

CAIRO POULTRY COMPANY (CPC) S.A.E.

LIMITED REVIEW REPORT  
AND INTERIM CONSOLIDATED CONDENSED  
FINANCIAL STATEMENTS  
FOR THE SIX MONTHS PERIOD ENDED  
30 JUNE 2023

CAIRO POULTRY COMPANY (CPC) (S.A.E)

Interim consolidated condensed financial statements  
For the six months period ended 30 June 2023

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*Limited review report on the interim consolidated condensed financial statements*

*To the Board of Directors of Cairo Poultry Company "S.A.E."*

*إبلاغ*

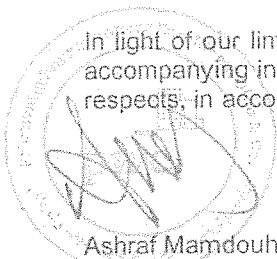
We have conducted a limited review for the accompanying interim consolidated condensed statement of financial position of Cairo Poultry Company "S.A.E." (the "Company") and its subsidiaries (together the "Group") as of 30 June 2023 and the related interim consolidated condensed statements of profit or loss, comprehensive income, changes in equity, and cash flows for the six-month period then ended. Management is responsible for the preparation and fair presentation of these interim consolidated condensed financial statements in accordance with the Egyptian Accounting Standard 30 "Interim financial reporting", and our responsibility is limited to expressing a conclusion on these interim consolidated condensed financial statements based on our limited review.

*إبلاغ*

We have conducted our limited review in accordance with the Egyptian Standard on Review Engagements No. 2410 "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim consolidated condensed financial statements.

*إبلاغ*

In light of our limited review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated condensed financial statements are not prepared, in all material respects, in accordance with Egyptian Accounting Standard 30 "Interim financial reporting".



Ashraf Mamdouh  
R.A.A. 26231  
F.R.A. 383

7 September 2023  
Cairo

CAIRO POULTRY COMPANY (CPC) (S.A.E)

Consolidated condensed statement of financial position - As at 30 June 2023

(All amounts are shown in Egyptian Pounds)

	Note	30 June 2023	31 December 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets	5	1,016,320,340	1,016,290,724
Projects under construction		41,173,247	60,875,504
Biological assets - Poultry wealth	6	241,882,379	108,607,657
Biological assets - Plant wealth		7,725,531	7,858,674
Right-of-use assets		24,834,039	19,768,393
<b>Total non-current assets</b>		<b>1,331,935,536</b>	<b>1,213,400,952</b>
<b>Current assets</b>			
Inventories	13	1,893,961,025	1,325,695,572
Biological assets - Broiler chicks and eggs		221,942,104	188,397,760
Trade receivables and other debit balances		943,681,732	735,213,524
Due from related parties	7/B	70,415,214	52,316,838
Cash and cash equivalents		357,660,443	241,223,082
<b>Total current assets</b>		<b>3,487,660,518</b>	<b>2,542,846,776</b>
<b>Total assets</b>		<b>4,819,596,054</b>	<b>3,756,247,728</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Paid up capital		479,001,600	479,001,600
Reserves		342,041,676	330,185,212
Retained earnings		1,555,750,477	812,857,063
<b>Total equity attributable to the shareholders of the parent company</b>		<b>2,376,793,753</b>	<b>1,622,043,875</b>
Non-controlling interests		21,855,154	13,927,839
<b>Total equity</b>		<b>2,398,648,907</b>	<b>1,635,971,714</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities		102,762,471	86,735,597
Lease liabilities		16,612,872	14,715,987
<b>Total non-current liabilities</b>		<b>119,375,343</b>	<b>101,451,584</b>
<b>Current liabilities</b>			
Provisions	8	163,103,008	147,121,796
Bank facilities	9	751,624,891	688,216,210
Creditors and other credit balances	14	1,146,661,202	1,023,681,998
Due to related parties	7/C	817,243	3,818
Lease liabilities		8,988,885	7,169,538
Current income tax liabilities		230,376,575	152,631,070
<b>Total current liabilities</b>		<b>2,301,571,804</b>	<b>2,018,824,430</b>
<b>Total liabilities</b>		<b>2,420,947,147</b>	<b>2,120,276,014</b>
<b>Total equity and liabilities</b>		<b>4,819,596,054</b>	<b>3,756,247,728</b>

- The accompanying notes on pages 7 to 30 form an integral part of these consolidated condensed financial statements.
- Limited review report attached.

Acct. Ahmed Abdel Raouf Ahmed  
Group CFO and CAO

Mr. Adel Al Alfi  
Managing Director

Eng. Mohamed/Tarek Zakaria  
Board Chairman

Giza, 07 September 2023

CAIRO POULTRY COMPANY (CPC) (S.A.E)

Consolidated condensed statement of profit or loss  
For the six months period ended 30 June 2023

(All amounts are shown in Egyptian Pounds)

	Note	Six months ended 30 June		Three months ended 30 June	
		2023	2022	2023	2022
Revenue from contracts with customers	15	5,572,865,123	3,083,964,400	2,785,861,867	1,623,325,049
Cost of revenues	16	(4,244,804,561)	(2,619,210,689)	(2,346,380,180)	(1,334,308,741)
<b>Gross profit</b>		<b>1,328,060,562</b>	<b>464,753,711</b>	<b>439,481,687</b>	<b>289,016,308</b>
Selling and marketing expenses		(114,171,486)	(92,722,649)	(51,470,034)	(42,493,164)
General and administrative expenses		(110,077,127)	(86,714,610)	(54,444,657)	(42,805,481)
Expected credit loss		(3,263,293)	(26,487,307)	(3,347,154)	1,460,279
Other operating income	10	135,235,703	76,787,878	87,993,873	48,247,827
Other operating expenses	11	(20,973,024)	(880,391)	(20,146,924)	(365,584)
<b>Operating profits</b>		<b>1,214,811,335</b>	<b>334,736,632</b>	<b>398,066,789</b>	<b>253,060,185</b>
Finance costs	17/A	(212,192,075)	(20,073,878)	(116,695,267)	(13,118,709)
Finance income	17/B	8,759,682	9,116,299	4,569,149	4,664,341
<b>Profit before tax</b>		<b>1,011,378,942</b>	<b>323,779,053</b>	<b>285,940,671</b>	<b>244,605,818</b>
Income taxes		(248,701,749)	(84,734,314)	(78,613,233)	(58,870,105)
<b>Net profit for the period</b>		<b>762,677,193</b>	<b>239,044,739</b>	<b>207,327,438</b>	<b>185,735,713</b>
<b>Profit attributable to:</b>					
Shareholders of the parent company		754,749,878	235,865,674	207,387,583	183,323,971
Non-controlling interests - shareholders		7,927,315	3,179,065	(60,145)	2,411,742
		<b>762,677,193</b>	<b>239,044,739</b>	<b>207,327,438</b>	<b>185,735,713</b>
<b>Earnings per share for shareholders of the Company</b>					
- basic and diluted *	12	<b>0.314</b>	<b>0.001</b>	<b>0.167</b>	<b>(0.003)</b>

- The accompanying notes on pages 7 to 30 form an integral part of these consolidated condensed financial statements.

\* Based on earnings / (losses) per share on the Cairo Poultry Company (CPC) "S.A.E." separate financial statements for the financial period ended 30 June 2023.

CAIRO POULTRY COMPANY (CPC) (S.A.E)

Consolidated condensed statement of comprehensive income  
For the six months period ended 30 June 2023

(All amounts are shown in Egyptian Pounds)

	Six months ended 30 June		Three months ended 30 June	
	2023	2022	2023	2022
Net profit for the period	762,677,193	239,044,739	207,327,439	185,735,713
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>762,677,193</b>	<b>239,044,739</b>	<b>207,327,438</b>	<b>185,735,713</b>
<b>Attributable to:</b>				
Shareholders of Cairo Poultry Company	754,749,878	235,865,674	207,387,583	183,323,971
Non-controlling interests	7,927,315	3,179,065	(60,145)	2,411,742
	<b>762,677,193</b>	<b>239,044,739</b>	<b>207,327,438</b>	<b>185,735,713</b>

- The accompanying notes on pages 7 to 30 form an integral part of these consolidated condensed financial statements.

CAIRO POULTRY COMPANY (CPC) (S.A.E)

Consolidated condensed statement of changes in equity  
For the six months period ended 30 June 2023

(All amounts are shown in Egyptian Pounds)

	Paid up capital	Reserves	Retained earnings	Total equity attributable to the shareholders of the parent company	Non-controlling interests	Total equity
Balance at 1 January 2022	479,001,600	324,599,407	545,361,180	1,348,962,187	15,280,088	1,364,242,275
Transfer to reserves	-	5,585,805	(5,585,805)	-	-	-
Total comprehensive income for the period ended	-	-	235,865,674	235,865,674	3,179,065	239,044,739
Balance at 30 June 2022	479,001,600	330,185,212	775,641,049	1,584,827,861	18,459,153	1,603,287,014
Balance at 1 January 2023	479,001,600	330,185,212	812,857,063	1,622,043,875	13,927,839	1,635,971,714
Transfer to reserves	-	11,856,464	(11,856,464)	-	-	-
Total comprehensive income for the period ended	-	-	754,749,878	754,749,878	7,927,315	762,677,193
Balance at 30 June 2023	479,001,600	342,041,676	1,555,750,477	2,376,793,753	21,855,154	2,398,648,907

The accompanying notes on pages 7 to 30 form an integral part of these consolidated condensed financial statements.

CAIRO POULTRY COMPANY (CPC) (S.A.E)

Consolidated condensed statement of cash flows  
For the six months period ended 30 June 2023

(All amounts are shown in Egyptian Pounds)

	Note	30 June 2023	30 June 2022
<b>Cash flows from operating activities</b>			
Net profit before taxes, adjusted by:		1,011,378,942	323,779,053
Depreciation of fixed assets	5	57,793,822	56,953,462
Depreciation of right-of-use assets		3,774,283	3,801,259
Gains on sale of fixed assets - Net		(906,230)	(4,582,010)
Gains on disposal on lease liabilities		-	(295,300)
Depreciation of plant wealth		133,144	136,474
Gain on sale of poultry wealth (Parents)		(71,717,476)	(35,742,201)
Poultry wealth amortisation		204,351,526	173,723,543
Provisions formed		60,416,885	74,026,698
Provisions no longer required		(34,268,318)	(1,554,602)
Interest income		(8,759,682)	(9,116,299)
Interest expense		72,223,190	24,778,829
<b>Operating gain before changes in working capital</b>		<b>1,294,420,086</b>	<b>605,908,906</b>
<b>Changes in working capital:</b>			
Inventories		(573,745,074)	(553,317,711)
Biological assets - Broiler chicks and eggs		(33,544,343)	972,909
Trade receivables and other debit balances		(217,108,051)	(71,595,633)
Due from related parties		(18,098,376)	(6,427,875)
Creditors and other credit balances		118,615,448	119,287,845
Due to related parties		813,426	141,407
Utilised provisions	8	(27,208,984)	(19,070,030)
<b>Cash flows generated from operating activities</b>		<b>544,144,132</b>	<b>75,899,818</b>
Interest paid		(66,374,489)	(24,051,781)
Income tax paid and settled		(154,929,370)	(69,308,990)
<b>Net cash flows generated from / (used in) operating activities</b>		<b>322,840,273</b>	<b>(17,460,953)</b>
<b>Cash flows from investing activities</b>			
Payments for purchase of fixed assets and projects under construction		(40,055,665)	(65,212,792)
Payments to purchase and rear poultry wealth		(306,465,158)	(200,614,481)
Proceeds from sale of poultry wealth		71,717,476	36,190,156
Interest collected		8,759,682	9,116,299
Proceeds from sale of fixed assets		2,840,713	4,796,108
Proceeds from sale of investments		-	(47,733,387)
<b>Net cash flows used in investing activities</b>		<b>(263,202,952)</b>	<b>(263,458,097)</b>
<b>Cash flows from financing activities</b>			
Net receipts - Bank overdrafts		63,408,681	283,534,045
Lease payments (Including interest)		(6,608,641)	(5,198,898)
Payments to settle other liabilities		-	(60,000)
<b>Net cash flows generated from financing activities</b>		<b>56,800,040</b>	<b>278,275,147</b>
<b>Change in cash and cash equivalents</b>		<b>116,437,361</b>	<b>(2,643,903)</b>
Cash and cash equivalents, beginning of the period		241,223,082	98,324,990
<b>Cash and cash equivalents, end of the period</b>		<b>357,660,443</b>	<b>95,681,087</b>

- The accompanying notes on pages 7 to 30 form an integral part of these consolidated condensed financial statements.



## CAIRO POULTRY COMPANY (CPC) (S.A.E)

### Notes to the interim consolidated condensed financial statements For the six months period ended 30 June 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

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#### 1. Introduction

Cairo Poultry Company (CPC) S.A.E. ("the Company") was incorporated in 1977 as an Egyptian joint stock company in accordance with the provisions of Law No. 230 of 1989, which was replaced by the Investment Guarantees and Incentives Law No. 8 of 1997, which was replaced by Investment Law No. 72 of 2017. The Company was registered in the commercial register under number 42444 on 26 July 1977. The Company's term is 25 years starting from 19 July 2002. The Group's head office is located in 32A - Mourad Street - Giza - Egypt.

The Group are engaged in the following:

- Production, breeding and fattening of chicks, production of animal feed, mixing of raw materials and production of fertilized eggs from parent chickens.
- Production of cold rooms to achieve the purposes of the Group.
- Production of table eggs from breeding hens.
- Establishment and operation of feed plants to produce all feed stocks, animal, poultry and fish concentrates and non-traditional feeds.
- Establishment of a poultry slaughterhouse.
- Manufacturing slaughterhouse waste.
- Carrying out export operations of the Group's products.
- Open branches and grant agencies to sell the Group's products throughout Egypt.
- Trading in all products and production supplies of the Group.
- Participate in similar projects locally and abroad.

The main shareholder is Americana Holding for Egypt Food as of 30 June 2023, a subsidiary of Adeptio AD Holdings (the ultimate parent) which owns 53.45% of the Company's capital through its subsidiaries.

The consolidated condensed financial statements were authorised to be issued by the Company's Board of Directors on 07 September 2023.

#### 2. Accounting policies

The principal accounting policies applied in the preparation of these interim consolidated condensed financial statements are summarised below, which are applied consistently over the presented financial periods unless otherwise stated:

##### 2.1 New issues and amendments made to the Egyptian Accounting Standards

The Prime Minister issued Decision No. 883 of 2023 in March 2023, amending some provisions of Egyptian accounting standards, which include some new accounting standards and amendments to some existing standards. These amendments were published in the Accounting Standards in the Official Gazette on 6 March 2023. The most important amendments are summarized as follows, which are implemented for the financial periods beginning on or after January 1, 2023. The company's management is in the process of evaluating the impact of applying these amendments:

CAIRO POULTRY COMPANY (CPC) (S.A.E)

Notes to the interim consolidated condensed financial statements  
For the six months period ended 30 June 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

2. Accounting policies (continued)

2.1 New issues and amendments made to the Egyptian Accounting Standards (continued)

Standard name	Modification summary	Potential impact on the financial statements	Application date
Egyptian Accounting Standard No. (10) "Fixed Assets and Their Depreciation"	<p>"Scope of the standard" The scope of the standard has been amended to include "bearer plants".</p> <p>"Measurement" - An option to apply the revaluation model for fixed assets has been added - The fair value is determined by an estimate made by experts specialized in valuation and valuation among those registered in a register designated for that in the Financial Regulatory Authority. - Paragraph 20 / A has been added, according to which the facility must record the proceeds from the sale of any output produced during the delivery of the fixed asset to the condition necessary for it to be operable in the manner intended by the management within the profits or losses.</p> <p>"Disclosures" Some new disclosures have been added to the re-evaluation form.</p>	Management is currently assessing the potential impact on the financial statements from applying the standard.	<p>The Company applies the amendments to add the option to use the re-evaluation model on the financial periods beginning on or after January 1, 2023.</p> <p>The effect is retrospective, and the cumulative effect of applying the revaluation model is recognized initially by adding it to the revaluation surplus account within equity at the beginning of the financial period in which the company applies this model for the first time.</p>

CAIRO POULTRY COMPANY (CPC) (S.A.E)

Notes to the interim consolidated condensed financial statements  
For the six months period ended 30 June 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

2. Accounting policies (continued)

2.1 New issues and amendments made to the Egyptian Accounting Standards (continued)

Standard name	Modification summary	Potential impact on the financial statements	Application date
Egyptian Accounting Standard No. (23) "Intangible Assets"	<p>"Scope of the standard" The scope of the intangibles standard has been amended to include rights held by the lessee under licensing agreements for items such as motion picture films, video recordings, plays, manuscripts, patents, and copyrights.</p> <p>"Measurement" - An option to apply the revaluation model for intangible assets has been added - The fair value is determined by an estimate made by experts specialized in valuation and valuation among those registered in a register designated for that in the Financial Regulatory Authority.</p> <p>"Disclosures" Some new disclosures have been added to the re-valuation form.</p>	The standard has no impact on the financial statements.	<p>The Company applies the amendments to add the option to use the re-valuation model on the financial periods beginning on or after January 1, 2023.</p> <p>The effect is retrospective, and the cumulative effect of applying the revaluation model is recognized initially by adding it to the revaluation surplus account within equity at the beginning of the financial period in which the company applies this model for the first time.</p>
Amendments to Egyptian Accounting Standard No. (23) "Intangible Assets" Amendments to the Egyptian Accounting Standard "Fixed Assets" No. (10) and the Egyptian Accounting Standard No. (23) "Intangible Assets" related to depreciation and amortization.	<p>This amendment clarifies that a depreciation method that is based on revenue generated from an activity that includes depreciation of an asset may not be used. As the generation of revenue related to the asset reflects factors other than the consumption of economic benefits related to the asset.</p> <p>It is possible to refute this assumption in limited cases related to intangible assets when there is a close correlation between the volume of revenue and the intangible asset.</p>	The standard has no impact on the financial statements.	Applies to financial periods beginning on or after January 1, 2023.

CAIRO POULTRY COMPANY (CPC) (S.A.E)

Notes to the interim consolidated condensed financial statements  
For the six months period ended 30 June 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

2. Accounting policies (continued)

2.1 New issues and amendments made to the Egyptian Accounting Standards (continued)

Standard name	Modification summary	Potential impact on the financial statements	Application date
Egyptian Accounting Standard No. (34) "Real Estate Investment"	"Measurement" - An option to apply the fair value model for real estate investment has been added - The fair value is determined by an estimate made by experts specialized in evaluation and valuation among those registered in a register designated for that in the Financial Regulatory Authority.	The standard has no impact on the financial statements.	The entity applies the amendments to add the option to use the re-evaluation model on the financial periods beginning on or after January 1, 2023.  The effect is retrospective, and the cumulative effect of applying the revaluation model is recognized initially by adding it to the revaluation surplus account within equity at the beginning of the financial period in which the company applies this model for the first time.
Egyptian Accounting Standard No. (36) "Exploration and Evaluation of Mineral Resources"	"Measurement" - An option to use the re-evaluation form has been added, and it is processed according to the re-evaluation form in Fixed Assets Standard No. 10. - The evaluation is carried out by experts specialized in evaluation and valuation among those registered in a register designated for this purpose at the Ministry of Petroleum.  "Disclosures" - Some new disclosures related to the re-evaluation form have been added	The standard has no impact on the financial statements.	The entity applies the amendments to add the option to use the re-evaluation model on the financial periods beginning on or after January 1, 2023.  The effect is retrospective, and the cumulative effect of applying the revaluation model is recognized initially by adding it to the revaluation surplus account within equity at the beginning of the financial period in which the company applies this model for the first time.

CAIRO POULTRY COMPANY (CPC) (S.A.E)

Notes to the interim consolidated condensed financial statements  
For the six months period ended 30 June 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

2. Accounting policies (continued)

2.1 New issues and amendments made to the Egyptian Accounting Standards (continued)

Standard name	Modification summary	Potential impact on the financial statements	Application date
Egyptian Accounting Standard No. (49) "Lease Contracts"	<p>"Measurement" A revaluation model option has been added to all usufruct assets, if the usufruct asset is related to a category of fixed assets in which the lessee applies the revaluation model contained in Egyptian Accounting Standard No. (10) "Fixed Assets and Their Depreciation".</p> <p>"Disclosures" Some new disclosures have been added regarding the revaluation model in accordance with Egyptian Accounting Standard No. (10) "Fixed Assets and Their Depreciation".</p>	Management is currently assessing the potential impact on the financial statements from applying the standard.	<p>The entity applies the amendments to add the option to use the revaluation model on the financial periods beginning on or after January 1, 2023.</p> <p>The effect is retrospective, and the cumulative effect of applying the revaluation model is recognized initially by adding it to the revaluation surplus account within equity at the beginning of the financial period in which the company applies this model for the first time.</p>

The following Egyptian Accounting Standards have been amended to comply with the addition of the option to apply the revaluation model and the fair value model as mentioned in the above paragraphs:

Egyptian Accounting Standard No. (1) "Presentation of Financial Statements" Egyptian Accounting Standard No. (5) "Accounting Policies" Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Currency Exchange Rates" Egyptian Accounting Standard No. (24) "Income Taxes" Egyptian Accounting Standard No. (31) "impairment of assets" Egyptian Accounting Standard No. (32) "non-current assets held for the purpose of sale and non-continuing operations".

CAIRO POULTRY COMPANY (CPC) (S.A.E)

Notes to the interim consolidated condensed financial statements  
For the six months period ended 30 June 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

2. Accounting policies (continued)

2.1 New issues and amendments made to the Egyptian Accounting Standards (continued)

Standard name	Modification summary	Potential impact on the financial statements	Application date
Egyptian Accounting Standard No. (35) "Agriculture"	<p>"Scope of the standard" The scope of the standard has been amended as fruit plants related to agricultural activity have been excluded from the agriculture standard to become under the scope of the fixed assets standard Accounting Standard No. 10, but this standard applies to the product that grows on fruit plants Government grants related to fruiting plants were excluded.</p> <p>"Definitions" - Amendment to some definitions where the definition of fruiting plants was added.</p>	Management is currently assessing the potential impact on the financial statements from applying the standard.	The amendments apply to financial periods beginning on or after January 1, 2023.
Egyptian Accounting Standard No. (50) insurance contracts	<p>The new Egyptian Accounting Standard No. (50) "Insurance Contracts" replaces the amended Egyptian Accounting Standard No. (37). This standard defines principles for recognition of insurance contracts within the scope of this standard, and specifies their measurement, presentation and disclosure. The standard's objective is to ensure that the entity provides appropriate information that faithfully reflects those contracts. This information provides users of the financial statements with the necessary basis for evaluating the effects of those insurance contracts on the entity's financial position, financial performance and cash flows.</p>	The standard has no impact on the financial statements.	The application is date is from July 1, 2024, or the beginning of the annual fiscal period after July 1, 2024.

## CAIRO POULTRY COMPANY (CPC) (S.A.E)

### Notes to the interim consolidated condensed financial statements For the six months period ended 30 June 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

#### 2. Accounting policies (continued)

##### 2.1 New issues and amendments made to the Egyptian Accounting Standards (continued)

Standard name	Modification summary	Potential impact on the financial statements	Application date
	An entity shall apply EAS 50 to: insurance contracts, including reinsurance contracts, that it issues; reinsurance contracts it holds; and investment contracts with facultative participation features that the entity issues, provided that the entity also issues contracts. Insurance.		

These consolidated condensed interim financial statements for the period ended 30 June 2023 have been prepared in accordance with Egyptian Accounting Standard No. (30) "Interim Financial Statements" and in accordance with the relevant laws, thus, the interim financial statements have been prepared as a condensed form compared to the consolidated financial statements as of December 2022.

The financial statements have been prepared on the basis of the historical cost, except for:

- Biological assets (chicks in fattening farms at fair value).
- Biological assets (eggs in hatcheries at fair value).

The Group presents its assets and liabilities in the consolidated statement of financial position based on current/ non-current classification. The asset is classified as current when it is:

- \* Expected to be realised or intended to be sold or used in normal operating course,
- \* Held primarily for trading,
- \* Expected to be realised within 12 months after the end of the reporting period, or
- \* Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

The liability is classified as current when:

- \* It is expected to be settled in normal operating course,
- \* Held primarily for trading,
- \* Required to be realised within 12 months after the end of the reporting period, or
- \* The entity does not have an unconditional right to defer the settlement of the liability for at least twelve months after the end of the reporting period.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

## CAIRO POULTRY COMPANY (CPC) (S.A.E)

### Notes to the interim consolidated condensed financial statements For the six months period ended 30 June 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

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#### 2. Accounting policies (continued)

##### 2.1 New issues and amendments made to the Egyptian Accounting Standards (continued)

The preparation of the condensed consolidated financial statements in conformity with EASs requires the use of certain critical accounting estimates and assumptions. It also requires the Group's management to exercise its judgment in the process of applying the Group's accounting policies. Note (4) describes the significant accounting estimations and assumptions of these consolidated financial statements, as well as significant judgments used by the Group's management when applying the Group's accounting policies.

The EASs require reference to the International Financial Reporting Standards (IFRS) when there is no EAS, or legal requirement that explains the treatment of specific balances and transactions.

##### 2.2 Biological assets

The biological asset is measured at fair value, less estimated selling costs. In case the fair value can't be determined, the biological asset is measured at its cost, less any accumulated depreciation and any accumulated impairment losses. Once the fair value of these assets can be reliably measured, they are measured at fair value less estimated selling costs. Biological assets are chicks at fattening farms, eggs at hatcheries, grandparent herds, and broiler parent herds (these herds are collectively termed Poultry Wealth). Poultry wealth prepared by the Group's management is stated at fair value on the basis of replacement cost, which is an indication and an alternative to fair value less estimated selling cost.

##### 2.3 Financial instruments

###### The Classification of the Financial Assets

The Group classifies its financial instruments in the following category:

- At amortized cost
- At fair value through profit or loss

This classification depends on the Group's business model in managing financial assets and the characteristics of the contractual cash flows.

The Group measures its financial assets at amortized cost when they are in the scope of the hold to collect business model, where the contractual terms determine specific cash flows at specific dates that are solely payments of principal and interest (SPPI).

###### Initial recognition

At initial recognition, the financial assets and financial liabilities are measured at their fair value. Transaction costs for financial assets recorded at fair value through profit or loss are treated as expenses in the profit or loss statement. For any financial assets or financial instruments not measured at fair value through profit or loss, their fair value is affected by the transaction costs that are directly related to the acquisition or issuance of the financial asset / financial liability.

###### Classification of financial liabilities

The Group classifies a financial liability as a financial liability through profit or loss in case it leads to the elimination or reduction of a classification mismatch or in case a group of financial liabilities' performance is evaluated in accordance with fair value. All other financial liabilities are subsequently measured at amortized cost using the effective interest method.



## CAIRO POULTRY COMPANY (CPC) (S.A.E)

### Notes to the interim consolidated condensed financial statements For the six months period ended 30 June 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

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#### 2. Accounting policies (continued)

#### 2.3 Financial instruments (continued)

##### Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset, and the net amount is shown in the condensed consolidated statement of financial position when the Group has a current non-revokable legal right to offset these amounts, has the intent to offset these amounts or to sell the asset and settle the liability at the same time.

##### Reclassification

Financial assets are reclassified only when the Group changes the business model used in managing the financial assets. For example, if Group management changes its preference to keep an asset for a short-term period or long-term period, no reclassification is done.

##### Subsequent measurement

Subsequent measurement of the financial assets as following:

##### (i) Debt instruments:

Amortized cost: Assets are classified as hold to collect where contractual cash flows are solely payments of principal and interest. Interest income from these financial assets is recognized in finance income using the effective interest method. Any profits or losses resulting from derecognition are recognized directly in profit or loss and presented in other gains (losses), in addition to the profit and losses from foreign exchange differences. Impairment losses are presented as a separate item in the consolidated statement of profit or loss.

##### (ii) Equity instruments:

Fair value through profit or loss: Investments in equity instruments are subsequently measured at fair value; the Group performed a fair value assessment and concluded that there is no material change between the historical cost of these unquoted instruments and their fair value.

##### (iii) Derecognition:

The Group derecognized the financial asset only when the contractual right to receive cash flows from the financial asset is extinguished or when all risks and rewards of ownership of the financial assets are transferred to another party.

Financial liabilities are derecognized when the financial liability stipulated in the contract is settled, cancelled or extinguished. Significant amendments to the terms of the debt instrument are considered an extinguishment of the financial liability, and a new financial liability is to be recognized.

##### (vi) Impairment of financial assets:

The group evaluates the expected credit losses related to its financial assets held at amortized cost based on future expectations. The impairment model applied depends on whether there is a significant increase in credit risk. For trade receivables, the Group applies the simplified approach allowed by Egyptian Accounting Standard No. 47 which requires expected losses to be recognized over the course of the lifetime of these instruments starting from initial recognition, and the proceeds resulting from the financial asset, in addition to the accumulated profit or loss previously recognised within other comprehensive income.

## CAIRO POULTRY COMPANY (CPC) (S.A.E)

### Notes to the interim consolidated condensed financial statements For the six months period ended 30 June 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

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#### 2. Accounting Policies (continued)

##### 2.4 Inventories

Inventories are measured at the lower of cost and net realisable value. Inventories cost is determined as follows:

- Raw materials and packaging materials and spare parts using the weighted average method.
- Finished goods (feed) at manufacturing cost, using raw materials, direct and indirect manufacturing costs and wages.
- Finished goods (chicken products) on the basis of fair value less costs to sell at the time of slaughter.

The cost of finished goods and work in progress comprises costs of purchase, costs of conversion and other costs (based on normal operating capacity), incurred by the Group in bringing the inventories to their present location and condition, and excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and any other costs necessary to complete the sale.

The amount of any write-down of inventories to net realisable value and all losses of inventories shall be recognised as an expense in the period/year the write-down or loss occurs.

##### 2.5 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, taking into consideration payment terms determined in the contract and after deduction of taxes or discounts. Revenues are recognized to the extent that financial benefits will be achieved by the Group, and when revenues are costs can be confidently determined.

The Group recognizes revenues from contracts with customers based on a five-step model, as presented in EAS No. (48):

###### *Step 1 – Identifying the contract (contracts) with customers:*

A contract is an agreement between two or more parties establishing rights and commitments, and establishing criteria that must be adhered to.

###### *Step 2 – Identifying performance obligations:*

A performance obligation is a commitment in the contract to transfer authorized goods or services to the customer.

###### *Step 3 – Determining the transaction price:*

The transaction price is the monetary amount expected to be earned by the Group in exchange for the transfer of goods or services to the customer, excluding amounts collected on behalf of other parties.

###### *Step 4 – Allocating the transaction price to the performance obligations in the contract:*

For contracts that include more than one performance obligation, the Group allocates the transaction price to each obligation separately, at the monetary amount expected to be earned for each performance obligation.

## CAIRO POULTRY COMPANY (CPC) (S.A.E)

### Notes to the interim consolidated condensed financial statements For the six months period ended 30 June 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

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#### 2. Accounting Policies (continued)

##### 2.5 Revenue recognition (continued)

*Step 5 – Recognizing revenue when (or as) the Group satisfies a performance obligation.*

The Group recognizes revenue over time when one of the following conditions are met:

When the Group fulfills a performance obligation through a transfer of authorized goods or services, a contract asset is recognized represented in the financial benefit resulting from this performance. When customer payments exceed the recognized revenues, a contract liability is recognized.

##### (a) Sales of goods

Revenue is recognised from the sale of goods to traders or contractors who have the right to sell them and determine their prices when the goods are delivered to them, and the Group does not retain significant risks of ownership of the goods, there is no obligation that prevent those traders or contractors to accept the goods sold. Delivery is recognised, both in the Group's stores or in specific locations, according to the agreements. When the Group transfers the significant risk and rewards of the ownership of the goods to the traders, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Sales to traders do not comprise the element of financing, as the credit period granted to them is short.

##### (b) Rendering of services

Revenue resulting from services rendered is recognised in the related period when the execution of the transaction can be measured at the end of the financial period.

##### (c) Interest income

Interest income is recognised on a time-proportionate basis using the effective interest method. When a receivable balance resulting from the recognition of interest is impaired, the carrying amount is reduced to the present value of the future cash flows discounted at the original effective interest rate.

##### (d) Dividend income

Dividend income is recognised when the right to receive payment is established.

##### (e) Government's export subsidy

The government subsidy on the export sales is recognised as a percentage of the value of exported goods, when there is a proper evidence that the Group will deserve this subsidy and meet all required conditions to obtain such subsidy, which is recognised under other income in the statement of profit or loss.

## CAIRO POULTRY COMPANY (CPC) (S.A.E)

### Notes to the interim consolidated condensed financial statements For the six months period ended 30 June 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

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#### 3. Financial risk management

##### 3.1 Financial risks factors

The Group's activities expose it to a variety of financial risks. These risks include market risks (including foreign currency exchange risks, prices risks, cash flow interest rate risks and fair value risks), credit risks, and liquidity risks.

The Group's management aims to minimise the potential adverse effects on the Group's financial performance, through the monitoring process performed by the Group's Finance Department, the Holding Company's General Manager, Executive Committee at the level of the Parent Company.

The Group does not use any derivative financial instruments to hedge specific risks.

##### Price risk

The Group's management monitors the composition of significant investments in the Group's investment portfolio based on market indices, and the selling and buying decisions are approved by the board of directors.

Group management analyzes price risks as follows:

- The group is exposed to price risks on its investments in Egyptian Treasury Bills, the only debt instruments registered and quoted in money markets.
- The Group had not been exposed to price risks on its stock investments as their investments are not significant and not available for sale in the financial market.

#### 4. Critical accounting estimates and judgments

Estimates and judgments are continuously evaluated based on prior experience and other factors, including expected future events which match these circumstances:

##### 4.1 Significant accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

###### (a) Useful lives of fixed assets

The Group's management depreciates its fixed assets using the straight-line method so that the value of the asset is reduced to its estimated residual value over the estimated useful life. Estimation of the useful life relies on the estimation and judgment based on the entity's experience with similar fixed assets, taking into consideration the expected usage, number of shifts in which these machineries are used and their technical aging. The depreciation methods applied to these assets are reviewed when there is a significant change in the method of obtaining economic benefits from those assets.

###### (b) Impairment of trade receivables

Impairment of trade receivables is estimated by monitoring the ageing of receivables. The Company's management examines the credit position and ability of customers to make payments for their past due debts, management applies the simplified model allowed for by EAS No. (47) which requires that lifetime expected credit losses be recognized upon initial recognition of these assets.

## CAIRO POULTRY COMPANY (CPC) (S.A.E)

### Notes to the interim consolidated condensed financial statements For the six months period ended 30 June 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

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#### 4. Critical accounting estimates and judgments (continued)

##### 4.1 Significant accounting estimates and assumptions (continued)

###### (c) Biological assets

The nature of the Group's activity leads to the need to estimate the useful life of the biological assets. The technical office (in the integrated agricultural production segment and the integrated poultry production segment), one of the Group's departments, uses technical elements to prepare this estimate for the useful life of the biological assets. These assets are accounted for as follows:

- The current biological assets, represented in the chicks at broiler fattening stations and eggs at hatcheries, are accounted for on the basis of fair value less costs to sell.
- The non-current biological assets, represented in grandparent and parent herds, taking into account their short productive life, ranging from 60 to 66 weeks, the Group's management considers the replacement cost to be an indication and an alternative to the fair value at the date of the consolidated condensed financial statements.

###### (d) Income taxes

The Group is subject to income taxes on the profits of legal entities. The Group makes estimates for the income tax provision using the consultancy advice of an expert. If the final result of the taxes differs from the initial amounts recorded, such differences will affect the income taxes and the deferred tax provision in the period in which these differences occurred.

###### (e) Obsolescence of inventory

The obsolescence of inventory is estimated through management's monitoring of the consumption of all inventory items and their estimation of obsolescence rates for slow-moving assets, in addition to assets that are, in the view of management, no longer usable due to obsolescence, slow movement, expiry or damage.

#### 4.2 Critical judgment in applying the Company's accounting policies

In general, the application of the Group's accounting policies does not require the management to use judgment (other than the accounting estimates and assumptions referred to in Note 4.1) that may have a material impact on the values recognised in the consolidated condensed financial statements.

CAIRO POULTRY COMPANY (CPC) (S.A.E)

Notes to the interim consolidated condensed financial statements  
For the six months period ended 30 June 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

5. Fixed assets

	Land*	Buildings, constructions & facilities	Machineries & equipment	Vehicles	Tools and equipment	Furniture & office equipment	Total
<b>1 January 2022</b>							
Cost	108,700,995	859,885,066	987,596,238	162,727,064	55,633,042	45,022,821	2,219,566,226
Accumulated depreciation	-	(330,643,569)	(666,116,325)	(117,942,175)	(41,245,738)	(34,144,200)	(1,190,092,007)
Net book value	108,700,995	529,241,497	321,479,913	44,784,889	14,387,304	10,878,621	1,029,473,219
<b>Financial year ended 31 December 2022</b>							
Net book value at the beginning of the year	108,700,995	529,241,497	321,479,913	44,784,889	14,387,304	10,878,621	1,029,473,219
Additions and transfers from projects under construction	-	36,659,596	43,877,957	14,530,136	4,016,989	1,823,105	100,907,783
Disposals	-	(571,805)	(4,303,679)	(7,433,931)	(1,110,139)	(252,021)	(13,671,575)
Depreciation expense	-	(32,550,334)	(59,708,092)	(14,304,031)	(3,204,432)	(3,785,724)	(113,552,613)
Accumulated depreciation of disposals	-	385,574	4,161,911	7,227,016	1,110,138	249,271	13,133,910
Net book value at the end of the year	108,700,995	533,164,528	305,508,010	44,804,079	15,199,860	8,913,252	1,016,290,724
<b>At 31 December 2022</b>							
Cost	108,700,995	895,972,857	1,027,170,516	169,823,269	58,539,892	46,593,905	2,306,801,434
Accumulated depreciation	-	(362,808,329)	(721,662,506)	(125,019,190)	(43,340,032)	(37,680,653)	(1,290,510,710)
Net book value	108,700,995	533,164,528	305,508,010	44,804,079	15,199,860	8,913,252	1,016,290,724
<b>Financial year ended 31 January 2023</b>							
Net book value at the beginning of the period	108,700,995	533,164,528	305,508,010	44,804,079	15,199,860	8,913,252	1,016,290,724
Additions and transfers from projects under construction	-	16,058,281	35,554,104	3,925,669	2,796,423	1,423,445	59,757,922
Disposals	(880,742)	(336,692)	(2,503,264)	(768,848)	(89,593)	(19,135)	(4,598,274)
Depreciation expense	-	(17,386,197)	(29,238,196)	(7,815,071)	(1,386,119)	(1,968,239)	(57,793,822)
Accumulated depreciation of disposals	-	149,634	1,636,580	768,848	89,593	19,135	2,663,790
Net book value at the end of the period	107,820,253	531,649,554	310,957,234	40,914,677	16,610,164	8,368,458	1,016,320,340
<b>At 30 June 2023</b>							
Cost	107,820,253	911,694,446	1,060,221,356	172,980,090	61,246,722	47,998,215	2,361,961,082
Accumulated depreciation	-	(380,044,892)	(749,264,122)	(132,065,413)	(44,636,558)	(39,629,757)	(1,345,640,742)
Net carrying value	107,820,253	531,649,554	310,957,234	40,914,677	16,610,164	8,368,458	1,016,320,340

\* The land category include assets with net book value amounted to EGP 16,176,570 (2022: EGP 16,176,570) which was purchased by the group companies through initial contracts which were not yet formally registered as at the balance sheet date.

## CAIRO POULTRY COMPANY (CPC) (S.A.E)

### Notes to the interim consolidated condensed financial statements For the six months period ended 30 June 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

#### 6. Biological assets - Poultry wealth

	30 June 2023	31 December 2022
Cost at the beginning of the period / year	141,386,973	123,707,643
Accumulated amortization at the beginning of the period / year	(37,415,354)	(41,346,493)
Animal farming expenses at the beginning of the period / year – net	158,007,770	141,608,383
Impairment in poultry wealth at the beginning of the period / year	(153,371,732)	(36,055,488)
<b>Net book value at the beginning of the period / year</b>	<b>108,607,657</b>	<b>187,914,045</b>
Increase due to purchases	82,370,704	133,471,662
Increase due to capitalized animal farming expenses	224,094,454	271,604,189
Amortization of poultry wealth during the period / year	(204,351,526)	(365,892,475)
Disposals during the period / year	(49,146,753)	(115,792,332)
Accumulated amortization of disposals during the period / year	49,146,753	114,618,812
Impairment of poultry wealth during the period / year	(2,151,975)	(117,316,244)
Reversal of amortization impairment of poultry wealth during the period / year	33,313,065	-
<b>Net book value at the end of the period / year</b>	<b>241,882,379</b>	<b>108,607,657</b>

#### 7. Related party transactions

The Group entered into several transactions with companies and entities that are included within the definition of related parties, as stated in EAS 15, "Disclosure of related parties." The related parties comprise the Group's Board of Directors, their entities, companies under common control and/ or joint management and control, and their partners and employees of senior management. The partners of joint arrangements and non-controlling interest are considered by the Group as related parties. The management decides the terms and conditions of transactions and services provided from/ to related parties, as well as other expenses. Below is the statement that shows the nature and values of transaction with related parties during the year/period, and the balances due at the date of the consolidated condensed financial statements:

CAIRO POULTRY COMPANY (CPC) (S.A.E)

Notes to the interim consolidated condensed financial statements  
For the six months period ended 30 June 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

7. Related party transactions (continued)

Below is the statement of the nature and amounts of related parties transaction during the year/period, as well as the balances due at the date of the consolidated condensed financial statements:

a) Transactions with related parties

Company	Nature of relation	Nature of transactions	Value of transactions	
			30 June 2023	30 June 2022
Americana Kuwait - Meat segment	Subsidiary to the parent company	Chicken sales	72,984,108	25,339,522
Americana Kuwait Food Company - Restaurants segment	Subsidiary to the parent company	Chicken sales	2,214,256	-
Americana Egypt Cold Storage and warehouses	Subsidiary to the parent company	Security services	204,608	208,725
Egyptian Company for International Touristic Projects	Subsidiary to the parent company	Chicken sales	242,836,125	148,308,401
		Purchases and services	-	89,259
Morocean Company for Touristic Projects	Subsidiary to the parent company	Chicken sales	6,585,377	1,774,156
Farm Frites	Subsidiary to the parent company	Chicken Sales	45,000	10,920
		Purchases	1,080,860	2,034,354
		Security services	472,890	472,890
The International Company For Agricultural Production & Processing (ICAPP )	Subsidiary to the parent company	Security services	703,581	703,584
		Chicken Sales	195,437	461,615
		Purchases	16,100	10,850
Gulf Food Company Americana - GFC	Subsidiary to the parent company	Security services	4,828,795	3,995,984

b) Due from related parties

	30 June 2023	31 December 2022
Egyptian Company for International Touristic Projects	54,899,506	38,261,279
Americana Kuwait - Meat segment	11,607,790	10,839,246
Gulf Food Company Americana - GFC	2,386,190	2,086,768
Americana Kuwait - Restaurants segment	1,228,602	686,645
International Company for Agricultural Production and Processing	133,681	313,531
Farm Frites	115,649	89,849
Americana Egypt Cold Storage and warehouses	43,796	39,520
	<u>70,415,214</u>	<u>52,316,838</u>



CAIRO POULTRY COMPANY (CPC) (S.A.E)

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For the six months period ended 30 June 2023

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7. Related party transactions (continued)

c) Due to related parties

	30 June 2023	31 December 2022
The International Company For Agricultural Production & Processing (ICAPP )	759,625	-
Farm Frites	24,762	3,818
International Touristic Restaurant -Oman	24,126	-
California Gardens	8,730	-
	<u>817,243</u>	<u>3,818</u>

8. Provisions

	30 June 2023			31 December 2022	
	Restructuring provision	Provision for Legal claims	Other provisions	Total	Total
Balance at the beginning of the period / year	2,554,512	3,624,545	140,942,739	147,121,796	142,230,185
Formed during the period/year	-	930,934	43,094,262	44,025,196	56,572,196
Utilised during the period/year	-	(202,000)	(27,006,984)	(27,208,984)	(37,575,615)
Provisions no longer required	-	(835,000)	-	(835,000)	(14,104,970)
Balance at the end of the period / year	<u>2,554,512</u>	<u>3,518,479</u>	<u>157,030,017</u>	<u>163,103,008</u>	<u>147,121,796</u>

Other provisions

The provisions are related to expected claims from external parties in relation to the Group's activities. Information usually published on the provisions made according to accounting standards was not disclosed, as the Management believes that doing so may seriously affect the outcome of negotiations with that external parties. The management reviews these provisions on a yearly basis, and the allocated amount is adjusted according to the latest developments, discussions and agreements with such parties.

Restructuring provision

The provision formed consists of the total value of the expenses arising from the restructuring that resulted in a current obligation arising from a past event. Management expects an outflow of resources to settle this obligation over the upcoming period.

Provision for legal claims

The provision consists of the total amount provided to meet specific legal claims against the Group from external parties. Management believes that after obtaining appropriate legal advice, the outcome of such legal claims will not exceed substantially the value of the provision as at 30 June 2023.

## CAIRO POULTRY COMPANY (CPC) (S.A.E)

### Notes to the interim consolidated condensed financial statements For the six months period ended 30 June 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

#### 9. Bank facilities

	30 June 2023	31 December 2022
Bank facilities - Bank short term borrowings	722,504,891	652,407,645
Bank facilities - Bank overdrafts	29,120,000	35,808,565
	<u>751,624,891</u>	<u>688,216,210</u>

Bank facilities are the value of facilities used and granted to the Group by the banks with which it deals. The total facilities available are about EGP 1.386 billion. The interest rate for the facilities in the Egyptian pound was the average corridor rate in addition to the CBE initiative facilities at an interest rate of 8%, Ministry of finance and ministry of agriculture. The interest rate for the facilities in US dollars consists of the SOFR rate plus an additional contractual margin, including a commission on the highest debit balance against bank guarantees obtained by the banks that provided the credit facilities to the Group, which consists of collateral guarantees from some of the group companies.

#### 10. Other operating income

	Six months ended 30 June		Three months ended 30 June	
	2023	2022	2023	2022
Other income	62,583,041	36,435,800	48,368,521	21,623,998
Income from the sale of parent/ grandparent chicken	71,717,476	35,742,201	38,980,312	23,248,814
Gain on sale of fixed assets	935,186	4,609,877	645,040	3,375,015
	<u>135,235,703</u>	<u>76,787,878</u>	<u>87,993,873</u>	<u>48,247,827</u>

#### 11. Other operating expenses

	Six months ended 30 June		Three months ended 30 June	
	2023	2022	2023	2022
Provisions formed	20,944,068	852,525	20,146,924	338,898
Loss on sale of fixed assets	28,956	27,866	-	26,686
	<u>20,973,024</u>	<u>880,391</u>	<u>20,146,924</u>	<u>365,584</u>

## CAIRO POULTRY COMPANY (CPC) (S.A.E)

### Notes to the interim consolidated condensed financial statements For the six months period ended 30 June 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

#### 12. Basic and diluted stock earnings per share

Basic and diluted stock earnings per share are calculated by dividing the net profit/ (loss) attributable to the shareholders by the weighted average number of outstanding shares during the year/period, on the basis of the profit/ (loss) and data relevant to the separate financial statements of Cairo Poultry Company.

	Six months ended 30 June		Three months ended 30 June	
	2023	2022	2023	2022
Profit for the period (Cairo Poultry Company)	150,370,347	597,776	79,761,255	(1,575,553)
Net profit attributable to shareholders of the parent company	150,370,347	597,776	79,761,255	(1,575,553)
Outstanding shares during the period (Cairo Poultry Company)	479,001,600	479,001,600	479,001,600	479,001,600
Earnings per share (Basic and diluted)	0.314	0.001	0.167	(0.003)

The basic and diluted stock earnings / (losses) per share are calculated by adjusting the weighted average of outstanding shares for the effect of all possible common shares that would cause this dilution, the Group has no potential dilutory shares in 30 June 2023 and 30 June 2022; as such, the diluted earnings / (losses) per share is equal to the basic earnings / (losses) per share.

#### 13. Inventories

	30 June 2023	31 December 2022
Raw materials	771,966,277	448,643,507
Goods in transit	489,014,239	336,596,483
Finished goods	325,333,009	306,699,713
Medicine	143,750,061	116,108,790
Spare parts and consumables	136,778,521	101,907,634
Packing and packaging	53,480,687	36,621,592
<b>Total</b>	<b>1,920,322,794</b>	<b>1,346,577,719</b>
Less: Provision of obsolete and slow-moving inventories	(26,361,769)	(20,882,147)
	<b>1,893,961,025</b>	<b>1,325,695,572</b>

CAIRO POULTRY COMPANY (CPC) (S.A.E)

Notes to the interim consolidated condensed financial statements  
For the six months period ended 30 June 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

14. Creditors and other credit balances

	30 June 2023	31 December 2022
Trade payables	804,401,558	779,846,267
Other accrued expenses	80,646,826	63,342,102
Notes payable	76,623,631	47,846,305
Accrued selling and distribution expenses	55,767,177	25,799,866
Tax authority	36,170,810	20,222,535
Advances from customers	29,118,956	31,248,752
Other credit balances	22,260,073	16,024,232
Accrued wages and salaries	15,461,458	19,291,588
Deposits to others	11,158,491	11,327,143
Social security authority	7,644,697	5,700,930
Accrued financing interest	6,397,590	2,033,829
Dividends payable- employees	673,946	680,377
Employees and services fund	335,989	318,072
	<u>1,146,661,202</u>	<u>1,023,681,998</u>

15. Revenue from contracts with customers

	Six months ended 30 June		Three months ended 30 June	
	2023	2022	2023	2022
Sales from poultry segment	4,076,488,624	2,275,301,734	1,937,924,419	1,186,676,387
Sales from feed segment	1,487,731,727	800,217,035	843,584,684	432,393,548
Sale from security services	8,644,772	8,445,631	4,352,764	4,255,114
	<u>5,572,865,123</u>	<u>3,083,964,400</u>	<u>2,785,861,867</u>	<u>1,623,325,049</u>

CAIRO POULTRY COMPANY (CPC) (S.A.E)

Notes to the interim consolidated condensed financial statements  
For the six months period ended 30 June 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

16. Cost of revenue

	Six months ended 30 June		Three months ended 30 June	
	2023	2022	2023	2022
Raw and consumable materials	3,654,006,697	2,064,562,834	2,034,972,006	1,062,560,239
Wages	253,508,278	212,341,715	127,380,196	106,583,809
Other expenses	283,325,710	288,550,723	156,971,200	138,059,963
Depreciation expense	53,963,876	53,755,417	27,056,778	27,104,730
	<u>4,244,804,561</u>	<u>2,619,210,689</u>	<u>2,346,380,180</u>	<u>1,334,308,741</u>

17 Finance Costs / Income – net

17.1 Finance costs

	Six months ended 30 June		Three months ended 30 June	
	2023	2022	2023	2022
Interest expense	72,223,190	24,778,828	37,260,360	13,119,579
Loss on revaluation of foreign currency balances	139,968,885	-	79,434,907	-
	<u>212,192,075</u>	<u>24,778,828</u>	<u>116,695,267</u>	<u>13,119,579</u>

17.2 Finance income

	Six months ended 30 June		Three months ended 30 June	
	2023	2022	2023	2022
Interest income	8,759,682	9,116,299	4,569,149	4,664,341
Gain on revaluation of foreign currency balances	-	4,704,950	-	871
	<u>8,759,682</u>	<u>13,821,249</u>	<u>4,569,149</u>	<u>4,665,212</u>
Finance costs/(income)- Net	<u>(203,432,393)</u>	<u>(10,957,579)</u>	<u>(112,126,118)</u>	<u>(8,454,367)</u>

## CAIRO POULTRY COMPANY (CPC) (S.A.E)

### Notes to the interim consolidated condensed financial statements For the six months period ended 30 June 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

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#### 18 Operating segments

The Group's CODM is the Managing Director of the Group. The Group's management has determined the operating segments based on the financial information frequently reviewed for the purposes of making decisions with regard to allocating resources and assessing performance. The operational results are reviewed in terms of the nature of products produced by the segments as well as the services rendered and the realised profits or losses. Cairo Poultry Company (CPC) has two major segments presented in the financial statements: feed segment and poultry segment.

The feed segment produces all kinds of animal and poultry feed, fish and non-traditional feed. The poultry segment produces all kinds of poultry and poultry meat products of all kinds.

The accounting policies of the operating segments are the same as those described in the summary of accounting policies. The Management assesses the performance of the operating segments based on the total revenue and the total measurement of the segment's profit or loss. This measurement basis excludes discontinued operations and the effects of non-recurring expenditure from the operating segments interest income and expenditure are not allocated to segments, as this type of activity is driven by the Group's head office, which manages the cash flows and liquidity requirements. The feed and poultry segments presented in the financial statements are strategic business units offering different products and services. These segments are managed separately because each activity requires different technology and marketing strategies. The following table shows the profit (loss) for the Group's segments:

CAIRO POULTRY COMPANY (CPC) (S.A.E)

Notes to the interim consolidated condensed financial statements  
For the six months period ended 30 June 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

18. Operating segments (continued)

	30 June 2023			
	Feed segment	Poultry segment	Other segments	Total
Net sales to external clients	1,487,731,727	4,076,488,623	8,644,773	5,572,865,123
Other operating income and no longer required provision	785,776	134,447,037	102,773	135,335,586
Selling and marketing expenses	(14,979,023)	(99,192,463)	-	(114,171,486)
General and administrative expenses	(35,869,706)	(71,262,825)	(2,944,596)	(110,077,127)
Other operating expenses and provisions formed	(24,309,480)	(26,720)	-	(24,336,200)
Interest and financing expenses	(166,781,957)	(36,645,800)	(4,636)	(203,432,393)
Income tax	(121,378,407)	(127,392,322)	68,980	(248,701,749)
Profit / (loss) of the segment	352,287,165	411,545,111	(1,155,083)	762,677,193

	30 June 2022			
	Feed segment	Poultry segment	Other segments	Total
Net sales to external clients	800,217,035	2,275,301,734	8,445,631	3,083,964,400
Other operating income and no longer required provision	4,735,285	72,665,342	248,177	77,648,804
Selling and marketing expenses	(12,914,565)	(79,808,084)	-	(92,722,649)
General and administrative expenses	(34,206,118)	(50,530,153)	(1,978,339)	(86,714,610)
Other operating expenses and provisions formed	(21,331,218)	(6,897,406)	-	(28,228,624)
Interest and financing expenses	(800,663)	(10,238,642)	81,726	(10,957,579)
Income tax	(31,846,100)	(52,886,829)	(1,385)	(84,734,314)
Profit / (loss) of the segment	96,449,816	142,300,024	294,899	239,044,739

## CAIRO POULTRY COMPANY (CPC) (S.A.E)

### Notes to the interim consolidated condensed financial statements For the six months period ended 30 June 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

#### 19. Ownership interests in subsidiaries

At 30 June 2023 and 31 December 2022, the Group is composed of the following companies, unless otherwise stated. The percentage of the Group's shareholding in subsidiaries is represented in the Group's direct ownership interests in the ordinary shares of the capital only.

Subsidiaries	Incorporation	% Shareholding Group		Ratio of non-controlling interests	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
New Cairo Poultry Company	Egypt	97.03%	97.03%	2.97%	2.97%
Cairo Poultry Processing Company	Egypt	98.81%	98.81%	1.19%	1.19%
Cairo for Feed Production	Egypt	99.96%	99.96%	0.04%	0.04%
Corporate Guard Services	Egypt	67.83%	67.83%	32.17%	32.17%
Wadi Al-Natroun for Parent Chicken	Egypt	99.96%	99.96%	0.04%	0.04%
Wadi Al-Natroun for Broiler Fattening	Egypt	99.96%	99.96%	0.04%	0.04%
Cairo Financial Leasing	Egypt	99.96%	99.96%	0.04%	0.04%
Delta Trading and Import Company indirect shareholding	Egypt	98.82%	98.82%	1.18%	1.18%

#### 20. Significant events

##### Movements in exchange rates for the Egyptian pound

The Group's functional currency saw significant movements in the months of January and February 2023, as the Egyptian pound depreciated by 24.4% against foreign currencies. This movement was part of the ongoing liberalization of the exchange rate regime by the Central Bank of Egypt.

##### Price shifts in the Egyptian feed and poultry markets

The liberalization of the currency was also associated with increases in the prices of feed products used in production of meat and poultry, and with a significant increase in the prices of poultry products (one day old chicks and broiler meat) in the Egyptian poultry market. Prices of poultry products in particular reached highs of 26 EGP / one day old chick and 80 EGP / KG of broiler meat.