,616)	(2,045,633)	(91,743)	(87,480,587)											
Disposals of the year	183,500,802	1,648,365,028	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											
Cost as of 31/12/2023	-	17,070,530	47,703,955	22,649,609	5,267,965	18,636,241	(22,278)	-	417,459	6,411,855	118,157,114											
Additions during the year	-	1,685,435,558	2,991,472,283	455,325,233	199,448,647	106,229,481	95,570,787	39,738,984	57,017,150	176,667,147	5,990,356,072											
Disposals during the year	183,500,802	-	-	-	-	-	-	-	-	-	(515,215)	-	-	-	-	-	-	-	-	-	-	-
Cost as of 31/3/2024	-	3,181,102,137	15,714,445,407	216,733,348	113,734,090	55,828,268	82,971,482	14,257,369	28,006,191	141,629,327	2542,707,519											
Accumulated depreciation as at 1/1/2023	-	41,260,379	170,418,579	29,150,282	14,077,105	13,984,473	4,202,704	1,489,634	4,634,112	10,090,137	289,525,405											
Depreciation of the year	-	(107,059)	(32,692,003)	(232,000)	(9,659,919)	(13,089,905)	(816,994)	-	(2,038,076)	(91,743)	(58,787,699)											
Accumulated depreciation of disposals of the year	-	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	151,627,721	2,773,445,225											
Depreciation of the year	-	9,856,682	45,389,008	8,527,786	3,890,065	3,836,645	1,050,676	372,409	1,146,699	3,234,776	77,304,744											
Accumulated depreciation of disposals of the year	-	43,630	5,631,081	-	(42,850)	-	(22,278)	-	-	(29,309)	5,800,274											
Accumulated depreciation as of 31/3/2024	-	3,691,647,669	17,603,927,072	254,128,416	121,998,491	60,559,481	87,385,500	16,119,312	31,748,926	154,833,188	2856,320,244											
Fixed assets impairment as of 31/3/2024	10,354,591	4,204,889	667,067	-	-	-	-	229,929	-	-	15,456,475											
Net book value as of 31/3/2024	193,855,393	1,320,475,678	1,231,747,278	201,196,818	77,450,155	45,670,001	8,135,197	23,849,601	25,268,224	21,833,959	3,118,569,353											
Impairment of fixed assets 31/12/2023	10,354,591	4,407,390	6,591,855	-	-	-	-	229,929	-	-	21,833,959											
Net book value as of 31/12/2023	173,146,211	1,304,693,181	1,228,225,268	187,074,994	76,072,756	30,870,404	9,185,873	23,762,152	25,997,464	18,656,880	3,077,885,183											

The depreciation expense for the year distributed as follows:

Cost of sales	55,163,382
Selling and Marketing expenses	16,672,782
General and administrative	5,468,570
	<u>77,304,734</u>

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

Notes to the consolidated financial statements for the financial period ended 31 March 2024

14 Projects under construction

	Nature	% of completion	Timeline	31/3/2024 L.E	31/12/2023 L.E
Buildings and constructions in progress	Building	50% to 70%	Within one year	8 155 015	70 704 021
Machineries under installation	Machinery	70% to 80%	Within one year	86 772 638	62 679 328
Advance payments for purchase of fixed assets	Advances	70% to 80%	Within one year	343 224 765	109 240 153
Computer software	Software Programs	70% to 80%	Within one year	40 816 905	40 383 015
Transport vehicles under preparation	Transporting fleet cabinet and cooling system	80%	Within one year	11 322 820	16 328 323
				490 292 143	299 334 840

14-1 Movement of projects under construction

	Opening Balance	Additions	Capitalized	Ending Balance
Building	70 704 022	13 604 591	15 570 974	68 737 639
Machinery	62 679 328	14 602 064	40 968 998	36 312 394
Computer Software	40 383 015	433 889	-	40 816 906
Transportation	16 328 323	15 446 656	20 452 157	11 322 820
Downpayment	109 240 152	223 862 232	-	333 102 384
	299 334 840	267 949 432	76 992 129	490 292 143

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

Notes to the consolidated financial statements for the financial period ended 31 March 2024

15 Plant wealth**15-1 Plant wealth - productive**

	31/3/2024	31/12/2023
	L.E	L.E
Cost at the beginning of the period	72 215 496	47 045 779
Additions during the period	301 147	25 169 717
Disposal during the period	(524 150)	-
Cost at end of the period	<u>71 992 493</u>	<u>72 215 496</u>
Less:		
Accumulated depreciation at beginning of the year	(4 461 406)	(3 055 402)
Depreciation during the period	(493 227)	(1 406 004)
Accumulated depreciation at end of the period	<u>(4 954 633)</u>	<u>(4 461 406)</u>
Net	<u><u>67 037 860</u></u>	<u><u>67 754 090</u></u>

15-2 Plant wealth – unproductive

	330 / 150 / 192	Palm project	Total
	Projects acre		
Balance on 01 January 2024	-	512 396	512 396
Additions	-	-	-
Transferred productive plant wealth	-	-	-
Balance at end of the period	<u>-</u>	<u>512 396</u>	<u>512 396</u>

Juhayna Food Industries
Notes to the consolidated financial statements for the financial year ended 31 March 2024

Translated from Arabic

16- Biological assets

	Biological assets (Flock of dairy livestock - productive) L,E		Biological assets (Flock of dairy livestock - unproductive) L,E		Total	
	31/3/2024	31/12/2023	31/3/2024	31/12/2023	L,E	L,E
Amount of flock of livestock at the beginning of the year	203 104 603	104 122 041	307 226 644	261 188 613		
Aadding:						
Transferred from biological assets (Flock of dairy livestock - unproductive)	13 236 487	(13 236 487)	-	-		
* Births of flock	-	3 104 200	3 104 200	11 826 100		
Female	1 329 417	33 905 352	35 234 769	107 414 881		
Capital cost during drying-off	<u>217 670 507</u>	<u>127 895 106</u>	<u>345 565 613</u>	<u>380 429 594</u>		
Biological assets sales	11 344 583	4 446 481	15 791 064	62 117 520		
The death of live stock losses	1 731 596	2 942 740	4 674 336	11 085 430		
Cost of flock of livestock as of the end of the period	<u>13 076 179</u>	<u>7 389 221</u>	<u>20 465 400</u>	<u>73 202 950</u>		
Accumulated depreciation	<u>204 594 328</u>	<u>120 505 884</u>	<u>325 100 213</u>	<u>307 226 644</u>		
Beginning of the period	70 378 909	-	70 378 909	63 716 528		
Depreciation of the period	8 274 798	-	8 274 798	31 854 994		
Accumulated depreciation of disposals of sales case	(5 852 808)	-	(5 852 808)	(22 479 733)		
Accumulated depreciation of disposals of death case	(857 511)	-	(857 511)	(2 712 880)		
Accumulated depreciation as of end period	<u>71 943 388</u>	<u>-</u>	<u>71 943 388</u>	<u>70 378 909</u>		
Net amount of flock of livestock as of period end	<u>132 650 941</u>	<u>120 505 884</u>	<u>253 156 825</u>	<u>236 847 735</u>		

* 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 period ended 31 March 2024

17 Tax status

17-1 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 period ended 31 March 2024

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 period ended 31 March 2024

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. Years 2019/2023 the Company submitted tax return quarterly in the due date.
Former: Modern Concentrates Industrial Company	- Inspection was performed from starting of activity till 2019 and differences settled. Years 2020/2023 not inspected yet.
Tiba for Trading and Distribution	- 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.
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.

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

Notes to the consolidated financial statements for the financial period ended 31 March 2024

	Years 2021/2023 the Company submitted tax return quarterly in the due date.
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
	-From the beginning of activity till 2019 was inspected and settled
Inmaa for Agriculture	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.

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

Notes to the consolidated financial statements for the financial period ended 31 March 2024

Inmaa for livestock - Inspection has been performed and difference settled till 2017.
Years 2018/2023 not inspected yet.

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

18 Inventories

	31/3/2024	31/12/2023
	L.E	L.E
Raw materials	958 596 135	869 035 593
Packaging and packing materials	513 359 565	505 755 185
Finished goods	1 364 629 635	875 366 224
Consumables and miscellaneous supplies	178 250 290	150 608 669
Goods in transit - L/C's for goods purchase	171 652 239	382 749 507
	3 186 487 864	2 783 515 178

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

Notes to the consolidated financial statements for the financial period ended 31 March 2024

19 Trade and other receivables

	31/3/2024	31/12/2023
	L.E	L.E
Trade receivables	1 215 099 391	488 776 350
Less: Expected credit losses	(48 323 684)	(35 186 866)
	1 166 775 707	453 589 484
Note receivables	4 575 710	5 850 036
Suppliers – advance payments	446 263 949	182 402 951
Prepaid expenses	11 005 816	2 959 754
Export subsidy*	207 700 688	135 953 809
Tax Authority	2 019 111	13 098 018
Customs Authority	17 952 491	17 410 276
Deposits with others	29 524 144	19 644 893
Debtors- sales of PP&E	10 464 181	10 664 181
Other debit balances	15 625 902	9 612 445
	1 911 906 699	851 185 847
Less: Impairment in other debit balances	(5 603 305)	(16 267 485)
	1 906 303 394	834 918 362

* The collections occurred during the period ended 31 March 2024 is L.E Zero after deducting bank commissions and governmental fees and L.E 30 012 958 during the year 2023.

20 Cash and cash equivalent

	31/3/2024	31/12/2023
	L.E	L.E
Banks -- current accounts	781 555 750	273 012 000
Cash on hand	4 741 554	2 930 902
Banks - Treasury Bills	-	817 583 426
	786 297 304	1 093 526 328

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

Notes to the consolidated financial statements for the financial period ended 31 March 2024

21 Share capital

	31/3/2024	31/12/2023
	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%

21-1 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	<u>330 920 428</u>	<u>330 920 428</u>

Juhayna Food Industries Company (S.A.E.)
Notes to the consolidated financial statements for the financial period ended 31 March 2024

22 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)	16 363 549	
Attijariwafa Bank	23 174 660	28 960 897	52 135 557
Balance at 31/3/2024	39 538 209	81 228 442	120 766 651
Balance at 31/12/2023	57 204 336	90 395 408	147 599 744

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

22-2 Adjustments on the movement of borrowing to access the net cash (used in) financing activities.

	31/3/2024 <u>EGP</u>	31/12/2023 <u>EGP</u>
Balance of borrowing at the beginning of the year	147 599 744	202 395 962
Withdrawals from Loans	-	77 733 022
Paid from loans	(29 156 165)	(118 862 262)
Deferred income	2 323 072	(13 666 978)
	<u>120 766 651</u>	<u>147 599 744</u>

23 Bank credit facilities

This balance amounted to L.E 1 877 566 307 at 31 March 2024 (against L.E 1 096 229 656 as at 31 December 2023), 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.

24 Provision for claims

Description	Balance at 01/01/2024 L.E	Formed during the year L.E	No longer require for the year L.E	Used during the year L.E	Balance at 31/3/2024 L.E
Provision for claims	<u>183 529 210</u>	<u>-</u>	<u>-</u>	<u>(4 613 865)</u>	<u>178 915 345</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.

Juhayna Food Industries Company (S.A.E.)
Notes to the consolidated financial statements for the financial period ended 31 March 2024

25 Creditors and other credit balances

	31/3/2024	31/12/2023
	L.E	L.E
Suppliers	2 104 277 864	1 883 852 520
Notes Payables	500 000	500 000
Dividends payable*	13 736 384	13 736 384
Accrued expenses	264 058 605	154 611 302
Tax authority	57 616 138	67 820 821
Deposits for others	4 029 408	4 601 908
Social Insurance Authority	9 225 999	7 174 200
Due to health insurance	104 393 197	76 971 901
Advances from customers	37 316 715	20 040 498
Other credit balances	9 294 410	31 771 095
	<u>2 604 448 720</u>	<u>2 261 080 629</u>

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

26-1 Deferred tax assets / liabilities

The balance of deferred tax assets amounts to EGP 27 119 952 at 31/3/2024 and represents the deferred tax amount for comprehensive income adjustments.

Deferred tax liability amounted to L.E 362 726 736 at 31/3/2024 representing net book value of taxable assets and liabilities, with LE 321 767 403 at 31/12/2023.

Deferred tax

	Balance 31/3/2024	Balance 31/12/2023
	L.E	L.E
comprehensive income adjustments	(27 119 952)	-
Total deferred tax asset	<u>(27 119 952)</u>	<u>-</u>

	Balance on 1/1/2024	Movement during the year	Balance on 31/3/2024
	L.E	L.E	L.E
Deferred tax asset	<u>-</u>	<u>27 119 952</u>	<u>27 119 952</u>

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

Notes to the consolidated financial statements for the financial period ended 31 March 2024

Deferred Tax (Lease Contracts)

	Balance	Balance
	31/3/2024	31/12/2023
	L.E	L.E
Deferred tax liability (Lease Contracts)	(10 613 567)	(9 805 240)
Deferred tax liability from fixed assets	(310 464 309)	(311 962 163)
comprehensive income adjustments	(41 648 860)	
Total deferred tax liability	<u>(362 726 736)</u>	<u>(321 767 403)</u>

26-2 Income tax – current

	31/3/2024	31/12/2023
	L.E	L.E
Income tax at the beginning of the period	353 400 759	213 078 927
Income tax expense	236 744 010	343 211 571
Taxes paid during the period	(16 525 005)	(202 889 739)
	<u>573 619 764</u>	<u>353 400 759</u>
Withholding Tax Receivable	(169 552 650)	(176 353 552)
	<u>404 067 114</u>	<u>177 047 207</u>

Juhayna Food Industries Company (S.A.E.)
Notes to the consolidated financial statements for the financial period ended 31 March 2024

26-3 Reconciliation of Effective Tax Rate

	31/12/2024	31/12/2023
	L.E	L.E
Consolidated net profit before tax	714 799 441	424 147 989
Tax rate	22.5%	22.5%
Income tax calculated according to the tax rate (22.5%)	<u>160 829 874</u>	<u>95 433 298</u>
Tax settlements:		
Tax exemption	(30 280 732)	(15 189 308)
Provisions movement	1 038 120	610 856
Current year losses for which no DTA recognized	36 705 560	-
Non deductible expenses	68 451 183	12 255 333
Other	(689 534)	(8 376 562)
Income tax according to the tax return	<u>236 054 471</u>	<u>84 733 617</u>
Effective tax rate	<u>33%</u>	<u>19.98%</u>

26-4 Unrecognized deferred tax asset

	31/3/2024	31/12/2023
Provisions	3 335 587	3 370 105
Tax losses	9 859 844	11 168 795

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

Notes to the consolidated financial statements for the financial period ended 31 March 2024

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 % 31/3/2024	Contribution % 31/12/2023	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 control	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 period ended 31 March 2024

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	
		31/3/2024	31/12/2023
		L.E	L.E
Trade and other receivables	(18)	1 667 626 299	665 496 871
Cash	(19)	786 297 304	1 093 526 328
Related Party	(32-1)	7 288 889	2 760 164

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:

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31/3/2024

	Total book value	Contractual cash flows	6-12 months	1-5 years
Trade payables	2 110 701 933	2 110 701 933	2 110 701 933	-
Loans	120 766 651	120 766 651	39 538 209	81 228 442
Credit facilities	1 877 566 307	1 877 566 307	1 877 566 307	-
Lease liabilities	37 657 386	37 657 386	19 263 114	18 394 272

31/12/2023

	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

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	15 113 952	-
Cash at banks and on hand	12 216 035	113 941
Creditors and other credit balances	(13 760 230)	(1 719 869)
31 March 2024	13 569 757	(1 605 928)
31 December 2023	(22 169 312)	(3 603 798)

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The following significant exchange rates applied during the year:

	Average rate		Closing Rate	
	31/3/2024	31/12/2023	31/3/2024	31/12/2023
USD	36.39	30.06	47.28	30.95
Euro	39.38	32.98	51.05	34.17

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 March 2024
	10% Effect
USD	62 739 411
Euro	(8 198 262)

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 March 2024	Profit or Loss	
	100 points increase	100 points decrease
Financial instruments that carry a variable interest rate	3 109 574	(3 109 574)
31 December 2023		
Financial instruments that carry a variable interest rate	12 351 021	(12 351 021)

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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.

	31/3/2024	31/12/2023
	L.E	L.E
Total liabilities	5 707 990 788	4 330 598 548
Less: cash and cash equivalent	(786 297 304)	(1 093 526 328)
Net debt	<u>4 921 693 484</u>	<u>3 237 072 220</u>
Total equity	4 369 170 260	4 249 768 585
Net debt to equity ratio	<u>113%</u>	<u>76%</u>

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

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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 Months	Purchase value at end of contract L.E	Quarterly Installment value L.E
	Contractual value L.E	Accrued interest L.E			
	Contract from 24/3/2016 to 25/12/2025	125 000 000			

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

	31/3/2024	31/12/2023
	L.E	L.E
Liabilities from lease contracts current portion	19 263 114	18 745 443
Liability from lease contracts non-current portion	18 394 272	22 948 392
	<u>37 657 386</u>	<u>41 693 835</u>

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Lease contracts liabilities payment are as follows:

	Payment of liability principal		Payment of accrued interest	
	31/3/2024	31/12/2023	31/3/2024	31/12/2023
	L.E	L.E	L.E	L.E
Liabilities for one year	19 263 114	18 745 443	6 983 202	5 972 051
Liabilities between 1-5 years	18 394 272	22 948 392	1 290 464	1 769 103

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.

	31/3/2024	31/12/2023
	L.E	L.E
	Buildings, warehouses, and stores	127 762 371
Accumulated amortization during the year	(43 902 637)	(45 771 968)
Net book value	83 859 734	38 966 498

During the year ended 31 December 2023 the group has been charged by L.E 1 942 929 as interest from leasing contracts.

Operating lease contract liability

	31/3/2024	31/12/2023
	L.E	L.E
	Liabilities from lease contracts-current portion	76 076 448
Liability from lease contracts non-current portion	34 422 175	30 899 453
Total	110 498 623	70 112 135

Payment of lease contracts liabilities are as follows:

	Liabilities in present value		Accrued interest	
	31/3/2024	31/12/2023	31/3/2024	31/12/2023
	L.E	L.E	L.E	L.E
Liabilities for one year	76 076 448	39 212 682	10 740 187	4 150 276
Liabilities between 1-5 years	30 455 859	30 405 231	23 534 355	6 992 157
Liabilities more than 5 years	3 966 316	494 222	1 241 933	12 737

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30 Contingent Liabilities

The Contingent Liabilities are represented in IDC'S during the year ended 31 March 2024 and due after the that date amounting to L.E 753 276 424.

The contingent liabilities related to group subsidiaries are disclosed in Note (17).

31 Capital commitments

The capital commitments related to setting up and acquiring fixed assets amounted to L.E 254 928 245 on 31/3/2024.

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	
		31/3/2023	31/12/2023	31/3/2024	31/12/2023
		L.E	L.E	L.E	L.E
Arju Company for Food Industries	Current account	4 528 725	2 200 194	7 288 889	2 760 164
				<u>7 288 889</u>	<u>2 760 164</u>

32-2 Due to related parties

Company's name	Nature of transaction	Total value of transactions		Balance as at	
		31/3/2024	31/12/2023	31/12/2023	31/12/2023
		L.E	L.E	L.E	L.E
Wakalex Industry & Trade Company	Purchase	-	192 631 315	-	17 871 750
	Payment	-	174 759 565	-	
				<u>-</u>	<u>17 871 750</u>

32-3 Board of Director's remuneration

The total allowances and bonus received by the board of directors during the year amounted to LE 630 000 against LE 770 000 during the year ended 31 March 2023.

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Notes to the consolidated financial statements for the financial period ended 31 March 2024

33 Goodwill

	31/3/2024	31/12/2023
	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 :

	31/3/2024	31/3/2023
	L.E	L.E
Net profit/Loss for the period according to profit or loss statement	478 744 970	339 217 994
Less:		
Net payable to shareholders	<u>478 744 970</u>	<u>339 217 994</u>
Weighted average to number of shares	941 405 082	941 405 082
EPS (L.E/Share)	<u>0.51</u>	<u>0.36</u>

The company has recognized within other comprehensive income the net foreign exchange differences (debit and credit) resulting from the retranslation of the balances of monetary items existing at the end of the financial statements' closing date, considering that these differences arose primarily due to the exchange rate adjustment decision as follows:

	31/3/2024	31/12/2023
	L.E	L.E
Net profit/Loss for the period	478 744 970	339 217 994
Foreign exchange / (Loss) of the tax	(359 343 295)	
Non-controlling interests	(411 700)	
Net payable to shareholders	<u>118 989 975</u>	<u>339 217 994</u>
Weighted average to number of shares	941 405 082	941 405 082
EPS (L.E/Share)	<u>0.13</u>	<u>0.36</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 11 343 906 as follows:

- Deferred income – non-current Liabilities L.E 4 857 455
- Deferred income - current liabilities L.E 6 486 451
- Other income – income statement L.E 2 323 074

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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	57 125 000	79 975 000
Discount (Deferred Income)	(6 486 451)	(4 857 455)	(11 343 906)
Balance at 31/3/2024	<u>16 363 549</u>	<u>52 267 545</u>	<u>68 631 094</u>

36 Loss from FV Investment thru P.L

During the period the group invested in listed shares as follows:

Shares	No. of shares	L.E
	Buy 9 353 000	(831 200 366)
	Sell 9 353 000	309 140 464
		<u>(522 059 902)</u>

37 New Editions and Amendments to Egyptian Accounting Standards

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	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".</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
	<p>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 ". 		
<p>Egyptian Accounting Standard No. (13) amended 2024 "Effects of changes in foreign exchange rates"</p>	<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>	<p>The company has applied the alternative treatment of the standard in accordance with Appendix (E) (Disclosure no. 37).</p>	<p>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:</p>

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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.

38 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,

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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.

- Egyptian Accounting Standard No. (13) revised 2024 "The Effects of Changes in Foreign Exchange Rates," Appendix (E) issued on May 23, 2024 Exception from the requirements of paragraph No. "28" regarding the recognition of foreign exchange differences, which states that (an entity whose results have been affected by net gains or losses on foreign exchange differences due to the adjustment of the exchange rate of foreign currencies) has recognized within other comprehensive income the net foreign exchange differences (debit and credit) resulting from the retranslation of the balances of monetary items existing at the end of the financial statements' closing date, considering that these differences arose primarily due to the exchange rate adjustment decision.

- The Ordinary General Assembly of the Company was held on 9 May 2024, and approved the company's financial statements for the fiscal year 31 December 2023, and the General Assembly approved the distribution of dividends to shareholders from RE at the rate of P.T 20 per share.