OBOUR LAND FOR FOOD INDUSTRIES COMPANY (S.A.E)
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2023
TOGETHER WITH AUDITORS' LIMITED REVIEWED REPORT

Translation of Auditors' report
Originally issued in Arabic

OBOUR LAND FOR FOOD INDUSTRIES COMPANY (S.A.E)

Consolidated Financial Statements For the six months ended 30 June 2023

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Limited Review Report of Consolidated Interim Financial Statements

To The members of the Board of Directors of Obour Land for Food Industries (S.A.E.)

Introduction

We have reviewed the accompanying consolidated interim financial position of **Obour Land for Food Industries (S.A.E.)** as of 30 June 2023, as well as the related consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six months 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 consolidated interim financial statements based on our limited review.

Scope of Review

We conducted our review in accordance with Egyptian Standard on Review Engagements No. 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A review of interim financial statements consists of making inquiries, primarily of person responsible for financial and accounting matters, and applying analytical and other 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements does not give a true and fair view, in all material respects, of the consolidated financial position of the entity as of 30 June 2023, and of its consolidated financial performance and its consolidated cash flows for the six months then ended in accordance with Egyptian Accounting Standards.

Cairo on: 25 July 2023

Mohamed Abu Elkassim
FESAA – FEST
RAA (17553)
CMAR (359)

Translation of consolidated financial statements
Originally issued in Arabic

OBOUR LAND FOR FOOD INDUSTRIES COMPANY (S.A.E)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 30 June 2023

	Note	30 June 2023 EGP	31 December 2022 EGP
ASSETS			
Non-current assets			
Fixed assets	(5)	**587,967,817**	623,277,056
Projects under construction	(6)	**76,988,272**	53,606,004
Total non-current assets		**664,956,089**	676,883,060
Current assets			
Inventory	(7)	**1,014,912,647**	828,137,737
Accounts and notes receivable	(8)	**112,629,180**	72,418,698
Due From related parties	(19)	**63,736**	-
Prepaid expenses and other debit balances	(9)	**171,685,585**	256,465,268
Advance payments for fixed assets		**1,517,429**	3,673,426
Treasury bills	(10)	**99,628,835**	239,017,398
Investment available for sale	(11)	**66,300,000**	
Letters of guarantee	(12)	**5,397,414**	4,323,883
Cash on hand and at banks	(13)	**438,382,160**	485,845,400
Total current assets		**1,910,516,986**	1,889,881,810
TOTAL ASSETS		**2,575,473,075**	2,566,764,870
EQUITY AND LIABILITIES			
Equity			
Paid up capital	(14)	**400,000,000**	400,000,000
Legal reserve		**110,669,994**	87,535,595
Retained earnings		**140,401,949**	141,123,039
Profits for the period/year		**212,097,072**	462,390,988
Equity attributable to shareholders of the parent		**863,169,015**	1,091,049,622
Non-controlling interest		**3,988,328**	3,998,641
Total equity		**867,157,343**	1,095,048,263
LIABILITIES			
Non-current liabilities			
Long term loan	(15)	**24,063,355**	19,277,221
Notes payable (finance lease) liabilities	(34)	**11,443,879**	25,264,918
Deferred tax liabilities	(16)	**9,871,966**	19,090,059
Total non-current liabilities		**45,379,200**	63,632,198
Current liabilities			
Long term loan – current portion	(15)	**24,063,356**	38,554,445
Provision for expected claims	(17)	**1,521,531**	4,064,808
Bank overdraft	(18)	**874,746,552**	388,215,995
Accounts and notes payable	(19)	**577,999,631**	680,618,730
Notes payable (finance lease) – current portion	(34)	**51,593,142**	44,876,062
Due to related parties	(20)	**-**	5,892,991
Accrued expenses and other credit balances	(21)	**62,217,796**	60,401,511
Taxes payable	(22)	**3,627,900**	6,139,945
Advances from customers		**10,189,772**	53,496,667
Income taxes payable		**56,761,024**	125,743,255
Fixed assets creditors		**215,828**	80,000
Total current liabilities		**1,662,936,532**	1,408,084,409
TOTAL LIABILITIES		**1,708,315,732**	1,471,716,607
TOTAL LIABILITIES AND EQUITY		**2,575,473,075**	2,566,764,870

Board Member **Chairman**

M. H. Shera

- The accompanying notes from (1) to (36) form an integral part of these consolidated financial statements.
- Auditors' review report attached.

STATEMENT OF PROFIT OR LOSS

For the period ended 30 June 2023

	Note	**For the six months ended 30 June 2023 EGP**	For the six months ended 30 June 2022	**For the Six months ended 30 June 2023**	For the Six months ended 30 June 2022 EGP
Sales		**2,956,475,558**	1,797,678,858	1,486,161,628	873,874,887
Cost of sales		**(2,343,466,320)**	(1,405,752,264)	(1,209,693,781)	(682,212,742)
GROSS PROFIT		**613,009,238**	391,926,594	276,467,847	191,662,145
Selling and marketing expenses		**(106,799,940)**	(100,002,612)	(58,834,958)	(50,162,672)
General and administrative expenses		**(66,904,699)**	(30,607,034)	(36,163,968)	(14,695,061)
Expected credit loss		**(1,483,152)**	(1,553,064)	(777,342)	(1,529,582)
Reversal of Expected credit loss		**3,016,328**	615,447	537,607	615,447
Losses of financial securities		**(2,647,579)**	-	(2,099,357)	-
Foreign exchange currency differences		**(99,622,292)**	(22,868,745)	(38,909)	(2,979,048)
Other income		**14,261,618**	3,932,276	4,447,401	2,508,214
Provision for expected claims		**(20,000,000)**	-	(19,000,000)	-
Interest income		**8,243,863**	7,839,201	2,828,764	752,659
Interest expenses		**(64,217,027)**	(14,613,864)	(40,239,531)	(9,111,216)
PROFITS BEFORE INCOME TAXES		**276,856,358**	234,668,199	127,127,554	117,060,886
Income taxes		**(64,769,599)**	(53,823,561)	(30,204,628)	(50,162,672)
PROFITS FOR THE PERIOD		**212,086,759**	180,844,638	96,922,926	(14,695,061)
Attributable to:					
Shareholders		**212,097,072**	180,848,112	96,927,593	90,229,621
Non-controlling Interest		**(10,313)**	(3,474)	(4,667)	(2,174)
PROFITS FOR THE PERIOD		**212,086,759**	180,844,638	96,922,926	90,227,447
Earnings per share – basic and diluted		**0.45**	0.39	0.20	0.20

- The accompanying notes from (1) to (36) form an integral part of these consolidated financial statements.

OBOUR LAND FOR FOOD INDUSTRIES COMPANY (S.A.E)

STATEMENT OF PROFIT OR LOSS

For the period ended 30 June 2023

	For the six months ended 30 June 2023 EGP	For the six months ended 30 June 2022	**For the Six months ended 30 June 2023**	For the Six months ended 30 June 2022 EGP
PROFITS FOR THE PERIOD	**212,086,759**	180,844,638	**96,922,926**	90,227,447
TOTAL COMPREHENSIVE INCOME	**212,086,759**	180,844,638	**96,922,926**	90,227,447
Attributable to:				
Shareholders	**212,097,072**	180,848,112	**96,927,593**	90,229,621
Non-controlling Interests	**(10,313)**	(3,474)	**(4,667)**	(2,174)
TOTAL COMPREHENSIVE INCOME	**212,086,759**	180,844,638	**96,922,926**	90,227,447

- The accompanying notes from (1) to (36) form an integral part of these consolidated financial statement.

OBOUR LAND FOR FOOD INDUSTRIES COMPANY (S.A.E)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2023

	Share Holders						
	Paid up capital	Legal reserve	Retained earnings	Profits for the Period	Total	Non- controlling Interests	Total
	EGP	EGP	EGP	EGP	EGP	EGP	
Balance on 1 January 2023	400,000,000	87,535,595	141,123,039	462,390,988	1,091,049,622	3,998,641	1,095,048,263
Transferred to legal reserve and retained earnings	-	23,134,399	439,256,589	(462,390,988)	-	-	-
Dividends	-	-	(439,977,679)	-	(439,977,679)	-	(439,977,679)
Profits for the period	-	-	-	212,097,072	212,097,072	(10,313)	212,086,759
Balance on 30 June 2023	400,000,000	110,669,994	140,401,949	212,097,072	863,169,015	3,988,328	867,157,343
Balance on 1 January 2022	400,000,000	69,996,288	180,748,922	350,682,360	1,001,427,570	4,006,508	1,005,434,078
Transferred to legal reserve and retained earnings	-	17,539,307	333,143,053	(350,682,360)	-	-	-
Dividends	-	-	(300,700,000)	-	(300,700,000)	-	(300,700,000)
Profits for the period	-	-	-	180,848,112	180,848,112	(3,474)	180,844,638
Balance on 30 June 2022	400,000,000	87,535,595	213,191,975	180,848,112	881,575,682	4,003,034	885,578,716

- The accompanying notes from (1) to (36) form an integral part of these consolidated financial statements.

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OBOUR LAND FOR FOOD INDUSTRIES COMPANY (S.A.E)
CONSOLIDATED STATEMENT OF CASH FLOWS
For the period ended 30 June 2023

	Note	30 June 2023 EGP	30 June 2022 EGP
CASH FLOWS FROM OPERATING ACTIVITIES			
Profits before income taxes		**276,856,358**	234,668,199
Adjusted to:			
Depreciation of fixed assets	(5)	**32,782,381**	33,296,216
Expected credit loss	(8)	**1,483,152**	1,553,064
Reversal of Expected credit loss	(8)	**(3,016,328)**	(615,447)
Interest income	(26)	**(8,243,863)**	(7,839,201)
Interest expense	(28)	**64,217,027**	14,613,864
Gain from sale of fixed assets	(5)	**(6,747,187)**	(647,351)
Charged of provision for expected claims		**20,000,000**	-
		377,331,540	275,029,344
Change in inventories	(7)	**(186,774,910)**	(537,188,960)
Change in accounts and notes receivables	(8)	**(38,677,306)**	(17,321,708)
Change in due from related parties	(20)	**(63,736)**	-
Change in prepaid expenses and other debit balances	(9)	**84,779,683**	(13,022,556)
Change in letter of credit	(12)	**(1,073,531)**	(61,428,731)
Change in accounts and notes payable	(19)	**(102,619,099)**	130,749,102
Change in due to related parties	(20)	**(5,892,991)**	-
Change in accrued expenses and other credit balances	(21)	**(21,474,284)**	10,724,035
Change in customers advanced payments		**(43,306,895)**	2,382,584
Change in taxes payable		**(2,512,045)**	(2,548,452)
Cash flows provided from operating activities		**59,716,426**	(212,625,342)
Provision (used in) for expected claims used during the year		**(22,543,277)**	-
Interest expense paid	(28)	**(64,217,027)**	(14,613,864)
Income taxes paid		**(142,969,923)**	(100,301,176)
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES		**(170,013,801)**	(327,540,382)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income received	(26)	**8,243,863**	7,839,201
Payments for purchasing fixed assets	(5)	**(1,256,018)**	(540,841)
Proceeds from sale of fixed assets	(5)	**10,530,065**	1,957,294
Payments to purchasing projects under construction	(6)	**(23,382,268)**	(13,305,728)
Fair Value investment through statement profit or loss	(11)	**(66,300,000)**	-
Proceeds from Advance payments for fixed assets suppliers		**2,155,997**	160,075
proceeds from fixed assets creditors		**135,828**	27,564
Payments for current accounts and retained time deposits	(13)	**(124,289,729)**	(311,570)
NET CASH FLOWS (USED IN)/ PROVIDED FROM INVESTING ACTIVITIES		**(194,162,262)**	(4,174,005)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for liabilities (Notes payable finance lease)	(34)	**(7,103,959)**	6,346,139
Payments for Long term Loan - current portion	(15)	**(9,704,955)**	(2,690,646)
Payments liabilities (finance lease)	(34)	**-**	(9,463,215)
Proceeds from Credit facilities	(18)	**486,530,557**	313,474,595
Proceeds from treasury bills	(10)	**139,388,563**	316,878,488
Dividends paid		**(416,687,110)**	(284,856,030)
NET CASH FLOWS PROVIDED FROM FINANCING ACTIVITIES		**192,423,096**	339,689,331
Net change in cash and cash equivalent		**(171,752,967)**	7,974,944
Cash and cash equivalent - beginning of the period	(13)	**485,154,814**	18,562,164
CASH AND CASH EQUIVALENT - END OF THE PERIOD	(13)	**313,401,847**	26,537,108
Cash and cash equivalent:			
Cash on hand and at banks	(13)	**438,382,160**	27,369,266
Retained time deposits	(13)	**(50,549,177)**	(529,887)
Retained current accounts	(13)	**(74,431,136)**	(302,271)
CASH AND CASH EQUIVALENT - END OF THE PERIOD	(13)	**313,401,847**	26,537,108

The accompanying notes from (1) to (36) form an integral part of these consolidated financial statements.

1 BACKGROUND

Obour Land for Food Industries Company (S.A.E) (the Company) was established according to law No. 159 for 1981 and its Executive Regulations.

The Company was registered in the Commercial Register under No. 304035 on 4 May 1997.

The Company's registered location is area (7,8, 12,13,1415,16) block 13012, El Obour city first industrial zone.

The age of company is 50 years starts from 04\05\1997 till 03\05\2047

The Company's main purpose is manufacturing all dairy products including packing and pasteurization of liquid dairies, cream, natural butter and all types of white cheese, dry cheese and cooked cheese and all types of yogurt , in addition to any other manufacturing that fall under the dairy products and all kinds of ice cream, ice cream biscuits, manufacturing and mixing stabilizers of ice cream and natural fruit juices, also importing all production requirements related to the Company's business, along with exporting the Company'sproducts.

The production of manufactured ghee, and all types of sweets, while complying with all active laws and regulations, subject to the issuance of required operational permits. The Company may also maintain vested interest in and/or venture with other Companies with similar business operations and/or operating in similar industries that might add value to the Company, in Egypt or abroad, and may also merge into these entities and/or acquire them according to the respective Egyptian laws and executive regulations.

On 18 October 2017 Extraordinary General Assembly was held, and they agreed to add the livestock breeding activity for dairy production and fattening to the Company and amending article (3) of the Company's articles of association.

These consolidated financial statements for the year ended 30 June 2023 were authorized for issuance in accordance with the resolution of the board of directors on 25 July 2023.

Below is a brief background about the subsidiary included in the consolidated financial statements:

Obour Farm for Agriculture Investment and Livestock Breeding

Obour Farm for Agriculture Investment and Livestock Breeding Company (S.A.E) was established on 19 December 2017 according to law No. 72 for 2017 and its Executive Regulations.

The Company was registered in the Commercial Register under No. 114344 on 19 December 2017.

The Company's registered location is blocks 293,300,301,308, First industrial zone, El Obour city, Kaliobeya-Egypt.

The Company's main purpose is breeding all kinds of livestock, whether for the production of breeds, dairy or meat. Subject to the provisions of the laws, regulations and decisions in force, the Company shall obtain all the necessary licenses to carry out the activity. The Company may also maintain vested interest in and/or venture with other Companies with similar business operations and/or operating in similar industries that might add value to the Company, in Egypt or abroad, and may also merge into these entities and/or acquire them according to the respective Egyptian laws and executive regulation.

1 BACKGROUND (continued)

SHAREHOLDERS' STRUCTURE IS AS FOLLOWS:

	Ownership	No. of shares	Issued capital	Paid up capital
	%		EGP	EGP
Obour Land for Food Industries (S.A.E)	98	196,000,000	196,000,000	196,000,000
Mr. Ashraf Mohamed Hamed Sherif	1	2,000,000	2,000,000	2,000,000
Mr. Ayman Mohamed Hamed Sherif	1	2,000,000	2,000,000	2,000,000
	100	**200,000,000**	**200,000,000**	**200,000,000**

2 BASIS OF CONSOLIDATION

In preparing the consolidated financial statements, the financial statements of the holding company are combined with the financial statements of the subsidiary by combining similar items of assets, liabilities, equity, income and expenses so that the consolidated financial statements present the financial information of the group as if it was a single entity.

The following steps are taken when preparing the consolidated financial statements:

a) The carrying amount of the parent company's investment in the subsidiary is eliminated, with the share of the holding company in equity of the subsidiary.
b) Non-controlling interests are determined in the consolidated subsidiaries' net profit / loss during the reporting period as well as in the net assets of the consolidated subsidiary.
c) The balances between the group companies are eliminated.
d) Transactions between group companies are eliminated, including sales, expenses and dividends.
e) Profits or losses resulting from transactions between group companies recognized in the asset such as inventory and fixed assets are eliminated.

3 SUMMARY SIGNIFICANT ACCOUNTING POLICIES

3-1 BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated financial statements of the Group are prepared under the going concern assumption on a historical cost basis.

The Consolidated financial statements of the Group are prepared and presented in Egyptian pound, which is the Company's functional currency.

Statement of compliance

The Consolidated financial statements of the Group are prepared in accordance with the Egyptian Accounting Standards and the applicable laws and regulations.

The accounting policies applied this period are in line with those implemented in the previous period, except for changes in new accounting policies.

3-2 Changes in accounting policies

The accounting policies applied in this period are consistent with those applied in the previous period.
As Shown in disclosure 35, on 6 March 2023, Council of Minister's was issued decision No. 883 of 2023 to amend some provisions of Egyptian Accounting Standards, and these amendments did not effect on the company's financial statements on 30 June 2023.

3 SUMMARY SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3-3 Significant accounting judgments and estimates

3-3-1 Judgments

Recognition of revenue from the sale of products

In making its judgments, management has taken into account the detailed requirements for recognizing revenue arising from the sale of products as set out in Egyptian Accounting Standard No. (11) "Revenue", in particular with regard to whether the Company has transferred to the buyer the significant risks and rewards arising from ownership of the goods This usually occurs when the goods are delivered, and the invoice is issued.

3-3-2 Estimates

Decreased value of customer balances and notes receivable

An estimate of the collectible amount is made from customer balances and notes receivable when collection of the full amount is no longer expected. For individually significant amounts, the estimation is made on an individual basis. As for amounts that are not individually significant, but which are past their due date, they are assessed collectively, and a provision is made according to the period that has elapsed since their maturity date based on historical recovery rates.

Useful life of fixed assets

The company's management determines the estimated useful life of fixed assets for the purpose of calculating depreciation. This estimate shall be determined after considering the expected useful life of the asset or the physical depreciation of the assets. Management periodically reviews the estimated useful life and the method of depreciation to ensure that the method and duration of depreciation are consistent with the expected pattern of economic benefits arising from these assets.

Taxes

The company is subject to income tax imposed in Egypt. Important judgments are required to determine the total provisions for current and deferred taxes. The company has made provisions, based on reasonable estimates, bearing in mind the potential consequences of the examinations conducted by the tax authorities in Egypt. The amount of this provision is based on several factors, including experience with previous tax checks and differing interpretations of tax regulations by the company and the responsible tax authority. Such differences in interpretation may arise in several issues according to the conditions prevailing in Egypt at the time.

Deferred tax assets are recognized for unused and carried forward tax losses so that it is probable that they will be offset by taxable profits that these losses can be used to offset. Substantial management judgments must determine the amount of deferred tax assets that can be recognized, based on the likely timing and level of future taxable profits, as well as future tax planning strategies.

Depreciation of non-financial assets

The company assesses whether there are indications of impairment of non-financial assets in each of the reporting years. Non-financial assets are tested for impairment when there are indications that the carrying value may not be recoverable. When calculating value in use, management estimates the expected future cash flows from the asset or cash-generating unit and chooses the appropriate discount rate to calculate the present value of those cash flows.

3-4 Summary of significant accounting policies

3-4-1 Financial instruments

Classification and measurement

According to Egyptian Accounting Standard 47, debt instruments are subsequently measured at fair value through profits, losses, amortized cost, or fair value through other comprehensive income. The classification is based on two classification criteria: the company's business model for asset management; and whether the contractual cash flows of the instruments represent "principal and interest payments only" on the outstanding principal amount.

3 SUMMARY SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
3-4 Summary of significant accounting policies (Continuing)
3-4-1 Financial instruments (Continuing)

Classification and measurement (Continuing)

The Company's business model was evaluated as of the date of initial application and assessed whether the contractual cash flows of debt instruments consisted only of principal amount and interest based on the facts and circumstances at the initial recognition of the assets.

impairment

The new impairment model in accordance with Egyptian Accounting Standard 47 requires the recognition of impairment provisions based on expected credit losses rather than only credit losses incurred as in Egyptian Accounting Standard 26. Applicable to financial assets classified at amortized cost and debt instruments measured at fair value through other comprehensive income, Egyptian Accounting Standard 48 contract assets "Revenue from contracts with customers", rental receipts, loan commitments and certain financial guarantee contracts.

Financial Instruments - Recognition and Measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial obligation or proprietary instrument of another entity.

A) Financial assets

Financial assets, at initial recognition, as measured later, are classified by depreciated cost, fair value through other comprehensive income or fair value through profit or loss. The classification of financial assets at initial recognition is based on the characteristics of the contractual cash flow of the financial asset and the company's business model for its management. For a financial asset to be classified and measured at amortized cost or fair value by other comprehensive income, it must result in cash flows that are "principal and interest payments only" on the outstanding principal amount.

This test is referred to as the "principal and interest payments only" test and is performed at the instrument level. Financial assets that do not pass the "principal and interest payments only" test are classified and measured at fair value through profit or loss, regardless of business model. A company's business model for financial asset management refers to how it manages its financial assets to generate cash flows.

The business model determines whether cash flows will result from the collection of contractual cash flows, the sale of financial assets, or both. Financial assets classified and measured at depreciated cost are held within the business model for the purpose of holding financial assets for the purpose of collecting contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within the business model for the purpose of collecting contractual cash flows and selling.

Impairment of financial assets

The Company recognizes the provision for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due under the contract and all cash flows expected by the Company, discounted at a rate close to the original effective interest rate.

The provision for expected credit losses is recognized in two stages. For credit exposures for which there has been no significant increase in credit risk since initial recognition, expected credit losses for credit losses are measured by the value of credit losses resulting from potential defaults over the next 12 months (expected credit losses 12-month).

For credit exposures for which credit risk has significantly increased since initial recognition, expected credit losses are measured over the remaining life of exposure, regardless of the timing of default (expected credit losses over a lifetime).

When determining whether the credit risk of the financial asset has increased materially since the initial recognition and when estimating the expected credit losses, the Company shall consider reasonable, supportive, and available information at no cost or excessive effort, including quantitative and qualitative information and analysis based on the Company's past experience, enhanced credit ratings and future information.

The Company may also consider a financial asset in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by

3 SUMMARY SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
3-4 Summary of significant accounting policies (Continuing)
3-4-1 Financial instruments (Continuing)

Impairment of financial assets (Continued)

the Company The financial assets are excluded when there is no reasonable recovery expectation of expected cash flows. At the date of each report, the Company assesses whether financial assets recorded at amortized cost and debt securities at fair value through other comprehensive income have experienced credit impairment.

An asset is considered to have experienced an impairment when one or more events occur that have a negative impact on the estimated future cash flows of the financial asset.

B) Financial obligations
All financial obligations are recognized primarily at fair value and in the case of loans, debts, and credit balances less the cost directly attributable to the transaction.

3-4-2 Revenue from contracts with customers
The new Egyptian Accounting Standard "Revenue from contracts with customers" No. 48 establishes a new five-step model, which will be applied to revenue arising from contracts with customers as follows:
Step 1: Define the contract(s) with the customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations. It outlines the bases and criteria that must be met for each contract.
Step 2: Identify the performance obligations in the contract: A performance obligation is an undertaking in the contract to transfer a good or service to the customer.
Step 3: Determine the transaction price: The transaction price is the amount of consideration the company expects to be entitled to in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
Step 4: Allocate the transaction price to the performance obligations stipulated in the contract. For contracts that have more than one performance obligation, the Group will allocate a transaction price to each performance obligation in the amount to which the Group expects to be entitled in exchange for meeting each performance obligation.
Step 5: Recognize revenue when the entity fulfills the performance obligation.
The company fulfills the performance obligation and recognizes revenue over a period of time, if one of the following conditions is met:
A. It does not create performance for the company and that the company has an enforceable right to a payment for the performance completed to date
B. The performance of the company creates or improves the asset that the customer controls at the same time that the asset is being built and improved.
C. The customer receives the benefits provided by the performance of the facility and consumes them at the same time as long as the company performs.
For performance obligations, if any of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied.
In the event that the company fulfills the performance obligation by providing the services that were promised, this leads to the creation of an asset based on a contract in exchange for the consideration gained from the performance.
In the event that the consideration received by the customer exceeds the amount of revenue that has been recognized, this may create a contract obligation.

Revenue is measured at the fair value of the consideration received or receivable, after taking into account the contractual terms of payment, and after excluding taxes and fees. The Company reviews its revenue arrangements against specific criteria to ascertain whether it is acting as principal or agent.
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and that the revenue and costs, if applicable, can be measured reliably.

A. The provision of services
Revenue from providing services is recognized when services are provided, and this is done on the basis of contracts with customers.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3-4 Summary of significant accounting policies (Continuing)

3-4-2 Revenue from contracts with customers (Continuing)

B. financing income
Finance income is recognized using the effective commission rate, which represents the rate at which estimated future cash receipts are discounted over the expected life of the financial instrument or less, whichever is appropriate to the net book value of the financial asset.

C. Dividends
Revenue is recognized when the company's eligibility to receive it is recognized, which is usually done by the distribution decision issued by the general assemblies of the investee companies.

3-4-3 Financial leasing
Egyptian Accounting Standard 49 replaces Egyptian Accounting Standard 20 "Accounting Rules and Standards Related to Financial Leasing Operations".
Egyptian Accounting Standard 49 now requires tenants to recognize lease obligations that reflect future rent. payments and "right of use asset" for almost all leases. There is an optional exemption for some short-term leases and leases for low-value assets.
When the contract arises, it is evaluated whether the contract is a lease contract or includes a lease contract. The contract is a lease contract or includes a lease if it transfers the right of control over the use of the specified asset for a period for a fee. A single recognition and measurement policy applies to all leases, except for short-term leases and leases of small-value assets.
Rent obligations are recognized for rent payments and "usufruct assets" which represent the right to use the assets subject to the lease contract.

A) Right of Use Assets
Right of use assets are recognized at the beginning of the lease (on the date on which the asset becomes available for use).
Right of use assets are measured at cost minus any combined depreciation or impairment losses and adjusted by any revaluation of lease liabilities. Usufruct Asset Cost includes the amount of recognized lease obligations plus any direct costs or down payments made on or before the contract date minus any rental incentives received. The depreciation of the right of use assets shall be made based on the fixed premium over the term of the lease contract or the estimated useful life of the assets in accordance with the depreciation policy applied in the establishment, whichever is less. If the ownership of the asset subject to the contract devolves to the lessee at the end of the contract or the cost reflects the right of the lessee to exercise the purchase option at the end of the contract, the original usufruct right shall be depreciated over the estimated useful life of the asset in accordance with the depreciation policy applied in the establishment.
right of use assets are subject to an impairment policy.

B) Rent obligations
The "lease obligation" at the beginning of the lease is recognized by calculating the present value of the unpaid lease payments on that date using the interest rate implied in the lease if determined. If it cannot be easily determined, the interest rate on the additional borrowing of the tenant is used.
Lease payments on the date of commencement of the lease included in the measurement of the lease obligation shall consist of the following payments for the right to use the underlying asset during the term of the lease that have not been paid on the lease commencement date and include:
Fixed payments less any receivable rental incentives.
Variable lease payments based on an index or rate and are initially measured using the index or rate on the lease start date.
Amounts expected to be paid by the lessee under residual value guarantees.
The price of exercising the call option if the lessee is sure that the option is reasonably exercised.
Penalty payments for termination of the lease if the duration of the lease reflects the tenant's exercise of the option to terminate the lease.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3-4 Summary of significant accounting policies (Continuing)

3-4-4 Foreign currency translation

Transactions in foreign currencies are initially recorded at the rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated using the exchange rates prevailing at the balance sheet date. All differences are recognized in the consolidated statement of profit or loss. Nonmonetary items that are measured at historical cost in foreign currencies are translated using the exchange rates prevailing at the date of the initial recognition. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates prevailing at the date when the fair value is determined.

3-4-5 Fixed assets

Initial recognition

The cost of any fixed asset item is recognized as an asset only when:
A- Metabolic economic benefits are likely to flow from this item.
B - The cost of the item can be measured reliably.

Subsequent measurement

The entity must choose either the cost model or the revaluation model as the accounting policy, and that policy must be applied to each class of fixed assets in its entirety.

First: Cost Model

Fixed assets are stated at historical cost net of accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the fixed assets when that cost is incurred if the recognition criteria are met. Likewise, when a major improvement is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the standalone statement of profit or loss as incurred.
Depreciation of an asset begins when it is in the location and condition necessary for it to be capable of operating in the manner intended by management, and is computed using the straight-line method according to the estimated useful life of the asset as follows:

	Years
Buildings	50
Machines	10
Motor vehicles	10
Offices furniture	16
Equipment and tools	8
Computers and software	3

Fixed assets are derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognizing the asset is included in the standalone statement of profit or loss when the asset is derecognized.

Post-acquisition costs

The cost of substantial renovations is recognized on the cost of fixed assets by the cost of replacing a component of that item when it is likely to bring future economic benefits to the company with the possibility of reliably measuring the cost and depreciating over the remaining useful life of the asset or the expected useful life of such renovations, whichever is less, and other costs are recognized in the statement of profits or losses as expenses when incurred.
The residual values of assets, their useful lives and methods of depreciation are reviewed at the end of each fiscal year.
The company periodically on the date of each budget
The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end.
The company periodically on the date of each budget the Company assesses at each balance sheet date whether there is an indication that fixed assets may be impaired. Where the carrying amount of an asset

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3-4 Summary of significant accounting policies (Continuing)

3-4-5 Fixed assets (Continuing)

exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the standalone statement of profit or loss.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of profit or loss.

3-4-6 Fixed assets under construction

Assets under construction represent the amounts that are incurred for the purpose of constructing or purchasing fixed assets until it is ready to be used in the operation, upon which it is transferred to fixed assets. Assets under construction are valued at cost less impairment.

3-4-7 Investments

Investing in a subsidiary

Investments in a subsidiary are investments in companies in which the company has control. Control is assumed when the holding company owns, directly or indirectly, through its subsidiaries, more than half of the voting rights in the investee company, except for those exceptional cases in which it is clearly shown that such ownership does not represent control.

The investment in a subsidiary company is accounted for at cost, including the cost of acquisition, and in the event of impairment in the value of those investments, the book value is adjusted by the value of this impairment and included in the consolidated statement of profits or losses for each investment separately.

The value of the loss resulting from the impairment of the value shall be refunded in the consolidated statement of profits or losses in the year in which the refund occurred.

Investments through comprehensive income

Investments through comprehensive income are non-derivative financial assets that have been classified as assets available for sale, unclassified as loans and debts or as investments held to maturity or as investments at fair value through profit or loss.

Upon initial recognition, available-for-sale investments are measured at fair value including expenses directly related to them.

After the initial measurement, the investments available for sale are measured at fair value with the recognition of unrealized gains or losses directly within equity until the financial asset is excluded from the books, at which point the accumulated gains or losses recorded in equity are recognized in the statement of profits or losses, Or if it is determined that the asset has decayed, in which case the accumulated losses recorded in equity are recognized in the statement of profit or loss. If the fair value of investments in equity instruments cannot be measured in a reliable manner, the value of those investments is measured at cost.

Equity investments: in the event of evidence of impairment, Accumulated losses are excluded from equity and derecognized in the statement of profits or losses. Impairment losses on equity investments cannot be recovered through the statement of profit or loss, and the increase in fair value immediately after impairment is recognized within equity.

3-4-8 Treasury bills

In accordance with the requirements of Egyptian Accounting Standard No. (47) "Financial Instruments", treasury bills have been classified on the basis of measuring - later - by depreciated cost through profits or losses, and treasury bills purchased are valued at nominal value and the difference between the purchase cost and the nominal value is recognized in calculating an investment return in deferred treasury bills and is depreciated by the value of the returns of treasury bills due for the financial period through profits or losses until the maturity date of treasury bills and the tax due is proved. On the returns of treasury bills. When collecting the yield of treasury bills, the tax deducted is recognized in the statement of financial position until it is settled with the annual tax return.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3-4 Summary of significant accounting policies (Continuing)

3-4-9 Non-current assets held for sale.

Long-term assets or the group disposed include assets and liabilities classified as held for sale if there is a significant possibility that the value will be recovered mainly from sale and not continuing to be used.

Prior to classification as held for sale or distribution, those assets or components of the group disposed are remeasured according to the other accounting policies of the company. Later, in general, the assets or group disposed are measured at the book value or fair value, whichever is less, deducting the cost of sale from it. Losses are charged to the excluded group. They are charged proportionally to the assets and liabilities for a period in which they are excluded, except that losses are not loaded on the stock, financial assets, deferred tax assets, employee benefit assets, real estate investment, or biological assets that continue to be measured according to the other company's policies. Losses of impairment at classification of assets held for sale and subsequent gains and losses upon remeasurement are recognized in profit and loss. They are not quoted excessively at any accumulated impairment losses.

Once classified as assets held for sale, these intangible assets and fixed assets are not depreciated or amortized, nor are they held accountable for any assets by way of equity in this way.

3-4-10 Inventories

The inventory elements are valued as follows:

a) Raw materials, spare parts, and supplies: at the lower of cost (using the moving average method) or net realizable value.

b) Finished goods: at the lower of the cost of production (based on the costing sheets) or net realizable value.

Cost includes direct materials, direct labor and allocated share of manufacturing overhead excluding borrowing cost.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

The amount of any write down of inventories to net realizable value and all losses of inventories shall be recognized in cost of sales in the statement of income in the period the write down or loss occurs. The amount of any reversal of any write down of inventories, arising from an increase in net realizable value, shall be recognized as reduction from cost of sales in consolidated statement of profit or loss in the period in which the reversal occurs.

The refund of the decrease in the inventory resulting from the increase in the net selling value is recognized in the consolidated statement of profit or loss as a reduction from the cost of sales in the year in which this response occurred.

3-4-11 Accounts and notes receivables, prepaid expenses, and other debit balances

Accounts receivable and notes receivables are stated at original invoice amount net of any impairment losses.
Impairment losses are measured as the difference between the accounts and notes receivables carrying amount and the present value of estimated future cash flows. The impairment loss is recognized in the statement of profit or loss.
Reversal of impairment losses are recognized in the consolidated statement of profit or loss in the period in which it occurs.

3-4-12 Accounts and notes payable, accrued expenses and other credit balances.

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

3-4-13 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provisions are reviewed at the consolidated financial position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision should be the present value of the expected expenditures required to settle the obligation. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance expense in the consolidated statement of profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3-4 Summary of significant accounting policies (Continuing)

3-4-14 Social insurance

The Company makes contributions to the Social Insurance Authority calculated as a percentage of the employees' salaries. The Company's obligations are limited to these contributions, which are expensed when due.

3-4-15 Legal reserve

According to the Company's articles of association, 5% of the net profits of the year is transferred to the legal reserve until this reserve reaches 50% of the issued capital. The reserve is used upon a decision from the general assembly meeting based on the proposal of the board of directors.

3-4-16 Borrowings

Borrowings are initially recognized at the value of the consideration received. Amounts maturing within one year are classified as current liabilities, unless the Company has the right to postpone the settlement for a period exceeding one year after the consolidated financial position date, then the loan balance should be classified as non-current liabilities.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the consolidated statement of profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by considering any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance expenses in the consolidated statement of profit or loss.

3-4-17 Income taxes

Income tax is calculated in accordance with the Egyptian tax law.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority.

Deferred income tax

Deferred income tax is recognized using the liability method on temporary differences between the amount attributed to an asset or liability for tax purposes (tax base) and its carrying amount in the balance sheet (accounting base) using the applicable tax rate.

Deferred tax asset is recognized when it is probable that the asset can be utilized to reduce future taxable profits and the asset is reduced by the portion that will not create future benefit.

Current and deferred tax shall be recognized as income or an expense and included in the consolidated statement of profit or loss for the period, except to the extent that the tax arises from a transaction or an event which is recognized, in the same or a different period, directly in equity.

3-4-18 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and value added taxes or duty.

The following specific recognition criteria must also be met before revenue is recognized:

- **Sale of goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods and an invoice is issued.

- **Interest income**

Interest income is recognized as interest accrues using the effective interest "EIR" method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3-4 Summary of significant accounting policies (Continuing)

3-4-19 Expenses

All expenses including cost of sales, selling and marketing expenses, general and administrative expenses and other expenses are recognized and charged to the consolidated statement of profit or loss For the Six months ended March 31, 2023, in which these expenses were incurred.

3-4-20 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are incurred in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3-4-21 Related party transactions

Related parties represent associated companies, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled, or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the board of directors.

3-4-22 Contingent Liabilities and Assets

Contingent liabilities are not recognized in the Consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. a contingent asset is not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

3-4-23 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, if market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For assets traded in an active market, fair value is determined by reference to quoted market bid prices.

The fair value of interest-bearing items is estimated based on discounted cash flows using interest rates for items with similar terms and risk characteristics.

For unquoted assets, fair value is determined by reference to the market value of a similar asset or is based on the expected discounted cash flows.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Fair value measurements are those derived from quoted prices in an active market (that are unadjusted) for identical assets or liabilities.

Level 2 – Fair value measurements are those derived from inputs other than quoted prices included within 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 – Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3-4 Summary of significant accounting policies (Continuing)
3-4-23 Fair value measurement (Continuing)

For fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.
The preparation of the consolidated financial statements in accordance with Egyptian Accounting Standards requires management to make estimates and assumptions that affect the values of assets, liabilities, income, and expenses during the financial years. Actual results may differ from those estimates.

3-4-24 Impairment

Impairment of financial assets
The Company assesses at each financial position date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.
Impairment of non-financial assets
The Company assesses at each balance sheet date whether there is an indication that an asset may be impaired. Where the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the consolidated statement of profit or loss.
A previously recognized impairment loss is only reversed if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, had no impairment loss been recognized for the asset in prior years. Such a reversal is recognized in the consolidated statement of profit or loss.

3-4-25 Statement of cash flows
The statement of cash flows is prepared using the indirect method.

3-4-26 Cash and cash equivalent
For preparing the consolidated statement of cash flows, the cash and cash equivalent comprise cash on hand, current accounts with banks and time deposits maturing within three months less bank credit balances.

2-4-27 The inclusive health insurance

On January 11, 2018, Law No. 2 of 2018 promulgating the Comprehensive Health Insurance System Law was issued and shall come into force from the day following the expiration of six months from the date of its publication in the Official Gazette.
Employers are obliged to pay their monthly dues to the National Organization for Social Insurance.
Business owners are also obligated to pay a Takaful contribution at the rate of (0.0025) two and a half per thousand of the total annual revenues of individual establishments and companies, whatever their nature or the legal system to which they are subject, and this contribution is not considered one of the costs deductible in the application of the provisions of the Income Tax Law, and the Ministry of Finance shall collect this Takaful contribution in accordance with the financial report of the establishment submitted to the Tax Authority.

4 SEGMENT INFORMATION

Currently the Company's main business segment is manufacturing and selling cheese products, and the production and sale of milk and juice and the production and sale of cooked cheese and the livestock production. The company's revenues for the Six months ended 30 June 2023 were reported under three segments in the consolidated financial statements.

OBOUR LAND FOR FOOD INDUSTRIES COMPANY (S.A.E)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 June 2023

5-FIXED ASSETS

				Right to use assets					
	Lands	Buildings	Machines	Machines	Motor Vehicles	Office Furniture	Equipment and tools	Computers and software	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost									
As of 1 January 2023	94,982,476	203,360,321	352,219,786	157,572,750	89,316,891	190,940	19,184,185	20,274,081	**937,101,430**
Additions	-	-	402,175	-	155,325	-	698,518	-	**1,256,018**
Disposals	-	-	-	-	(7,851,666)	-	(783,292)	(32,101)	**(8,667,059)**
As of 30 June 2023	**94,982,476**	**203,360,321**	**352,621,961**	**157,572,750**	**81,620,550**	**190,940**	**19,099,411**	**20,241,980**	**929,690,389**
Accumulated depreciation									
As of 1 January 2023	-	(17,657,492)	(179,489,030)	(45,704,242)	(43,879,169)	(92,987)	(9,890,396)	(17,111,056)	**(313,824,372)**
Depreciation for the period	-	(2,073,250)	(16,721,406)	(7,826,346)	(3,932,520)	(4,996)	(1,109,692)	(1,114,171)	**(32,782,381)**
Disposals	-	-	-	-	4,481,034	-	371,088	32,059	**4,884,181**
As of 30 June 2023	-	**(19,730,742)**	**(196,210,436)**	**(53,530,588)**	**(43,330,655)**	**(97,983)**	**(10,629,000)**	**(18,193,168)**	**(341,722,572)**
Net book value as of 30 June 2023	**94,982,476**	**183,629,579**	**156,411,525**	**104,042,162**	**38,289,895**	**92,957**	**8,470,411**	**2,048,812**	**587,967,817**

-There is no mortgage or restriction on fixed assets except for the finance lease (Note 34)

-Borrowing costs have not been capitalized during the period

-Depreciation expense is allocated as follows:

	30 June 2023
	EGP
Cost of sales	21,801,011
Selling and marketing expenses (Note.23)	4,515,700
General and administrative expenses (Note.24)	6,465,670
Total depreciation expenses	**32,782,381**

- Gain from sale of fixed assets as follows:

	EGP	EGP
Proceeds from sale of fixed assets		10,530,065
Cost of disposed assets	(8,667,059)	
Accumulated depreciation of disposed fixed assets	4,884,181	
Net book value of disposed assets		(3,782,878)
Gain from sale of fixed assets		**6,747,187**

5 FIXED ASSETS (CONTINUED)

	Lands	Buildings	Machines	Right of use assets Machines	Motor Vehicles	Office Furniture	Equipment and tools	Computers and software	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost									
As of 1 January 2022	94,982,476	191,981,844	347,329,927	157,572,750	94,175,508	170,151	20,926,702	20,143,584	927,282,942
Additions	-	-	879,162	-	-	20,789	-	141,577	1,041,528
Transferred from Project under construction	-	11,378,477	3,971,611	-	-	-	-	-	15,350,088
Transferred from fixed assets held for sale	-	-	39,086	-	-	-	-	-	39,086
Disposals	-	-	-	-	(4,858,617)	-	(1,742,517)	(11,080)	(6,612,214)
As of 31 December 2022	94,982,476	203,360,321	352,219,786	157,572,750	89,316,891	190,940	19,184,185	20,274,081	937,101,430
Accumulated depreciation									
As of 1 January 2022	-	(13,684,606)	(146,029,728)	(29,929,672)	(38,128,270)	(83,571)	(8,159,675)	(13,223,670)	(249,239,192)
Depreciation for the year	-	(3,972,886)	(33,459,304)	(15,774,570)	(8,981,499)	(9,416)	(2,419,253)	(3,897,318)	(68,514,246)
Disposals	-	-	-	-	3,230,600	-	688,532	9,932	3,929,064
As of 31 December 2022	-	(17,657,492)	(179,489,032)	(45,704,242)	(43,879,169)	(92,987)	(9,890,396)	(17,111,056)	(313,824,374)
Net book value as of 31 December 2022	94,982,476	185,702,829	172,730,754	111,868,508	45,437,722	97,953	9,293,789	3,163,025	623,277,056

- There is no mortgage or restriction on fixed assets except for the finance lease (note 34).
- No borrowing cost capitalized during the year.

Depreciation expense is allocated as follows:

	31 December 2022 EGP
Cost of sales	39,184,947
Selling and marketing expenses (Note.22)	11,534,179
General and administrative expenses (Note.23)	17,795,120
Total depreciation expenses	68,514,246

- Gain from sale of fixed assets and assets held for sale
as follows:

	EGP	EGP
Proceeds from sale of fixed assets and held for sale		6,581,651
Cost of disposed assets	(6,612,214)	
Cost of current assets held for sale	(22,916)	
Accumulated depreciation of disposed fixed assets	3,929,064	
Net book value of disposed assets		(2,706,066)
Gain from sale of fixed assets and held for sale		3,875,585

6-PROJECTS UNDER CONSTRUCTION

	30 June 2023 EGP	31 December 2022 EGP
Buildings	**51,801,377**	33,029,520
Machine	**21,091,753**	20,397,960
Equipment and tools	**4,095,142**	178,524
	76,988,272	53,606,004

The movement of projects under construction during the period / year is as follows

	30 June 2023 EGP	31 December 2022 EGP
Beginning balance	**53,606,004**	29,864,377
Additions during the period / year	**22,523,240**	36,784,142
Transferred from inventory	**859,028**	3,392,348
Transferred to fixed assets during the period / the year	**-**	(16,434,863)
Ending balance	**76,988,272**	53,606,004

7- INVENTORY

	30 June 2023 EGP	31 December 2022 EGP
Raw materials	**527,968,107**	431,370,761
Spare parts and supplies	**40,955,616**	34,587,880
Finished goods	**74,024,856**	33,888,201
Work in Progress	**2,486,127**	1,506,271
Goods in transit	**369,477,941**	326,784,624
	1,014,912,647	828,137,737

8-ACCOUNTS AND NOTES RECEIVABLES

	30 June 2023 EGP	31 December 2022 EGP
Accounts receivable	**84,269,851**	61,016,550
Notes receivable	**31,506,714**	16,082,709
	115,776,565	77,099,259
Expected credit loss	**(3,147,385)**	(4,680,561)
	112,629,180	72,418,698

EXPECTED CREDIT LOSS

	30 June 2023 EGP	31 December 2022 EGP
Beginning balance	**(4,680,561)**	(1,125,126)
Expected credit loss	**(1,483,152)**	(5,458,538)
Reversal of Expected credit loss	**3,016,328**	1,903,103
Ending balance	**(3,147,385)**	(4,680,561)

On 30 June 2023 and 31 December 2022, the aging analysis of accounts receivables is as follows:

	Total EGP	Less 3 months EGP	From 4-6 Months EGP	From 7-9 months EGP	More than 9 months EGP
30 June 2023	**84,269,851**	**77,442,321**	**5,850,562**	**19,900**	**957,068**
31 December 2022	61,016,550	57,009,473	2,941,099	114,028	951,950

9 PREPAID EXPENSES AND OTHER DEBIT BALANCES

	30 June 2023	31 December 2022
	EGP	EGP
Prepaid expense	**85,366,008**	47,281,492
Suppliers – advanced payments	**79,764,666**	133,195,350
Margin letter of guarantee *	**262,276**	262,276
Insurance held with others	**6,292,635**	75,726,150
	171,685,585	256,465,268

*CONTINGENT LIABILITIES

The letter of guarantee issued at the Company's request by Banque du Caire in favor of third parties as of 30 June 2023 amounted to EGP **250,000** and the cash cover margin amounted to EGP **262,276.**

10 TREASURY BILLS

	30 June 2023	31 December 2022
	EGP	EGP
Treasury bills (Par value)	**102,000,000**	240,850,000
Total Credit interest	**(3,796,050)**	(2,119,210)
Paid from treasury bills	**98,203,950**	238,730,790
Credit interest charged to statement of profit or loss	**1,781,106**	358,260
Accrued with holding payable on credit interest charged to statement of profit or loss	**(356,221)**	(71,652)
Treasury bills balances Credit interest to statement of profit or loss	**99,628,835**	239,017,398

11-Fair value investments through profits and losses

	30 June 2023	31 December 2022
	EGP	EGP
Investments available for sale	**66,300,000**	-
	66,300,000	-

The company purchases 1,300,000 shares from CIB Bank.

12- Letters of credit

	30 June 2023	31 December2022
	EGP	EGP
Letters of credit	**5,397,414**	4,323,883
	5,397,414	4,323,883

13 CASH ON HAND AND AT BANK

	30 June 2023 EGP	31 December 2022 EGP
a) Egyptian pound		
Cash on hand	**4,265,943**	38,060,841
Current accounts	**202,737,831**	389,620,944
Checks under collection	**3,050,443**	881,518
Time deposits (maturity within 3 months) *	**50,549,177**	539,450
	260,603,394	429,102,753

13 CASH ON HAND AND AT BANK (CONTINUING)

b) Foreign currencies	30 June 2023 EGP	31 December 2022 EGP
Cash on hand (US Dollars)	**4,569,471**	3,777,383
Current accounts (US Dollars)	**173,172,007**	52,935,185
Current accounts (Euro)	**37,288**	30,079
	177,778,766	56,742,647
	438,382,160	485,845,400

Current accounts included restricted amounts amounted to 74,431,136 EGP Most current accounts are charged with credit interest

* Time deposits are restricted completely for covered letter of guarantee is issuing based on request from company for third party (Note 9).

14 CAPITAL

On 22 June 2015 the Extraordinary General Assembly approved the increase of authorized capital by LE 850,000,000 to reach LE 1,000,000,000 and approved the increase of issued capital by LE 100,000,000 (including LE 30,000,000 as bonus shares) divided over 200,000 shares at par value LE 1,000 each to reach LE 200,000,000. Accordingly, the issued and paid up capital as of 31 December 2015 amounted to LE 200,000,000.

On 16 may 2016 the Extraordinary General Assembly decided to split the shares from 200 thousand shares to 200 million shares and notarized in the Commercial Register on 6 November 2018.

On 15 January 2017, the account fund was closed with 9,692,645 shares by 4.84% returned from other shareholders to the old shareholders each according to their percentage.
On 9 September 2018 the Extraordinary General Assembly Meeting decided to increase the issued capital from LE 200,000,000 to LE 400,000,000 with the increase of LE 200,000,000 divided over 200,000,000 shares at par value LE 1 per share from retained earnings and the Company completely paid all the increased amount of capital, reflected in the commercial register dated 6 November 2018.

	Ownership %	No. of shares	Issued and paid capital EGP
Mr. Mohamed Hamed Mohamed Sherif	21.33	85,327,044	85,327,044
Mr. Ashraf Mohamed Hamed Sherif	15.75	62,987,690	62,987,690
Mr. Ayman Mohamed Hamed Sherif	11.02	44,095,500	44,095,500
Ms. Samya Elshafei Sadek Elkafrawy	3.24	12,969,264	12,969,264
Ms. Ghada Mohamed Hamed Sherif	3.24	12,969,264	12,969,264
Ms. Rasha Mohamed Hamed Sherif	3.24	12,969,264	12,969,264
Ms. Abeer Mohamed Hamed Sherif	3.24	12,969,264	12,969,264
Other shareholders	38.94	155,712,710	155,712,710
	100	**400,000,000**	**400,000,000**

15 - LONG TERM LOANS

	30 June 2023 EGP	31 December 2022 EGP
Long term loans	24,063,355	19,277,221
Long term loans - current portion	24,063,356	38,554,445
	48,126,711	57,831,666

The company was granted a long-term loan by the European bank for Reconstruction and Development amounted to USD 7,000,000 with instalments payable semi-annually starting from 10/2/2020 till 12/02/2024.

16 - INCOME TAX

	For the Six months ended 30 June 2023 EGP	For the Six months ended 30 June 2022 EGP
Current tax	(73,987,692)	(64,576,634)
Deferred tax	9,218,093	10,753,073
	(64,769,599)	(53,823,561)

Adjustment OF THE INCOME TAX RATE

		For the Six months ended 30 June 2023 EGP		For the Six months ended 30 June 2022 EGP
Profits before income taxes		276,856,358		234,668,199
Fixed assets		20,314,364		10,641,610
Non-deductible Costs		7,953,594		4,523,625
Attendance allowance		147,000		24,000
Article 56		2,907,931		-
Expected Credit Loss		1,483,153		1,553,064
Reversal of expected credit loss		(3,016,328)		(615,447)
Foreign currency exchange differences		15,854,251		36,859,560
Gain from sale of fixed assets		(6,747,187)		(647,351)
Provision for expected claims		13,081,050		-
Taxable base		328,834,186		287,007,260
Income tax according to enacted tax rate (22.5%)		(73,987,692)		(64,576,634)
Deferred tax		9,218,093		10,753,073
Income taxes on the enacted income tax rate	23.39%	(64,769,599)	22.94%	(53,823,561)

Deferred tax

	Statement of financial position		Statement of profit or loss	
	30 June 2023 EGP	31 December 2022 EGP	For the Six months ended 30 June 2023 EGP	For the Six months ended 30 June 2022 EGP
Fixed assets	(38,177,078)	(41,229,693)	3,052,615	2,248,708
Expected credit loss	708,163	1,053,127	(344,964)	210,964
Foreign currency exchange differences	24,490,446	20,923,240	3,567,206	8,293,401
Provision for expected claims	3,106,503	163,267	2,943,236	-
Deferred tax (Liability)	(9,871,966)	(19,090,059)	9,218,093	10,753,073

17 PROVISION FOR EXPECTED CLAIMS

	Balance as of 1 January 2023	**Charged during the period**	**No longer required during the period**	**Used during the period**	**Balance as of 30 June 2023**
	EGP	**EGP**	**EGP**	**EGP**	**EGP**
Provision for expected claims	4,064,808	20,000,000	-	(22,543,277)	**1,521,531**
	4,064,808	**20,000,000**	-	**(22,543,277)**	**1,521,531**

	Balance as of 1 January 2022	Charged during the year	No longer required during the year	Used during the year	Balance as of 31 December 2022
	EGP	EGP	EGP	EGP	EGP
Provision for expected claims	5,557,981	-	-	(1,493,173)	4,064,808
	5,557,981	-	-	(1,493,173)	4,064,808

The information usually required by accounting standards is not disclosed because the management believes that to do so would seriously prejudice the outcome of the negotiation with the parties involved in the conflict. These provisions are reviewed by management annually and they are adjusted based on latest developments, discussions and agreements with those parties.

18 CREDIT FACILITIES

	30 June 2023	31 December 2022
	EGP	EGP
EGP	**874,746,552**	388,215,995
	874,746,552	388,215,995

The company was granted overdraft facility in EGP from (Arab African bank – Attjari wafa bank credit agricole bank- CIB – NBD – FAB – QNB- NBE) with an annual interest rate of (%18,25) The balance of the facilities as of 30 June 2023 amounted to EGP 874,746,552 and there are no guarantees granted to others

19 ACCOUNTS AND NOTES PAYABLE

	30 June 2023	31 December 2022
	EGP	EGP
Accounts payable	**423,489,517**	639,949,977
Notes payable	**154,510,114**	40,668,753
	577,999,631	680,618,730

20 RELATED PARTY DISCLOSURES

Transactions with related parties

For the purpose of preparing the consolidated financial statements, a party is considered related to the company if the company has the ability to control or has influential influence, directly or indirectly, in making financial and operational decisions or vice versa, or if the company and this party are under the joint control of other individuals or companies.

The following were dealings with related parties during the year that occurred during the normal course of business according to the agreements between the parties:

	Nature of relationship	Nature of transaction	30 June 2023	30 June 2022
			EGP	EGP
Foody For Import Company	Under common control	Purchases	**38,698,000**	21,727,390
Best Trade For Import And Export Company	Under common control	Purchases	**1,158,382**	10,028,700
Mora Plast Company	Under common control	Purchases	**14,180,845**	10,526,762
Andulas for printing	Under common control	Purchases	**14,775,269**	16,192,042
Foula Company	Under common control	Sales	**853,880**	322,960

- It is expected that the operation of the Obour Farm Company for Agricultural Investment and Animal Production will start operating during the next year
- The legal requirements for these transactions are fulfilled in accordance with the Joint Stock Companies Law

Related Party Balances are as follows:

	30 June 2023		31 December 2022	
	Due From	Due to	Due From	Due to
	EGP	EGP	EGP	EGP
Best Trade For Import And Export Company	-	-	-	16,850
Mora Plast Company	-	-	-	2,874,727
Andulas for printing	-	-	-	3,001,414
Foula Company	63,736	-	-	-
	63,736	-	-	5,892,991

21- ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	30 June 2023	31 December 2022
	EGP	EGP
Accrued expenses	**23,027,670**	29,729,730
Other credit balances	**39,190,126**	35,785,772
	62,217,796	65,515,502

22- TAXES PAYABLE

	30 June 2023	31 December 2022
	EGP	EGP
Tax authority - withholding taxes	-	395,177
Tax authority - stamp taxes	**3,193,664**	3,165,281
Tax authority – salary taxes	**434,236**	2,579,487
	3,627,900	6,139,945

23- SELLING AND MARKETING EXPENSES

	For the Six months endeFor the Six months 30 June 2023	ended 30 June 2022
	EGP	EGP
Wages and social insurance	**23,892,126**	30,259,685
Marketing and advertisement	**49,849,634**	38,197,485
Car expenses	**17,950,787**	17,685,671
Fees and other subscriptions	**10,591,693**	8,039,822
Fixed assets depreciation	**4,515,700**	5,819,949
	106,799,940	100,002,612

24- GENERAL AND ADMINSTRATIVE EXPENSES

	For the Six months ended 30 June 2023 EGP	For the Six months ended 30 June 2022 EGP
Wages and social insurance	**15,312,934**	8,523,755
Allowance for attendance	**147,000**	24,000
Fees and subscriptions	**44,979,096**	10,885,102
Fixed assets depreciation*	**6,465,669**	11,174,177
	66,904,699	30,607,034

* Fixed assets depreciation includes an amount of EGP 1,912,200 which represents the depreciation of fixed assets not fully utilized yet.

25- OTHER INCOME

	For the Six months end 30 June 2023 EGP	For the Six months end 30 June 2022 EGP
Income (recycling and others)	**7,514,431**	3,284,925
Gain from sale of fixed assets and held for sale (Note 5)	**6,747,187**	647,351
	14,261,618	3,932,276

26- INTEREST INCOME

	For the Six months end 30 June 2023 EGP	For the Six months end 30 June 2022 EGP
interest income of current accounts	**2,490,250**	555,178
interest income of time deposits	**578,363**	9,299
interest income of Treasury bills	**5,175,250**	7,274,724
	8,243,863	7,839,201

27- LOSSES OF FINANCIAL SECURITIES

	For the Six months ended 30 June 2023 EGP	For the Six months ended 30 June 2022 EGP
Sale of securities listed on the Egyptian Exchange	**2,647,579**	-
	2,647,579	-

28- INTEREST EXPENSES

	For the Six months ended 30 June 2023 EGP	For the Six months ended 30 June 2022 EGP
Bank interest	**59,463,721**	11,436,864
Finance interest - long term	**4,753,306**	3,177,000
	64,217,027	14,613,864

29- TAX SITUATION

1-Holding Company (Obour land company for food industries)

A. Corporate Tax
- The Company regularly submits the annual tax return at the legal times.
- The Company was inspected from the company's activities till year 2019 and the taxes due were paid
- the company is being inspected for 2020, 2021, 2022

B. Salary Tax
- The Company is committed to deducting the tax on employees' salaries and paying them monthly regularly.
- The Company's records were inspected till the year 2019 and the taxes due were paid.
- No tax inspection took place for the Company's records from the year 2020 and 2021.and 2022.

C. Sales Tax - VAT
- The company was registered with the Egyptian Tax Authority - Value Added Tax - the monthly tax returns were submitted till February 2023.
- The Company's records were inspected on VAT from the inception of the company's activities till year 2017 and the taxes due were paid.
- the company is being inspected for 2018 & 2019 & 2020 and the taxes due were paid,
- No tax inspection took place for the Company's records for the years 2021 and 2022.

D. Stamp Tax
- The Company's records were inspected from the inception of the company's activities till 2020 and the taxes due were paid.
- No tax inspection took place for the Company's records for the years 2021 and 2022

E. Withholding Tax
- The Company regularly applies withholding tax laws under the tax calculation.
- The Company's records were inspected from the inception of the company's activities till the year 2020 and the taxes due were paid.
- Form No. (41) prepared and submitted for the first quarter of 2023.

2- Subsidiary Company (Obour Farm Company for Agricultural Investment and Animal Production)

A- The company did not start operating.
B- Withholding Tax
- The company regularly applies the provisions of the withholding tax under the tax calculation
- Form No. (41) for withholding tax from the source for the second quarter of 2023 has been submitted

30- Earnings per Share

Basic earnings per share amounts are calculated by dividing net profit attributable to the ordinary equity holders by the weighted average number of ordinary shares outstanding during the period. The Company has no dilutive shares.

	For the Six months ended 30 June 2023 EGP	For the Six months ended 30 June 2022 EGP
Net profits for the period	**212,086,759**	180,844,638
Employees' share	**(20,148,242)**	(17,180,241)
Board of directors' share	**(10,074,121)**	(8,590,120)
Net profit attributable to the ordinary equity holders	**181,864,396**	155,074,277
Weighted average number of ordinary shares for basic and diluted	**400,000,000**	400,000,000
EPS – basic and diluted	**0.45**	0.39

31- FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Overview

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

a) Credit risk,
b) Market risk, and
c) Liquidity risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's senior management are responsible for developing and monitoring the risk management policies and report regularly on their activities.

The Company's current financial risk management framework is a combination of formally documented risk management policies in certain areas and informal risk management policies in other areas.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk principally from its trade and notes receivable, other debit balances and from its financing activities, including deposits with banks and financial institutions.

Trade and notes receivable

The customer credit risk is established by the Company' policies, procedures and controls relating to customer credit risk management. Credit quality of a customer is assessed based on extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis.

Other financial assets and cash deposits

With respect to credit risk arising from the other financial assets of the Company, which comprise mainly bank balances and cash, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these assets.

Credit risk from balances with banks and financial institutions is managed by Company's finance division. The Company limits its exposure to credit risk by only placing balances with international banks and local banks of good reputation. Given the profile of its bankers, management does not expect any counterparty to fail to meet its obligations.

b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as currency risk and interest rate risk, which will affect the Company's income. Financial instruments affected by market risk include interest-bearing loans and borrowings and deposits. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company does not hold or issue derivative financial instruments.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's obligations with floating interest rates and interest-bearing time deposits. Interest in financial instruments having floating rates is re-priced at intervals of less than one year.

31- FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Exposure to interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, of the Company's profit before tax (through the impact on floating rate borrowings

There is no impact on the Company's equity other than the profit impact stated below.

	30 June 2023		30 June 2022	
	Change in interest rate	**Effect on profit before tax EGP**	Change in interest rate	Effect on profit before tax EGP
Financial asset	+1%	**245,902**	+1%	**11,702**
	- 1%	**(245,902)**	- 1%	**(11,702)**
Financial liability	+1%	**1,593,092**	+1%	423,930
	- 1%	**(1,593,092)**	- 1%	(423,930)

Interest rates on loans from financial institutions are disclosed in note (18).

Exposure to foreign currency risk

The foreign currency risk is the risk that the value of the financial assets and liabilities and the related cash inflows and outflows in foreign currencies will fluctuate due to changes in foreign currency exchange rates. The total assets in foreign currencies on 30 June 2023 amount to 15,067,203 (EGP 466,158,167) whereas, the total liabilities in foreign currencies on 30 June 2023 amount to 28,746,892 (EGP 889,412,557).

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR, exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

	Assets		**Liabilities**	
	Amount in Currency	EGP	Amount in Currency	EGP
USD	15,067,203	466,158,167	28,738,445	889,127,254
EUR	-	-	8,447	285,303

	Change in rate	**Effect on profit before tax** *EGP*	Change in rate	Effect on profit before tax *EGP*
USD	**+10%**	42,296,909	+10%	26,111,912
	- 10%	(42,296,909)	- 10%	(26,111,912)
EUR	**+10%**	28,436	+10%	-
	- 10%	(28,436)	- 10%	-

31- FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

C) Liquidity risk

The cash flows, funding requirements and liquidity of the Company are monitored by Company's management. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank credit facilities. The Company manages liquidity risk by maintaining adequate reserves and credit facilities, by continuously monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Company currently has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations.

The table below Summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Financial liabilities

As at 30 June 2023	**Less than 3 Months**	**3 to 12 Months**	**1 to 5 Years**	**Over 5 years**	**Total**
Long term loans			24,063,355		**24,063,355**
Liabilities (Notes payable finance lease)	-	-	11,443,879	-	**11,443,879**
Long term loans – current portion	-	24,063,356	-	-	**24,063,356**
Provision for expected claims	-	1,521,531	-	-	**1,521,531**
Credit facilities	874,746,552	-	-	-	**874,746,552**
Accounts and notes payable	577,999,631	-	-	-	**577,999,631**
Notes payable (finance lease) – current portion	-	51,593,142	-	-	**51,593,142**
Accrued expenses and other credit Balances	28,712,425	33,505,371	-	-	**62,217,796**
Taxes payable	3,627,900	-	-	-	**3,627,900**
Customers advances payments	10,189,772	-	-	-	**10,189,772**
Income tax payable	-	56,761,024	-	-	**56,761,024**
Fixed assets creditors	135,828	80,000	-	-	**215,828**
Total undiscounted financial Liabilities	**1,495,412,108**	**167,524,424**	**35,507,234**	-	**1,698,443,766**

As at 31 December 2022	Less than 3 Months	3 to 12 Months	1 to 5 Years	Over 5 years	Total
Long term loans	-	-	19,277,221	-	19,277,221
Liabilities (Notes payable finance lease)	-	-	25,264,918	-	25,264,918
Long term loans- current portion	38,554,445	-	-	-	38,554,445
Provisions for expected claims	-	4,064,808	-	-	4,064,808
Credit facilities	388,215,995	-	-	-	388,215,995
Accounts and notes payable	675,504,739	-	-	-	675,504,739
Notes Payable (finance lease) Current portion	-	44,876,062	-	-	44,876,062
Due to related parties	5,892,991	-	-	-	5,892,991
Accrued expenses and other credit balances	46,822,046	18,693,456	-	-	65,515,502
Taxes payables	6,139,945	-	-	-	6,139,945
Customers advances payments	53,496,667	-	-	-	53,496,667
Income taxes payables	-	125,743,255	-	-	125,743,255
Fixed assets creditors	-	80,000	-	-	80,000
Total undiscounted financial Liabilities	1,214,626,828	193,457,581	44,542,139	-	1,452,626,548

32- FAIR VALUES OF FINANCIAL INSTRUMENTS.

Financial instruments comprise financial assets and financial liabilities. Financial assets of the Company include accounts and notes receivable and due from related parties, cash on hand and at banks and other debit balances. Financial liabilities of the Company include long term liabilities, notes payable, provision for expected claims, credit facilities, accounts and notes payables, due to related parties, tax payable, accrued income taxes, accrued expenses and other credit balances.

The fair values of the financial assets and liabilities are not materially different from their carrying value unless stated otherwise.

33-OPERTAING SEGMENT

For the Six months ended 30 June 2023	**Cheese**	**Milk and Juice products**	**Total**
	EGP	**EGP**	**EGP**
Segment's sales	2,791,486,361	164,989,197	**2,956,475,558**
Segment's cost of sales	(2,207,898,347)	(135,567,973)	**(2,343,466,320)**
Gross profit	**583,588,014**	**29,421,224**	**613,009,238**
Operating expenses less other operating income			**(280,179,716)**
Interest income			**8,243,863**
Interest expense			**(64,217,027)**
Profit before income taxes			**276,856,358**

	Cheese	Milk and Juice products	Total
For the Six months ended 30 June 2022	EGP	EGP	EGP
Segment's sales	1,683,469,189	114,209,669	1,797,678,858
Segment's cost of sales	(1,310,092,836)	(95,659,428)	(1,405,752,264)
Gross profit	373,376,353	18,550,241	391,926,594
Operating expenses less other operating Income			(150,483,732)
Interest income			7,839,201
Interest expense			(14,613,864)
Profit before income taxes			234,668,199

SEGMENTS' ASSETS

	Cheese	**Milk and juice**	**Animal production**	**Not Specified**	**Total**
30 June 2023	**EGP**	**EGP**	**EGP**	**EGP**	**EGP**
Fixed assets	401,319,963	146,282,651	40,365,203	-	**587,967,817**
Projects under construction	21,663,286	-	55,324,986	-	**76,988,272**
Inventory	960,699,966	54,212,681	-	-	**1,014,912,647**
Accounts and notes receivable	-	-	-	112,629,180	**112,629,180**
Due from related parties	63,736	-	-	-	**63,736**
Prepayments and other debit balances	-	-	-	171,685,585	**171,685,585**
Advance payments for fixed assets	422,934	-	1,094,495	-	**1,517,429**
Treasury bills	-	-	-	99,628,835	**99,628,835**
Investments available for sale	-	-	-	66,300,000	**66,300,000**
Letters of credit	-	-	-	5,397,414	**5,397,414**
Cash on hands and at banks	-	-	-	438,382,160	**438,382,160**
Total assets	**1,384,169,885**	**200,495,332**	**96,784,684**	**894,023,174**	**2,575,473,075**

33-OPERTAING SEGMENT (CONTINUD)

	Cheese	Milk and Juice	Animal production	Not specified	Total
31 December 2022	EGP	EGP	EGP	EGP	EGP
Fixed assets	423,017,503	159,696,384	40,563,169	-	623,277,056
Projects under construction	12,705,846	-	40,900,158	-	53,606,004
Non-current assets Held for sale	772,958,268	55,179,469	-	-	828,137,737
Inventory	-	-	-	72,418,698	72,418,698
Accounts and notes receivable	-	-	1,311,319	255,153,949	256,465,268
Prepayments and other debit balances	2,931,426	-	742,000	-	3,673,426
Advance payments for fixed assets	-	-	-	4,323,883	4,323,883
Treasury Bills	-	-	-	239,017,398	239,017,398
Cash on hands and at banks	-	-	12,306,698	473,538,702	485,845,400
Total assets	1,211,613,043	214,875,853	95,823,344	1,044,452,630	2,566,764,870

34-FINANCE LEASE

	Total Contractual amount	**Paid Amount from contract**	**Bank Cheques**	**Unpaid amount from contract**
	EGP	EGP	EGP	EGP
Equipment and Machines	161,336,848	27,578,816	133,758,032	-

The obligations of the notes payable financial lease on present value on 30 June 2023 is amounted EGP 63,037,021 that is current portion EGP 51,593,142 and non-current portion amounted to EGP 11,443,879

The financial lease obligations have been recognized as follows:

1-Tetrabak machines contract amounted to 8,179,000 USD, and cheques received as installments quarterly payments started from 1 October 2019 to 1 July 2024
2-A contract for Tetrabak packing and packaging machines for an amount of EGP 15,873,360 and monthly checks were issued and delivered starting from 1,July 2021 until 1 September 2023.
3-A contract for a flat cheese machine for the amount of USD 750,584 and checks will be issued in quarterly installments starting from 30 June 2022 until 31 December 2026.

The company applied Standard No. (49) based on Paragraph C (C) -2-A, and the usufruct assets were recognized. From the start date of the finance lease contract within the company's assets, the lease obligation, which represents the current value of the unpaid lease payments, has also been recognized within the company's obligations.

35 - CAPITAL COMMITMENTS

There are no Capital commitments on 30 June 2023

36 SIGNIFICANT MATTERS

on 6 March 2023, Council of Minister's was issued decision No. 883 of 2023 to amend some provisions of Egyptian Accounting Standards. The following is a summary of the most important of these amendments:

New or reissued standards	Summary of the most important modifications	Potential impact on the financial statements	Application date
Egyptian Accounting Standard No. (10) Amended 2023 "Fixed Assets and Their Depreciation" Egyptian Accounting Standard No. (23) Amended 2023 "Intangible Assets"	These standards were reissued in 2023, which were allowed to use the revaluation model for some of the prevailing accounting standards, and the following is a list of those standards: •Egyptian No. 5 "Accounting policies and changes in accounting estimates and errors" • Egyptian Accounting Standard No. 24 "Income Taxes" • Egyptian Accounting Standard No. 30 "Interim Financial Statements" • Egyptian Accounting Standard No. 31 "impairment of assets" • Egyptian Accounting Standard No. 49 "Lease Contracts". "	In case the option of the revaluation model included in those standards is used, the company's management must study the possibility of changing the accounting policy followed and evaluate the potential impact on the financial statements if that option is used.	Amendments application related to add the option of use the revaluation model beginning in or after 1 January 2023 retrospectively, in addition to mention the cumulative effect of applying the revaluation model initially by adding it to the revaluation surplus account in equity at beginning of the financial period which the company applied this model for the first time.
	2- In line with the amendments in amended Egyptian Accounting Standard No. 35 in 2023 "Agriculture", paragraphs (3), (6), (37) of the Egyptian Accounting Standard No. 10 "Fixed Assets and their Depreciation" were amended, and addition Paragraphs 22 (A), 80 (C) and 80 (D) in the same standard, with related to bearing plants. -The company is not required to disclose the	If the management applied the amendments. the management must evaluate the potential impact on the financial statements."	The amendments will be applied for the annual periods that beginning of or after 1 January 2023 retrospectively, in addition to mention the cumulative effect of applying the accounting treatment of bearing plants initially by adding it to the profit or loss balance carried forward at the beginning of the financial period that the company will be apply this form for the first time.

	quantitative information required under Paragraph 28 (f) of the Egyptian Accounting Standard No. 5 for the current period, which is the period of the financial statements in which applied the standard for the first time the Egyptian Accounting Standard No. 35 Accelerated 2023, and the Egyptian Accounting Standard No. 10 Amendment 2023 with related to bearing plants. However, the quantitative information disclosure was required by paragraph 28(F) of IAS 5 for each prior period presented. The company may choose to measure an item of bearing plants at its fair value at the beginning of the earliest period presented in the financial statements for the period in which the company applied the above amendments for first time and use that fair value as its default cost at this date. Any difference between the previous carrying amount and fair value in the opening balance, recognize the difference in surplus revaluation account in equity at the beginning of the earliest period presented.		
Egyptian Accounting Standard No. 34 Amended 2023 "Real Estate Investment"	1- These standards were reissued in 2023 which were allowed the use of the fair value model in subsequent measurement of real estate investments.	Recently, the management studied the potential of change accounting policy and using fair value model option and evaluated the impact on financial	The amendments will be applied for the annual periods that beginning of or after 1 January 2023 retrospectively, in addition to mention the cumulative effect

	2- as a result there was amendment to some of the paragraphs related to the use of the fair value model option in some prevailing Egyptian accounting standards, and the following is a statement of those standards: Egyptian Accounting - Standard No. 1 "Presentation of Financial Statements" - Egyptian Accounting Standard No. 5 "Accounting policies, changes in accounting estimates and errors" - Egyptian Accounting Standard No. 13 "The Effects of Changes in Foreign Exchange Rates" - Egyptian Accounting Standard No. 24 "Income Taxes". - Egyptian Accounting Standard No. 30 "Interim Financial Statements" - Egyptian Accounting Standard No. 31 "impairment of assets" - Egyptian Accounting Standard No. 32 "Non-current assets held for sale and discontinuing operations." - Egyptian Accounting Standard No. 49 "Lease Contracts"	statements if the management used this option	when applying at first time the fair value model and add it to profit or loss balance would be transferred at the beginning of financial period that the company applied this model for first time.
Egyptian Accounting Standard No. 50 "Insurance Contracts"	1- This standard defines the principles of recognition insurance contracts that were in scope of this standard, and determines their measurement, presentation, and disclosure. The standard's objective is to ensure that the company provides	Recently, the management evaluated the potential impact on financial statements from applying this standard.	The Egyptian accounting standards No. 50 must be applied for the annual periods that beginning of or after 1 July 2024. If the Egyptian Accounting Standard No. 50 was applied for an earlier period, the company must disclose.

	appropriate information that fairly present those contracts. This information provides users of financial statements with the necessary basis for evaluating the impact of those insurance contracts on the company's financial position, financial performance, and cash flow. 2- Egyptian Accounting Standard No. 50 replaces and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts". 3- Any reference in other Egyptian Accounting Standards to Egyptian Accounting Standard No. (37) must be replaced by Egyptian Accounting Standard No. 50. 4- Amendments have been made to the following financial accounting standards to comply with the requirements of applying Egyptian Accounting Standard No. 50 Insurance Contracts", which are as follows: • Egyptian Accounting Standard No. 10 "Fixed Assets and Their Depreciation". • And Egyptian Accounting Standard No. 23 "Intangible Assets". •Egyptian Accounting Standard No. 34 "Real Estate Investment		