

Translation from Arabic

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

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

For the financial period ended 30 June 2024

Contents	Page
Review report	-
Consolidated interim statement of financial position	1
Consolidated interim statement of Income statement	2
Consolidated interim statement of comprehensive income	3
Consolidated interim statement of changes in shareholders' equity	4
Consolidated interim statement of cash flows	5
Notes to the Consolidated interim financial statements	6 – 52



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 30 June 2024 and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the six 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 30 June 2024 and of its consolidated financial performance and its consolidated cash flows for the six 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.

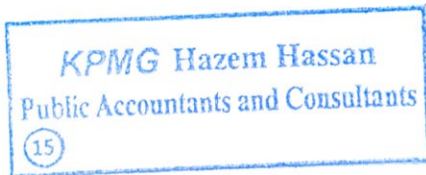


Hazem Hassan

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, 12 August 2024



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

Translated from Arabic

	Note No.	30/6/2024	31/12/2023
L.E			
Assets			
Non-current assets			
Property, plant and equipment	(13)	3 122 510 090	3 077 685 183
Projects under construction	(14)	851 191 634	299 334 840
Biological assets	(15) - (16-1)	340 350 735	305 114 220
Equity accounted investees	(12)	15 473 280	15 670 070
Right of use assets	(29-2)	78 397 463	38 966 498
Goodwill	(33)	97 092 890	97 092 890
Other long term asset		703 193	707 329
Non-current assets		4 505 719 285	3 834 571 030
Current assets			
Inventories	(18)	4 002 370 513	2 783 515 178
Trade and other receivables	(19)	2 232 875 189	834 918 362
Cash and cash equivalents	(20)	876 927 136	1 093 526 328
Due from related party	(32 -1)	3 257 241	2 760 164
Other biological assets	(16-2)	30 472 976	29 465 780
PPE held for sale		1 560 290	1 610 291
Current assets		7 147 463 345	4 745 796 103
Total assets		11 653 182 630	8 580 367 133
Equity			
Issued and paid up capital	(21)	941 405 082	941 405 082
Legal reserve		794 358 686	742 112 963
General reserve - issuance premium	(21-1)	330 920 428	330 920 428
Retained earnings		3 020 928 355	2 233 885 644
Total equity attributable to owners of the company		5 087 612 551	4 248 324 117
Non-controlling interest		2 430 010	1 444 468
Total equity		5 090 042 561	4 249 768 585
Non-current liabilities			
Loans	(22-1)	297 775 044	90 395 408
Lease contract liabilities	(29-1)	88 787 874	53 847 845
Deferred tax liabilities	(26-1)	325 924 352	321 767 403
Deferred income	(35)	3 816 829	6 023 113
Non-current liabilities		716 304 099	472 033 769
Current liabilities			
Provisions	(24)	193 813 973	183 529 210
Bank credit facilities	(23)	2 621 255 145	1 096 229 656
Creditors and other credit balances	(25)	2 367 591 073	2 261 080 629
Due to related parties	(32 -2)	41 830 340	17 871 750
Income tax liabilities	(26-2)	438 463 406	177 047 207
Lease contracts liabilities	(29-1)	77 857 373	57 958 125
Loans	(22-1)	100 605 055	57 204 336
Deferred income	(35)	5 419 605	7 643 866
Current liabilities		5 846 835 970	3 858 564 779
Total liabilities		6 563 140 069	4 330 598 548
Total equity and total liabilities		11 653 182 630	8 580 367 133

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

Associate Chief Financial Officer
Osama Eltaweei

CFO
Tarek Elwan

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 in

Translated from Arabic

	Note No.	Financial period From 1/1/2024 To 30/6/2024 L.E.	Financial period From 1/1/2023 To 30/6/2023 L.E.	Financial period From 1/4/2024 To 30/6/2024 L.E.	Financial period From 1/4/2023 To 30/6/2023 L.E.
Net sales	(11 -1)	11 470 208 237	6 800 448 983	6 035 549 981	3 554 254 195
Cost of sales	(5)	(7 660 280 148)	(5 225 522 968)	(4 106 595 001)	(2 819 576 526)
Gross profit		3 809 928 089	1 574 926 015	1 928 954 980	734 677 669
Other operating income	(6)	265 889 291	71 714 793	165 828 323	24 611 490
Selling and Marketing expenses	(7)	(968 696 285)	(582 256 900)	(495 288 639)	(325 106 701)
General and administrative expenses	(8)	(269 958 138)	(172 134 690)	(129 934 179)	(80 579 626)
Net (Losses)income/ Reverse of Impairment of trade and other receivables		(4 520 363)	5 482 503	(3 701 541)	5 685 548
Other expenses	(9)	(114 417 456)	(71 420 022)	(60 716 617)	(31 698 595)
Results from operating activities		2 718 225 138	826 311 699	1 405 142 327	327 589 785
Share of (Loss) /profit of Equity accounted investees		(196 790)	331 456	2 275	73 736
Net finance (cost)	(10)	(219 483 887)	(128 399 171)	(143 459 484)	(53 567 526)
Loss on investment at FV through profit or loss	(36)	(522 059 902)	-	-	-
Net profit for the period before income tax		1 976 484 559	698 243 984	1 261 685 118	274 095 995
Current income tax	(26-4)	(496 230 356)	(141 813 694)	(260 175 885)	(57 080 077)
Net profit for the period after tax		1 480 254 203	556 430 290	1 001 509 233	217 015 918
Distributed as follows					
Owners of the company		1 479 268 661	556 120 109	1000 935 391	216 902 115
Non-controlling interests		985 542	310 181	573 842	113 803
		1 480 254 203	556 430 290	1 001 509 233	217 015 918
Earning per share for the period (L.E./share)	(34)	1.57	0.59	1.06	0.23

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 in

	Note No.	Financial period From 1/1/2024 To 30/6/2024	Financial period From 1/1/2023 To 30/6/2023	Financial period From 1/4/2024 To 30/6/2024	Financial period From 1/4/2023 To 30/6/2023
		L.E.	L.E.	L.E.	L.E.
Net profit for the period after tax		1 480 254 203	556 430 290	1 001 509 233	217 015 918
Net losses of foreign currency evaluation after tax impact (EAS 13 - appendix H)	(38)	(348 492 067)	-	-	-
Total other comprehensive income		1 131 762 136	556 430 290	1 001 509 233	217 015 918
Distributed as follows					
Parent owners of the company		1 130 776 594	556 120 109	1 000 935 391	216 902 115
Non-controlling interests		985 542	310 181	573 842	113 803
		1 131 762 136	556 430 290	1 001 509 233	217 015 918

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 30 June 2024

	Issued & paid up capital		Legal reserve		General reserve- issuance premium		Retained earnings		Non-controlling interest		Total	
	L.E		L.E		L.E		L.E		L.E		L.E	
Balance as at 1 January 2023	941 405 082		719 145 789		330 920 428		1 418 366 451		894 422		3 410 732 172	
Total other comprehensive income for the period ended 30 June 2023	-		-		-		556 120 109		310 181		556 430 290	
<u>Transaction with owners of the company</u>												
Dividends to shareholders	-		-		-		(141 210 762)		-		(141 210 762)	
Dividends to employees and board of directors	-		-		-		(41 212 761)		-		(41 212 761)	
Holding Company's share in reserves of subsidiaries	-		22 967 174		-		(22 967 174)		(288)		(288)	
Balance as at 30 June 2023	941 405 082		742 112 963		330 920 428		1 769 095 863		1 204 315		3 784 738 651	
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 30 June 2024	-		-		-		1 130 776 594		985 542		1 131 762 136	
<u>Transaction with owners of the company</u>												
Dividends to shareholders	-		-		-		(188 281 016)		-		(188 281 016)	
Dividends to employees and board of directors	-		-		-		(103 207 144)		-		(103 207 144)	
Holding Company's share in reserves of subsidiaries	-		52 245 723		-		(52 245 723)		-		-	
Balance as at 30 June 2024	941 405 082		794 358 686		330 920 428		3 020 928 355		2 430 010		5 090 042 561	

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 cash flows
For the financial period ended 30 June 2024

Translated from Arabic

	Note No.	Financial period	Financial period
		From 1/1/2024 To 30/6/2024	From 1/1/2023 To 30/6/2023
		L.E.	L.E.
Cash flows from operating activities			
Net profit for the year before income tax and minority interest share in profits		1 976 484 559	698 243 984
Adjustments for:			
PPE depreciation	(13)	158 632 293	143 825 270
Capital (gain)		(1 967 445)	
Amortization of Biological Wealth	(14-1)	16 697 519	16 093 496
Amortization of plant wealth (productive)		989 490	676 824
Share of loss/profit equity accounted investees	(12)	196 790	(331 456)
Impairment of Fixed assets (Reversal)		(6 127 290)	(799 309)
Amortization of right of use	(29-2)	3 716 233	6 855 065
Lease liabilities interest	(29)	4 779 194	1 995 132
Biological wealth due to newborn		(19 770 700)	(8 777 500)
Investment Loss		522 059 902	
Foreign currencies exchange differences	(10)	(40 050 101)	35 690 082
Interest income	(10)	(26 712 946)	(7 994 166)
Finance interests & expenses	(10)	286 246 934	100 703 255
		<u>2 875 174 432</u>	<u>986 180 677</u>
Changes in:			
Inventories	(18)	(1 218 855 335)	(1 200 470 746)
Biological assets- Existing Agriculture		(1 007 196)	4 790 388
Trade and other receivables	(19)	(1 286 108 168)	(186 012 163)
Due from related parties	(32-1)	(497 077)	
Due to related parties		23 958 590	9 147 669
Creditors & other credit balances	(24)	95 855 429	770 954 387
Dividends paid to employees		(91 972 137)	(41 212 761)
Provisions		10 284 763	5 420 654
Net cash flows from operating activities		<u>406 833 301</u>	<u>348 798 105</u>
Income tax paid		(351 287 888)	(194 283 612)
		<u>55 545 413</u>	<u>154 514 493</u>
Cash flows from investing activities			
Acquisition of PPE & projects under construction	(13-14)	(755 146 202)	(206 839 959)
Held for sale		54 137	
Proceeds from sale of PPE		7 926 942	1 352 573
Proceeds from plant wealth unproductive	(15-16)	3 336 929	(4 971 261)
Proceeds from death compensation		7 290 800	1 874 153
Proceeds from credit interests		26 712 946	7 994 166
Proceeds from the compensation of calves death		(36 489 753)	(63 461 769)
Proceeds from sale Biological Wealth & planet		25 495 207	9 349 559
Paid of right of use		(43 147 198)	-
Paid for investment at F.V through P/L		(831 200 366)	-
Proceeds from investment at F.V through P/L		309 140 464	-
Net cash flows (used in) investing activities		<u>(1286 026 094)</u>	<u>(254 702 538)</u>
Cash flows from financing activities			
Proceeds from credit facilities	(23)	1 888 606 999	437 317 986
(Payments for) financial lease contract liabilities	(29)	(20 839 277)	(17 451 051)
(Payments for) bank loans	(22)	(34 916 318)	(8 520 127)
Finance interests & expenses paid		(286 246 934)	(100 703 255)
Dividends paid to shareholders		(188 281 016)	(141 210 761)
Net cash flows from financing activities		<u>1 358 323 454</u>	<u>169 432 791</u>
Change in cash & cash equivalents during the period		<u>127 842 774</u>	<u>69 244 746</u>
The effect of foreign exchange difference	(10)	(344 441 966)	(35 690 082)
Cash & cash equivalents at 1 January		<u>1093 526 328</u>	<u>294 504 052</u>
Cash & cash equivalents at 30 June	(20)	<u>876 927 136</u>	<u>328 058 717</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 30 June 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 El wakil 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 Schedule (A) 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 11 August 2024

2-2 Basis of measurement

- The financial statements have been prepared on the historical cost basis except some financial instruments are measured subsequently by either F.V or amortized cost.
- The financial statements have been prepared on going concern basis.

2-3 Functional and presentation currency

These consolidated financial statements are presented in Egyptian pound which represents the currency of the company.

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 30 June 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 (19): impairment of trade and other debit balances .
- Note (24): provisions
- 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

The consolidated financial statements of the Group incorporate the financial statements of the Parent Company and entities (including special purpose entities) controlled by the Parent Company (its subsidiaries). Control is achieved when the Group (i) has power over the investee, (ii) is exposed, or has rights, to variable returns from its involvement with the investee, and (iii) has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Group, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of profit or loss and comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary. Non-controlling interests (NCIs) in subsidiaries are identified separately from the Group's equity therein and are initially measured as described in accounting policy 4-3 of business combinations below.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a (deficit balance).

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

Notes to the consolidated financial statements for the financial period ended 30 June 2024

When necessary, adjustments are made to the financial statements of a group entity to bring its accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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 except for the exceptional treatment in (note 38).

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.

3-4 Financial instruments

3-4-1 Financial assets

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.

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.

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

Notes to the consolidated financial statements for the financial period ended 30 June 2024

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 30 June 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.

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 30 June 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.

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.

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. 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.

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

Notes to the consolidated financial statements for the financial period ended 30 June 2024

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

3-5 Intangible assets and goodwill

Recognition & Measurement

Goodwill

Goodwill arises 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 13).

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 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 30 June 2024

The estimated useful lives are as follows:

Description	Estimated useful life (Years)
Buildings & Constructions	13.3- 50
Machinery & Equipment	More than 1 year -13
Transportation & Transport Vehicles	1.5- 8
Tools	3 – 10
Empty plastic containers & pallets	5
Display refg.'s	5 years
Wells	25 or Wells use full life
Office equipment & Furniture	More than 1 year -10
Computers	3.33-5

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. 14). No depreciation is charged until the project is completed and transferred to fixed assets.

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 generate 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.

Juhayna Food Industries Company (S.A.E.)
Notes to the consolidated financial statements for the financial period ended 30 June 2024

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 ROU

Items of ROU are measured at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives or the lease term which ever is less

3-11 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.

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.

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

- Extension options

The Group assesses at the lease commencement date whether it is reasonable certain to exercise the extension options . The Group reassess whether it is reasonably certain to exercise the options if there is significant event or significant changes in circumstances within its control

- 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.

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

Notes to the consolidated financial statements for the financial period ended 30 June 2024

- **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.

3-12 Inventories

Inventories of raw materials, supplies, packing materials and spare parts are measured at the lower 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 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.

3-13 Impairment of Non derivative 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. The Group uses the simplified approach and always recognizes lifetime expected credit losses (ECL)

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 generate 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.

3-14 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

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

Notes to the consolidated financial statements for the financial period ended 30 June 2024

contributions are recognized in the income statement using the accrual basis of accounting. The company's obligation in respect of employees' pensions is confined to the amount of contributions.

3-15 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.

3-16 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 are 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.

Revenue is measured based on the consideration specified in the contract with a customer. The group recognize any amounts of variables in its contract with customer due to rebates, or significant financing component or non-cash component.

Export subsidy revenue

Government subsidies on export sales are recognized as a percentage of the value of exported goods when there is appropriate assurance that the company will deserve support and all the necessary conditions for obtaining support are met.

3-17 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.

3-18 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.

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

Notes to the consolidated financial statements for the financial period ended 30 June 2024

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 at the next years.

3-19 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.

3-20 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.

3-21 Termination benefits

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.

3-22 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, 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

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

Notes to the consolidated financial statements for the financial period ended 30 June 2024

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.

Thus, the Group categorizes the fair values into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

4-1 Biological assets

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

Cows	4 years
Orange trees	35 Years

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

Notes to the consolidated financial statements for the financial period ended 30 June 2024

5 Cost of sales

	Financial period From 1/1/2024 To 30/06/2024	Financial period From 1/1/2023 To 30/06/2023	Financial period From 1/4/2024 To 30/06/2024	Financial period From 1/4/2023 To 30/06/2023
	L.E	L.E	L.E	L.E
Changes in inventory	285 734 711	217 442 598	(203 528 700)	(113 854 335)
Operating expenses and wages	7 261 145 691	4 902 794 419	4 251 887 332	2 881 100 802
Depreciation	113 399 746	105 285 951	58 236 369	52 330 059
	<u>7 660 280 148</u>	<u>5 225 522 968</u>	<u>4 106 595 001</u>	<u>2 819 576 526</u>

6 Other operating income

	Financial period From 1/1/2024 To 30/06/2024	Financial period From 1/1/2023 To 30/06/2023	Financial period From 1/4/2024 To 30/06/2024	Financial period From 1/4/2023 To 30/06/2023
	L.E	L.E	L.E	L.E
Export subsidy revenue	186 033 311	49 743 563	114 286 432	12 844 842
Capital gain (loss)	1 967 445	-	635 776	(24 600)
Increase in biological assets due to newborn	19 770 700	8 777 500	12 434 500	3 813 700
Income from the sale of scrap and waste	11 179 736	5 982 405	7 260 356	2 519 374
Fixed assets write-down	6 127 290	799 309	5 689 951	799 309
Government grant income	4 430 545	-	2 107 472	-
Gain from assets held for sale	-	2 786 312	-	2 786 312
Other income	36 380 264	3 625 704	23 404 836	1 872 553
	<u>265 889 291</u>	<u>71 714 793</u>	<u>165 828 323</u>	<u>24 611 490</u>

Juhayna Food Industries Company (S.A.E.)
Notes to the consolidated financial statements for the financial period ended 30 June 2024

7 Selling and marketing expenses

	Financial period From 1/1/2024 To 30/06/2024 L.E	Financial period From 1/1/2023 To 30/06/2023 L.E	Financial period From 1/4/2024 To 30/06/2024 L.E	Financial period From 1/4/2023 To 30/06/2023 L.E
Advertising expenses	257 812 845	80 124 491	117 108 294	48 095 151
Salaries and wages	293 528 755	218 576 899	156 478 917	122 938 723
Cost of replaced items	107 671 469	74 192 122	59 217 556	43 874 708
Depreciation	33 339 090	30 124 058	16 666 298	14 785 740
Vehicles expenses	92 822 015	70 436 815	47 023 056	37 365 285
Shipping & export expenses	76 639 338	40 516 608	42 707 600	22 225 282
Rent*	7 245 847	5 779 069	4 429 846	2 689 730
Temporary labor contractors	29 211 632	21 703 599	26 225 285	13 335 573
Others	70 425 294	40 803 239	25 431 787	19 796 509
	968 696 285	582 256 900	495 288 639	325 106 701

* This expense is represented in the rental value of short-term leases, which are exempted from processing as a right of use asset in accordance with the requirements of Egyptian Accounting Standard No. (49) Lease Contracts.

8 General and administrative expenses

	Financial period From 1/1/2024 To 30/06/2024 L.E	Financial period From 1/1/2023 To 30/06/2023 L.E	Financial period From 1/4/2024 To 30/06/2024 L.E	Financial period From 1/4/2023 To 30/06/2023 L.E
Salaries and wages	137 006 307	96 686 570	60 491 784	44 873 197
Depreciation expense	11 893 457	8 415 261	6 424 887	4 175 656
Rent expense*	10 683 724	8 264 024	5 980 833	4 434 319
Subscription fees and licenses	49 206 803	17 850 661	26 870 852	6 640 556
Repair and maintenance expenses	6 666 696	6 113 042	3 048 661	6 113 042
BOD bonus (32-2)	630 000	1 205 000	-	435 000
Other administrative expenses	53 871 151	33 600 132	27 117 162	13 907 856
	269 958 138	172 134 690	129 934 179	80 579 626

* This expense is represented in the rental value of short-term leases, which are exempted from processing as a right of use asset in accordance with the requirements of Egyptian Accounting Standard No. (49) Lease Contracts.

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

Notes to the consolidated financial statements for the financial period ended 30 June 2024

9 Other expenses

	Financial period From 1/1/2024 To 30/06/2024 L.E	Financial period From 1/1/2023 To 30/06/2023 L.E	Financial period From 1/4/2024 To 30/06/2024 L.E	Financial period From 1/4/2023 To 30/06/2023 L.E
Donations	7 169 311	5 694 585	3 042 175	5 182 746
Real estate tax	430 518	971 893	338 071	138 743
Custom Claims	16 011 669	10 711 684	14 192 187	1 732 609
Health insurance	56 250 735	33 786 050	28 923 516	17 494 868
Loss from selling and death of animal wealth	23 060 032	9 347 846	10 605 738	2 791 731
Others	11 495 191	10 907 964	3 614 930	4 357 898
	114 417 456	71 420 022	60 716 617	31 698 595

10 Net finance cost

	Financial period From 1/1/2024 To 30/06/2024 L.E	Financial period From 1/1/2023 To 30/06/2023 L.E	Financial period From 1/4/2024 To 30/06/2024 L.E	Financial period From 1/4/2023 To 30/06/2023 L.E
Interest expense	(286 246 934)	(100 703 255)	(199 686 191)	(49 798 474)
Interest income	26 712 946	7 994 166	16 176 606	4 421 025
Net (Loss) from foreign currency exchange	40 050 101	(35 690 082)	40 050 101	(8 190 077)
	(219 483 887)	(128 399 171)	(143 459 484)	53 567 526

11 Segmentation reports

11-1 Segmentation reports for the financial year ended 30 June 2024

The segmentation reports was prepared on an activity segments basis, the primary report for the activity segments was prepared in accordance with the 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			
	Dairy sector L.E 30/6/2024	Concentrates & Juices sector L.E 30/6/2024	Other items L.E 30/6/2024	Total L.E 30/6/2024
Total sales	10 208 535 516	10 548 894 383	651 294 887	21 408 724 786
Sales between segments	(5 065 368 770)	(4 323 280 575)	(349 867 204)	(9 938 516 549)
Net Sales	5 143 166 746	6 225 613 808	101 427 683	11 470 208 237
COGS, SG&A	(4 244 331 326)	(4 707 567 065)	(65 973 999)	(9 017 872 390)
Other operating income	47 476 086	218 390 027	23 178	265 889 291
Finance and investment expenses				(741 740 579)
Net profit before tax				1 976 484 559
Taxes				(496 230 356)
				1 480 254 203
Other Information				
Depreciation	56 660 564	86 280 760	15 690 969	158 632 293
Assets	4 915 533 867	6 273 251 660	464 397 103	11 653 182 630
Liabilities	3 040 349 023	3 462 949 132	59 841 914	6 563 140 069

* The Group operates in one geographical sector - Arab Republic of Egypt - Operating revenues primarily result from activities related to the foodstuffs which are recorded at a point in time when control is transferred to the client.

Juhayna Food Industries
Notes to the consolidated financial statements for the financial year ended 30 June 2024

Translation from Arabic

11 Segmentation reports

11-2 Segmentation reports for the financial year ended 30 June 2023

The segmentation reports was prepared on an activity segments basis, the primary report for the activity segments was prepared in accordance with the Activity segmentations results include a direct participation unit in each sector activity.
The primary report for activity segmentations:
Revenues and expenses according to activity segmental as follows:

	Activity Segments			Total L.E
	Dairy sector L.E	Concentrates & Juices sector L.E	Undistributed items L.E	
	30/6/2023	30/6/2023	30/6/2023	30/6/2023
Total sales	9 705 729 519	2 775 194 196	584 356 841	13 065 280 556
Sales between segments	4 732 826 897	1 117 612 967	414 391 709	6 264 831 573
Net Sales	4 972 902 621	1 657 581 229	169 965 132	6 800 448 983
COGS, SG&A	(3 022 263 978)	(2 896 949 945)	(126 638 154)	(6 045 852 077)
Other operating income	20 647 640	51 158 355	240 254	72 046 249
Finance and investment expenses				(128 399 171)
Net profit before tax				698 243 984
Taxes				(141 813 694)
				556 430 290
Other Information				
Depreciation	93 478 255	35 264 493	15 082 523	143 825 270
Assets	5 144 601 830	2 357 323 532	367 561 743	7 869 487 106
Liabilities	2 639 347 757	1 421 467 804	23 932 895	4 084 748 455

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

Juhayna Food Industries
Notes to the consolidated interim financial statements for the financial period ended 30 June 2024

Translated from Arabic

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	
Arju Company For food Industrial*	50.75% *	19 738 176	19 738 176	4 264 896	4 264 896	15 473 280
Balance as of 30 June 2024		19 738 176	19 738 176	4 264 896	4 264 896	15 473 280
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

* On 30 November 2021, the Board of Directors of Juhayna Company, at the request of Arla Company, decided to cancel the partnership contracts concluded between Arju Company and other companies, as well as approved the liquidation of the company, but no extraordinary general assembly was called to approve this resolution. The Board of Directors of Juhayna Company on 18 February 2024 approved the contract concluded with the foreign shareholder, according to which the foreign shareholder assigns yet his participation shares to Juhayna Food Industries Company on Arju Company free of charge. The legal procedures for transferring these shares to the company have not been completed yet.

<u>Equity accounting investees movement</u>	
<i>Opening balance</i>	15 670 070
<i>Loss for the period</i>	(196 790)
<i>Ending balance</i>	15 473 280

Jahayna Food Industries
Notes to the consolidated financial statements for the financial period ended 30 June 2024

Translation from Arabic

13 Property, plant and equipment

Description	Land		Buildings & Constructions		Machinery & Equipment		Transportation & vehicles		Tools		Empty plastic containers & Pallets		Display ref.'s		Wells		Office furniture & equipment		Computers		Total
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	
Cost																					
Cost as at 1/1/2023	133 500 802	-	1 655 589 537	-	2 755 993 080	-	3 604 426 176	-	1 807 221 288	-	83 758 973	-	96 360 059	-	39 789 600	-	57 412 394	-	157 124 675	-	5 570 676 584
Additions of the year	-	-	12 932 122	-	249 372 658	-	72 541 448	-	23 128 827	-	17 058 520	-	1 232 929	-	(50 615)	-	1 232 929	-	13 251 669	-	3 892 518 173
Disposals of the year	-	-	(156 631)	-	(61 176 632)	-	(292 000)	-	(9 626 084)	-	(13 224 252)	-	(816 984)	-	(50 615)	-	(2 045 633)	-	(91 743)	-	(87 480 585)
Cost as at 31/12/2023	133 500 802	-	1 668 365 028	-	2 944 189 106	-	432 672 624	-	1 942 224 031	-	87 593 241	-	95 543 065	-	39 738 984	-	56 599 690	-	170 284 601	-	5 872 714 172
Additions during the period	-	-	17 380 080	-	73 344 189	-	57 910 015	-	7 536 638	-	34 860 460	-	(3 405 251)	-	-	-	782 996	-	11 475 028	-	203 289 406
Disposals during the period	-	-	-	-	(5 954 124)	-	-	-	(42 850)	-	(3 405 251)	-	(29 712)	-	-	-	-	-	(48 759)	-	(9 480 695)
Cost as at 30/6/2024	133 500 802	-	1 685 745 108	-	3 011 579 171	-	490 585 639	-	2 017 717 819	-	119 048 450	-	95 513 353	-	39 738 984	-	57 382 686	-	181 710 870	-	6 066 522 882
Accumulated depreciation as at 1/1/2023	-	-	318 102 136	-	1 571 445 407	-	216 733 348	-	113 734 090	-	55 828 268	-	82 971 482	-	14 257 269	-	28 006 191	-	141 629 327	-	2 542 707 518
Depreciation of the year	-	-	41 269 379	-	170 618 579	-	29 159 282	-	14 077 105	-	13 984 473	-	4 202 704	-	1 489 634	-	4 634 112	-	10 090 137	-	2 892 525 405
Accumulated depreciation of disposals of the year	-	-	(107 059)	-	(32 725 837)	-	(292 000)	-	(9 626 084)	-	(13 089 905)	-	(816 984)	-	-	-	(2 038 076)	-	(91 743)	-	(58 787 698)
Accumulated depreciation as at 31/12/2023	-	-	359 264 456	-	1 709 338 149	-	245 600 630	-	118 185 111	-	56 722 836	-	86 357 192	-	15 746 903	-	30 602 227	-	151 627 721	-	2 772 445 225
Depreciation of the year	-	-	19 814 523	-	90 999 368	-	17 792 377	-	7 835 647	-	10 168 047	-	2 101 352	-	744 817	-	2 253 918	-	6 922 244	-	158 632 293
Accumulated depreciation of disposals of the year	-	-	-	-	-	-	-	-	(42 850)	-	(3 399 878)	-	(29 712)	-	-	-	-	-	(48 759)	-	(3 521 199)
Accumulated depreciation as at 30/6/2024	-	-	379 078 979	-	1 800 337 517	-	263 393 007	-	125 977 908	-	63 491 005	-	88 428 832	-	16 491 720	-	32 856 145	-	158 501 206	-	2 928 556 319
Fixed assets impairment as at 30/6/2024	10 354 591	-	4 204 888	-	667 066	-	-	-	75 739 911	-	55 557 445	-	7 084 521	-	229 928	-	24 526 541	-	23 209 664	-	15 456 473
Net book value as of 30/6/2024	173 146 211	-	1 302 461 241	-	1 210 574 588	-	227 192 632	-	1 826 486 908	-	132 040 845	-	102 514 573	-	38 247 264	-	81 861 145	-	158 501 206	-	3 122 510 090
Impairment of fixed assets 31/12/2023	10 354 591	-	4 407 390	-	6 591 555	-	-	-	75 739 911	-	55 557 445	-	7 084 521	-	229 928	-	24 526 541	-	23 209 664	-	21 583 764
Net book value as of 31/12/2023	173 146 211	-	1 304 693 182	-	1 228 259 102	-	187 074 994	-	1 750 747 017	-	132 040 845	-	102 514 573	-	38 247 264	-	81 861 145	-	158 501 206	-	3 077 685 183

Depreciation of assets is amount L.E 932 988 283 LE in 30 June 2024 (31 December 2023 amount L.E 656 682 011)

The depreciation expense for the year distributed as follow:-

Cost of sales	113 399 746
Selling and Marketing expenses	33 339 090
General and administrative	11 895 457
	158 632 293
Impairment of fixed assets	20 691 178
Balance as of 1/1/2023	892 586
Formed(Reverse) during the year	21 583 764
Balance as of 31/12/2023	21 583 764
Balance as of 1/1/2024	(6 127 291)
(Reverse) during the period	15 456 473
Balance as of 30/6/2024	

Juhayna Food Industries Company (S.A.E.)
Notes to the consolidated financial statements for the financial period ended 30 June 2024

14 Projects under construction

	Nature	% of completion	Timeline	30/6/2024 L.E	31/12/2023 L.E
Buildings and constructions in progress	Building	50% to 70%	Within one year	79 840 428	70 704 021
Machineries under installation	Machinery	70% to 80%	Within one year	48 673 625	62 679 328
Advance payments for purchase of building and machinery	Advances	70% to 80%	Within one year	626 868 884	109 240 153
Computer software	Software Programs	70% to 80%	Within one year	41 272 491	40 383 015
Transport vehicles under preparation	Cars	80%	Within one year	54 536 206	16 328 323
				851 191 634	299 334 840

14-1 Movement of projects under construction

	Opening Balance	Additions	Capitalized	Ending Balance
Building	70 704 022	24 718 930	15 582 524	79 840 428
Machinery	62 679 328	53 382 738	67 388 441	48 673 625
Computer Software	40 383 015	889 476	-	41 272 491
Transportation	16 328 323	41 841 232	3 633 349	54 536 206
Downpayment	109 240 152	517 628 732	-	626 868 884
	299 334 840	638 461 108	86 604 314	851 191 634

15 Biological assets- Plant wealth

15-1 Plant wealth - productive

	30/6/2024 L.E	31/12/2023 L.E
Cost at the beginning of the period	72 215 496	47 045 779
Additions during the period	523 785	25 169 717
Disposal during the period	(3 348 519)	-
Cost at end of the period	69 390 762	72 215 496
Less:		
Accumulated depreciation at beginning of the year/period	(4 461 407)	(3 055 402)
Depreciation during the year/ period	(989 490)	(1 406 004)
Accumulated depreciation at end of the year /period	(5 450 897)	(4 461 406)
Net	63 939 865	67 754 090

Juhayna Food Industries Company (S.A.E.)
Notes to the consolidated financial statements for the financial period ended 30 June 2024

15-2 Plant wealth – unproductive

	Palm project	
	30/6/2024	31/12/2023
	L.E	L.E
Balance on 01 January 2024	512 395	460 211
Additions	11 390	52 184
Transferred productive plant wealth	(523 785)	-
Balance at end of the period	-	512 395

Juhayna Food Industries
Notes to the consolidated financial statements for the financial year ended 30 June 2024

Translated from Arabic

16-1 Biological assets - Livestock

	30/6/2024		31/12/2023	
	L.E	L.E	L.E	L.E
Amount of flock of livestock at the beginning of the year	203 104 603	307 226 644	104 122 041	261 188 613
Adding:				
Transferred from biological assets (Flock of dairy livestock - unproductive)	38 320 071	-	(38 320 071)	-
Births of flock				
Female	-	12 479 900	12 479 900	11 826 100
Capital cost during drying -off	2 282 517	69 275 760	66 993 243	107 414 881
	<u>243 707 191</u>	<u>388 982 304</u>	<u>145 275 113</u>	<u>380 429 594</u>
Biological assets sales	21 705 737	27 830 776	6 125 039	62 117 520
The death of live stock losses	4 504 729	10 436 226	5 931 497	11 085 430
Cost of flock of livestock as of 30 June	<u>26 210 466</u>	<u>38 267 002</u>	<u>12 056 536</u>	<u>73 202 950</u>
	<u>217 496 725</u>	<u>350 715 302</u>	<u>133 218 577</u>	<u>307 226 644</u>
Accumulated depreciation at the Beginning of the period	70 378 909	70 378 909	-	63 716 528
Depreciation of the period	16 697 519	16 697 519	-	31 854 994
Accumulated depreciation of disposals of sales case	(10 611 893)	(10 611 893)	-	(22 479 733)
Accumulated depreciation of disposals of death case	(2 160 103)	(2 160 103)	-	(2 712 880)
Accumulated depreciation as of end period	<u>74 304 432</u>	<u>74 304 432</u>	<u>-</u>	<u>70 378 909</u>
Net amount of flock of livestock as of period end	<u>143 192 293</u>	<u>276 410 870</u>	<u>133 218 577</u>	<u>236 847 735</u>

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

Notes to the consolidated financial statements for the financial period ended 30 June 2024

16-2 Other Biological wealth

	30/6/2024	31/12/2023
	L.E	L.E
Agriculture	29 275 666	29 338 175
Births of male	1 197 310	127 605
	<u>30 472 976</u>	<u>29 465 780</u>

Juhayna Food Industries Company (S.A.E.)
Notes to the consolidated financial statements for the financial period ended 30 June 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 30 June 2024

Subsidiaries

First: Corporate tax

The Company that benefits from the corporate tax exemption

Inmaa for Livestock.

Tax exemption ending date

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.

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.

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 and the court decided to assign a consulting aubitrator for the case. The management concluded that there is no present obligation and has not recognized a provision in the financial statements.

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 30 June 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.
Former: Modern Concentrates Industrial Company	- Tax inspection was performed from start of activity till 2018. Years 2019/2023 the Company submitted tax return quarterly in the due date.
Tiba for Trading and Distribution	- Inspection was performed from starting of activity till 2019 and differences settled. Years 2020/2023 not inspected yet.
International Company for Modern Food Industries	- Tax inspection was performed from start of activity till 2020 and tax settled Years 2021/2023 the Company submitted tax return quarterly in the due date.
The Egyptian Company for Food Industries "Egyfood"	- Tax inspection was performed from start of activity till 2020 and tax settled.

Juhayna Food Industries Company (S.A.E.)
Notes to the consolidated financial statements for the financial period ended 30 June 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
Inmaa for Agriculture	-From the beginning of activity till 2019 was inspected and settled Years 2020/2023 the Company submitted the quarterly tax returns in the due date
Third: Stamp tax	
Egyptian Company for Dairy Products	-Inspection has been performed and difference settled till 2020. Years 2021/2023 not inspected yet
Al-Marwa for Food Industries	-Inspection has been performed and difference settled till 2020. Years 2021/2023 the Company submitted tax return in the due date
Former: Modern Concentrates Industrial Company	-Inspection has been performed and difference settled till 2022. The company inspected till 2022.
Tiba for Trading and Distribution	-Inspection has been performed and difference settled till 2019. Years 2020/2023 not inspected yet.
International Company for Modern Food Industries	-Inspection has been performed and difference settled till 2020. Year 2021/2023 not inspected yet.
The Egyptian Company for Food Industries "Egyfood"	From the beginning of activity till 2020 was inspected and settled -Years 2021 – 2023 not inspected yet.
Inmaa for agricultural development and biological wealth	-Inspection has been performed and difference settled till 2017. Years 2018-2020 inspected and objected. Years 2021/2023 not inspected yet.
Inmaa for agriculture	Years till 2019 was inspected and settled. Years 2020/2023 not inspected yet.

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

Notes to the consolidated financial statements for the financial period ended 30 June 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 - 2023 The company the submit the tax return in the due date Inspected and settled till 2019. Years 2020/2023 not inspected yet.
Al-Marwa for Food Industries	-The inspection was performed from the beginning of activity till 2013, preparing for tax inspection from 2014 till 2022.
Former: Modern concentrates Industrial Company	-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.
International Company for Modern Food Industries	-The company submits the sales tax return on monthly basis, inspected and differences settled till 2020 years 2021/2023 not inspected yet.
Tiba for Trading and Distribution	- The tax inspection performed till 2019 Years 2020/2023 not inspected yet.
Inmaa for Agriculture Development and biological wealth.	-The tax inspection was performed from 15/3/2012 till 31/8/2016 Years 1/09/2016 till /2023 not inspected yet.
Inmaa for livestock	-Inspected and difference is settled from beginning of activity till August 2016 Years 1/09/2016 till /2023 not inspected yet.
Inmaa for agricultural reclamation	-The tax inspection performed till 2022 -The year2023 the company the submit the tax return in the due date
The Egyptian Company for Food Industries "Egyfood"	

18 Inventories

	<u>30/6/2024</u>	<u>31/12/2023</u>
	L.E	L.E
Raw materials	1 226 915 841	869 035 593
Packaging and packing materials	737 038 573	505 755 185
Finished goods	1 161 100 935	875 366 224
Consumables and miscellaneous supplies	169 251 030	150 608 669
Goods in transit - L/C's for goods purchase	708 064 134	382 749 507
	<u>4 002 370 513</u>	<u>2 783 515 178</u>

Juhayna Food Industries Company (S.A.E.)
Notes to the consolidated financial statements for the financial period ended 30 June 2024

19 Trade and other receivables

	30/6/2024	31/12/2023
	L.E	L.E
Trade receivables	1 351 049 065	488 776 350
Less: Expected credit losses	(50 476 118)	(35 186 866)
	1 300 572 947	453 589 484
Note receivables	2 709 192	5 850 036
Suppliers – advance payments	506 455 155	182 402 951
Prepaid expenses	13 417 707	2 959 754
Export subsidy*	321 987 120	135 953 809
Tax Authority	2 322 981	13 098 018
Customs Authority	29 808 001	17 410 276
Deposits with others	29 189 452	19 644 893
Debtors- payment for PP&E (under recollection)	10 464 181	10 664 181
Other debit balances	21 551 757	9 612 445
	2 238 478 493	851 185 847
Less: Impairment in other debit balances	(5 603 304)	(16 267 485)
	2 232 875 189	834 918 362

* The collections occurred after deducting bank commission and governmental fees during 2023 L.E 30 012 958 and during 2024 around L.E 64 million.

20 Cash and cash equivalent

	30/6/2024	31/12/2023
	L.E	L.E
Banks – current accounts	858 025 690	273 012 000
Cash on hand	18 901 446	2 930 902
Banks - Treasury Bills	-	817 583 426
	876 927 136	1 093 526 328

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

Notes to the consolidated financial statements for the financial period ended 30 June 2024

21 Share capital

	30/6/2024	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 30 June 2024 is as follows:		
Shareholder	No. of shares	Owner percentage
PHARON INVESTMENT LIMITED	471 331 200	50.07%
Baladna	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	330 920 428	330 920 428

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

Notes to the consolidated financial statements for the financial period ended 30 June 2024

22 Loans**22-1** 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)	77 430 395	
Attijariwafa Bank	23 174 660	23 200 744	46 375 404
Balance at 30/6/2024	100 605 055	297 775 044	398 380 099
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 by the group companies and the interest rate is corridor rate from CBE + variable interest rate according to each loan. Loan matures from 4 to 5 years.

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

	30/6/2024 <u>EGP</u>	31/12/2023 <u>EGP</u>
Balance of borrowing at 1 January	147 599 744	202 395 962
Withdrawals from Loans	281 266 129	77 733 022
Paid from loans	(34 916 318)	(118 862 262)
Depreciation of deferred income (note 36)	4 430 544	(13 666 978)
Balance of loans and financial liabilities as of June 30	398 380 099	147 599 744

23 Bank credit facilities

This balance amounted to L.E 2 621 255 145 on 30 June 2024 (against L.E 1 096 229 656 as on 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 by variable interest rate (corridor price + 0.75%) guaranteed by promissory notes also, banks get different guarantees obtained by the banks that provided these facilities to the group companies.

24 Provision for claims

Description	Balance at 01/01/2024	Formed during the year	No longer require for the year	Used during the year	Balance at 30/6/2024
	L.E	L.E	L.E	L.E	L.E
Provision for claims	183 529 210	16 011 669	-	(5 726 906)	193 813 973

* The provisions represent the value of claims for legal, tax and other 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 30 June 2024

25 Creditors and other credit balances

	30/6/2024	31/12/2023
	L.E	L.E
Suppliers	1 833 473 757	1 883 852 520
Notes Payables	500 000	500 000
Dividends payable*	10 655 015	13 736 384
Accrued expenses	266 885 479	154 611 302
Tax authority	74 047 954	67 820 821
Deposits for others	4 109 173	4 601 908
Social Insurance Authority	9 465 750	7 174 200
Due to health insurance	95 497 719	76 971 901
Advances from customers	54 529 225	20 040 498
Other credit balances	18 427 001	31 771 095
	<u>2 367 591 073</u>	<u>2 261 080 629</u>

*The amount is dividends to BOD and employees , dividends tax withheld till the dividends is remitted to MCDR

26 Deferred tax liabilities

- Deferred tax liability amounted to L.E 325 924 352 at 30/6/2024, with LE 321 767 403 at 31/12/2023.

26.1 Deferred Tax liabilities

	Balance	Balance
	30/6/2024	31/12/2023
	L.E	L.E
Deferred tax liability (Lease Contracts)	11 337 365	9 805 240
Deferred tax liability from fixed assets	310 872 652	311 962 163
Deferred tax liability from unrealized foreign exchange	3 674 335	-
Total deferred tax liability	<u>325 924 352</u>	<u>321 767 403</u>

Juhayna Food Industries Company (S.A.E.)
Notes to the consolidated financial statements for the financial period ended 30 June 2024

26.2 Income tax – current

	30/6/2024	31/12/2023
	L.E	L.E
Income tax at the beginning of the period	353 400 759	213 078 927
Income tax expense (26-4)	495 787 742	343 211 571
Taxes paid during the period	(351 287 888)	(202 889 739)
	<u>497 900 613</u>	<u>353 400 759</u>
Withholding Tax Receivable	(59 437 207)	(176 353 552)
Income tax liability at the end of the period/year	<u>438 463 406</u>	<u>177 047 207</u>

26-3 Effective Tax Rate

	30/6/2024	30/6/2023
	L.E	L.E
Consolidated net profit before tax	1 976 484 559	698 243 984
Tax rate	22.5%	22.5%
Income tax calculated according to the tax rate (22.5%)	<u>444 709 026</u>	<u>157 104 896</u>
Tax settlements:		
Tax exemption	(7 427 453)	(16 066 155)
Provisions movement	4 186 622	301 123
Non-deductible expenses	54 762 161	473 830
Income tax according to the tax return	<u>496 230 356</u>	<u>141 813 694</u>
Effective tax rate	<u>25.11%</u>	<u>20.31%</u>

26-4 Income tax for period

	30/6/2024	31/12/2023
	L.E	L.E
Current income tax	495 787 742	141 813 694
Deferred tax expense	442 614	-
	<u>496 230 356</u>	<u>141 813 694</u>

26-5 Unrecognized deferred tax asset

	30/6/2024	31/12/2023
Provisions	3 335 587	3 370 105
Tax losses	9 859 844	11 168 795

- The company has not formed DTA for these losses and provisions due to the lack of appropriate assurance to benefit from these losses and future tax deductions.

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

Notes to the consolidated financial statements for the financial period ended 30 June 2024

27 Group companies

The following sets out the subsidiaries of Juhayna Food Industries Company controlled by the Company as at 30/6/2024 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 % 30/6/2024	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

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 30 June 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	
		30/6/2024	31/12/2023
		L.E	L.E
Trade and other receivables	(19)	1 722 885 954	665 992 609
Cash	(20)	876 927 136	1 093 526 328
Related Party	(32-1)	3 257 241	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 2 621 255 145 on which the interest is charged at a variable interest rate for facilities in Egyptian pound.

Liquidity risk

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

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

Notes to the consolidated financial statements for the financial period ended 30 June 2024

30/6/2024

	Total book value	Contractual cash flows	6-12 months	1-5 years
Trade payables	1 833 473 757	1 833 473 757	1 833 473 757	-
Loans	398 380 099	558 141 634	100 605 055	297 775 044
Credit facilities	2 621 255 145	2 621 255 145	2 621 255 145	-
Lease liabilities	33 330 820	39 369 474	20 647 650	12 683 170
Due to R.P	41 830 340	41 830 340	41 830 340	-

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	100 947 743	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	49 434 989	18 745 443	22 948 392
Due to R.P	18 871 750	18 871 750	18 871 750	-

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	18 059 748	-
Cash at banks and on hand	14 661 959	5 956
Creditors and other credit balances	8 140 656	1 765 416
30 June 2024	24 581 051	1 759 460
31 December 2023	22 169 312	3 603 798

The following significant exchange rates applied during the year:

	Average rate		Closing Rate	
	30/6/2024	31/12/2023	30/6/2024	31/12/2023
USD	41.99	30.06	48.1	30.95
Euro	45.34	32.98	51.49	34.17

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

Notes to the consolidated financial statements for the financial period ended 30 June 2024

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	30 June 2024 10% Effect
USD	118 234 855
Euro	9 059 460

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

30 June 2024	Profit or Loss 100 points increase	100 points decrease
Financial instruments that carry a variable interest rate	5 032 725	(5 032 725)
31 December 2023		
Financial instruments that carry a variable interest rate	12 351 021	(12 351 021)

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.

	30/6/2024 L.E	31/12/2023 L.E
Total liabilities	6 563 140 069	4 330 598 548
Less: cash and cash equivalent	(876 927 136)	(1 093 526 328)
Net debt	5 686 212 933	3 237 072 220
Total equity	5 090 042 561	4 249 768 585
Net debt to equity ratio	112%	76%

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

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

Notes to the consolidated financial statements for the financial period ended 30 June 2024

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	Accrued interest			
	L.E	L.E			
Contract from 24/3/2016 to 25/12/2025	125 000 000	122 870 843	120	1	6 561 579

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

	30/6/2024 L.E	31/12/2023 L.E
Liabilities from lease contracts current portion	20 647 650	18 745 443
Liability from lease contracts non-current portion	12 683 170	22 948 392
	33 330 820	41 693 835

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

Notes to the consolidated financial statements for the financial period ended 30 June 2024

Lease contracts liabilities payment are as follows

	Payment of liability principal		Payment of accrued interest	
	30/6/2024	31/12/2023	30/6/2024	31/12/2023
	L.E	L.E	L.E	L.E
Liabilities for one year	20 647 650	18 745 443	5 598 665	5 972 051
Liabilities more than 1 year	12 683 170	22 948 392	439 989	1 769 103

Operating Lease contracts liabilities

The group is renting buildings and stores, and this rent is performed individually, and each contract has it's 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.

During the period ended 30 June 2024 the group has been charged by L.E 4 779 194 as interest from leasing contracts.

Operating lease contract liability

	30/6/2024	31/12/2023
	L.E	L.E
Liabilities from lease contracts-current portion	57 209 723	39 212 682
Liability from lease contracts non-current portion	76 104 704	30 899 453
Total	133 314 427	70 112 135

Payment of lease contracts liabilities are as follows:

	Liabilities in present value		Accrued interest	
	30/6/2024	31/12/2023	30/6/2024	31/12/2023
	L.E	L.E	L.E	L.E
Liabilities for one year	57 209 723	39 212 682	10 617 776	4 150 276
Liabilities between 2-5 years	72 732 854	30 405 231	21 476 224	6 992 157
Liabilities more than 5 years	3 371 850	494 222	957 201	12 737

Juhayna Food Industries Company (S.A.E.)
Notes to the consolidated financial statements for the financial period ended 30 June 2024

29-2 Right of use assets

	30/6/2024	31/12/2023
	L.E	L.E
Buildings, warehouses, and stores	127 885 664	84 738 466
Accumulated amortization during the year/period	(49 488 201)	(45 771 968)
Net book value	78 397 463	38 966 498

30 Contingent Liabilities

The Contingent Liabilities are represented in IDC'S during the period ended 30 June 2024 and due after the that date amounting to L.E 669 608 562

The contingent tax 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 333 163 810 on 30/6/2024.

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	
		30/6/2024	31/12/2023	30/6/2024	31/12/2023
		L.E	L.E	L.E	L.E
Arju Company for Food Industries (Equity accounted investees)	Current account	497 077	2 200 194	3 257 241	2 760 164
				3 257 241	2 760 164

32-2 Due to related parties

Company's name	Nature of transaction	Total value of transactions		Balance as at	
		30/6/2024	31/12/2023	30/6/2024	31/12/2023
		L.E	L.E	L.E	L.E
Wakalex Company (Company owned by one of the members of the Board of Directors)	Purchases	217 376 980	192 631 315	41 830 340	17 871 750
	Payments	193 418 300	174 759 565		
				41 830 340	17 871 750

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

Notes to the consolidated financial statements for the financial period ended 30 June 2024

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 1 205 000 during the year ended 30 June 2024.
- Board of Director's remuneration in the amount of L.E 8 million, which was approved by the General Assembly on 9 May 2024 against L.E 5 million for the corresponding period.

33 Goodwill

	30/6/2024	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 :

	From 1/1/2024 To 2024/6/30	From 1/1/2023 To 2023/6/30	From 1/4/2024 To 2024/6/30	From 1/4/2023 To 2023/6/30
	L.E	L.E	L.E	L.E
Net profit/Loss for the period according to profit or loss statement	1 479 268 661	556 120 109	1 000 35 391	216 902 115
Net payable to shareholders	1 479 268 661	556 430 290	1 000 35 391	216 902 115
Weighted average to number of shares	941 405 082	941 405 082	941 405 082	941 405 082
EPS (L.E/Share)	<u>1.57</u>	<u>0.59</u>	<u>1.06</u>	<u>0.23</u>

- The foreign currency valuation differences for the current financial period were included in the other comprehensive income items in accordance with the amended Egyptian Accounting Standard No. (13) 2024 and the effects of changes in foreign exchange rates Appendix "H" issued on 23 May 2024 and the comparative figures were not modified.

	From 1/1/2024 To 2024/6/30	From 1/1/2023 To 2023/6/30	From 1/4/2024 To 2024/6/30	From 1/4/2023 To 2023/6/30
Net profit/Loss for the period	1 479 268 661	556 120 109	1 000 35 391	216 902 115
Foreign exchange / (Loss) of the tax	(348 495 067)	-	-	-
Net payable to shareholders	1 130 776 594	556 120 109	1 000 35 391	216 902 115
Weighted average to number of shares	941 405 082	941 405 082	941 405 082	941 405 082
EPS (L.E/Share)	<u>1.20</u>	<u>0.59</u>	<u>1.06</u>	<u>0.23</u>

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

Notes to the consolidated financial statements for the financial period ended 30 June 2024

35 Deferred government grants

The company obtained a loan L.E 91.4 million 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 difference between the two interest is recognized amounted to L.E 9 236 434 as follows:

- a) Deferred income – non-current Liabilities L.E 3 816 829
- b) Deferred income - current liabilities L.E 5 419 605
- c) Other income – income statement L.E 4 430 545 As of 30/6/2024 no income was recorded during the corresponding period (Note 6)

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)	(5 419 605)	(3 816 829)	(9 236 434)
Balance at 30/6/2024	<u>17 430 395</u>	<u>53 308 171</u>	<u>70 738 566</u>

36 Loss from FV Investment thru P.L

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

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

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

Notes to the consolidated financial statements for the financial period ended 30 June 2024

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
<p>Egyptian Accounting Standard No. (50) "Insurance Contracts".</p>	<p>1-This standard determines the principles of recognition of insurance contracts falling within the scope of this standard, and determines their measurement, presentation, and disclosure. The objective of the standard is to ensure that the Company provides appropriate information that truthfully reflects those contracts. This information provides users of financial statements with the basis for assessing the impact of insurance contracts on the Company's financial position, financial performance, and cash flows.</p> <p>2-Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts". Any reference to Egyptian Accounting Standard No. (37) in other Egyptian Accounting Standards to be replaced by Egyptian Accounting Standard No. (50).</p> <p>3-The following Egyptian Accounting Standards have been amended to comply with the requirements of the application of Egyptian Accounting Standard No. (50) "Insurance Contracts", as follows:</p> <ul style="list-style-type: none"> - Egyptian Accounting Standard No. (10) "Fixed Assets". - Egyptian Accounting Standard No. (23) "Intangible Assets". - Egyptian Accounting Standard No. (34) "Investment property". 	<p>The Company is currently assessing the impact of applying this new standard on its financial statements.</p>	<p>Egyptian Accounting Standard No. (50) is effective for annual financial periods starting on or after July 1, 2024, and if the Egyptian Accounting Standard No. (50) shall be applied for an earlier period, the Company should disclose that fact.</p>

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

Notes to the consolidated financial statements for the financial period ended 30 June 2024

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
<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 (H) (Disclosure no. 26).</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> <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

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

Notes to the consolidated financial statements for the financial period ended 30 June 2024

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

Juhayna Food Industries Company (S.A.E.)
Notes to the consolidated financial statements for the financial period ended 30 June 2024

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, 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 and USD closing rate was 47.1 EGP on 30 June 2024.
- 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 value of currency differences on the statement of comprehensive income by amount L.E 348 492 067
- 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.