

Translation from Arabic

**Juhayna Food Industries
(An Egyptian Joint Stock Company)
Separate interim financial statements
For the financial period ended
30 September 2023
And Review report**

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

For the financial period ended 30 September 2023

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Translation from Arabic

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

Introduction

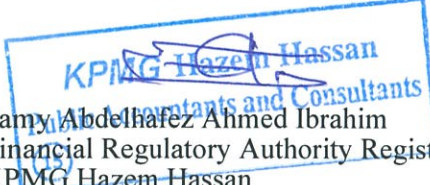
We have performed a limited review for the accompanying separate interim statement of financial position of Juhayna Food Industries “An Egyptian Joint Stock Company”, as at 30 September 2023 and the related separate interim statements of income, comprehensive income, changes in equity and cash flows for the nine month then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these separate interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these separate interim financial statements based on our limited review.

Scope of Limited Review

We conducted our review in accordance with the 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 separate interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying separate interim financial statements do not present fairly in all material respects, the separate financial position of the company as at 30 September 2023 and of its separate financial performance and its separate cash flows for the nine month then ended in accordance with Egyptian Accounting Standards.


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

Cairo, 1 November 2023

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Separate interim statement of financial position
As of 30 september 2023

Translated from Arabic

	Note no.	30/9/2023 L.E	31/12/2022 L.E
Assets			
Non-current assets			
Property, plant and equipment	(11)	154 022 677	158 432 039
Projects under construction	(13)	32 010 128	9 812 699
Investment in subsidiaries and under joint control	(12-2)(12-1)	2 253 491 193	2 253 491 193
Paid on account of investment	(12-4)	20 000 000	20 000 000
Total non-current assets		2 459 523 998	2 441 735 931
Current assets			
Debtors and other debit balances	(16)	8 219 250	5 722 875
Due from related parties	(2-24)	355 645 724	565 187 191
Cash at banks and on hand	(17)	1 326 945	1 361 300
Total current assets		365 191 919	572 271 366
Total assets		2 824 715 917	3 014 007 297
Equity			
Issued and paid up capital	(18)	941 405 082	941 405 082
Legal reserve		470 702 541	470 702 541
General reserve - share issuance premium	(18-1)	330 920 428	330 920 428
Retained earnings		994 429 022	1 179 620 047
Total equity		2 737 457 073	2 922 648 098
Non-current liabilities			
Lease contract liabilities-non current portion	(23-1)	27 996 026	41 354 955
Deferred tax liabilities	(14-2)	14 686 489	12 463 215
Total non-current liabilities		42 682 515	53 818 170
Current liabilities			
Provisions	(20)	729 059	526 346
Suppliers and other credit balances	(21)	15 189 925	16 207 892
Lease contract liabilities- current portion	(23-1)	17 820 980	15 875 352
Bank Credit facility	(25)	10 810 814	-
Due to related party	(24-3)	25 551	-
Income tax liabilities		-	4 931 439
Total current liabilities		44 576 329	37 541 029
Total liabilities		87 258 844	91 359 199
Total equity and liabilities		2 824 715 917	3 014 007 297

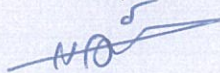
The notes from no. (1) to no.(26) are an integral part of these separate financial statements and should be read there to.

Associate Chief Financial Officer
Osama El-Taweel



Limited review report "attached"

Finance Director
Hany shaker



Chairman
Ahmed El-Wakil




Juhayna Food Industries
(An Egyptian Joint Stock Company)
Separate interim statement of profit or loss
For the financial period ended 30 September 2023

Translated from Arabic

Note no.	Financial period		Financial period		Financial period	
	From 1/1/2023		From 1/1/2022		From 1/7/2023	
	To 30/9/2023	To 30/9/2022	To 30/9/2022	To 30/9/2023	To 30/9/2022	To 30/9/2022
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
(5)	-	95 969 940	-	-	-	-
(6)	2 598 801	2 290 000	684 712	660 000		
(7)	(2 746 231)	(2 781 652)	(496 926)	(539 882)		
(9)	(1 578 141)	(5 323 063)	(841 818)	(157 451)		
	<u>(1 725 571)</u>	<u>90 155 225</u>	<u>(654 032)</u>	<u>(37 333)</u>		
(10)	1 181 342	46 930	865 581	35 957		
	<u>(544 229)</u>	<u>90 202 155</u>	<u>211 549</u>	<u>(1 376)</u>		
(14)	(2 223 274)	(1 784 110)	(568 459)	(393 893)		
(14)	-	(7 266 174)	-	(1 589 495)		
	<u>(2 767 503)</u>	<u>81 151 871</u>	<u>(356 910)</u>	<u>(1 984 764)</u>		
(19)	<u>(0.003)</u>	<u>0.073</u>	<u>(0.001)</u>	<u>(0.002)</u>		

The notes from no. (1) to no.(26) are an integral part of these separate financial statements and should be read there to.

Juhayna Food Industries

(An Egyptian Joint Stock Company)

Separate interim statement of other comprehensive income

For the financial period ended 30 September 2023

Translated from Arabic

	Financial period From 1/1/2023 To 30/9/2023	Financial period From 1/1/2022 To 30/9/2022	Financial period From 1/7/2023 To 30/9/2023	Financial period From 1/7/2022 To 30/9/2022
	L.E	L.E	L.E	L.E
Net (loss) profit for the period after tax	<u>(2 767 503)</u>	<u>81 151 871</u>	<u>(356 910)</u>	<u>(1 984 764)</u>
Total other comprehensive income for the period	<u><u>(2 767 503)</u></u>	<u><u>81 151 871</u></u>	<u><u>(356 910)</u></u>	<u><u>(1 984 764)</u></u>

The notes from no. (1) to no.(26) are an integral part of these separate financial statements and should be read there to.

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Separate interim statement of changes in equity
For the financial period ended 30 September 2023

Translated from Arabic

Note no.	Issued & paid up capital	Legal Reserve	General reserve-issuance premium	Retained earnings	Total
	L.E.	L.E.	L.E.	L.E.	L.E.
Balance as of 1 January 2022	941 405 082	461 256 581	330 920 428	1222 373 835	2 955 955 926
Legal reserve formed	-	9 445 960	-	(9 445 960)	-
Dividends to shareholders	-	-	-	(329 491 778)	(329 491 778)
Dividends to employees and board of directors	-	-	-	(65 943 664)	(65 943 664)
Total other comprehensive income for the financial year 30 September 2022	-	-	-	81 151 871	81 151 871
Balance as of 30 September 2022	941 405 082	470 702 541	330 920 428	898 644 304	2 641 672 355
Balance as of 1 January 2023	941 405 082	470 702 541	330 920 428	1 179 620 047	2 922 648 098
Dividends to shareholders	-	-	-	(141 210 761)	(141 210 761)
Dividends to employees and board of directors	-	-	-	(41 212 761)	(41 212 761)
Total other comprehensive income for the financial year 30 September 2023	-	-	-	(2 767 503)	(2 767 503)
Balance as of 30 September 2023	941 405 082	470 702 541	330 920 428	994 429 022	2 737 457 073

The notes from no. (1) to no.(26) are an integral part of these separate financial statements and should be read there to.

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Separate interim statement of cash flows
For the financial period ended 30 September 2023

Translated from Arabic

	Note no.	From 01/1/2023 To 30/9/2023 L.E	From 01/1/2022 To 30/9/2022 L.E
Cash flows from operating activities			
Net profit for the period before income tax		(544 229)	90 202 155
Adjustments:			
PPE depreciation	(11)	8 735 170	10 843 935
Expected credit losses in due from related parties		333 701	
Capital gain from sale of PPE		-	310 000
Provisions formed	(20)	838 669	5 257 859
Right of use interest	(22)	7 045 771	5 250 572
Credit interests	(9)	(783 587)	(359 936)
Debit interests and financial expenses		914 525	34 689
Forex loss	(9)	(397 756)	(313 006)
		<u>16 142 264</u>	<u>111 226 268</u>
Changes in:			
Debtors and other debit balances		(2 496 375)	(4 043 556)
Due from related parties		209 233 317	(38 994 415)
Suppliers and other credit balances		9 792 848	(10 174 334)
Provisions used		(635 956)	(16 002 186)
Net cash flows resulted from operating activities		<u>232 036 098</u>	<u>42 011 777</u>
Cash flows from investing activities			
Collected credit interests		783 587	359 936
Finance interests and expenses paid		(914 525)	(34 689)
Dividends paid to employees and the board of directors		(41 212 761)	(37 911 087)
Income taxes paid		(4 931 439)	(9 768 737)
Net cash flows resulted from (used in) investing activities		<u>185 760 959</u>	<u>(5 342 800)</u>
Cash flows from investing activities			
Acquisition of PPE and projects under construction		(26 523 237)	(5 467 923)
Proceeds from sale of PPE		-	(310 000)
Net cash flows (used in) investing activities		<u>(26 523 237)</u>	<u>(5 777 923)</u>
Cash flows from financing activities			
(Paid) from finance lease liability		(18 459 072)	(16 353 761)
Dividends paid to shareholders		(141 210 761)	(188 281 016)
Net cash flows (used in) financing activities		<u>(159 669 833)</u>	<u>(204 634 777)</u>
Net change in cash and cash equivalents during the period		(432 111)	(215 755 500)
Net Change in foreign currency		397 756	313 006
Cash and cash equivalents at 1 Jan		1 361 300	216 508 274
Cash and cash equivalents at 30 September 2023	(17)	<u>1 326 945</u>	<u>1 065 780</u>

The notes from no. (1) to no.(26) are an integral part of these separate financial statements and should be read there to.

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Notes to the separate financial statements.
For the financial period ended 30 September 2023

1- Reporting the entity

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

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

The address of the Company's registered office is Building no.2- Polygon- Sodic West- Sheikh Zayed, Giza. Mr. Ahmed Elwakil is the Chairman of the Board of Directors.

The Company is considered a holding Company.

The Company's purpose

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

Registration in the Stock Exchange

The Company is listed in the Egyptian Stock Exchanges in the (A)list.

2- Basis of preparation

a. Statement of compliance

- The financial statements have been prepared in accordance with Egyptian Accounting Standards ("EAS"), and in the light of prevailing Egyptian laws.
- The financial statements were authorized for issuance by the Board of Directors on 1 November 2023

b. Basis of measurement

- The financial statements have been prepared on the historical cost basis except for the following material items in the financial position.
- Non-derivative financial liabilities at fair value.
- The methods are used to measure fair value are discussed further in (Note 4).

c. Functional and presentation currency

The financial statements are presented in Egyptian pound, which is the Company's functional currency.

d. Use of estimates and judgments

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

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

Notes to the separate interim financial position for the financial period ended 30 September 2023

- Note (16): Impairment of other debit balances.
- Note (20): Provisions
- Note (14): Deferred tax liabilities and assets.

3- Significant accounting policies

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

3-1 Foreign currency

Foreign currency transactions

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

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

3-2 Investments

3-2-1 Investments in subsidiary companies

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

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognized.

3-2-2 Investment under joint control

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

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognized.

3-3 Financial instruments

Non-derivative financial assets

The Company initially recognises receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset, and the net amount presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the separate interim financial position for the financial period ended 30 September 2023

The Company classifies non – derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for sale financial assets.

Cash and cash equivalents

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

Non-derivative financial liabilities

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

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

The Company classifies non – derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at the fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

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

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

3-4 Property, plant and equipment**Recognition and measurement**

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

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

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

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

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

Subsequent costs

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

Notes to the separate interim financial position for the financial period ended 30 September 2023

Depreciation

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

The estimated useful lives for the current and comparative years are as follows:

Description	Estimated useful life (Years)
Buildings & Constructions	50
Transportation & Transport Vehicles	5
Tools	6-7
Office equipment & Furniture	10
Computers	3
Machineries & equipment's	10

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

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

3-5 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 14). No depreciation is charged until the project is completed and transferred to fixed asset

3-6 Lease contracts**Operating lease contracts:**

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

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If this rate cannot be readily determined, the group uses an incremental borrowing rate specific to the country, term and currency of the contract. Lease payments can include fixed payments; variable payment that depend on an index or rate known at the commencement date; and extension option payments or purchase options, if the Group is reasonably certain to exercise. The lease liability is subsequently measured at amortized cost using the effective interest rate method and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, change of an index or rate or in case of reassessment of options.

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

Notes to the separate interim financial position for the financial period ended 30 September 2023

Finance lease contracts (sale and lease back):

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

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

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

3-7 Impairment in value

Non –derivative financial assets

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

Non-financial assets

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

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

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

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

3-8 Advantages of Pensions

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

3-9 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.

3-10 Revenue

Dividends revenue from subsidiaries

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

Rental income

Rental income from other assets is recognized in other income.

Notes to the separate interim financial position for the financial period ended 30 September 2023

3-11 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.

3-12 Income tax

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

Current income tax:

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

Deferred tax:

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

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

3-13 Legal reserve

According to the Companies Law requirements and the statutes of the Company, 5% of the annual net profit shall be transferred to a legal reserve until the accumulated reserve reaches 50% of the issued share capital. The reserve is un-distributable; however, it can be used to increase the share capital or to offset losses. If the reserve falls below the defined level (50% of the issued share capital), then the Company is required to resume setting aside 5% of the annual profit until it reaches 50% of the issued share capital. The legal reserve is unable to distribute.

3-14 End of service benefits

End of service benefits are recognized as an expense when the company is committed clearly-without having the possibility of cancellation – to a formal detailed plan to either terminate the employment contract before the normal retirement date or to provide end of service benefits as a result of resignations (voluntary leave) according to law (12) of 2003 and related Egyptian Laws and policies approved and declared by the company. If the benefit is payable for a year of more than 12 months after the date of preparation of the financial statements, it is reduced to its present value.

3-15 Transactions with related parties:

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

4 Determination of fair value

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

Notes to the separate interim financial position for the financial period ended 30 September 2023

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

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

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

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

4-1 Non- derivative financial liabilities

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

5 Revenue from Investment in subsidiaries

	Financial period from 1/1/2023 To 30/9/2023 L.E	Financial period from 1/1/2022 To 30/9/2022 L.E	Financial period From 1/7/2023 To 30/9/2023 L.E	Financial period From 1/7/2022 To 30/9/2022 L.E
Egyptian Company for Dairy Products	-	44 995 500	-	-
Egyptian Company for Food Industries (Egyfood)	-	14 997 240	-	-
Eldawlya For Modern Food Industries	-	11 998 800	-	-
Al-Marwa for Food Industries	-	23 978 400	-	-
	<u>-</u>	<u>95 969 940</u>	<u>-</u>	<u>-</u>
Less: Tax on revenue from investment in subsidiaries	<u>-</u>	<u>(9 596 994)</u>	<u>-</u>	<u>-</u>

Notes to the separate interim financial position for the financial period ended 30 September 2023

6 - Other revenues

	Financial period from 1/1/2023 To 30/9/2023	Financial period from 1/1/2022 To 30/9/2022	Financial period from 1/7/2023 To 30/9/2023	Financial period from 1/7/2022 To 30/9/2022
	L.E	L.E	L.E	L.E
Income from rental of assets to subsidiaries	1980 000	1 980 000	660 000	660 000
Gain from sale of fixed assets	-	310 000	-	-
Refund	275 272	-	-	-
Allowance for intercompany balances	333 701	-	24 712	-
Other	9 828	-	-	-
	<u>2 598 801</u>	<u>2 290 000</u>	<u>684 712</u>	<u>660 000</u>

7- General and administrative expenses

	Financial period from 1/1/2023 To 30/9/2023	Financial period from 1/1/2022 To 30/9/2022	Financial period from 1/7/2023 To 30/9/2023	Financial period from 1/7/2022 To 30/9/2022
	L.E	L.E	L.E	L.E
Personnel expenses	64 830 343	44 147 843	21 712 409	14 286 625
Depreciation expenses	8 735 170	10 845 190	2 946 733	3 761 370
Subscription and licenses fees	2 222 940	764 823	4 142 969	207 682
Other administrative expenses	17 108 628	13 313 051	3 244 450	4 477 427
End of service	211 047	-	22 358	-
Expense charged to subsidiaries*	(90 361 897)	(66 289 255)	(31 571 993)	(22 193 222)
	<u>2 746 231</u>	<u>2 781 652</u>	<u>496 926</u>	<u>539 882</u>

* The amount of L.E 90 361 897 of general and administrative expenses was deducted and charged to subsidiaries (note 26).

8- Board of Directors remunerations

	Financial period from 1/1/2023 To 30/9/2023	Financial period from 1/1/2022 To 30/9/2022	Financial period from 1/7/2023 To 30/9/2023	Financial period from 1/7/2022 To 30/9/2022
	L.E	L.E	L.E	L.E
Board of directors' remunerations	810 000	735 000	22 5000	180 000
Expenses charged to subsidiaries*	(810 000)	(735 000)	(22 5000)	(180 000)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the separate interim financial position for the financial period ended 30 September 2023

* The amount of L.E 810 000 of board of directors' expenses was deducted and charged to subsidiaries (note 26).

9- Other operating expenses

	Financial period from 1/1/2023 To 30/9/2023 L.E	Financial period from 1/1/2022 To 30/9/2022 L.E	Financial period from 1/7/2023 To 30/9/2023 L.E	Financial period from 1/7/2022 To 30/9/2022 L.E
Provisions for claims	838 669	5 257 859	838 669	97 145
Property Tax expense	730 880	-	-	-
Health insurance contribution	8 592	6 625	3 149	1727
Allowance for intercompany balances	-	58 579	-	58 579
	1 578 141	5 323 063	841 818	157 451

10- Net finance income / (expenses)

	Financial period from 1/1/2023 To 30/9/2023 L.E	Financial period from 1/1/2022 To 30/9/2022 L.E	Financial period from 1/7/2023 To 30/9/2023 L.E	Financial period from 1/7/2022 To 30/9/2022 L.E
Interest expense and income	(7 960 296)	(5 285 261)	(2 978 619)	(1 931 441)
Credit interest	783 586	359 936	201 778	30 850
Gain/ loss from foreign currency exchange	397 756	(313 006)	663 443	11 076
Expenses charged to subsidiaries *	7 960 296	5 285 261	2 978 979	1 925 472
	1 181 342	46 930	865 581	35 957

* The amount of L.E 7 960 296 of finance expenses was deducted and charged to subsidiaries (note 26)

Jubayra Food Industries
Notes to the separate interim financial statements for the financial period ended 30 September 2023
Translated from Arabic

11- Property, plant, and equipment

Description	Lands		Buildings & constructions		Buildings and constructions result from lease		Transportation & transport vehicles		Office furnitures & equipments		Computers		Total	
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.
Cost as of 1/1/2022	11 870 738	111 706 795	44 387 809	4 840 543	11 531 616	90 632 215	274 969 716							
Additions during the year	-	-	-	588 300	6,982.00	4 960 361	5 555 643							
Disposals during the year	-	-	-	(256 000)	(25 822)	-	(281 822)							
Cost as of 31/12/2022	11 870 738	111 706 795	44 387 809	5 172 843	11 512 776	95 592 576	280 243 537							
Additions during the period	-	-	-	-	13 800	4 312 008	4 325 808							
Cost as of 30/9/2023	11 870 738	111 706 795	44 387 809	5 172 843	11 526 576	99 904 584	284 569 345							
Accumulated depreciation as of 1/1/2022	-	9 252 519	12 428 586	4 219 502	9 388 516	72 537 419	107 826 542							
Depreciation for the year	-	3 121 892	-	283 521	368 401	10 492 964	14 266 778							
Depreciation of disposals	-	-	-	(256 000)	(25 822)	-	(281 822)							
Accumulated depreciation as of 31/12/2022	-	12 374 411	12 428 586	4 247 023	9 731 095	83 030 383	121 811 498							
Depreciation for the period	-	2 341 418	-	242 056	274 820	5 876 876	8 735 170							
Accumulated depreciation as of 30/9/2023	-	14 715 829	12 428 586	4 489 079	10 005 915	88 907 259	130 546 668							
Net book value as of 30/9/2023	11 870 738	96 990 966	31 959 223	683 764	1 520 661	10 997 325	154 022 677							
Net book value as of 31/12/2022	11 870 738	99 332 384	31 959 223	925 820	1 781 681	12 562 193	158 432 039							

* Land includes an amount of L.E 11 680 388 from finance lease contract

Juhayna Food Industries

Notes to the separate interim financial statements for the fiscal period ended 30 September 2023

Translated from Arabic

12- Investments

Name of the investee company	Legal entity	Number of purchased shares	Participation percentage	Nominal value per share	Total Nominal value	Percentage paid	Total investment cost	Impairment in the value of investment as at		Net Investment	
								9/30/2023	31/12/2022	30/9/2023	31/12/2022
			%	L.E.	L.E.	%	L.E.	L.E.	L.E.	L.E.	L.E.
(12-1) Investment in subsidiary companies											
Egyptian Company for Dairy Products	SAE	2 999 700	99.99	100	299 970 000	100	359 911 533	-	359 911 533	359 911 533	359 911 533
International Company For Modern Food Industries	SAE	4 999 500	99.99	100	499 950 000	100	499 950 000	-	499 950 000	499 950 000	499 950 000
The Egyptian Company For Food Industries "Egyfood"	SAE	499 908	99.98	1 000	499 908 000	80	386 893 852	-	386 893 852	386 893 852	386 893 852
Tiba for Trading and Distribution	SAE	1 998 000	99.90	100	199 800 000	100	199 800 000	-	199 800 000	199 800 000	199 800 000
Al-Marwa for Food industries	SAE	12 256 279	99.91	10	122 562 790	100	196 815 808	-	196 815 808	196 815 808	196 815 808
Enman for Agriculture Development Co. and Biological wealth	SAE	6 499 700	99.995	100	649 970 000	100	599 970 000	-	599 970 000	599 970 000	599 970 000
(12-2) Investment in under joint companies											
Ajju For Food Industries*	SAE	1 015 000	50.75	10	10 150 000	100	10 150 000	-	10 150 000	10 150 000	10 150 000
Balance as at 30 september 2023					<u>2 282 310 790</u>		<u>2 253 491 193</u>	-	<u>2 253 491 193</u>	<u>2 253 491 193</u>	<u>2 253 491 193</u>
(12-3) Investments available for sale											
Egyptian for Trading and Marketing	SAE	1 000	0.54	100	100 000	100	100 000	(100 000)	-	-	-
Balance as at 30 september 2023					<u>100 000</u>		<u>100 000</u>	<u>(100 000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
(12-4) Paid on account of investment											
Tiba for Trading and Distribution	SAE	2 000 000	100	100	200 000 000	10	200 000 000	-	20 000 000	20 000 000	20 000 000
Balance as at 30 september 2023					<u>200 000 000</u>		<u>200 000 000</u>	<u>-</u>	<u>20 000 000</u>	<u>20 000 000</u>	<u>20 000 000</u>

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

Notes to the separate interim financial position for the financial period ended 30 September 2023

13- Projects under construction

	<u>30/9/2023</u>	<u>31/12/2022</u>
	<u>L.E</u>	<u>L.E</u>
Software programs	28 571 453	5 271 908
Advance for fixed assets	3 438 675	4 540 791
	<u>32 010 128</u>	<u>9 812 699</u>

14- Income tax expense Income tax expense for Period

	Financial period from 1/1/2023 To 30/9/2023 L.E	Financial period from 1/1/2022 To 30/9/2022 L.E	Financial period from 1/7/2023 To 30/9/2023 L.E	Financial period from 1/7/2022 To 30/9/2022 L.E
Dividends tax	-	(9 596 994)	-	-
Deferred tax (expense)	(2 223 274)	(1 784 110)	(568 459)	(393 893)
Income tax during the period	-	2 330 820	-	(1 589 495)
	<u>(2 223 274)</u>	<u>(9 050 284)</u>	<u>(568 459)</u>	<u>(1 983 388)</u>

14-1 Reconciliation of effective tax rate

	Financial Period from 1/1/2023 To 30/9/2023	Financial Period from 1/1/2022 To 30/9/2022
Profit/ (loss) for the period before income tax	(544 229)	90 202 155
Income tax using the Company's domestic tax rate (22.5%)	(122 452)	20295 485
Non -taxable expenses	188 701	1 183 018
Tax on revenue exempted by law.	-	(2 159 324)
Other adjustments	(66 249)	(18 359 684)
Dividends tax	-	9 596 994
Deferred tax	2 223 274	1 784 110
Income tax for previous year	-	(2 330 820)
Income Tax	2 223 274	9 050 284
Effective tax rate	-	10%

Notes to the separate interim financial position for the financial period ended 30 September 2023

14-2 Deferred tax liabilities**A- Deferred tax assets and liability arising from lease contract.**

	<u>30/9/2023</u>	<u>31/12/2022</u>
	<u>L.E</u>	<u>L.E</u>
Deferred tax liabilities	(2 097 323)	(2 846 368)
Deferred tax (liabilities) assets	(7 329 502)	(4 761 510)
Net Deferred tax liability	(9 426 825)	(7 607 878)
Deferred tax liability and assets		
Fixed Assets (Liabilities)	(5 259 664)	(4 855 337)
Total deferred tax liability	(14 686 489)	(12 463 215)
Deferred tax movement		
	Balance as of	Deferred tax
	1/1/2023	(expense) for the
		financial period
		ended 30/9/2023
	<u>L.E</u>	<u>L.E</u>
Total Deferred tax liability	12 463 215	2 223 274
		Balance as of
		30/9/2023
		<u>L.E</u>
		14 686 489

15 Tax status**1-15 Corporation tax**

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

The period from the beginning of operation till year 2018

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

Year 2019 till 2022

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

2-15 Payroll tax**The period from the beginning of operation till year 2020**

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

Year 2021/2022

The company submits quarterly returns as well as settlement on legal dates in accordance with the tax law.

3-15 Stamp tax**The period from the beginning of operation till 2020**

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

Year 2021/2022

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

4-15 Sales tax / Value added tax.**From 2013 to 2015**

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

Year 2016/2020

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

Year 2021 to 2022

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

Notes to the separate interim financial position for the financial period ended 30 September 2023

5-15 Withholding tax

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

16 Debtors and Other debit balances

	30/9/2023	31/12/2022
	L.E	L.E
Suppliers – advance payments	2 548 210	254 336
Prepaid expenses	3 580 665	3 747 737
Letter of guarantees margin	25 398	25 398
Deposits with others	432 125	239 397
Other debtors from the government	1 367 244	1 367 244
Other debit balances	463 478	286 633
	<u>8 417 120</u>	<u>5 920 745</u>
Less: Impairment in other debit balances	(197 870)	(197 870)
	<u>8 219 250</u>	<u>5 722 875</u>

17 Cash at banks and on hand

	30/9/2023	31/12/2022
	L.E	L.E
Banks – current accounts	1 067 232	1 083 612
Cash on hand	259 713	170 732
	<u>1 326 945</u>	<u>1 361 300</u>

18 Capital**Authorized capital**

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

Issued and paid-up capital

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

	30/9/2023	31/12/2022
	L.E	L.E
Authorized capital	5 000 000 000	5 000 000 000
Issued & paid-up capital (divided into 941 405 082 shares with nominal value L.E 1 each)	941 405 082	941 405 082
	<u>941 405 082</u>	<u>941 405 082</u>

Notes to the separate interim financial position for the financial period ended 30 September 2023

18-1 General reserve - issuance premium

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

Collected from issuance premium of 205 972 632 shares during the year 2010 999 379 210

Less:

i. Nominal value of issued shares with a premium	205 972 632
ii. Issuance fees	38 507 164
ii. Legal reserve formed to reach 50 % of paid-up capital	350 398 732
v. Difference between the nominal value and the cost of own shares cancelled on 5/2/2012.	73 580 254

General reserve balance**330 920 428****19 Earnings per share**

	Financial period from 1/1/2023 To 30/9/2023 L.E	Financial period from 1/1/2022 To 30/9/2022 L.E	Financial period from 1/7/2023 To 30/9/2023 L.E	Financial period from 1/7/2022 To 30/9/2022 L.E
Net profit/Loss for the period according to profit or loss statement	(2 767 503)	81 151 871	(356 910)	(1 984 764)
Less				
Employees share	-	(8 115 187)	-	-
Board of directors	-	(4 057 594)	-	-
Net payable to shareholders	(2 767 503)	68 979 090	(356 910)	(1 984 764)
Weighted average to number of shares	941 405 082	941 405 082	941 405 082	941 405 082
EPS (L.E/Share)	(0.003)	0.073	(0.001)	(0.002)

the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year after reducing dividends to employees and BOD as follows :

20 Provisions

Description	Balance on 1/1/2023 L.E	Provision formed L.E	Provision used L.E	Balance on 30/9/2023 L.E
Provision for claims	526 346	838 669	(635 956)	729 059

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

Notes to the separate interim financial position for the financial period ended 30 September 2023

21 Suppliers and other credit balances

	30/9/2023	31/12/2022
	<u>L.E</u>	<u>L.E</u>
Suppliers	6 571 205	5 256 557
Accrued expenses	6 114 298	7 806 737
Taxes- Tax authority	1 354 185	2 226 432
Dividends payable	13 984	13 969
Accrued health insurance	8 592	10 482
Social Insurance Authority	335 253	284 812
Other credit balances	792 408	608 903
	<u>15 189 925</u>	<u>16 207 892</u>

22- Financial instruments**Financial risk management****Overview**

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

- Credit risk
- Liquidity risk
- Market risk.

Risk management framework

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

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

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

Notes to the separate interim financial position for the financial period ended 30 September 2023

Credit risk

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

Credit risk**Exposure to credit risk**

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

	Carrying amount	
	<u>30/9/2023</u>	<u>31/12/2022</u>
	<u>L.E</u>	<u>L.E</u>
Debtors and other debit balances	8 219 250	5 722 875
Due from related parties	355 645 724	565 187 191

Liquidity risk

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

The company is keeping the following credit process:

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

	Carrying amount	
	<u>30/9/2023</u>	<u>31/12/2022</u>
	<u>L.E</u>	<u>L.E</u>
Suppliers and other credit balances	15 189 925	16 207 892
lease contract liabilities	45 817 006	57 230 307

Market risk

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

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

Currency risk

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

Notes to the separate interim financial position for the financial period ended 30 September 2023

Foreign currency risk**Exposure to currency risk**

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

	USD	EURO
Cash at banks and on hand	4 486	1 427
30 September 2023	4 486	1 427
31 December 2022	8 445	1 427

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

	Average rate		Actual closing Rate	
	<u>30/9/2023</u>	<u>31/12/2022</u>	<u>30/9/2023</u>	<u>31/12/2022</u>
USD	30.83	19.76	30.95	24.76
Euro	33.40	20.67	32.67	26.35

sensitivity analysis

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

	30 September 2023	
	10% Effect	
USD	13 884	
Euro	4 662	

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	Profit or Loss	
	100 points increase	100 points decrease
30 September 2023		
Financial instruments that carry a variable interest rate	81 081	(81 081)
31 December 2022		
Financial instruments that carry a variable interest rate	-	-

Notes to the separate interim financial position for the financial period ended 30 September 2023

Capital management.

Total liabilities

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

	30/9/2023	31/12/2022
	<u>L.E</u>	<u>L.E</u>
Total liabilities	87 258 844	91 359 199
Less: cash at banks and on hand	(1 326 945)	(1 361 300)
Net debt	85 931 899	89 997 899
Total equity	2 737 457 073	2 922 648 098
Net debt to equity ratio	% 3.1	% 3.1

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

23 Financial lease contracts**Lease contracts (Sale and lease back)**

On 23/3/2016 the Company signed a contract with regard to a sale & lease back for a land (including the building built thereon), for land located on plot no. 21 of the Crazy Water's Corridor in Zayed City with a total area of 15 374.47 m². The contract terms became effective starting 24/3/2016. The following is a summary of the above-mentioned contract:

Description	Lease value		Lease period <u>Months</u>	Purchase value at end of contract <u>L.E</u>	Quarterly lease value rounded <u>L.E</u>
	Contractual value <u>L.E</u>	Accrued interest <u>L.E</u>			
	Contract from 24/3/2016 To 25/12/2025	125 000 000			

- In accordance with the provisions of the transitional rules of the Egyptian Accounting Standard No. 49 of 2019 for leasing contracts, the initial application date for this standard is the beginning of the annual report period in which the financial leasing law No. 95 of 1995 and its amendments has been canceled and the law regulating financial leasing 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 Egyptian accounting standard no. (20) (Standards for Financial Leasing Transactions) which resulted in the following:
- The company made an agreement with Tiba For Trading and Distribution Company -Subsidiary company- with a percentage of 99,9% for leasing the administrative building of the subsidiary company with a monthly rental value with a total amount of L.E 1 980 000 during the financial period ended 30 September 2023 (An amount of L.E 1 980 000 during the period ended 30 September 2022).
- The finance interests of the lease contract amounted to L.E 7 045 771 during the financial period ended 30 September 2023.

Notes to the separate interim financial position for the financial period ended 30 September 2023

Capital management.

Total liabilities

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

	30/9/2023	31/12/2022
	<u>L.E</u>	<u>L.E</u>
Total liabilities	87 258 844	91 359 199
Less: cash at banks and on hand	(1 326 945)	(1 361 300)
Net debt	85 931 899	89 997 899
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Description	Lease value		Lease period Months	Purchase	Quarterly
	Contractual value L.E	Accrued interest L.E		value at end	lease value
				of contract L.E	rounded L.E
Contract from 24/3/2016 To 25/12/2025	125 000 000	119 813 200	120	1	6 179 374

- In accordance with the provisions of the transitional rules of the Egyptian Accounting Standard No. 49 of 2019 for leasing contracts, the initial application date for this standard is the beginning of the annual report period in which the financial leasing law No. 95 of 1995 and its amendments has been canceled and the law regulating financial leasing 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 Egyptian accounting standard no. (20) (Standards for Financial Leasing Transactions) which resulted in the following:
- The company made an agreement with Tiba For Trading and Distribution Company -Subsidiary company- with a percentage of 99,9% for leasing the administrative building of the subsidiary company with a monthly rental value with a total amount of L.E 1 980 000 during the financial period ended 30 September 2023 (An amount of L.E 1 980 000 during the period ended 30 September 2022).
- The finance interests of the lease contract amounted to L.E 7 045 771 during the financial period ended 30 September 2023.

Notes to the separate interim financial position for the financial period ended 30 September 2023

23-1 Loan (arising from lease contract)

	30/9/2023	31/12/2022
	<u>L.E</u>	<u>L.E</u>
Liabilities from lease contract (current portion)	17 820 980	15 875 352
Long-term liability from lease contract (non-current portion)	27 996 026	41 354 955
Total	<u>45 817 006</u>	<u>57 230 307</u>

Payment of lease contracts liabilities are as follows:

	Loan principal		Accrued interest	
	30/9/2023	31/12/2022	30/9/2023	31/12/2022
	L.E	L.E	L.E	L.E
Liabilities for one year	17 820 980	15 875 352	6 896 514	8 077 004
Liabilities between 1-5 years	27 996 026	41 354 955	2 900 842	6 549 757

24 Related party transactions

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

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

24-1 Executive wages & Salaries

	30/9/2023	30/9/2022
	L.E	L.E
Salaries, wages & allowances	810 000	735 000

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

24-2 Due from related parties

	Nature of transaction	Total value of transactions	Balance as of		
		30/9/2023	31/12/2022	30/9/2023	31/12/2022
		L.E	L.E	L.E	L.E
Tiba For Trading and Distribution	Collections	21 275 012	(71 179 428)	87 024 520	46 562 842
	Dividends	-	77 322 600		
	Leases Assets	1 980 000	2 640 000		
	Expense distribution	17 206 666	18 617 888		

Notes to the separate interim financial position for the financial period ended 30 September 2023

International Company for Modern Food Industries	Collections/Current	(3 639 148)	5 428 155	4 929 109	51 907 116
	Dividends		66 143 385		
	Dividends Collection	(55 344 465)	(97 190 280)		
	Expense distribution	12 005 606	12 534 962		
	Current/collection	(31 990 877)	(9 723 661)	-	81 384 910
El Marwa for Food Industries	Dividends	(56 169 484)	32 375 160		
	Expense distribution	6 749 899	5 139 644		
	Dividend	-	116 978 472		
	Dividend's Collection	(103 480 956)	(180 866 714)	8 203 872	102 977 097
EGY Food	Collections/current	(11 333 698)	(12 357 211)		
	Expense distribution	20 041 429	20 498 407		
Enmaa For Agricultural Reclamation	Current/collections	(26 179)	(37 931)	30 993	57 172
Enmaa For Agriculture Development and Biological Wealth	Current/collections	9 214 258	419 797	236 073 626	226 859 368
Egyptian Company for Dairy Products	Collections	(38 848 167)	(37 815 433)	17 512 548	46 056 023
	Dividends	-	78 742 125		
	Dividends collections	(38 246 175)	(131 386 860)		

Notes to the separate interim financial position for the financial period ended 30 September 2023

	Expense distribution	48 550 867	49 917 159		
Enmaa For Livestock	Current	(9 412 760)	598 919	368 906	9 781 665
Arju for food industries	Current	1 567 451	498 111	2 068 526	501 075
Total				356 212 101	566 087 269
ECL from related parties				(566 377)	(900 078)
Net				355 645 724	565 187 191

24-3 Due to related parties

Nature of transaction		Total value of transactions 30/9/2023 L.E	Total value of transactions 2022/12/31 L.E	Balance as of 30/9/2023 L.E	Balance as of 31/12/2022 L.E
El Marwa for Food Industries	Current/collection Dividends Expense distribution	25 551	-	25 551	-
Net				25 551	-

25 Overdraft facility

The outstanding balance amounted to 10 810 814 L.E represents the outstanding balance for the overdraft facility from HSBC for working capital requirement including overheads, taxes and utilities expenses amounted to L.E 20 million with interest rate equal the corridor rate +0.75% for promissory note.

26 Distribution of the holding companies' expenses

According to the Board of Director meeting No. 276 held on May 24, 2022, the company will distribute its expenses to the following companies (The Egyptian Dairy Products, the Egyptian Food Industries "Egyfood", the International Food Industries, Tiba for Trading and Distribution, Al-Marwa Food Industries, the Modern concentrates industry) according to the percentage of each company's contribution in the consolidated revenues.