

Press Release on Third Quarter 2022 Results

Mansoura Poultry announces the results of the third quarter of 2022

The tenth city of Ramadan on November 14, 2022

Message from Mr. / Chairman of the Board of Directors

Despite the success of Mansoura Company in increasing its sales during the current year to reach EGP 117 mn, an increase of 41% from the comparative period last year, which amounted to EGP 83 mn, the abnormal increase in the prices of raw materials for feed produced by the the company it self , which is represented in yellow corn and soy, as the cost of corn jumped from EGP 5,400 per ton to 11000EGP 0 per ton during the current quarter, which is represents 70% of the feed component, and also the prices of soy jumped from 15,000 pounds per ton last year to 2 5,000 pounds this year for this quarter, which is the second most important component . hedging of the company's policy in the production of feed itself, mitigate the losses in case company use to buy feed from the market.

The rise in these components led to an increase in the cost of sales from EGP 86 mn last year to EGP 122mn this year, which led to losses during this quarter resulting in a total loss of EGP 14 mn compared to the total profit of EGP 2,503,000 during the comparative period last year, although the number of chicks sold during 2022 reached 13.3 mn chicks with an average price of 6. 46 pounds, which is similar to the same number of chicks sold for the same period last year, which amounted to 13.94 million chicks at an average price of 4.60 pounds during 2021.

the company made gross loss at the level of 9 months amounted to 5 million pounds compared to 3.4 million losses last year. But net loss at the level of 9 months amounted to 11.4million compared to 8.6 million losses last year

Eng. Islam Mohamed Naguib explained that the company changed its financial strategy to keep pace with the new changes in the market and achieve the largest rate of return for shareholders, as it exited its investment in Al-Safwa Poultry Slaughterhouse, which owned 24% of it and achieved capital gains from this exit amounting to 1.4 million Egyptian pounds to reduce the volume of unutilized assets in the components of the company's assets . as the market data currently achieves losses in the work of slaughterhouses. the proceeds of the sale are directed to support the activities of the company to confront the fierce attack on this sector in the high cost of its production due to the scarcity of

hard currency, which is something that all production sectors in the country suffer from this year, which the political leadership is now working on developing solutions to this problem.

This crisis has also led the banking sector to avoid financing the poultry sector until the vision in this sector is clear of the high costs and scarcity of feed availability as well.

The challenge now is the ability of companies to continue during crisis time, not in the results of the business.

Which requires the company's management to modify its policies in asset, to avoid these obstacles and start again in 2023 in accordance with the new market directives as the company has also developed its philosophy of diversifying its activity and adding new sector

The company is fattening, so during the prices go down the company increase its activity in fattening instead of sale the chicks with low price to the market so it is lead to minimize the loss as soon as possible

It is also noted in the company's balance sheet that its current obligations increased by about 6 million pounds from last year. the company made its credit policy with its suppliers more fixable to move on with any cash flows problem without incurring any new financing burdens as much as possible.

The company will reflect this diversity and the new policy concluded by the company's management in the results of its business during 2023.

The table below shows the most important changes and financial indicators of the company for the initial 9-month period compared to the comparative period of last year.

Summary of the currency income statement in Egyptian pounds	About the current period In million	About the comparative period In million	Percentage Change%
Revenue/Sales	117	83	41%
Total profit (loss)	5-	3.4-	47%
Total expenses and other burdens	8	6.2	29%
Total Other Revenues	1.9	1.1	72%
Net (loss) before tax of non-continuous activities (if any)	-11.3	-8.5	32%
Net profit (loss) after tax	-11.4	-8.6	32%

Financial Center List Summary	In the history of the financial center In million	In the history of the financial center for the previous year in million	Change %
Net working capital	49.3	58	-15%
Proprietary Rights	89.3	101	-11%
Paid-up Capital	97.4	81.2	20%
Reserves	3	3	-
Profit - Losses	-11.4	.56	-1935%

Key Highlights

The amount of chicks sold during the first 9 months of the year amounted to 13,362,092 chicks compared to last year worth 86,359,597 pounds, and the average selling price was 6.46 pounds for the chick, while the number of chicks sold for the same period last year reached 13,942,780 chicks with an average selling price of 4.60 pounds for a chick.

While the total value of maternal sales during the first 9 months amounted to EGP 15,457,314 compared to EGP 9,745,438 for the same period last year.

While the total sales of table eggs, slate eggs and fatas during the period amounted to 1,983,629 pounds compared to the total egg sales during the first 9 months of the comparative year, which amounted to 1,778,552 pounds, and therefore there is a growth in the sales volume of eggs by 11.5%.

Mansoura Poultry Company

Mansoura Poultry Company is an Egyptian joint stock company founded in 1983 and works in the field of poultry wealth where it specializes in the production of fattening chicks' one day chick transports them and delivers them to fattening farms that raise them and sell them to the consumer or slaughterhouses in the Arab Republic of Egypt.

Where in these stations the chicks of mothers are received one day old and raised in farms equipped for the breeding of mothers for 25 weeks, which is the breeding period where the cocks are mixed with the females and the production of fertilized hatching eggs begins throughout the production period of 44 weeks, where the female produces during this period about 150 eggs.

The eggs are transported from the stations to the hatchery factory, which sorts the eggs and stacks them in the machines and after 3 weeks the fattening chicks that are sorted and prepared are produced in special packages, where the company's fleet dedicated to the transport of chicks and equipped for this purpose transports them to the fattening farms of the company's customers throughout the Republic and the amount of chicks sold annually is estimated at about 19 million chicks .

The company also sells large quantities of its production of hatchable eggs to other hatching plants, and for eggs that are not suitable for hatching they are sold as table eggs .

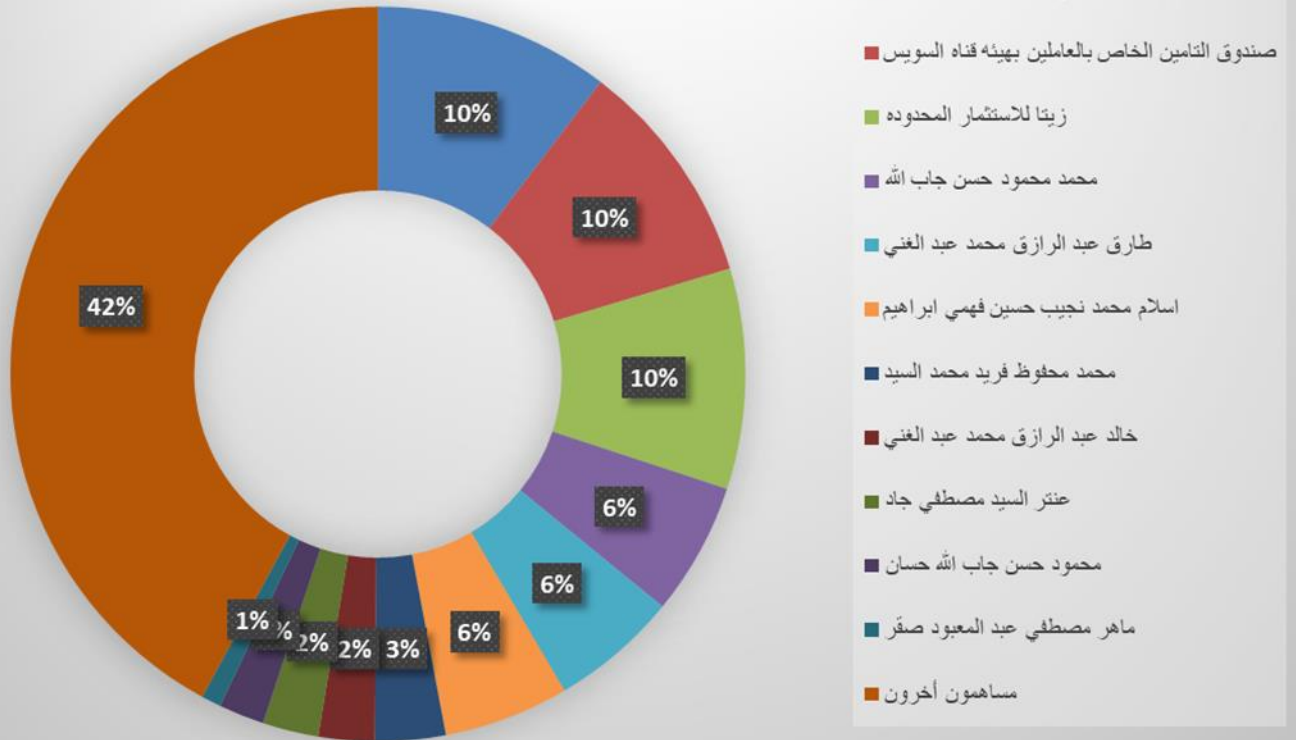
The company has everything necessary for its activity where the company has a feed factory for the production of feed for the company's various stations, and there is also a pharmacy and various stores to serve the needs and requirements of the business.

Mansoura Poultry Company is an Egyptian joint stock company – was established on the first of April 1983 in accordance with Law 159 of 1981 by and thanks to the efforts of a loyal group of Egyptian businessmen, headed by Mr. Abdel Razek Mohamed Abdel Ghani (may Allah have mercy on him), where it was inaugurated in 1983 in the presence of :

The Grand Imam Sheikh / Jad Al-Haq **Ali Jad Al-Haq** Sheikh of Al-Azhar and Lieutenant General / **Mohammed Saad Al-Din Maamoun**, Minister of Local Government, Dr. / **Yousef Wali** Minister of Agriculture and Food Security and His Excellency Sheikh / **Ibrahim Al-Desouky** Minister of Awqaf at the time.

For inquiries and communication	Mansoura Poultry Company
Investor Relations Manager	Ali Noshy Ali Hassan Elbsendly
Mobile	01000002801
email	investors.re@mpcoeg.com
Address	10 th of Ramadan City. Are B3 Plot 49

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