

**OBOUR LAND FOR FOOD INDUSTRIES COMPANY (S.A.E)  
CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2025  
TOGETHER WITH AUDITORS' LIMITED REVIEWED REPORT**

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

**Consolidated Interim Financial  
Statements For the six months ended 30  
June 2025**

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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 2025, as well as the related consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the related 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 2025, 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: 10 August 2025

*M. Kasssi*  
Mohamed Abu Elkassim  
FESAA – FEST  
RAA (17553)  
CMAR (359)



## CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As of 30 June 2025

	Note	30 June 2025 EGP	31 December 2024 EGP
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	(6)	879,691,285	675,882,442
Biological Assets	(7)	95,172,868	-
Projects under construction	(8)	233,071,759	324,817,634
<b>Total non-current assets</b>		<b>1,207,935,912</b>	<b>1,000,700,076</b>
<b>Current assets</b>			
Inventory	(9)	2,338,359,468	2,474,059,737
Accounts and notes receivable	(10)	157,057,315	160,534,474
Due From related parties	(19)	2,686,721	3,622,088
Prepaid expenses and other debit balances	(11)	293,231,876	326,992,141
Letters of credit	(12)	22,831,296	10,439,116
Cash on hand and at banks	(13)	611,012,488	239,835,775
<b>Total current assets</b>		<b>3,425,179,164</b>	<b>3,215,483,331</b>
<b>TOTAL ASSETS</b>		<b>4,633,115,076</b>	<b>4,216,183,407</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Issued and paid up capital	(14)	400,000,000	400,000,000
Legal reserve		184,283,771	134,234,796
Retained earnings		563,980,424	147,147,391
Profits for the period		387,092,508	1,000,124,422
<b>Total equity attributable to shareholders</b>		<b>1,535,356,703</b>	<b>1,681,506,609</b>
Non-controlling interest		3,985,409	3,960,115
<b>Total equity</b>		<b>1,539,342,112</b>	<b>1,685,466,724</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Notes payable (finance lease) liabilities – noncurrent portion	(32)	17,966,510	20,404,142
Deferred tax liabilities	(15)	45,408,263	23,997,641
<b>Total non-current liabilities</b>		<b>63,374,773</b>	<b>44,401,783</b>
<b>Current liabilities</b>			
Provision for expected claims	(16)	4,930,617	9,804,028
Credit Facilities	(17)	2,545,511,544	1,737,077,825
Accounts and notes payable	(18)	212,626,608	356,349,629
Notes payable (finance lease) liabilities – current portion	(32)	10,773,260	8,213,216
Accrued expenses and other credit balances	(20)	94,210,175	120,868,567
Tax payable	(21)	4,389,613	4,288,022
Creditors for purchase of fixed assets		86,937,271	302,632
Income tax payable	(15)	71,019,103	249,410,981
<b>Total current liabilities</b>		<b>3,030,398,191</b>	<b>2,486,314,900</b>
<b>TOTAL LIABILITIES</b>		<b>3,093,772,964</b>	<b>2,530,716,683</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>4,633,115,076</b>	<b>4,216,183,407</b>

Board Member

Chairman

- The accompanying notes from (1) to (34) form an integral part of these consolidated financial statements.  
 - Auditors' report attached.

CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

	Note	For the six months ended 30 June 2025 EGP	For the six months ended 30 June 2024 EGP	For the three months ended 30 June 2025 EGP	For the three months ended 30 June 2024 EGP
Sales		<b>5,056,706,065</b>	3,834,123,162	<b>2,505,164,669</b>	2,084,139,172
Cost of sales		<b>(4,056,569,806)</b>	(2,921,562,968)	<b>(2,002,848,258)</b>	(1,542,871,266)
<b>GROSS PROFIT</b>		<b>1,000,136,259</b>	912,560,194	<b>502,316,411</b>	541,267,906
Selling and marketing expenses	(22)	<b>(308,237,855)</b>	(143,700,774)	<b>(153,829,753)</b>	(79,766,400)
General and administrative expenses	(23)	<b>(73,894,226)</b>	(43,139,938)	<b>(40,234,411)</b>	(22,794,550)
Expected credit loss - Account receivable	(10)	<b>(3,453,843)</b>	(4,643,425)	<b>(1,908,833)</b>	(2,489,276)
Reversal of Expected credit loss - Account receivable	(10)	<b>4,298,055</b>	2,359,844	<b>2,687,162</b>	1,404,577
Impairment in inventory	(9)	<b>(578,435)</b>	398,791	<b>(931,315)</b>	113,296
Other income	(24)	<b>12,309,584</b>	3,763,925	<b>9,431,827</b>	2,576,494
Provision for expected claims		<b>-</b>	(10,000,000)	<b>-</b>	(10,000,000)
<b>Operating profits</b>		<b>630,579,539</b>	717,598,617	<b>317,531,088</b>	430,312,047
interest income	(25)	<b>13,303,639</b>	21,067,059	<b>4,400,548</b>	6,028,857
interest expenses	(26)	<b>(167,747,227)</b>	(170,603,846)	<b>(86,708,491)</b>	(117,435,708)
Revaluation of foreign currency		<b>39,439,160</b>	(10,235,759)	<b>35,162,848</b>	30,206,804
<b>PROFITS BEFORE INCOME TAX AND TAKAFUL CONTRIBUTION</b>		<b>515,575,111</b>	557,826,071	<b>270,385,993</b>	349,112,000
Takaful contribution		<b>(12,857,560)</b>	(9,707,286)	<b>(6,422,184)</b>	(5,270,637)
Income tax expense	(15)	<b>(115,599,749)</b>	(125,202,462)	<b>(60,867,898)</b>	(77,945,857)
<b>PROFITS FOR THE PERIOD</b>		<b>387,117,802</b>	422,916,323	<b>203,095,911</b>	265,895,506
<b>Attributable to:</b>					
Shareholders		<b>387,092,508</b>	422,951,221	<b>203,078,597</b>	265,926,028
Non-controlling interest		<b>25,294</b>	(34,898)	<b>17,314</b>	(30,522)
<b>PROFITS FOR THE PERIOD</b>		<b>387,117,802</b>	422,916,323	<b>203,095,911</b>	265,895,506
Earnings per share – basic and diluted	(28)	<b>0.83</b>	0.91	<b>0.41</b>	0.57

- The accompanying notes from (1) to (34) form an integral part of these consolidated financial statements.

## CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	For the six months ended 30 June 2025 EGP	For the six months ended 30 June 2024 EGP	For the three months ended 30 June 2025 EGP	For the three months ended 30 June 2024 EGP
PROFITS FOR THE PERIOD	<b>387,117,802</b>	422,916,323	<b>203,095,911</b>	265,895,506
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>387,117,802</b>	<b>422,916,323</b>	<b>203,095,911</b>	<b>265,895,506</b>
Attributable to:				
Shareholders	<b>387,092,508</b>	422,951,221	<b>203,078,597</b>	265,926,028
Non-controlling Interest	<b>25,294</b>	(34,898)	<b>17,314</b>	(30,522)
<b>PROFITS FOR THE PERIOD</b>	<b>387,117,802</b>	<b>422,916,323</b>	<b>203,095,911</b>	<b>265,895,506</b>

- The accompanying notes from (1) to (34) form an integral part of these consolidated financial statement.

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

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

Translation of consolidated financial statements  
Originally issued in Arabic

	Issued and paid up capital	Legal reserve	Retained Earnings	Profits for the period	Total	Non-controlling Interest	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP
<b>Balance on 1 January 2025</b>	<b>400,000,000</b>	<b>134,234,796</b>	<b>147,147,391</b>	<b>1,000,124,422</b>	<b>1,681,506,609</b>	<b>3,960,115</b>	<b>1,685,466,724</b>
Transferred to legal reserve and retained earnings	-	50,048,975	950,075,447	(1,000,124,422)	-	-	-
Dividends settlements	-	-	(534,277,530) 1,035,116	-	(534,277,530) 1,035,116	-	(534,277,530) 1,035,116
Profits for the period	-	-	-	387,092,508	387,092,508	25,294	387,117,802
<b>Balance on 30 June 2025</b>	<b>400,000,000</b>	<b>184,283,771</b>	<b>563,980,424</b>	<b>387,092,508</b>	<b>1,535,356,703</b>	<b>3,985,409</b>	<b>1,539,342,112</b>
Balance on 1 January 2024	400,000,000	110,669,994	140,401,949	470,696,806	1,121,768,749	3,982,767	1,125,751,516
Transferred to legal reserve and retained earnings	-	23,564,802	447,132,004	(470,696,806)	-	-	-
Dividends	-	-	(440,386,562)	-	(440,386,562)	-	(440,386,562)
Profits for the period	-	-	-	422,951,221	422,951,221	(34,898)	422,916,323
<b>Balance on 30 June 2024</b>	<b>400,000,000</b>	<b>134,234,796</b>	<b>147,147,391</b>	<b>422,951,221</b>	<b>1,104,333,408</b>	<b>3,947,869</b>	<b>1,108,281,277</b>

- The accompanying notes from (1) to (34) form an integral part of these consolidated financial statements

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

**CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**

For the six months ended 30 June 2025

	Note	For the six months ended 30 June 2025 EGP	For the six months ended 30 June 2024 EGP
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profits before income tax		502,717,551	548,118,785
Adjusted to:			
Depreciation of fixed assets	(6)	39,285,894	32,570,331
Depreciation of Biological Assets	(7)	1,576,849	-
Impairment in inventory	(9)	578,435	(398,791)
Expected credit loss - Account receivable	(10)	3,453,843	4,643,425
Reversal of Expected credit loss - Account receivable	(10)	(4,298,055)	(2,359,844)
Interest income	(25)	(13,303,639)	(21,067,059)
Interest expense	(26)	167,747,227	170,603,846
Gain from sale of fixed assets	(6)	(8,482,915)	(390,348)
Provision for expected claims during the period	(16)	-	10,000,000
Losses of Biological Assets	(7)	1,597,609	-
		690,872,799	741,720,345
Change in inventory	(9)	135,121,834	(1,296,778,449)
Change in accounts and notes receivables	(10)	4,321,371	(55,153,925)
Change in due from related parties	(20)	935,367	(223,839)
Change in prepaid expenses and other debit balances	(11)	33,760,265	(144,922,709)
Change in letters of credit	(12)	(12,392,180)	11,085,099
Change in accounts and notes payable	(18)	(143,723,021)	216,138,469
Change in accrued expenses and other credit balances	(20)	(76,660,371)	15,332,466
Change in customers down payment		-	(82,798,242)
Change in creditors for purchase of fixed assets		86,634,639	-
Change in tax payable		101,591	30,407
<b>NET CASH FLOWS PROVIDED FROM / (USED IN) OPERATING ACTIVITIES</b>			
Provision for expected claims used during the period		718,972,294	(595,570,378)
Interest expense paid	(26)	(4,873,411)	(1,785,487)
Income tax paid		(167,747,227)	(170,603,846)
		(271,545,889)	(142,134,629)
		274,805,767	(910,094,340)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income received	(25)	13,303,639	21,067,059
Payments for purchasing fixed assets	(6)	(148,652,426)	(20,619,045)
Proceeds from sale of fixed assets	(6)	9,731,501	473,793
Payments to purchasing projects under construction	(8)	(102,292,347)	(37,275,132)
Payments to current accounts and restricted time deposits	(13)	35,198,822	5,148,753
		(192,710,811)	(31,204,572)
<b>NET CASH FLOWS (USD IN) / PROVIDED FROM INVESTING ACTIVITIES</b>			
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
proceeds from (Notes payable finance lease) liabilities	(32)	122,412	(9,467,032)
Payments to Long term Loans - current portion		-	(24,063,355)
Proceeds from Credit facilities	(17)	808,433,719	1,189,028,411
Proceeds from treasury bills		-	267,251,527
Dividends paid		(484,275,552)	(421,326,374)
		324,280,579	1,001,423,177
<b>NET CASH FLOWS PROVIDED FROM FINANCING ACTIVITIES</b>			
<b>Net change in cash and cash equivalent</b>	(13)	406,375,535	60,124,265
Cash and cash equivalent - beginning of the year	(13)	202,371,053	313,027,839
		608,746,588	373,152,104
<b>CASH AND CASH EQUIVALENT - END OF THE PERIOD</b>			
<b>Cash and cash equivalent:</b>			
Cash on hand and at banks	(13)	611,012,488	523,095,883
Restricted time deposits	(13)	(590,514)	(72,373,214)
Restricted current accounts	(13)	(1,675,386)	(77,570,565)
		608,746,588	373,152,104
<b>CASH AND CASH EQUIVALENT - END OF THE PERIOD</b>			

- The accompanying notes from (1) to (34) form an integral part of these consolidated financial statements.

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

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 June 2025

#### **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 periods 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's products.

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 six months ended 30 June 2025 were authorized for issuance in accordance with the resolution of the board of directors on 10 August 2025.

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

#### **Obour Farm for Agriculture Investment and Livestock Breeding**

Obour Farm Company for Agricultural Investment and Animal Production 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, The tenth district of the Cooperative Society for Reclamation and Land Development in Adliya, Al Salam Village - Belbeis.

The Company's main purpose is breeding all kinds of livestock, whether to produce 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.

#### **SHAREHOLDERS' STRUCTURE IS AS FOLLOWS:**

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

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

### **NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

30 June 2025

#### **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 2024, the Central Bank of Egypt issued a decision to allow the exchange rate of the Egyptian pound to be determined according to market mechanisms. The Central Bank also decided to raise interest rates by 600 basis points, equivalent to 6%, to reach levels of 27.25%. The company is currently studying the impact on future financial statements.

#### **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. (48) "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.

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

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 June 2025

#### 3 SUMMARY SIGNIFICANT ACCOUNTING POLICIE (Continued)

##### 3-3 Significant accounting judgments and estimates (Continued)

###### 3-3-2 Estimates (Continued)

###### 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 periods. 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.

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.

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

### **NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**30 June 2025**

#### **3-4 Summary of significant accounting policies (Continued)**

##### **3-4-1 Financial instruments (Continued)**

###### **Classification and measurement (Continued)**

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 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 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, if one of the following conditions is met:

## **3 SUMMARY SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 June 2025

#### 3-4 Summary of significant accounting policies (Continued)

##### 3-4-2 Revenue from contracts with customers (Continued)

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 while 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 if 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.

If 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. If 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 considering 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. providing services

Revenue from providing services is recognized when services are provided, and this is done based on contracts with customers.

##### 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.

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

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 June 2025

#### **3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **3-4 Summary of significant accounting policies (Continued)**

###### **3-4-3 Financial leasing (Continued)**

###### **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.

###### **3-4-4 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- Future 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 made, 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 consolidated 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:

	<b>Periods</b>
Buildings	50
Machines	10
Motor vehicles	10
Offices furniture	16
Equipment and tools	8
Computers and software	3

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

### **NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

30 June 2025

#### **3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **3-4 Summary of significant accounting policies (Continued)**

###### **3-4-5 Fixed assets (Continued)**

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 Consolidated 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 period.

The company periodically on the date of each budget

The assets residual values, useful lives and methods of depreciation are reviewed at each financial period 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 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 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 periods. Such reversal is recognized in the consolidated statement of profit or loss.

###### **3-4-6 Projects 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**

###### **Investment in subsidiaries**

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 period 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.

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

### **NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

30 June 2025

#### **3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **3-4 Summary of significant accounting policies (Continued)**

###### **3-4-7 Investments (Continued)**

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 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 continued 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.

###### **3-4-9 Inventory**

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 inventory to net realizable value and all losses of inventory 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 inventory, 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 period in which this response occurred.

###### **3-4-10 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 consolidated 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.

###### **3-4-11 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.

###### **3-4-12 Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation because 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.

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

### **NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

30 June 2025

#### **3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **3-4 Summary of significant accounting policies (Continued)**

###### **3-4-13 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.

###### **3-4-14 Legal reserve**

According to the Company's articles of association, 5% of the net profits of the period 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.

###### **3-4-15 Borrowings**

Borrowings are initially recognized at the value of the consideration received. Amounts maturing within one period are classified as current liabilities, unless the Company has the right to postpone the settlement for a period exceeding one period 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.

###### **3-4-16 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.

###### **3-4-17 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.

###### **3-4-18 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 30 June 2025 in which these expenses were incurred.

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

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 June 2025

#### **3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **3-4 Summary of significant accounting policies (Continued)**

###### **3-4-19 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.

###### **3-4-20 Lease liabilities**

Financial leasing contracts are classified as non-current assets in accordance with the amended Egyptian Accounting Standard No (49).

###### **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.

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 periods. Actual results may differ from those estimates.

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

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 June 2025

#### **3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **3-4 Summary of significant accounting policies (Continued)**

###### **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 because 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 periods. 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.

###### **3-4-27 The inclusive health insurance**

On January 11, 2018, Law No. 2 of 2018 was issued promulgating the Comprehensive Health Insurance System Law, which will come into effect from the day following the expiry of nine months from the date of its publication in the Official Gazette. This law has added financial burdens to business owners, as it included that among the sources of funding for the General Authority for Comprehensive Health Insurance Employers are obligated to pay their share of their workers' contributions at a rate of 4% per month of the insured worker's contribution wage and not less than 50 pounds per month. Employers are obligated to pay the contributions due from them monthly to the National Social Insurance Authority. Business owners are also obligated to make a mutual contribution of (0.0025) two and a half per thousand of the total annual revenues of individual establishments and companies, regardless of their nature or the legal system to which they are subject. This contribution is not considered one of the costs that must be deducted in applying the provisions of the income tax law. The Ministry of Finance collects this mutual contribution according to the facility's financial report 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 2025 were reported under three segments in the consolidated interim financial statements.

#### **5 BIOLOGICAL ASSETS**

Biological assets are measured at fair value less costs to sell unless fair value cannot be reliably measured. If fair value cannot be reliably measured, purchased biological assets are stated at their purchase cost. Internally raised biological assets are stated at the cost of raising or growing to commercial production (called the increase in the value of biological assets), less accumulated depreciation and accumulated impairment losses, if any.

The cost of young biological assets is determined by the cost of rearing or growing them according to their age group. These young assets are not depreciated. Biological assets are depreciated on a straight-line basis to their estimated residual values over periods as summarized below:

Milking cows

5 years

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

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 June 2025

6- FIXED ASSETS

Cost	Right to use assets						Computers and software	Water wells	Total
	Lands	Buildings	Machines	Motor Vehicles	Office Furniture	Equipment and tools			
EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
1 January 2025	147,982,476	236,308,098	547,490,684	15,051,272	94,330,719	20,997,000	190,940	20,613,465	29,477,954
Additions	-	2,688,578	55,543,929	-	1,083,000	4,060,000	-	6,897,889	4,429,407
Transferred from project under construction	-	57,868,418	31,447,928	-	-	-	-	70,981,506	6,693,204
Transferred from inventory	-	-	-	-	-	-	-	651,277	1,544,095
Disposals	-	-	-	-	(4,098,358)	-	-	(12,572)	454,092
<b>30 June 2025</b>	<b>147,982,476</b>	<b>296,865,094</b>	<b>634,482,541</b>	<b>15,051,272</b>	<b>91,315,361</b>	<b>25,057,000</b>	<b>190,940</b>	<b>99,131,565</b>	<b>35,698,514</b>
<b>Accumulated depreciation</b>									<b>1,352,467,967</b>
1 January 2025	-	(26,622,682)	(315,253,555)	(5,397,839)	(54,390,348)	(460,946)	(113,088)	(13,986,342)	(20,335,367)
Depreciation for the period	-	(2,703,545)	(26,672,867)	(746,378)	(4,353,577)	(1,194,786)	(4,978)	(1,379,087)	(2,119,427)
Disposals	-	-	-	-	2,922,551	-	-	10,136	136,691
<b>30 June 2025</b>	<b>-</b>	<b>(29,326,227)</b>	<b>(341,926,422)</b>	<b>(6,144,217)</b>	<b>(55,821,374)</b>	<b>(1,655,732)</b>	<b>(118,066)</b>	<b>(15,355,293)</b>	<b>(22,318,103)</b>
<b>Net Book Value as of 30 June 2025</b>	<b>147,982,476</b>	<b>267,538,867</b>	<b>292,556,119</b>	<b>8,907,055</b>	<b>35,493,987</b>	<b>23,401,268</b>	<b>72,874</b>	<b>83,776,272</b>	<b>13,380,411</b>

-There is no mortgage or restriction on fixed assets except for the finance lease (Note 32)

-Borrowing costs have not been capitalized during the period

Depreciation expense is allocated as follows:

	30 June 2025	EGP	EGP	EGP
Cost of sales	30,816,881		Proceeds from sale of fixed assets	
Selling and marketing expenses (Note.22)	5,465,263		Cost of disposed assets	(4,317,964)
General and administrative expenses (Note.23)	3,003,749		Accumulated depreciation of disposed fixed assets	3,069,378
<b>Total depreciation expenses</b>	<b>39,285,893</b>		<b>Net book value of disposed assets</b>	
				<b>(1,248,586)</b>
				<b>8,482,915</b>

Gain from sale of fixed assets as follows:

	EGP	EGP	EGP
			9,731,501
			(4,317,964)
			3,069,378
<b>Gain from sale of fixed assets (Note.24)</b>	<b>(1,248,586)</b>		
			<b>8,482,915</b>

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

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 June 2025

6- FIXED ASSETS (CONTINUED)

					Right to use assets		Right to use assets		Right to use assets		Computers and software	
Cost	Lands	Buildings	Machines	Machines	Motor Vehicles	Motor Vehicles	Office Furniture	Office Furniture	Equipment and tools	Equipment and tools	Total	EGP
1 January 2024	94,982,476	225,363,988	359,230,702	157,572,750	81,456,799	-	190,940	-	20,744,534	20,282,416	959,824,605	
Additions	53,000,000	10,454,121	35,977,906	-	13,239,420	20,997,000	-	-	325,167	9,316,380	143,309,994	
Transferred from project under construction	-	489,989	13,721,988	-	-	-	-	-	-	-	14,211,977	
Transferred from inventory to fixed asset	-	-	4,850,813	-	-	-	-	-	-	-	-	4,850,813
Disposals	-	-	(8,812,203)	-	(365,500)	-	-	-	(457,217)	(86,958)	(9,721,878)	
31 December 2024	<u>147,982,476</u>	<u>236,308,098</u>	<u>404,969,206</u>	<u>157,572,750</u>	<u>94,330,719</u>	<u>20,997,000</u>	<u>190,940</u>	<u>20,612,484</u>	<u>29,511,838</u>	<u>29,511,838</u>	<u>1,112,475,511</u>	
Accumulated depreciation												
1 January 2024	-	(21,914,551)	(213,051,000)	(61,478,813)	(47,018,751)	-	(103,049)	(11,832,221)	(19,110,876)	(19,110,876)	(374,509,261)	
Depreciation for the year	-	(4,708,131)	(48,094,726)	(1,978,288)	(7,737,096)	(460,946)	(10,039)	(2,454,611)	(1,338,768)	(1,338,768)	(66,782,605)	
Disposals	-	-	3,951,433	-	365,499	-	-	301,472	80,393	80,393	4,698,797	
31 December 2024	<u>147,982,476</u>	<u>209,685,416</u>	<u>147,774,913</u>	<u>63,457,101</u>	<u>54,390,348</u>	<u>(460,946)</u>	<u>(113,088)</u>	<u>(13,985,360)</u>	<u>(20,369,251)</u>	<u>(20,369,251)</u>	<u>(436,593,069)</u>	
Net Book Value as of 31 December 2024	<u>147,982,476</u>	<u>209,685,416</u>	<u>94,115,649</u>	<u>39,940,371</u>	<u>20,536,054</u>	<u>77,852</u>	<u>6,627,124</u>	<u>9,142,587</u>	<u>6,627,124</u>	<u>9,142,587</u>	<u>675,882,442</u>	

-There is no mortgage or restriction on fixed assets except for the finance lease (Note 32)

-Borrowing costs have not been capitalized during the year.

Depreciation expense is allocated as follows:

	31 December 2024	EGP	EGP
Cost of sales	55,469,556	Proceeds from sale of fixed assets	19,735,118
Selling and marketing expenses (Note.22)	9,123,794	Cost of disposed assets	(9,721,878)
General and administrative expenses (Note.23)	2,189,255	Accumulated depreciation of disposed fixed assets	4,698,797
Total depreciation expenses	<u>66,782,605</u>	Net book value of disposed assets	<u>(5,023,081)</u>
		Gain from sale of fixed assets (Note.24)	<u>14,712,037</u>

Gain from sale of fixed assets as follows:

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

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**30 June 2025**

**7- Biological Assets**

**Pregnant Dry Cows**

**Dry Non-pregnant Cows**

**Lactating Cows**

**Weaned calves**

**Suckling calves**

**Total**

**EGP**

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

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

30 June 2025

**8 PROJECTS UNDER CONSTRUCTION**

	<b>30 June 2025</b>	31 December 2024
	EGP	EGP
Buildings	8,031,515	118,157,342
Machinery & Equipment	152,355,112	22,748,759
Equipment and other tools	4,087,172	14,243,585
Computers and software	1,705,478	1,544,096
Advance payments for fixed assets	<u>66,892,482</u>	<u>168,123,852</u>
	<u>233,071,759</u>	<u>324,817,634</u>

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

	<b>30 June 2025</b>	31 December 2024
	EGP	EGP
Beginning balance	324,817,634	85,549,269
Additions during the period/year	93,041,277	251,692,423
Transferred from inventory during the period/year	9,251,071	1,787,919
Transferred to fixed assets during the period/year	(168,535,151)	(14,211,977)
Transferred to Biological Assets during the period	(25,503,072)	-
<b>Ending balance</b>	<b><u>233,071,759</u></b>	<b><u>324,817,634</u></b>

**9 INVENTORY**

	<b>30 June 2025</b>	31 December 2024
	EGP	EGP
Raw materials	1,880,432,052	2,078,562,909
Spare parts and supplies	58,993,998	50,559,898
Finished goods	240,679,064	186,834,786
Work in Process	12,803,614	14,521,930
Goods in transit	<u>147,326,528</u>	<u>144,877,567</u>
	<u>2,340,235,256</u>	<u>2,475,357,090</u>
Impairment in inventory	<u>(1,875,788)</u>	<u>(1,297,353)</u>
	<u>2,338,359,468</u>	<u>2,474,059,737</u>

	<b>30 June 2025</b>	31 December 2024
	EGP	EGP
Beginning balance	(1,297,353)	(1,058,776)
Impairment in inventory	<u>(578,435)</u>	<u>(238,577)</u>
<b>Ending balance</b>	<b><u>(1,875,788)</u></b>	<b><u>(1,297,353)</u></b>

**10 ACCOUNTS AND NOTES RECEIVABLES**

	<b>30 June 2025</b>	31 December 2024
	EGP	EGP
Accounts receivable	139,434,585	134,714,317
Notes receivable	<u>23,249,566</u>	<u>32,291,205</u>
	<u>162,684,151</u>	<u>167,005,522</u>
Expected credit loss - Account receivable	<u>(5,626,836)</u>	<u>(6,471,048)</u>
	<u>157,057,315</u>	<u>160,534,474</u>

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

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

30 June 2025

**10 ACCOUNTS AND NOTES RECEIVABLES (CONTINUED)**

**EXPECTED CREDIT LOSS**

	<b>30 June 2025</b> EGP	<b>31 December 2024</b> EGP
Beginning balance	(6,471,048)	(4,746,786)
Expected credit loss - Account receivable	(3,453,843)	(9,014,764)
Reversal of Expected credit loss - Account receivable	4,298,055	7,290,502
Ending balance	<u>(5,626,836)</u>	<u>(6,471,048)</u>

On 30 June 2025 and 31 December 2024, 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
<b>30 June 2025</b>	<b>139,434,585</b>	<b>129,836,093</b>	<b>8,502,157</b>	<b>151,208</b>	<b>945,127</b>
31 December 2024	134,714,317	125,823,498	5,739,133	829,037	2,322,649

**11 PREPAID EXPENSES AND OTHER DEBIT BALANCES**

	<b>30 June 2025</b> EGP	<b>31 December 2024</b> EGP
Prepaid accounts payable and expenses	190,970,479	242,549,849
Value added tax ( VAT)	35,818,798	11,693,204
Deposit to others	12,984,381	12,362,722
letters of guarantee *	262,276	262,276
Other debit balances	<u>53,195,942</u>	<u>60,124,090</u>
	<u>293,231,876</u>	<u>326,992,141</u>

**\*CONTINGENT LIABILITIES**

The letter of guarantee issued at the Company's request by Banque du Cairo in favor of third parties as of 30 June 2025 amounted to EGP 250,000 and the cash cover margin amounted to EGP 262,276 After increasing the credit interest on it.

**12 LETTERS OF CREDIT**

	<b>30 June 2025</b> EGP	<b>31 December 2024</b> EGP
Letters of credit	22,831,296	10,439,116
	<u>22,831,296</u>	<u>10,439,116</u>

Letters of credit for an amount 460,958 USD were opened in bank Credit Agricole and CIB.

**13 CASH ON HAND AND AT BANKS**

	<b>30 June 2025</b> EGP	<b>31 December 2024</b> EGP
<b>a) Egyptian pound</b>		
Cash on hand	24,509,886	15,674,577
Current accounts*	436,355,304	142,334,708
Checks under collection	17,384,909	8,391,399
Time deposits (maturity within 3 months) **	<u>590,514</u>	<u>30,579,872</u>
	<u>478,840,613</u>	<u>196,980,556</u>

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

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 June 2025

#### 13 CASH ON HAND AND AT BANKS (CONTINUED)

b) foreign currency	30 June 2025 EGP	31 December 2024 EGP
Cash on hand	74,286	553,502
Current accounts	<u>132,097,589</u>	<u>42,301,717</u>
	<u>132,171,875</u>	<u>42,855,219</u>
	<u>611,012,488</u>	<u>239,835,775</u>

\* Current accounts include retained amounts of EGP 1,675,386 to cover letter of guarantee.

\*\* Time deposits are restricted completely to cover letter of guarantee and issued on request from Company for third party (Note 9).

#### 14 CAPITAL

On 22 September 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 21 September 2016.

On 9 December 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	15.86	63,438,690	63,438,690
Mr. Ayman Mohamed Hamed Sherif	11.03	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	38.82	155,261,710	155,261,710
	<u>100</u>	<u>400,000,000</u>	<u>400,000,000</u>

#### 15 - INCOME TAX

	For the six months ended 30 June 2025 EGP	For the six months ended 30 June 2024 EGP
Current tax	(94,189,127)	(130,224,223)
Deferred income tax	<u>(21,410,622)</u>	<u>5,021,761</u>
	<u>(115,599,749)</u>	<u>(125,202,462)</u>

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

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

30 June 2025

**15 - INCOME TAX (CONTINUED)**

**Adjustment OF THE INCOME TAX RATE**

	For the six months ended 30 June 2025 EGP	For the six months ended 30 June 2024 EGP
Profits before income tax	502,717,551	548,118,785
Fixed assets	(16,589,003)	18,534,153
Non-deductible costs	13,079,560	10,357,183
Expected Credit Loss	3,453,843	4,643,425
Reversal of expected credit loss	(4,298,055)	(2,359,844)
Impairment in inventory	578,435	(398,791)
Foreign currency differences	(70,692,603)	2,290,345
Gain from sale of fixed assets	(8,482,915)	(390,348)
Losses of Biological Assets	1,597,609	-
Provision for expected claims	-	10,000,000
Provision no longer required	(725,631)	-
Retained losses	(2,020,448)	-
Taxable base	418,618,343	590,794,908
Income tax according to enacted tax rate (22.5%)	(94,189,127)	(130,224,223)
Income tax according to enacted tax rate (20%)	-	(2,906,554)
Paid from tax	-	2,906,554
Deferred income tax	(21,410,622)	5,021,761
Income taxes on the actual income tax rate	%22.99	(115,599,749) %22.84 (125,202,462)

**Deferred tax**

**Statement of financial position**

**Statement of profit or loss**

	30 June 2025	31 December 2024	For the six months ended 30 June 2025	For the six months ended 30 June 2024
	EGP	EGP	EGP	EGP
Fixed assets	(40,519,655)	(35,237,936)	(5,281,719)	4,082,355
Expected credit loss	1,266,039	1,455,987	(189,948)	513,806
Impairment in inventory	422,053	291,905	130,148	(89,728)
Revaluation of foreign currency	(6,576,700)	9,329,136	(15,905,836)	515,328
Provision for expected claims	-	163,267	(163,267)	-
Deferred tax (Liability)	(45,408,263)	(23,997,641)	(21,410,622)	5,021,761

**16 PROVISIONS FOR EXPECTED CLAIMS**

Provision for expected claims	Balance as of 1 January 2025	Charged during the period	No longer required during the period	Used during the period	Balance as of 30 June 2025
	EGP	EGP	EGP	EGP	EGP
	9,804,028	-	-	(4,873,411)	4,930,617

Provision for expected claims	Balance as of 1 January 2024	Charged during the year	No longer required during the year	Used during the year	Balance as of 31 December 2024
	EGP	EGP	EGP	EGP	EGP
	7,218,860	40,000,000	-	(37,414,832)	9,804,028

The usual information has not been clarified in accordance with Egyptian accounting standards because the management believes that this may significantly affect the outcome of the negotiations with the parties related to the dispute. These allocations are reviewed by the management every period and are modified on the basis of the latest developments, discussions and agreements with those parties.

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

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 June 2025

#### 17 CREDIT FACILITIES

	30 June 2025 EGP	31 December 2024 EGP
EGP	<u>2,545,511,544</u>	<u>1,737,077,825</u>
	<u>2,545,511,544</u>	<u>1,737,077,825</u>

The company was granted credit facilities in EGP and USD from (Arab African bank – Attjariwafa bank- credit agricole bank- CIB – NBD – FAB MISR1 – QNB– NBE-ADIB-EG bank-suez canel bank-bank nxt) with an annual interest rate of (25%) for EGP and (8.63%) for USD. The balance of the facilities as of 30 June 2025 amounted to EGP 2,545,511,544 and there are no guarantees granted to others

#### 18 ACCOUNTS AND NOTES PAYABLE

	30 June 2025 EGP	31 December 2024 EGP
Accounts payable	<u>176,552,058</u>	<u>29,335,093</u>
Notes payable	<u>36,074,550</u>	<u>327,014,536</u>
	<u>212,626,608</u>	<u>356,349,629</u>

#### 19 RELATED PARTY DISCLOSURES

##### Related party's transactions

For preparing the consolidated financial statements, a party is considered related to the company if the company could 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 period that occurred during the normal course of business according to the agreements between the parties:

	Nature of relationship	Nature of transaction	30 June 2025	30 June 2024
			EGP	EGP
Foody For Import Company	Under common control	Purchases	60,144,750	23,757,330
Best Trade for Import and Export Company	Under common control	Purchases	16,801,696	17,932,476
Mora Plast Company	Under common control	Purchases	22,970,198	19,293,579
Andulas for printing	Under common control	Purchases	25,044,010	19,898,393
Voila Company	Under common control	Sales	923,095	874,838

Balances of related party's transactions are as follow

	30 June 2025		31 December 2024	
	Due From EGP	Due to EGP	Due From EGP	Due to EGP
	923,095	-	3,622,088	-
Voila Company	72,161	-	-	-
Obour farm Company for Agricultural Investment and Animal Production	1,691,465	-	-	-
Mora Plast Company	2,686,721	-	3,622,088	-

The facilities of Obour farm company for agricultural investment and animal production started its activities in march 2025

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

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

30 June 2025

**20 ACCRUED EXPENSES AND OTHER CREDIT BALANCES**

	<b>30 June 2025</b>	31 December 2024
	EGP	EGP
Accrued expenses	8,970,715	46,457,166
Other credit balances	<u>85,239,460</u>	<u>74,411,401</u>
	<b>94,210,175</b>	<b>120,868,567</b>

**21 TAX PAYABLE**

	<b>30 June 2025</b>	31 December 2024
	EGP	EGP
Tax authority - withholding tax	2,789,637	2,751,500
Tax authority – salary tax	<u>1,599,976</u>	<u>1,536,522</u>
	<b>4,389,613</b>	<b>4,288,022</b>

**22 SELLING AND MARKETING EXPENSES**

	<b>For the six months ended 30 June 2025</b>	For the six months ended 30 June 2024
	EGP	EGP
Wages and social insurance	34,842,193	19,729,601
Marketing and advertisement	191,600,105	82,495,110
Car expenses	45,635,627	20,870,714
Fees and subscriptions	30,694,667	16,308,981
Fixed assets depreciation (note 6)	<u>5,465,263</u>	<u>4,296,368</u>
	<b>308,237,855</b>	<b>143,700,774</b>

**23 GENERAL AND ADMINISTRATIVE EXPENSES**

	<b>For the six months ended 30 June 2025</b>	For the six months ended 30 June 2024
	EGP	EGP
Wages and social insurance	37,401,442	20,856,490
Allowance for attendance	222,000	144,000
Fees and subscriptions	33,267,035	21,527,886
Fixed assets depreciation (note 6)	<u>3,003,749</u>	<u>611,562</u>
	<b>73,894,226</b>	<b>43,139,938</b>

**24 OTHER INCOME**

	<b>For the six months ended 30 June 2025</b>	For the six months ended 30 June 2024
	EGP	EGP
Other income	4,489,778	3,373,577
Compensations	934,500	-
Gain from sale of fixed assets (Note 6)	8,482,915	390,348
Losses on Biological Assets (Note 7)	<u>(1,597,609)</u>	<u>-</u>
	<b>12,309,584</b>	<b>3,763,925</b>

**25 INTEREST INCOME**

	<b>For the six months ended 30 June 2025</b>	For the six months ended 30 June 2024
	EGP	EGP
interest income of current accounts	12,048,040	7,556,942
interest income of time deposits	1,255,599	2,888,873
interest income of Treasury bills	<u>-</u>	<u>10,621,244</u>
	<b>13,303,639</b>	<b>21,067,059</b>



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

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 June 2025

#### 28 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 2025 EGP	For the three months ended 30 June 2024 EGP
Net profits for the period	387,117,802	422,916,323
Employees' share	(36,776,191)	(40,305,520)
Board of directors' share	(18,388,096)	(20,152,760)
<b>Net profit attributable to the ordinary equity holders</b>	<b>331,953,515</b>	<b>362,458,043</b>
 <b>Weighted average number of ordinary shares for basic and diluted</b>	 <b>400,000,000</b>	 <b>400,000,000</b>
<b>EPS – basic and diluted</b>	<b>0.83</b>	<b>0.91</b>

## 29 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's 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.

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

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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#### 29 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### 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 period.

##### 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.

	Change in interest rate	30 June 2025		31 December 2024	
		Effect on profit before tax EGP	Change in interest rate	Effect on profit before tax EGP	Change in interest rate
Financial asset	+1%	816,349	+1%	283,838	
	-1%	(816,349)	- 1%	(283,838)	
Financial liability	+1%	3,093,065	+1%	5,319,230	
	-1%	(3,093,065)	- 1%	(5,319,230)	

Interest rates on loans from financial institutions are disclosed in note (17).

##### 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 2025 amount to 293,844 (EGP 14,554,123) whereas, the total liabilities in foreign currencies on 30 June 2025 amount to 15,252,031 (EGP 755,434,621).

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.

	Amount in Currency	Assets		Liabilities	
		EGP	Amount in Currency	EGP	
USD	293,844	14,554,123		15,252,031	755,434,621
EUR	-	-		-	-

		30 June 2025		31 December 2024	
		Change in rate	Effect on profit before tax EGP	Change in rate	Effect on profit before tax EGP
USD	+10%	74,088,050	+10%	7,287,756	
	- 10%	(74,088,050)	- 10%	(7,287,756)	
EUR	+10%	-	+10%	16,512	
	- 10%	-	- 10%	(16,512)	
SAR	+10%	-	+10%	-	
	-10%	-	-10%	-	

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

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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#### 29 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 by 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

	Less than 3 Months	3 to 12 Months	1 to 5 years	Over 5 years	Total
<b>30 June 2025</b>					
Notes payable (finance lease) liabilities	-	-	17,966,510	-	17,966,510
Provision for expected claims	4,930,617	-	-	-	4,930,617
Credit facilities	1,622,782,303	922,729,241	-	-	2,545,511,544
Accounts and notes payable	212,626,608	-	-	-	212,626,608
Notes payable (finance lease) liabilities current portion	-	10,773,260	-	-	10,773,260
Accrued expenses and other credit Balances	34,419,464	59,790,711	-	-	94,210,175
Creditors for purchase of fixed assets	86,937,271	-	-	-	86,937,271
Tax payable	4,389,613	-	-	-	4,389,613
Income tax payable	-	71,019,103	-	-	71,019,103
<b>Total undiscounted financial Liabilities</b>	<b>1,966,085,876</b>	<b>1,064,312,315</b>	<b>17,966,510</b>	<b>-</b>	<b>3,048,364,701</b>

	Less than 3 Months	3 to 12 Months	1 to 5 years	Over 5 years	Total
<b>31 December 2024</b>					
Notes payable (finance lease) liabilities	-	-	20,404,142	-	20,404,142
Provision for expected claims	3,800,028	6,004,000	-	-	9,804,028
Credit facilities	1,248,573,356	488,504,469	-	-	1,737,077,825
Accounts and notes payable	253,183,567	103,166,062	-	-	356,349,629
Notes payable (finance lease) liabilities current portion	-	8,213,216	-	-	8,213,216
Accrued expenses and other credit Balances	121,171,199	-	-	-	121,171,199
Tax payable	4,288,022	-	-	-	4,288,022
Income tax payable	-	249,410,981	-	-	249,410,981
<b>Total undiscounted financial Liabilities</b>	<b>1,631,016,172</b>	<b>855,298,728</b>	<b>20,404,142</b>	<b>-</b>	<b>2,506,719,042</b>

#### 30 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

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

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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**31 OPERATING SEGMENT**

For the six months ended 30 June 2025

	Cheese EGP	Milk and Juice products EGP	Animal production EGP	Total EGP
Segment's sales	4,714,882,133	340,457,979	1,365,953	5,056,706,066
Segment's cost of sales	(3,778,101,082)	(278,268,374)	(200,350)	(4,056,569,806)
<b>Gross profit</b>	<b>936,781,051</b>	<b>62,189,605</b>	<b>1,165,603</b>	<b>1,000,136,254</b>
<b>Operating expenses less other operating income</b>				(330,117,560)
Interest income				13,303,634
Interest expenses				(167,747,227)
<b>Profits before income tax and takaful contribution</b>				<b>515,575,111</b>

For the six months ended 30 June 2024

	Cheese EGP	Milk and Juice products EGP	Total EGP
Segment's sales	3,466,031,474	368,091,688	3,834,123,162
Segment's cost of sales	(2,612,135,637)	(309,427,331)	(2,921,562,968)
<b>Gross profit</b>	<b>853,895,837</b>	<b>58,664,357</b>	<b>912,560,194</b>
<b>Operating expenses less other operating Income</b>			(205,197,336)
Interest income			21,067,054
Interest expenses			(170,603,846)
<b>Profits before income tax and takaful contribution</b>			<b>557,826,074</b>

**SEGMENTS' ASSETS**

	Cheese	Milk and juice	Animal production	Not Specified	Total
	EGP	EGP	EGP	EGP	
<b>30 June 2025</b>					
Fixed assets	540,904,684	101,096,505	237,690,096	-	879,691,285
Biological Assets	-	-	95,172,868	-	95,172,868
Projects under construction	224,379,215	-	8,692,544	-	233,071,759
Inventory	2,085,744,658	223,002,967	29,611,843	-	2,338,359,468
Accounts and notes receivable	-	-	-	157,057,315	157,057,315
Due from related parties	-	-	-	2,686,721	2,686,721
Prepayments and other debit balances	-	-	4,115,672	289,116,204	293,231,876
Letters of credits	19,042,243	3,789,053	-	-	22,831,296
Cash on hands and at banks	-	-	2,075,877	608,936,611	611,012,488
<b>Total assets</b>	<b>2,870,070,800</b>	<b>327,888,525</b>	<b>377,358,900</b>	<b>1,057,796,851</b>	<b>4,633,115,076</b>

	Cheese	Milk and juice	Animal production	Not Specified	Total
	EGP	EGP	EGP	EGP	
<b>31 December 2024</b>					
Fixed assets	512,222,934	110,788,153	52,871,355	-	675,882,442
Projects under construction	163,102,548	-	161,715,086	-	324,817,634
Inventory	2,211,880,440	236,995,752	25,183,545	-	2,474,059,737
Accounts and notes receivable	-	-	-	160,534,474	160,534,474
Due from related parties	3,622,088	-	-	-	3,622,088
Prepayments and other debit balances	161,807,630	-	-	165,184,511	326,992,141
Letters of credits	10,439,116	-	-	-	10,439,116
Cash on hands and at banks	-	-	1,952,775	237,883,000	239,835,775
<b>Total assets</b>	<b>3,063,074,756</b>	<b>347,783,905</b>	<b>241,722,761</b>	<b>563,601,985</b>	<b>4,216,183,407</b>

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

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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#### 32 FINANCE LEASE

	Total Contractual amount	Paid Amount from contract	Bank Cheques	Unpaid amount from contract
	EGP	EGP	EGP	EGP
Equipment and Machines	15,077,416	-	15,077,416	-
Motor Vehicles	35,963,840	5,011,400	30,952,440	-

The obligations of the notes payable financial lease on 30 June 2025 are amounted EGP 28,739,770 that is current portion EGP 10,773,260 and non- current portion amounted to EGP 17,966,510 against EGP 28,617,358 on 31 December 2024 that is current portion EGP 20,404,142 and non- current portion amounted to EGP 8,213,216

The financial lease obligations have been recognized as follows:

- 1-contract for a spread cheese machine for an amount of USD 750,584 and checks will be issued in quarterly installments starting from 31 March 2022 until 31 December 2026.
- 2-contract for eight Chevrolet cars for the amount of 11,654,032 EGP,Monthly checks were issued starting from 20 September 2024 till 20 August 2027.
- 3-contract for twelve Chevrolet cars for the amount of 18,487,076 EGP,Monthly checks were issued starting from 20 October 2024 till 20 September 2027.
- 4- contract for four Chevrolet cars for the amount of 5,822,732 EGP,Monthly checks were issued starting from 15 February 2025 till 15 January 2028.
- 5-The company applied Standard No. (49) based on Paragraph C (C) -2-A, and the right of use assets were recognized.
- 6-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.

#### 33 CAPITAL COMMITMENTS

Balance of capital commitments contracted at 30 June 2025 reach EGP 84,626,560 as follow

	Total Contractual amount	Paid amount	Unpaid amount
	EGP	EGP	EGP
Biological assets	83,626,560	-	83,626,560
Machines	1,000,000	-	1,000,000
	84,626,560	-	84,626,560

#### 34 Significant Events

-The monetary policy committee of the central bank of Egypt decided in its meeting on Thursday, April 17,2025, to reduce the deposit and lending rates and the price of the bank's main operation by 225 point to reach 25%,26%,25.50% respectively, it also decided to reduce the credit and discount rates by 225 basis points to reach 25.50%.

-As Shown in disclosure 35 On 6 March 2024 the Central Bank of Egypt issued a decision to allow the exchange rate of the Egyptian pound to be determined according to market mechanisms. The Central Bank also decided to raise interest rates by 600 basis points, equivalent to 6%, to reach levels of 27.25%.