Juhayna
CARING EVERYDAY since 1983

ON SOLID GROUND

Annual Report 2020

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Juhayna at a Glance

A leading provider of packaged dairy products, juices, and juice concentrates in Egypt, Juhayna Food Industries was founded in 1983 with a vision of bringing affordable, accessible, safe, and delicious products to people and communities everywhere. Armed with a willingness to challenge dated practices and lead innovative changes, the company set out to transform a market that was essentially dependent on the use of loose milk to the safe consumption of packaged milk and dairy products. Today, and as a result, packaged milk is preferred by nearly half of all Egyptian households, and the company continues to carve new paths as it regularly diversifies its product offerings; increase its collaborations with trusted, eco-friendly partners; and invest in local initiatives that aim to advance people, industries, and ideologies.

4 operating plants

1000+ trucks and vans

200+ SKUs

6MN packs produced per day

4,000+ employees

6,000+ livestock

Milestones

1987

- Juhayna begins producing Egypt's first packaged milk, yogurt, and juice products

1991

- The company becomes McDonald's first partner in Egypt and the sole provider of its locally sourced material. This partnership remains in effect till today
- The company becomes the exclusive dairy supplier for multiple airlines, hotels, and fast-food chains

1998

- Juhayna establishes Al Marwa plant

2000-2001

- Juhayna launches its drinkable yogurt Zabado, which quickly becomes a best-seller
- The company enters the cooking and whipping cream markets
- The company launches PURE, a 100% natural juice product

2003

- Juhayna launches the high quality and affordable Bekhero milk for low-income consumers

2005

- Juhayna acquires Al Masreya plant

2007

- Juhayna launches TIBA Trade and Distribution, helping it further expand across the country

2008

- Juhayna revamps and expands Al Marwa plant

2009

- Juhayna inaugurates Al Dawleya plant

2010

- Juhayna goes public and is listed on the Egyptian Stock Exchange

2012

- Juhayna's 0% fat milk makes it to the market as the first of its kind

2013

- Juhayna signs a cooperation protocol with the European Bank for Reconstruction and Development (EBRD) to roll out a local farm support program and strengthen Egyptian agriculture
- The company inaugurates EgyFood Assiut

2014

- The company inaugurates EgyFood 6 October City, a 35,000 sqm facility

2015

- Juhayna partners with Arla Foods for a third-party distribution arrangement

2016

- A solar energy station becomes fully operational at Al-Enmaa farm, with the help of Karm Solar
- Juhayna's state-of-the-art innovation center, housing four research and evaluation labs, begins operation
- The company partners with Fawry to build a creditworthiness system and facilitate digital payments for traders
- The company signs a cooperation protocol with the German Agency for International Cooperation (GIZ) to launch a long-term development program for female empowerment in the workplace

2017

- Juhayna joins the United Nations Global Compact (UNGC)

2018

- The company's 100% natural lactose-free milk launches as the first local product of its kind

2019

- Juhayna changes its identity (new logo and new packaging for milk and yogurt)

2020

- Juhayna launches its Greek Yogurt range
- The company changes packaging for yogurt, Rayeb, Zabado, and Mix milk
- Juhayna partners with Rabea Tea for a third-party distribution agreement (second overall for Juhayna)
- Juhayna begins covering 15.6% of Al-Enmaa Dairy's electricity needs using solar energy generated by its state-of-the-art 1 MW solar energy station
- Commissions new line for fruit concentrates at Al Marwa plant
- Converts packaging line at EgyFood plant from 1L to Ultra Slim
- Installs two new lines for the production of Mix at Al Masreya plant
- Launches its first carbon footprint report
- The Juhayna Central Lab acquires the ISO 17025:2017 accreditation, becoming the first dairy and juice lab to receive it among private business in Egypt
- Forms a collaboration with Reform to reuse company waste ethically and sustainably

Management Note

Dear Shareholders,

As much as businesses across the globe have been talking about "the new normal", nothing about 2020 can be called normal. The year was largely about making the best of an extremely challenging situation and maneuvering within a climate of heightened uncertainty brought about by the COVID-19 pandemic. First and foremost, for Juhayna, was to ensure the health, safety, and economic well-being for our 4,000+ employees and their families. We were quick to act in the early days of the pandemic with the formation of a specialized committee to address health and safety across our entire operation, to assure business continuity within the government mandated lockdowns and restrictions, and to examine and mitigate any long-term business risk to the organization.

As outlined in detail throughout the pages of this report, we not only succeeded in maintaining uninterrupted operations with procurement, manufacturing, and retail not halting for a single day even during the peak of lockdown, we also managed to score a number of significant achievements that have made us proud and proven our resilience.

Despite COVID restrictions and decline in consumer demand, we maintained flat full-year sales, with milk and yoghurt segments growing by 4% and 8% respectively, a testament to their resilience even in tough times. Less elastic segments that are more dependent on mobility, such as our juice segment, were more negatively impacted with the decline in consumer demand peaking across all segments in the second quarter of the year. The climate began to improve gradually as the initial shock of the pandemic wore off and consumers returned to near normal levels of mobility and activity towards the end of the year. Even within this challenging environment we managed to defend our 58% market share of milk and slightly grow our market share in juice, which stands at 25%, while spoonable yogurt and drinkable yogurt reached 28% and 54% respectively.

Juhayna continued to enhance its position as the Egyptian market leader and innovator with the introduction of Greek Yogurt into our product mix in 2020. We initially introduced four SKUs within the Greek Yogurt category with different fat content in 180 gm packs. Due to their popularity and the positive market feedback that we received, we decided to introduce three additional SKUs in smaller 105 gm packs by the end of the year.

In lockstep with our strategy to continue leveraging our vast distribution network, we have secured a second third-party distribution contract with Rabea Tea in Egypt. The contract with Rabea tea follows our successful distribution agreement with Arla. Having proven that this is a model that works, the company will be looking to secure additional third-party distribution contracts in the near future.

In terms of leverage, Juhayna has benefited from the CBE's interest rate cuts during the course of the year. We also managed to reduce our net debt levels from EGP 1.4 billion to less than EGP 800 million, reflecting positively on our interest payments and bottom-line. We managed to keep our CAPEX spending in check during 2020 as we looked to focus more on innovations that required minimal CAPEX expenditure such as lactose-free, Greek Yogurt, and plant-based products that only required tweaks to existing machinery rather than acquiring new processing or filling lines. CAPEX during the year was limited to EGP 290 million, which was spent mostly on maintenance.

Our ongoing multi-year cost optimization strategy helped us deliver year-on-year improvement across all profitability metrics in the company. Strict cost control measures, higher dependence on locally-sourced raw materials, close focus on our working capital management, and tight controls on CAPEX spending helped us maintain a strong financial position and deliver strong results. These improvements were also reinforced by lower financing costs due to decreased net debt levels, a lower cost of financing on the back of lower CBE lending rates, and a stronger performance by the Egyptian pound during the year.

Watching the world undergo the same set of challenges at the same time has underscored the fact that we must all do our part to address monumental challenges such as climate change and income inequality. As a result, our commitment to create value for all our stakeholders and positively impact our communities remained steadfast in 2020. We continue to align our sustainability strategy with global best practice such as the United Nations Global Compact (UNGC) and the UN's sustainable development goals (SDGs). In addition to our longstanding community development projects, Juhayna proudly took part in a number community-wide COVID relief projects and helped to fund the purchase of ventilators and PPE for public hospitals and primary healthcare units nationwide. In an attempt to become a greener company, we are working towards shifting to more eco-friendly packaging, recycling our industrial waste, and increasing our energy efficiency.

None of these achievements would have been possible without the hard work and dedication of our people who stepped up and seamlessly transitioned to work-from-home policies, social distancing and virtual meetings, and the support and commitment of our Board who gave us the guidance that we needed to navigate through a tumultuous year.

We are happy to report that the company has entered into 2021 on solid footing. We are optimistic that as the year gets underway and vaccine rollout gains momentum in Egypt and across the globe, markets will begin to stabilize. We have already witnessed healthy growth in terms of volumes and value in the last month of 2020 and the first two months of 2021. We are hopeful that this trend will continue as we continue to launch exciting new products and segments at Juhayna.

2020 IN REVIEW

> *Despite the local and global impact of COVID-19, Juhayna was able to sustain its revenues and further optimize its operations in 2020.*

Overview

Juhayna sustained operations and revenues in 2020 despite the negative local and global impact of COVID-19. This was a result of wide-scale improvements made to procedures, policies, and equipment, a process that has been ongoing since 2016. Through efforts that include smart business continuity strategies; strong pillars for product and segment innovations; flexible optimization plans; and diversified partnerships for additional revenue, the company was able to achieve successes in a difficult year, and pave the way for steady operations in 2021.

Achievements in 2020

Mitigating the Impact of COVID-19

Next to ensuring the wellbeing of its employees and uninterrupted performance at its premises, Juhayna contributed to multiple relief missions around the country.

Read more in the COVID-19 Response section, page 16

Successful Market Leadership

Juhayna maintained its position at the forefront of the dairy and yogurt markets in 2020, and increased its juice market share despite the year's difficulties.

Read more in the Lines of Business section, page 30

Cost Optimization Across the Company

A cost optimization strategy was drawn by Juhayna in 2017 to increase efficiency across its lines of business. The strategy covers multiple facets of Juhayna's operations, and has succeeded in improving the company's profitability over the years. Most recently, it has resulted in the strategic divestment from most of the company's underutilized agricultural lands and assets.

Read more in the Our Strategy section, page 22; and Manufacturing, page 26

Upgrades in Manufacturing and Supply Chain

Juhayna's manufacturing and supply chain teams were able to achieve impressive results in 2020 due to their unified leadership under the newly created Chief Supply Chain Officer position. The departments also oversaw significant upgrades to machinery and procedures in 2020. On their part, the Ministry of Supply and Internal Trade ensured that all of the company's needs were promptly met to safeguard the continuation of the manufacturing and distribution processes during the lockdown period.

Read more in the Manufacturing section, page 26

New Product Launches

The company's new Greek Yogurt range was launched in March 2020, with performance exceeding expectations despite its challenging release time with the onset of the pandemic.

Read more in the Lines of Business – Yogurt section, page 34

Growing Third-Party Distribution

Juhayna struck a partnership with Rabea Tea to distribute its goods nationwide starting 2020, in its growing effort to provide third-party distribution services to other large companies in the fast-moving consumer goods (FMCG) market.

Read more in the Our Strategy section, page 22 and the Lines of Business – Distribution section, page 44

Active Community Involvement

Juhayna remained an active member of its community in 2020 by providing assistance where possible during the pandemic, as well as continuing to invest in many projects that support people, reduce impact on the planet, and operate with purpose.

Read more in the COVID-19 Response section, page 16; and the Creating Shared Value section, page 46

COVID-19 Response

Immediate action was taken to offset the impact of COVID-19 on Juhayna's people and operations, as the company adopted a series of measures to bolster employee wellbeing, community outreach, and business continuity during and beyond the crisis

Juhayna was quick to respond to the spread of COVID-19 by forming a steering committee comprised of the director of quality, the head of research and development, the head of security and control room, the director of administrative operations, the director of human resources, and the head of internal auditing. The committee's primary responsibility was to set precautions and safeguards across Juhayna's entire operations and ensure that they are strictly adhered to.

As such, an effective and safe environment was established at the company due to the committee's efforts and the full compliance of Juhayna's entire workforce. This led to operations continuing without interruptions throughout the entire year, and allowed the company to provide support to infected employees while simultaneously protecting their peers.

Health And Safety Across Juhayna

All offices, factories, and buildings were professionally sanitized in the beginning of the pandemic, followed by an increase in the frequency of daily cleaning activities. The company's specialized safety guidelines put employee health and safety at the forefront, and so thermal testing became essential to accessing any of the company's grounds. Personal protection equipment, which include masks, gloves, and disinfectants, were also distributed operation-wide.

Most face-to-face contact was reduced to online meetings, unless urgent, and white-collar employees followed a newly drafted work-from-home policy until July 2020. Social distancing was also strictly exercised across Juhayna's footprint, with specific emphasis on factory operations and transportation to and from the company's premises. Suppliers and business partners were also asked to adhere to the company's guidelines, in protection of all involved stakeholders' wellbeing.

Moreover, and to further reinforce the new guidelines, a new coronavirus-specific penalty code and a three strikes system were created to clearly communicate the company's zero-tolerance position regarding violations during the pandemic. The internal audit and quality teams conducted daily and weekly site visits to ensure successful implementation throughout the year, and refreshers on precautions were conducted in Q3 2020 when the number of infections in Egypt began to rise again.

Juhayna also kept employees informed on the pandemic using materials that detail proper symptoms, hygienic practices, prevention methods, recommendations, and other similar information. These materials were circulated through multiple channels and forms, and employees were encouraged to share them with family members and acquaintances. An inquiries email — covid19@juhayna.com — was also created to address any questions or concerns.

Community Support and Involvement

In extension of its commitment to support and bolster the Egyptian people, Juhayna partook in multiple initiatives that provided community-wide relief. Through participating in the Private Sector's Alliance Against COVID-19 — an AmCham Egypt initiative — the company donated EGP 1 million to support the purchase of ventilators, coverall protection suits, masks, gloves, and goggles for 300 public hospitals, 1,000 primary health care units, and 50 quarantine and fever hospitals.

In addition, Juhayna participated in the Egyptian Food Bank's #ElKheir_Challenge to support daily laborers during the height of unemployment caused by the pandemic, by assisting in providing over 6,000 families with food to alleviate their stresses. The company also participated in Kemama, an initiative launched by Nedaa Foundation and the UNDP to help 600 working women temporarily produce face masks instead of garments at a factory in Qena, Upper Egypt. 4,000 masks were produced daily at 80% less cost than average market rates.

Management Discussion and Analysis

Juhayna delivers stable revenue and improving profitability despite the challenges posed by COVID-19

2020 was an incredibly challenging year for businesses all over the world as the outbreak of COVID-19 and the roll out of restrictive measures to curb its spread impacted all aspects of the companies' operations. Despite these obstacles, Juhayna's diversified product portfolio, flexible business model, and prompt response to the crisis, which ensured no interruptions to manufacturing and distribution at any point during the crisis, saw the company deliver revenues of EGP 7.6 billion for the year, largely unchanged from last year. The full-year performance was supported by a solid fourth quarter, which saw the company return to year-on-year growth following the COVID-19-related slowdown witnessed earlier in 2020. This steady recovery across the entirety of Juhayna's portfolio signals that the demand for the company's products remains intact and that a return to its pre-crisis growth trajectory is imminent.

On a segmental basis, Juhayna's top-line for the year was supported by its dairy and fermented segments, which combined made up more than three-fourths of the company's consolidated revenue for the year. The company's dairy segment witnessed a 4% y-o-y expansion in revenue for the year while Juhayna's fermented segment posted a solid 8% y-o-y rise in revenues in 2020. Top-line growth at the fermented segment was supported by multiple new product launches at the Greek Yogurt segment as the company looks to capitalize on the growing popularity of the line. On the other hand, consolidated top-line was weighed down by lower revenues recorded at the juice, concentrates, and agriculture segments. However, it is important to note that as the year progressed, juice sales continued to improve supported by the general recovery of the market.

Throughout the year, Juhayna's unmatched ability to swiftly respond to changing market dynamics by promptly optimizing volumes and price points coupled with the roll out of multiple targeted consumer promotions, saw the company retain, and in multiple cases grow, its market shares across key product segments. More specifically, over the last twelve months, Juhayna successfully maintained its market leadership in the milk segment, and grew its market share in the plain yogurt, juice, and flavored milk subsegments. This is particularly impressive when considering the growing competition the company has been facing across its portfolio in recent years.

Further down the income statement, Juhayna's multi-year cost control strategy coupled with the strengthening of the Egyptian Pound during 2020 saw the company deliver growth with margin enhancements at all levels of profitability. Gross profit grew 11% y-o-y in 2020 to reach EGP 2.5 billion with an associated margin of 33.4% for the year versus 30.2% in 2019. Meanwhile, the company's EBITDA recorded EGP 1.27 billion in 2020, up 16.7% y-o-y and with a margin of 16% versus 14.3% last year. EBITDA growth comes despite increased consumer promotions throughout 2020 to stimulate volumes in the aftermath of the COVID-19 outbreak. Finally, the company's bottom-line expanded an impressive 30% y-o-y to reach EGP 428 million in 2020 and with a net profit margin of 5.6% versus 4.3% last year. Net profit growth came on the back of the company's ongoing cost saving measures, lower financing costs due to decreased net debt levels as well as lower cost of financing following the multiple rate cuts implemented by Egypt's Central Bank (CBE) throughout the year.

Overall, the company maintains a strong financial position, with a liquid balance sheet thanks to its strict cost control measures coupled with a continued focus on efficient working capital management. Throughout 2020, the company continued to maintain a tight rein on CA-

PEX outlays, which decreased to EGP 290 million for the year, with spending mainly directed towards factory and distribution maintenance. In parallel, management continued to focus on optimizing its working capital management with inventories days on hand decreasing to 69 days in 2020 from 72 days a year ago. Meanwhile, days payable outstanding stood at 31 days as of 31 December 2020 from 27 days as of year-end 2019. Combined, this saw the company cash conversion cycle narrow to 47 days in 2020 from 54 days as of year-end 2019. Finally, the company's net debt decreased to EGP 781 million as of 31 December 2020 from EGP 1.4 billion as of year-end 2019, with Juhayna's net debt to equity ratio declining to 0.27x from 0.51x last year.

Looking ahead, management is confident that the strong fundamentals underpinning Juhayna's market coupled with the steady recovery in demand witnessed across the company's full product roster will help drive a return to its historic growth trajectory in the coming year. As such, management's priorities for the next twelve months remain unchanged. In the short-term, the company's main priority will remain supporting a full recovery in volumes through a combination of targeted marketing campaigns and the roll out of innovative, high-margin products. At the same time, management will continue to push forward with the company's strategy aimed at driving cost efficiencies, optimizing operations, and comprehensively redeveloping the company's brand identity to cater to a new generation of consumers without losing touch with Juhayna's decades-long history. Management will also focus on growing its third-party distribution business by providing Tiba's quality delivery services to other FMCG providers. To this end, in 2020, the company signed an agreement with A. M. S. Baeshen & Co. for the distribution of Rabea Tea products across Egypt, which kicked off in Q3 2020. In the future, Tiba will look to secure similar deals as the company works to diversify, strengthen, and regulate this new revenue stream.

EGP/MN
7,642
revenues in 2020

EGP/MN
1,273
EBITDA, up 15%

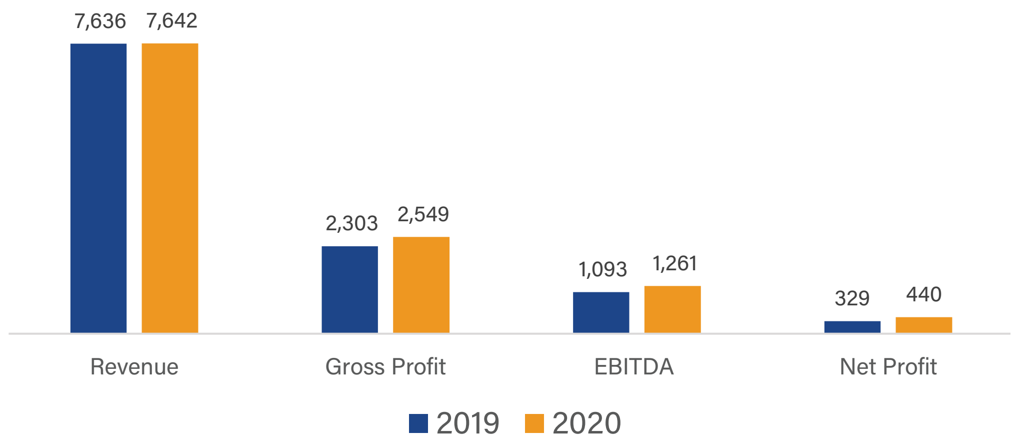
EGP/MN
2,549
gross profit in 2020, up 11%

EGP/MN
428
net income in 2020, up 34%

Revenue Breakdown by Segment I 2020

Dairy	51%
Fermented	26%
Juice	18%
Concentrates and Agriculture	3%
Third-Party Distribution	2%

Group Consolidated Performance (EGP MN)



Our Strategy

Juhayna continued to execute its five-year strategy in 2020, which was originally drafted two years ago to emphasize innovation, performance, and reach. Despite the spread of COVID-19, the company was able to move forward with its plans for the year with minimal interruption due to its teams' excellent mitigation of the virus' impact on internal operations.

Product and Branding Innovation

Juhayna unveiled several products and key upgrades in 2020. Whether under new or existing segments, all products launched by the company during this period required minimum CAPEX investments as production only needed alterations in existing machinery. They are also high-margin, niche products that aim to serve specialized client needs and improve the company's overall brand equity.

Current Segments

Part and parcel of Juhayna's progress strategy is presenting new product ranges that fill market gaps and keep the company relevant to its increasingly health-driven consumers. The release of the new Greek Yogurt range was among this year's highlights, as it outperformed its projections and secured Juhayna's positioning in this growing yogurt subsegment. 2020 also saw the company further improve on its lactose-free milk, a unique addition to its range of packaged dairy offerings, which increased the product's availability, visibility, and popularity.

Furthermore, and in continuation of the company's branding revamp in 2020, more of the company's products received new packaging in 2020 to give all of Juhayna's ranges a cohesive look that is instantly recognizable wherever they are sold. The revamp is expected to cover the company's full range of products by the end of 2021, and changes are advertised to consumers to promote and popularize the new, contemporary look.

New Ventures

Penetrating new market segments is a constant pursuit at Juhayna, and with the help of its research and development team it is able to develop new and well-received products that meet market expectations. During 2020, the company worked on and prepared for its new plant-based product line, Nuts & Grains, which was officially launched in January 2021. Through this launch and by maintaining a commitment to market innovation, Juhayna remains adamant on penetrating new markets and creating products that keep the company ahead of ever-evolving consumer needs.

Performance Optimization

Despite the severe impact that COVID-19 had on businesses in 2020, Juhayna was able sustain its revenues and improve profitability using manufacturing, warehousing, and distribution optimization strategies. Through improved utilization of materials, space, and fleets; renegotiating deals at lower prices with suppliers; and a smart approach to rightsizing its workforce, the company was able to maintain its performance levels while reducing costs and improving margins.

Working Capital

The impact of capital losses due to divesting from agricultural land and assets, as well as one-off payments such as end-of-service bonuses, affected the company's profitability in 2020. However, Juhayna still managed to grow every other profitability metric and managed to largely offset adverse impacts. The company also benefitted from its existing stock of skimmed milk powder (SMP) this year, thus reducing spending on the product, which was beneficial as prices increased due to high Chinese demand. It is worth noting that the company also reduced its overall use of SMP in 2020 by 15% and succeeded in decreasing inventory days, now holding its SMP stock for a maximum of two months. Juhayna also managed to minimize its cash conversion cycle and improved its payable and receivable days in 2020.

CAPEX and Net Debt

In line with its continuing cost optimization strategy, Juhayna maintained low CAPEX spending in 2020 by not exceeding the EGP 300 million mark, and focused its efforts on maintenance and small additions in place of large transformations. This notably benefited its performance this year, especially amid its launch of a new product range, with all improvements made requiring less to no spending on the company's part. Juhayna was also successful in renegotiating financing agreements to reduce interest payments, and successfully lowered its net debt from EGP 1.4 billion, recorded by the end of 2019, to EGP 781 million by the end of 2020. The company also took advantage of the Central Bank of Egypt's "8% loans for manufacturers" initiative, which further reduced its interest rates.

Reach and Accessibility

Juhayna's products are accessible to consumers around the country at small, medium, and large points of sale. The company spares no effort in facilitating access to its Juhayna and Bekhero products at different price points where needed, so as to accommodate the purchasing capabilities of its diversified consumer base. In 2019 and 2020, it extended its reach by using innovative distribution initiatives such as ElCommanda, which helps it sell its products to underserved communities. Juhayna also increased its presence on online grocery shopping websites and apps, which was particularly beneficial in 2020 as footfall lessened in larger retail outlets and shops.

Third-Party Distribution

Juhayna identifies future expansion as growing its product ranges and reach, as well as optimizing the use of its resources to improve profitability. The successful third-party distribution arrangement struck with the Danish Arla encouraged the company to seek similar collaborations, and resulted in its partnering with Rabea Tea in 2020. Juhayna aims to continue striking similar arrangements to utilize its excess capacities; maximize the potential of this new revenue stream without incurring changes in schedules or costs; and cover much of its existing fixed distribution costs.

Footprint Expansion

In extension of the company's plan to increase its reach and introduce more consumers to the brand, Juhayna is in the process of growing its regional footprint through potential JV opportunities with established businesses across high-growth markets. The company aims to achieve this without incurring significant investments in manufacturing and distribution capacities on the back of its solid operational strengths, well-established networks, and regularly growing banks of knowledge, expertise, and innovative strategies. As the company's optimization strategies continue to prove successful in its current areas of operations, it seeks to transport this know-how to newer markets, thus establishing solid bases for its diversified range of products to generate new revenue streams.

MANUFACTURING

> "Juhayna operates four state-of-the-art manufacturing and packaging plants that use advanced machinery and international best practices to uphold the company's successful operations."

Manufacturing and Supply Chain

Overview

Al Masreya
Al Masreya was acquired by Juhayna in 2005 and is now the company's center of operations for milk production. The plant employs 365 individuals and uses advanced technologies that include TBA-Edge packaging technology, which preserves the quality of its products.

Al Dawleya
Al Dawleya was inaugurated in 2009, and has grown to become one of the largest industrial complexes in Egypt and the MENA region. Juhayna produces and packages its fresh juices and drinks ranges at the plant, with 240 employees now responsible for maintaining steady operations. Al Dawleya is fully-automated, employs technologies that specifically aim to minimize waste production, and is home to a high-bay warehouse that increases efficient and practical storage and lowers operating costs.

Al Marwa
Established in 1998, Al Marwa specializes in the treatment of fruits for the production of concentrates and pulps. The factory utilizes top-tier global technologies and quality control systems, including the Hazard Analysis Critical Control Point (HACCP) to manufacture its products. Al Marwa distributes its concentrates locally and globally to 25 countries across 4 continents, and employs 169 individuals across its operations.

EgyFood
EgyFood specializes in the production of Juhayna's yogurts and yogurt drinks. The 6 October City-based plant was inaugurated in 2014, and covers an area of over 35,000 sqm to accommodate the rising demand for Juhayna's yogurt products. EgyFood employs 322 individuals across its operations.

Innovation Center	Al Masreya	Al Dawleya	Al Marwa	EgyFood
FSCC 2200:2010	√	√	√	√
ISO 14001:2007	√	√	√	√
OHSAS 18001:2007	√	√	√	√
ISO 2200:2005	-	√	√	-
SGF	-	-	√	-

2020 Highlights
Juhayna's manufacturing and supply chain arms were able to maintain steady production across most facilities despite national and global challenges posed by COVID-19. Streamlining the operations of both departments under one management in 2019 facilitated strategic decision-making during the year, and government assistance with regards to transporting goods during curfew hours helped the company regulate its material purchasing and product distribution movements. Production and distribution was not halted for a single day during the pandemic. As such, manufacturing and supply chain were successful in supporting day-to-day processes and new launches while implementing optimization plans that positively impacted production, resources, and costs.

Day-to-Day Operations
Juhayna's internal COVID-19 committee enabled all teams to operate without interruption, yet under adjusted circumstances and with strict precautions in play. The manufacturing and supply chain departments strictly adhered to these guidelines, which prioritized health and safety as well as business continuity, and were able to successfully adjust the production pattern accordingly. This included a decrease in work shifts from three to two per day and an increase in overtime to offset the difference. The temporary system was upheld till July 2020, after which the plants reverted to their regular operating hours. Regarding export movement, Juhayna faced significant challenges due to congestions in ports, delays in shipping, and reduced working hours at the Egyptian Customs Authority. This continued to affect some of the company's lines of business throughout the year.

Upgrades and Installations
In 2020, Juhayna commissioned a new line at Al Marwa for the production of multiple fruit concentrates, and installed two new lines for the production of the 200 ml Mix range at Al Masreya. In addition, and to further optimize operations, the 1L edge packaging line was converted to produce the ultra slim shape packaging at EgyFood.

Integrated Business Planning (IBP)
Juhayna migrated from the sales and operations planning (S&OP) process to the integrated business planning (IBP) process in 2020, which is a longer-term approach to mapping out the company's goals and identifying the financial and operational requirements needed to achieve them. Under the new system, supply chain creates sales forecasts every quarter, and collaborates with manufacturing to identify required supply, capacity, and other related needs.

Reducing Expenses

Cost optimization remained a priority for management, and both departments sought to reduce expenses across the entire value chain. Throughout the year, the departments' management began identifying costs and materials utilized per ton for all of Juhayna's products. The departments then proceeded to cut unnecessary spending, which resulted in a 5% reduction in manufacturing expenses versus the budget set for the year. They also began identifying material utilization variance (MUV) and reducing supply expenses, which resulted in an impressive 50% y-o-y decrease in material losses. Adding to this, Juhayna's distribution team also improved the scheduling and overall utilization of its fleet, which resulted in a 25% y-o-y reduction in truck renting in 2020.

Rightsizing the Workforce

The manufacturing and supply chain departments have clear key performance indicators (KPIs) in place to measure the efficiency and overall performance of their employees. In 2020, the departments decided to rightsize the workforce, to help the company push efficiencies, reduce costs, and improve margins.

Focusing on Energy

Juhayna's operations are partially driven by initiatives that aim to reduce the company's overall energy consumption and alleviate its environmental impact. These initiatives — supported by the United Nations Industrial Development Organization (UNIDO) — continued to grow in 2020, and were most lately marked by a switch to LED lighting across three manufacturing facilities, with Al Marwa next in line for the upgrade. More information on Juhayna's ongoing energy reduction and overall sustainable practices can be found in the company's 2019-2020 Sustainability Report.

Forward-Looking Plans

Next to maintaining focus on quality and cost optimization, the supply chain and manufacturing departments are planning to expand their efforts in key areas that include:

- **Employee health and safety** - Increasing trainings and awareness sessions, and closely monitoring the results to identify gaps and provide support and equipment where necessary;
- **Plant-wide communication** - Introducing daily communication channels and meetings to keep employees informed on operational changes, updates, incidents, needs, and results;
- **Restoring the Kaizen project** - This will be partially promoted by encouraging idea generation among employees to fuel collective value addition and continuous improvement. This also includes fully implementing the 5S system (sort, set in order, shine, standardize, sustain), which emphasizes the use of visual and spatial influence to organize workspaces and reduce wasted time and injury risks.

LINES OF BUSINESS

“Juhayna’s lines of business continued to deliver on most of their goals in 2020 — despite pandemic-related setbacks — and allowed the company to maintain its leading position among its primary markets.”

Dairy

EGP/MN
3,902
2020 Revenues

Juhayna remained at the forefront of the market in 2020 as Egypt's leading packaged milk provider. The company's dairy products weathered the effects of the pandemic well, despite challenges that faced some out-of-home products such as the small milk packs — the Mix milk range and Bekhero's flavored milk. These challenges were offset by increased in-home consumption of larger milk packs, which was brought forth by lockdowns and curfews imposed during the first half of the year.

The company's identity revamp for its milk range, which was completed by the end of 2019, also showed favorable results in 2020. Juhayna was successful in repositioning itself as a brand that mixes modernity and innovation with legacy, and increased its market visibility due to its new, striking designs. In 2020, the company began the second phase of the identity transformation process by introducing Mix milk's new revamped packaging.

Juhayna continued to focus its efforts on pushing its lactose-free milk forward in 2020. The SKU's revenues grew by 100% y-o-y due to several factors that include targeted in-store promotions and efforts by Juhayna's sales teams. More importantly, the company's research and development arm introduced upgrades to the manufacturing technology of the SKU, allowing for its placement on shelves instead of inside refrigerators. The recommended upgrades were fulfilled, and the adjusted SKU was rolled out in April 2020. This resulted in increased product awareness and visibility, and the company was also able to expand distribution to include more retailers and points of sale across the country.

As a result of overall efforts in 2020, the segment's revenues increased by 4% y-o-y to EGP 3,902 million. Furthermore, Juhayna continued to lead the Egyptian dairy market this year, with a market share of 57.8% for milk and 55.1% for flavored milk.

Products

Fighter	Mass	Premium
Bekhero Full Cream Milk	Juhayna Plain Milk Full Cream	Juhayna Plain Lactose Free Milk
Bekhero Flavored Milk	Juhayna Mix Flavored Milk	Juhayna Plain Milk 0% Fat
	Juhayna Plain Milk Half Cream	
	Juhayna Plain Milk Skimmed	

Yogurt

The impressive success of Juhayna's new Greek Yogurt range played a significant role in driving the segment's revenues in 2020. Greek Yogurt was selected as Juhayna's next innovative venture due to its growing popularity and its alignment with Juhayna's mission to introduce healthy varieties to the market. The product was developed in collaboration with Juhayna's research and development arm, and is representative of the high quality that Juhayna seeks to deliver to its consumers at all times. Despite launching in March 2020 at the height of the first wave of the pandemic, the 180 gm Greek Yogurt SKUs achieved success due to their authenticity and diverse offerings. This then warranted the introduction of three additional 105 gm SKUs in November 2020 to further complement the product's increasingly popular market presence.

The launch of the Greek Yogurt range was supported by a digital promotional campaign, as well as in-store branding and activities that were heightened as lockdowns began to ease. The SKUs surpassed all expectations.

Juhayna also continued its packaging revamp process in 2020, which extended to cover all of its yogurt SKUs. This marks the first time in the company's history for its dairy and yogurt products to fall under a unified identity, which strengthened product representation and recognizability in the market.

EGP/MN
1,958
2020 Revenues

The yogurt segment's remaining spoonable products performed well throughout the year. Drinkable yogurt, however, faced declines in consumption in H1 due to its on-the-go nature, but started to recover as the year progressed. The segment's overall performance in 2020 was steady, as revenues increased by 8% y-o-y to EGP 1,958 million, with recovery beginning to show in Q3 and Q4 due to gradually improving market conditions. Moreover, the company continued to lead yogurt market shares in 2020 despite heavy competition in the segments. It recorded 31% for spoonable yogurt and 54% for drinkable yogurt.

Products

- **Mass**
  - Juhayna Plain Yogurt
  - Juhayna Light Yogurt
  - Juhayna Flavored Yogurt Strawberry
  - Juhayna Drinking Yogurt "Zabado" (4 Flavors)
  - Juhayna Rayeb (4 Flavors)
- **Premium**
  - Plain Greek Yogurt (7 SKUs)

Juice

EGP/MN
1,391
2020 Revenues

Juhayna continues to advocate for juice as a healthier alternative to instant and fizzy drinks. The company's product ranges offer versatile flavors at multiple sizes and affordable prices, which increases appeal to all types of consumers.

COVID-19 impacted the segment's performance in 2020, with the smaller 235 ml packs facing multiple challenges throughout the year. Usually popular in kiosks and for quick consumption outside the home, the small juice packs showed a notable decline in sales in the second quarter of 2020 as a result of lockdowns and restricted movement. The segment began to gradually recover in the third and fourth quarters of the year despite the semi-closure of schools and universities, but still had to weather slower market conditions due to the ongoing risks posed by the pandemic. A decrease in on-the-go consumption among children and students — primary consumers of the small juice packs — was particularly noticeable as they adopted remote learning from home as part of schools' and universities' hybrid learning programs.

Escalating changes in consumer spending and nutritional habits are causing a shift towards healthier alternatives, and so Juhayna's juice products remained popular despite the year's slowdown. However, total market volumes have seen sharp decreases throughout 2020 on the back of lower demands, bringing the market down by an overall 11% y-o-y in FY2020. Despite this, Juhayna's share in the local juice market expanded to 25% in FY2020, as opposed to 24% in FY2019, due to the continuously growing trust in the brand.

Juhayna's juice segment revenues declined by 9% y-o-y in 2020 to EGP 1,391 million. Despite revenue slowdown, the segment's profitability improved in 2020 due to better cost control and optimization strategies.

A continuation of the company's identity revamp campaign is scheduled for the upcoming year, as it seeks to introduce the new packaging for its juice range before the end of 2021. The revamp is scheduled to be accompanied by a promotional campaign for the products on both digital and traditional marketing channels.

Products

Fighter	Mass	Premium
Bekhero Drink (4 flavors)	Juhayna Classics (10 flavors)	Juhayna Pure 100% Juice (10 flavors)

Happy Kitchen

Juhayna launched Happy Kitchen to group its cooking products under one recognizable brand name that promises a high-quality and preservative-free cooking experience. The company's popular cream SKUs undergo ultra-high-temperature (UHT) processing to increase shelf-life without the addition of preservatives, a process that was first introduced by Juhayna to the local market in 1999. These products, namely Juhayna's cooking cream, whipping cream, and sour cream, joined Happy Kitchen in 2017, alongside the then newly launched tomato puree SKU.

Happy Kitchen products performed steadily in 2020 due to an increase of at-home consumption. Larger packs, however, were impacted by the wide-scale shutdowns and limited capacity operations of the hotels, restaurants, and catering (Horeca) sector due to COVID-19. The sector was also severely affected by restrictions on international travel and external tourism. This continued to impact the brand's sales throughout the year, with limited recovery beginning in the third quarter as local safeguards began to ease.

Juhayna's ongoing revamping process is expected to encompass Happy Kitchen, with the brand scheduled to adopt the new identity before the end of 2021.

EGP/MN

c. 360

2020 Gross Sales*

* Happy Kitchen is accounted for among Juhayna's dairy and juice segments' figures in the company's earnings releases

Products

Mass

- Happy Kitchen Sour Cream
- Happy Kitchen Cooking Cream
- Happy Kitchen Tomato Puree
- Happy Kitchen Whipping Cream

Concentrates

Juhayna's concentrates and purees have grown to become a reliable choice for local manufacturers over the years. Solid export potential has also allowed the business to expand its reach into regional and international markets, thus opening up revenue streams in many countries around the world. The company's concentrates are exported to a total of 25 countries within the European Union (EU), the Gulf Cooperation Council, North Africa, Central America, and North America. Today, exports normally represent 60% of Juhayna's concentrates business, with the rest of its production divided between the local market and Juhayna's own juice operations.

EGP/MN
154
2020 Concentrates Revenues

Tropical concentrates maintained a steady performance in 2020, whereas citrus concentrates, which comprise over 50% of the business, were notably affected by unstable global conditions. Next to the continuing appreciation of the Egyptian pound, which has been affecting citrus exports since 2018, a global downturn in the price per ton of orange juice concentrates — Juhayna's biggest export product — sent shockwaves through the business in 2020. Moreover, growing competition in the global fresh produce market led to a decrease in volumes allocated to the processing industries. These challenges affected Juhayna's concentrates business' profitability, as well as its growing position in new markets across Mediterranean countries, Latin America, and India. On a local scale, presigned agreements with manufacturers were also heavily affected by the decrease in volumes, and attempts to obtain local produce to offset the gap were inefficient due to the popularity of fresh produce consumption in Egypt.

New efforts to diversify the concentrates segment's range in 2020 included introducing Juhayna's tomato puree to the exports market, following its successful local performance in 2019. In 2020, concentrates recorded a 40% y-o-y decrease in revenues to EGP 154 million.

Concentrates remain susceptible to shifting local and global market conditions in 2021, which include the ongoing presence and effects of COVID-19, as well as the output of agricultural lands during main crop seasons. However, the business will continue to optimize operations, and examine potential areas of expansion that include opening up new markets in North Africa and the Americas.

Agriculture

Juhayna established Al-Enmaa for Agriculture Development in 2008 and Al-Enmaa Livestock in 2015 to streamline its cultivation, reclamation, and dairy farming practices, as well as to increase vertical integration and regulate the supply of quality milk used to manufacture its dairy products. In 2020, the company decided to divest its investments in agricultural land and further expanded its investments in technology upgrades across its dairy operation. It now serves as a center for knowledge transfer to local farms across the country.

EGP/MN
49
2020 Agriculture Revenues

Crop Farming and Reclamation

In 2020, agriculture recorded EGP 49 million in revenues or a y-o-y increase of 58% despite Juhayna's divestment of most of its owned agricultural land, leaving 660 feddans in the company's possession by the end of 2020. Despite its decision to decrease its crop farming activities, Juhayna continues to utilize technologically advanced and sustainable farming methods in upkeeping its remaining land, and sells its harvest to local suppliers.

Dairy Farming

Juhayna continues to invest in upgrading operational procedures, machinery, and herd care practices at Al-Enmaa Dairy. The private operation, located in the area of Al-Wahat al-Bahareya in Mandisha, produces 110 tons of milk per day on average, which has consistently covered around 12-15% of Juhayna's daily needs over the last two years. Al-Enmaa Dairy is also a part of Juhayna's "Kafa'a", a nationwide farming inclusion program launched in cooperation with the European Development Bank (EBRD). Kafa'a serves as Juhayna's dairy supply network; through it, Al-Enmaa has upgraded its practices to include better parlors and machinery for increased herd care. The farm also transfers knowledge to local dairy farms through the program to help them improve sustainable practices and resolve critical challenges.

6,653
Herd size

15.6% of Al-Enmaa's electricity needs in 2020 were obtained from solar energy generated by its state-of-the-art 1 MW solar energy station.

Established through a cooperation agreement with KarmSolar, the station improved the farm's sustainable performance and energy savings. It also supplies the private sector with energy per the Purchase Power Agreement Juhayna has entered, which has opened a new revenue stream for Al-Enmaa.

To read more about Juhayna's sustainable dairy farming practices and strategies, please refer to the company's 2019-2020 Sustainability Report.

feddans
500
Dairy Farming Land

Distribution

Juhayna's distribution operations are fully managed by the company, with minimal reliance on outsourced vehicles. Its network covers all 27 governorates, and it has continued to achieve impressive sales and distribution results in 2020 with reliance on its advanced technologies and solutions as well as its distinctive drivers and sales representatives. Distribution is consolidated under Juhayna's subsidiary, Tiba for Trade and Distribution (Tiba), which delivers the company's own refrigerated and non-refrigerated products, as well as third-party distribution for Arla and Rabea, while looking to add more third-party contracts.

EGP/MN
189
2020 Third-Party Distribution Revenues

Trade and Distribution (Tiba)

+1,000 Fleet	**38** Distribution Centers*
120 Sub-Depots	**22,300** pp Storage Capacity
+3,000 Sales Representatives	**+136,000** Points of Sale

*29 owned by Juhayna and rest by third-party distributors.

Overview

Juhayna established Tiba in 2005 to ensure that its products are handled and delivered with care and quality. Today, Tiba controls the largest privately-owned dairy and juice transportation fleet in Egypt, and is ranked as the third largest owner of a transportation fleet in the fast-moving consumer goods (FMCG) industry in the country. The subsidiary uses a route-to-market (RTM) model that is a hybrid between direct and indirect vehicular distribution models, thereby optimizing full and frequent coverage of all types of channels.

Tiba's commercial KPIs measure the company's coverage; strike rate; distribution Must Stock List (MSL); visibility; drop size; sales volume, and value; and market share, which all contribute to ensure high operational efficacy at all times. Its efforts are also bolstered by its technical; marketing and market research; and fintech partners, who provide insights and solutions that assist the company in staying ahead and upgrading its operations when necessary.

Third-Party Distribution

Next to delivering Juhayna's products, Tiba maximizes the use of its fleet by striking partnerships with manufacturers looking to benefit from the company's quality delivery services. In 2015, Tiba became the sole distributor for the Danish Arla's products in Egypt, which include Puck, Dano, Lurpak, and Catsello.

In 2020, the company signed an agreement with AMS Baeshen & Co. for the distribution of Rabea Tea products across Egypt. Distribution to trade channels that include large supermarkets, hypermarkets, and traditional retailers began in Q3 2020.

As Tiba continues to grow, it will seek further expansion in the third-party distribution line of business. The subsidiary will offer its services to other FMCG providers whose product portfolio aligns with the specifications of the company's warehouses and fleet. This will be done in a strive to diversify, strengthen, and regulate this new revenue stream by fully utilizing Tiba's capacity; absorb fixed costs incurred by the company's distribution efforts; and maximize distribution efficiency.

Additional Initiatives

Tiba's fleet is fully branded by Juhayna to communicate different messages based on the company's needs at the time. During 2020, trucks and vans were utilized to promote protective and hygienic behavior against coronavirus. They were also used to promote the launch of the company's new Greek Yogurt line.

Furthermore, Tiba supported the launch of Juhayna's new community program, ElCommanda, which aims to provide underprivileged individuals with employment as delivery drivers in underserved areas. Read more on ElCommanda under the "Distribution: Delivering with Care" section in Juhayna's 2019-2020 Sustainability Report.

Creating Shared Value (CSV)

Juhayna's strive for business success is interlocked with its commitment to create value for its stakeholders and positively impact its surrounding environment. The company's business strategies therefore remain rooted in three pillars that represent what Juhayna values most, which are people, planet, and purpose.

In 2020, the company continued to be a member of the United Nations Global Compact (UNGC), and its operations remained in alignment with the compact's 10 principles. It also continued to work towards achieving the UN's sustainable development goals (SDGs), as its longstanding CSV projects remained active, and new initiatives were launched to further its involvement in the community. A number of its new projects sought to provide relief from the impact of COVID-19, as explained earlier in the report, while others tackled diverse topics that include female empowerment in the workplace, eco-friendly upgrades across the company's operations, and increased community support. Other innovative projects were also launched throughout the year that pertain to the company's product ranges. For more details on Juhayna's green practices and the additional community initiatives that took place during this reporting cycle, please see the 2019-2020 Sustainability Report.

It is worth noting that as a result of Juhayna's comprehensive and growing sustainable practices, the company received the Ministry of Planning and Economic Development's "Tanmaya" award in 2020. Its efforts were also recognized by the Ministry of Information, the Ministry of Youth and Sports, and the Ministry of Environment.

2020 Highlights

People

All individuals and communities that Juhayna impacts are a priority for the company. From employees to consumers, community members and everyone in between, the company always looks to launch projects that would benefit different groups and improve their quality of life. In 2020, Juhayna maintained some existing projects and launched new initiatives to continue achieving these objectives. Below are some of them.

Health and Nutrition Projects

Baheya Hospital	Collaborations for Children's Health
Juhayna continued to cover costs for patients. On a monthly basis: • 3,000 early detection checks • 18,000 visits to the outpatient clinics • 160 surgeries • 1,000 chemotherapy sessions • 3,000 radiation sessions The company also donated 8% of its October sales of pink products to the hospital, in support of breast cancer awareness.	The company collaborated with 19 carefully selected NGOs to provide healthcare for over 1,700 underprivileged children.

Community Initiatives

Violence Against Women Awareness Campaign	Pro Girls Webinar	Empowering Working Mothers	ElCommanda
Juhayna participated in the international awareness movement battling violence against women, and branded Juhayna square in 6 October City with signs featuring "No to Violence Against Women" and the hashtag #Not_Normal. The company's efforts were praised by Maya Morsy, president of the National Council for Women.	Juhayna's female leaders participated in Pro Girls, a webinar launched by Ecowin and the German Agency for International Cooperation (GIZ) to provide guidance and advisory to 175 female students from 4 governorates and encourage their pursuit of atypical work fields.	The company participated in "Mama Fel Shoghl" (or Mother at Work), a rehabilitation program for mothers seeking to rejoin the workforce.	The program serves as a means to reach underserved segments of the community, and also provides underprivileged members of the community with employment.

Employee Engagement

Diversity in the Workplace	Labor Rights	Volunteer Program
The protocol of cooperation with the GIZ remains active, which states the agency will provide advisory to help Juhayna achieve gender equality. Separately, the company also has its internal codes and zero-tolerance policies for discrimination.	Juhayna complies with the Egyptian labor law and provides its employees with full compensation, as well as additional benefits that include medical care and insurance, life insurance, profit share, flexible work hours, maternity leave, and more.	The company developed an internal program for employees to volunteer in community development initiatives. 2020 efforts included renovating and visiting Banaty orphanage, as well as packing and distributing 300 lunch boxes for children in rural areas.

Planet

Juhayna believes in the undeniable need for sustainable industrial practices, and the impactful role that they can play in improving the planet's future environmental prospects. The company regularly invests in improving its policies, practices, and equipment in its continuous endeavors to shift towards green operations.

Eco-Friendly Packaging	Wastewater Treatment	Shifts to LED	Careful Waste Disposal
Juhayna continues to collaborate with Tetra Pak for the production of 100% Forest Stewardship Council (FSC) approved packaging, and their newly developed biodegradable spouts.	Juhayna recycles and treats its wastewater for reuse in industrial capacities. The wastewater treatment station, built in cooperation with TIA Germany, produces 1 million liters of clean water every day.	All of Juhayna's plants are installing LED lights to increase energy conservation. Al Mareya, Al Dawleya, and Egyfood have completed their transition, and Al Marwa's is in progress.	Juhayna has an internal waste optimization cycle to ensure the careful collection, identification, and separation of waste materials. Waste disposal companies that are licensed by the Egyptian Environmental Affairs Agency then secure the proper disposal and tracking of the waste.

Purpose

Innovation and sustainable positive impact are part and parcel of Juhayna's business culture. The company regularly places both concepts at the forefront of its strategic decision-making to be able to create products, initiatives, and programs that produce long-term economic, social, and environmental benefits on a national scale.

Innovation Center	Kafa'a	Digital Payments
Juhayna's innovation center is home to four state-of-the-art labs, which support the company's innovative product development and improvement. Most recently, the center played a primary role in improving the shelf-life of the lactose-free SKU, and the launch of Juhayna's new Greek Yogurt range.	The farm inclusion program acts as a network of learning and support for local farmers from four different governorates. It also provides financial and advisory support to farms in need.	Juhayna's digital payment solutions, developed with Fawry and E-Finance, continue to prove efficient as they optimized the company's collection cycle and facilitated the payment of governmental fees such as taxes and insurance.

The Innovation Center's Research and Development (R&D) Process

Research
The Innovations and Brand Schemes teams (under Marketing) conduct research and analysis to identify market gaps or potential opportunities, and pitch proposals to Juhayna's management

Opportunities
Management identifies a market opportunity, and discusses it with marketing

Case Studies
Marketing conducts case studies and forecasts feasibility and success rates

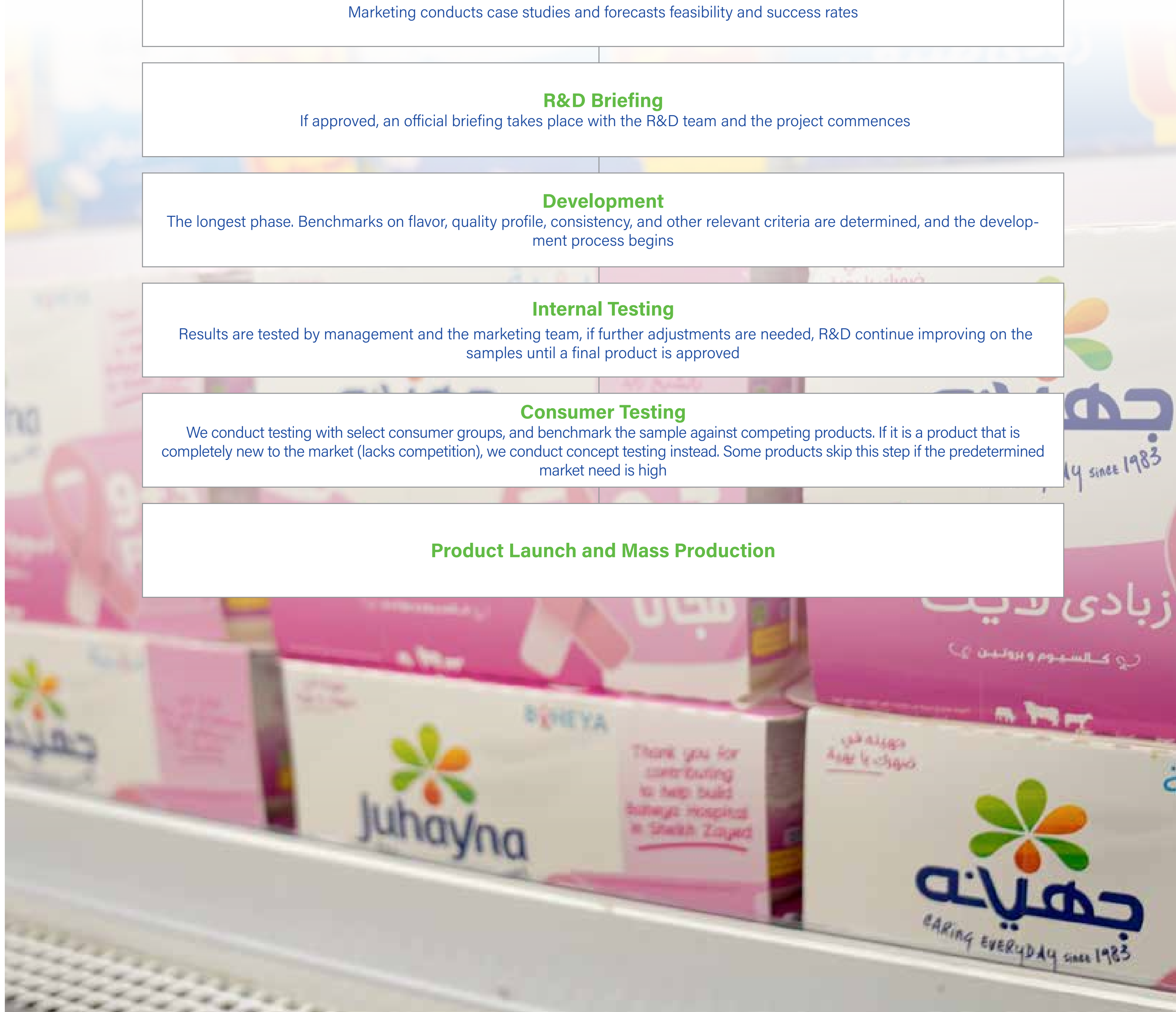
R&D Briefing
If approved, an official briefing takes place with the R&D team and the project commences

Development
The longest phase. Benchmarks on flavor, quality profile, consistency, and other relevant criteria are determined, and the development process begins

Internal Testing
Results are tested by management and the marketing team, if further adjustments are needed, R&D continue improving on the samples until a final product is approved

Consumer Testing
We conduct testing with select consumer groups, and benchmark the sample against competing products. If it is a product that is completely new to the market (lacks competition), we conduct concept testing instead. Some products skip this step if the predetermined market need is high

Product Launch and Mass Production

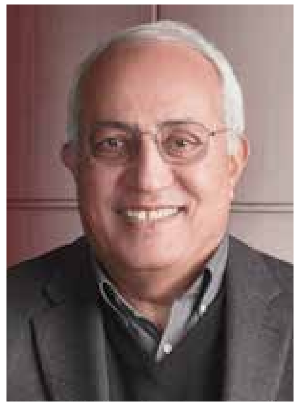


CORPORATE GOVERNANCE

> *Juhayna boasts a robust governance framework that strategically guides the company and safeguards its operations.*

Executive Management

Juhayna is managed by professionals who bring unmatched expertise to their roles, and regularly seek innovative solutions that help the company grow its capabilities and reach



Safwan Thabet*
Executive Chairman of the Board and CEO

Mr. Thabet served as the Executive Chairman of the Board of Directors since founding the Group in 1983. He played a central role in developing the Egyptian food sector over more than 37 years through various appointments and positions, including Member of the Board of the Federation of Egyptian Industries (FEI) and Member of the Board of the Chamber of Food Industries.

*Mr. Safwan Thabet **resigned from both positions** in December 2020 and is no longer with the company. We are grateful for his efforts in building Juhayna from the ground up into the national institution it is today. His vision in establishing a company that not only provides best-in-class products to its consumers, but is also an active member of its community has become a reality on the back of his hard work, and Juhayna is thankful for his leadership and perseverance throughout its decades of operation.

Seif El-Din Thabet
Chief Executive Officer and Deputy Chairman of the Board

Mr. Thabet joined the company's Board of Directors in 2006 and served as Deputy Chairman of the Board of Directors between 2016 and 2020. He is currently Chief Executive Officer of Juhayna and has held the positions of Operations Director and Human Resources Director beforehand. Mr. Thabet began his career at Juhayna in 2004 in managerial positions that include Sales and Marketing Manager, Project Manager, and he was the first Plant Manager for the company's Juice Factory, El Dawleya. Outside Juhayna, he holds the position of Vice President of the Dairy Division at the Chamber of Food Industries. He is also the former Treasurer at the Food Export Council and has previously held positions at the Germany-based Muller Dairy.

Amr El Garhy
General Manager of Tiba for Trade and Distribution

Mr. El Garhy joined Juhayna in 2018 as the General Manager for Tiba for Trade & Distribution Co, the commercial arm for Juhayna Group. Before joining Juhayna, Mr. El Garhy was Sales Director for Mars Egypt, and prior to that held top managerial positions at Juhayna, SC Johnson, and Procter & Gamble in Egypt, Saudi Arabia, and USA. Mr. El Garhy graduated from The American University in Cairo with a BSc. in Mechanical Engineering and a minor in Business Administration; he is also a member of the American Chamber of Commerce in Egypt.

Sameh El-Hodaiby
Group Chief Financial Officer

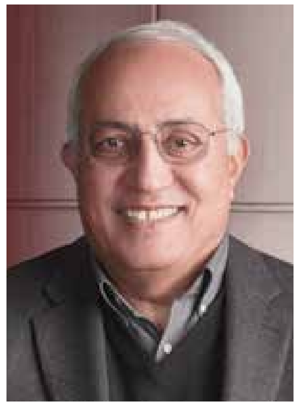
Mr. El-Hodaiby took over as Group Chief Financial Officer of Juhayna in 2008, having begun his tenure with the Group in 2006 as Chief Financial Officer of one of its factories. Before joining Juhayna, he held multiple finance roles at SODIC and Grant Thornton in Cairo. Mr. El-Hodaiby is also a member of the Accountants and Auditors Register.

Wael Zakaria
Chief Supply Chain Officer

Mr. Zakaria brings a wealth of experience to his role as Chief Supply Chain Officer at Juhayna. Prior to rejoining the company, he was Manufacturing Director at Faragalla Group, and had previously held several top managerial positions at Wadi Group, Juhayna (where he was Supply Chain Director till January 2014) and Savola. Mr. Zakaria also brings over 14 years of experience at P&G Saudi Arabia, Morocco, and Switzerland to his role. He has a BSc. in Chemical Engineering from Alexandria University.

Board of Directors

Juhayna's Board of Directors is comprised of experts and industry veterans who provide top-level guidance, counsel, and advisory to its management. In this coming stage, the board is looking to add two more independent members with diversified and extensive experience to its ranks



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Mohamed Al-Dogheim
Non-Executive Member*

Sheikh Al-Dogheim has been a Non-Executive Member of the Board since Juhayna's inception in 1983. He is also a member of the Saudi Egyptian Business Council and the Chamber of Commerce of Al-Dawadmi Governorate in Saudi Arabia. Sheikh Al-Dogheim previously held a variety of positions in Saudi Arabia at the Ministry of Finance in Dammam, the Ministry of Transport, and the Ministry of Islamic Affairs and Endowments in Riyadh. He also served as Financial Controller, Financial Director, and Budget Director at the Ministry of Water and Electricity in Riyadh.

**Sheikh Al-Dogheim assumed the role of* Non-Executive Chairman of the Board *starting December 2020, following the departure of Mr. Safwan Thabet.*

Heba Thabet
Executive Member and Head of Business Development

Ms. Thabet joined the Board of Directors as an Executive Member of the Board in February 2006. She is currently the Head of Business Development at Juhayna, responsible for product innovation and development, operational development and internal communications. Prior to this, Ms. Thabet handled marketing and communication projects for the company and held the title of Associate Director of External Affairs, where she was responsible for the Group's media and public relations activities. Ms. Thabet also held the position of Marketing Manager for the Juice Division and had worked with the Marketing Department's Fresh Produce Division since joining Juhayna in 2001. Outside Juhayna, she is a member of the Business Advisory Board for SIFE Egypt, the International Public Relations Association (IPRA), and the Committee for Social Responsibility at the American Chamber of Commerce in Egypt.

Ahmed El-Abin
Non-Executive Member

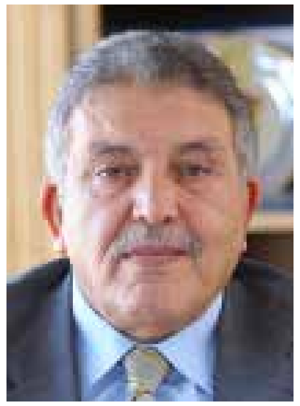
Mr. El-Abin has been a Non-Executive Member of Juhayna's Board of Directors since 1985. He is additionally a Member of the Board of Directors of the Scientific Center of Documents and Information at Cairo University, Founder of the Academic Library in Cairo, and Co-Founder of Mars Publishing House in Riyadh, Saudi Arabia. Mr. El-Abin was also responsible for the establishment of the foreign languages book department at Al-Ahram Institute.

Mr. El-Mallawany has been a Non-Executive, Independent Member of the Board since 2000. Outside Juhayna, his past positions included assuming the roles of Chief Executive Officer at EFG Hermes Holding Company SAE and Vice President of the Board of Trustees of the EFG Hermes Foundation. He was also appointed as Chairman of the Board of EFG Hermes Private Equity and Non-Executive Chairman at ACE Insurance Company. Mr. El-Mallawany additionally served as Vice Chairman of the Commercial International Investment Company (CIIC) and spent 16 years at Commercial International Bank (CIB) as General Manager of the Corporate Banking Division. He is a member of the Advisory Council of the Emerging Markets Private Equity Association (EMPEA).

Yasser El-Mallawany
Non-Executive, Independent Member

Ms. Thabet has been a Non-Executive Member of the Board since 2010. She currently focuses on strategic planning for the Group, where she works to develop production divisions at Juhayna. She previously held the title of Assistant Procurement Manager within the Group.

Mariam Thabet
Non-Executive Member



Mr. El Wakil joined Juhayna Food Industries' Board of Directors as a Non-Executive, Independent Board Member in January 2021. He currently serves as President of the Egyptian Chamber of Commerce in Alexandria; President of the Federation of African Chambers of Commerce, Agriculture, Industry, and Professions; Vice President of the Association of the Mediterranean Chambers of Commerce and Industry (ASCAME); Chairman of the Egyptian-Syrian Business Council; and Vice President of the Union of Arab Chambers. He also owns Wekalex, one of the largest importers, exporters, and manufacturers in Egypt, where he also serves as Chairman of the Board. Prior to his current roles, Mr. El Wakil served as Member of the Board of Trustees of the General Authority for Investments. He was also a Member of the Board of Directors of Antoniadis for Tourism and Development; the National Authority for Social Insurance; the Internal Trade Development Agency; and the Arab-Belgian-Luxembourg Chamber of Commerce.

Ahmed El Wakil
Non-Executive Independent Board Member

Audits, Disclosures, and Security

Internal Auditing

Juhayna's Internal Auditing department is responsible for conducting audits and inspections, as well as advising other departments across the company's entire footprint. This includes the company's industrial, commercial, agricultural, and livestock operations, and the central support departments. The department works to ensure compliance with labor laws and regulations, and relevant policies and procedures. It also aims to preserve the company's assets and resources, and maintain the efficiency of its operations.

Internal Auditing is a central administration that answers directly to the Chairman of the Board and the CEO. It operates based on resource availability and is guided by an annual audit plan, which prioritizes tasks with relatively high importance as per its potential risks and the frequency of its auditing, in addition to other operations that may be required throughout the year.

In 2020, through its close cooperation with the specialized committee mandated with managing the pandemic situation at the company, the department played an integral role in supporting Juhayna during the onset and continuing rise of coronavirus infections in Egypt. To do so, it carried out periodic visits to the company's various locations to ensure that workers follow the precautionary measures imposed by the company to curb the spread of coronavirus.

The department's overall responsibilities fall under three distinct categories:

Operational and Financial Audit

The Internal Auditing department performs regular audits on Juhayna's different operational and financial processes and prepares subsequent reports and recommendations.

Diversified Consultancy

The department also provides advisory on policies, procedures, and ad hoc solutions across Juhayna's various operations. All recommendations are discussed with the responsible departments, who approve them for implementation within an agreed upon timeframe.

Fraud investigations

Any case of fraud is immediately investigated by the Internal Auditing department to acquire evidence, witness reports, and other supporting information. Once fraud is confirmed, the department collaborates with the Legal Affairs and HR departments to follow the suitable course of action. Juhayna encourages its employees to report any wrongdoing or fraud. Its upcoming plans include the installation of a designated system for anonymous complaints, suggestions, and reports on corrupt and criminal behavior. The new system will track each entry till it is resolved and produce reports that assist the department in determining common issues and areas for improvement.

Disclosures and Mandates

Juhayna reports on its operational and financial positions in line with the disclosure requirements of the Egyptian Stock Exchange (EGX). The company produces its board report, annual report, and governance report on a yearly basis; its financial and earnings releases on a quarterly basis; and its sustainability report on a biennial basis, all of which are published and announced publicly through its investor relations website.

In addition, Juhayna's corporate policy stipulates full compliance with all relevant legislations, laws, and legal annexes in Egypt, as well as the company's own internal requirements for food safety and fraud prevention, employee protection, and environmental protection. The company also operates in compliance with the requirements of its international certifications, as well as in alignment with the global standards and indicators of the UNGC and the UN's SDGs.

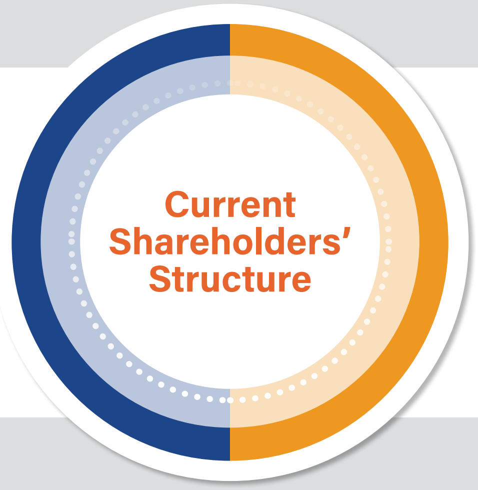
Information Security

Juhayna's bill of material and recipe specifications are protected by top-class safety protocols and restricted access controls. Edits to any of the specifications require management's involvement, as well as the input of the finance department from a cost-evaluation point of view. Information security measures also apply to Juhayna's ongoing marketing innovations and new product releases, which are considered classified information until their release. Zero-tolerance confidentiality agreements are enforced on all involved parties, and no breaches were reported throughout the company's lifetime.

Shares and Shareholder Information

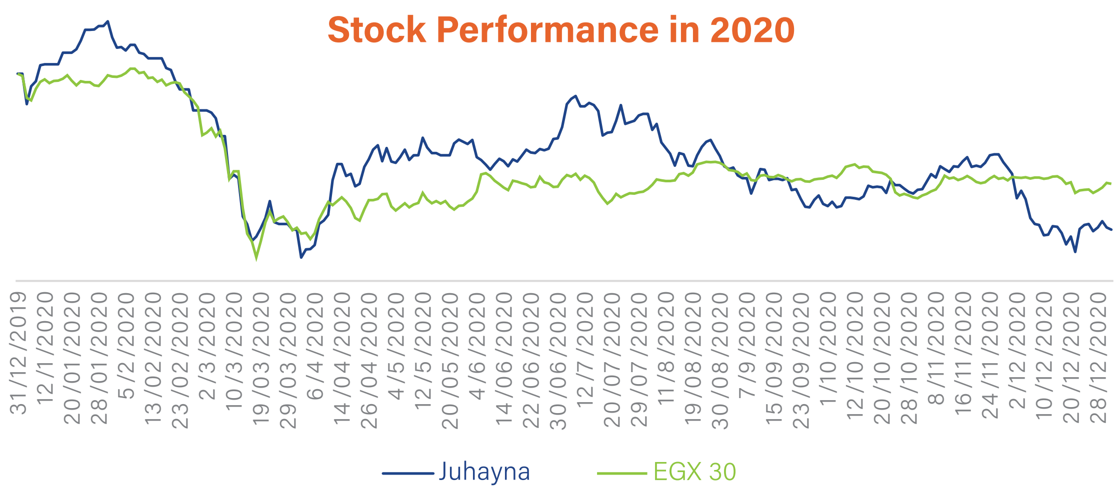
Market	Stock Ticker	Date of Listing
The Egyptian Stock Exchange (EGX)	JUFO.CA	18 May 2010

Total Issued Shares	Paid Up Capital	Par Value/Share
941,405,082	EGP 941.4 million	EGP 1.0



Pharon Investment	50.1%
Float[1]	49.9%

1. *Rimco Investments, Norges Bank, and the Board of Directors are included with Float. This data is as of December 2020.*



FINANCIAL STATEMENTS

Auditors report

To: The shareholders' of Juhayna Food Industries S.A.E

KPMG Hazem Hassan
Public Accountants & Consultancies
Smart Village – Building 105, St. (2)
Km 28 Cairo/Alex Desert Road
Giza- Cairo – Egypt

Grant Thornton -Mohamed Hilal
Public Accountants
A member of Grant Thornton international
87 Ramsis St., Cairo

Introduction

We have audited the consolidated statement of financial position of Juhayna Food Industries S.A.E as of 31 December 2020, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

These consolidated financial statements are the responsibility of the company's management. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Egyptian Accounting Standards and in the light of the prevailing Egyptian laws, management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing and in the light of provisions of applicable Egyptian laws. Those standards require that we comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the a auditors judgment, including the assessment of the risk of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Juhayna Food Industries S.A.E as of 31 December 2020, and of its consolidated financial performance and cash flows for the year then ended in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these consolidated financial statements.

Emphasis of the matter

We draw attention to note No. 36 of the consolidated financial statements, which describes the effect of major events to the company during the financial year ended 31 December 2020 and the subsequent period.

Hatem Montasser
KPMG Hazem Hassan
Public Accountants & Consultants

Hossam Hilal
Grant Thornton -Mohamed Hilal
Public Accountants

Cairo, 15 September 2021

Consolidated Balance Sheet

As of 31 December 2020

	Note No.	31/12/2020 L.E	31/12/2019 L.E
Assets			
Non-current assets			
Property, plant and equipment	(12)	3 147 991 528	3 292 283 938
Projects under construction	(13)	160 673 699	97 358 181
Plant wealth - productive	(14-1)	16 486 823	12 515 921
Plant wealth – not productive	(14-2)	22 187 917	15 864 959
Biological wealth	(15)	196 167 984	195 121 514
Investments under joint control (equity)	(11)	14 471 707	14 864 149
Goodwill	(34)	97 092 890	97 092 890
Right to use assets	(29-2)	44 325 662	-
Other - long term asset		732 144	740 417
Non-current assets		3 700 130 354	3 725 841 969
Current assets			
Biological assets - Feeding Sector		48 501	13 948 353
Biological assets - Existing Agriculture		12 242 286	17 213 765
PPE held for sale		6 636 111	6 243 248
Inventories	(17)	873 968 773	1 043 417 616
Trade and other receivables	(18)	360 164 022	414 143 667
Cash at banks and on hand	(19)	182 542 538	96 717 667
Current assets		1 435 602 231	1 591 684 316
Total assets		5 135 732 585	5 317 526 285
Equity			
Issued and paid up capital	(20)	941 405 082	941 405 082
Legal reserve		637 021 531	594 085 534
General reserve - issuance premium	(20-1)	330 920 428	330 920 428
Retained earnings		993 211 902	859 988 077
Total equity attributable to the shareholders of the parent company		2 902 558 943	2 726 399 121
Non-controlling interest		714 909	640 370
Total equity		2 903 273 852	2 727 039 491
Non-current liabilities			
Long - term loans	(21)	270 774 821	692 546 563
Other non current liabilities	(25)	18 208 729	22 964 303
Lease contract liabilities - non current portion	(29)	108 412 444	87 201 810
Deferred tax liabilities	(26)	286 882 065	275 909 475
Non-current liabilities		684 278 059	1 078 622 151
Current liabilities			
Provision for claims	(23)	50 854 882	16 474 211
Bank credit facilities	(22)	276 599 740	398 940 324
Creditors and other credit balances	(24)	674 165 586	695 896 186
Income tax payable	(33)	192 929 560	103 663 033
Due to related parties	(32-1)	-	421 867
Lease contract liabilities- current portion	(29)	23 736 357	11 597 450
Loans-current portion	(21)	329 894 549	284 871 572
Current liabilities		1 548 180 674	1 511 864 643
Total liabilities		2 232 458 733	2 590 486 794
Total equity and total liabilities		5 135 732 585	5 317 526 285

The notes from No.(1) to No.(37) are an integral part of these consolidated financial statements and should read there to.

Chief Finance Officer	Chairman
Sameh El-hodaiby	Mohammed Abdullah Mohammed Aldeghaim

Cairo, 15 September 2021
"Audit report "attached".

Consolidated Income Statement

For the financial year ended 31 December 2020

	Note No.	31/12/2020 L.E	31/12/2019 L.E
Net sales		7 641 854 109	7 635 856 497
Cost of sales	(8-1)	(5 092 839 603)	(5 332 731 977)
Gross profit		2 549 014 506	2 303 124 520
Other operating income	(5)	45 914 514	66 087 378
Selling and Marketing expenses	(6)	(1 230 189 865)	(1 194 793 398)
General and administrative expenses	(7)	(308 699 973)	(278 072 668)
Other expenses	(8-2)	(218 615 019)	(97 456 291)
Results from operating activities		837 424 163	798 889 541
Share in the (Loss) /gain of company under joint control		(392 442)	6 289 154
Net finance (expense)	(9)	(161 212 082)	(321 612 257)
Net profit before income tax		675 819 639	483 566 438
Current income tax	(33)	(236 359 147)	(123 821 670)
Deferred tax	(26)	(10 972 590)	(30 983 653)
Net profit for the year		428 487 902	328 761 115
Distributed as follows			
Parent Company's share in profit		428 376 245	328 676 436
Non-controlling interest		111 657	84 679
		428 487 902	328 761 115
Earning per share for the year (L.E /share)	(35)	0.46	0.35

The notes from No.(1) to No.(37) are an integral part of these consolidated financial statements and should read there to.

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2020

	31/12/2020 L.E	31/12/2019 L.E
Net profit for the Year	**428 487 902**	**328 761 115**
Total other comprehensive income	**428 487 902**	**328 761 115**
Distributed as follows		
Parent Company's share in profit	428 376 245	328 676 436
Non-controlling interest	111 657	84 679
	428 487 902	**328 761 115**

The notes from No.(1) to No.(37) are an integral part of these consolidated financial statements and should read there to.

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2020

	Issued & paid up capital L.E	Legal reserve L.E	General reserve issuance premium L.E	Retained earnings L.E	Non-controlling interest L.E	Total L.E
Balance as at 1 January 2019 before adjustments	**941 405 082**	**552 519 162**	**330 920 428**	**784 087 944**	**978 001**	**2 609 910 617**
Restatement arising from lease contract liabilities	-	1 495 717	-	26 251 173	15 997	27 762 887
Balance as at 1 January 2019 after adjustments	**941 405 082**	**554 014 879**	**330 920 428**	**810 339 117**	**993 998**	**2 637 673 504**
Dividends to shareholders	-	-	-	(188 281 016)	-	(188 281 016)
Dividends to employees and board of directors	-	-	-	(50 927 506)	-	(50 927 506)
Dividends from subsidiaries to non controlling interest	-	-	-	251 701	(438 307)	(186 606)
Holding Company's share in reserves & retained earnings of subsidiaries	-	40 070 655	-	(40 070 655)	-	-
Total other comprehensive income for the Year ended 31 December 2019	-	-	-	328 676 436	84 679	328 761 115
Balance as at 31 December 2019	**941 405 082**	**594 085 534**	**330 920 428**	**859 988 077**	**640 370**	**2 727 039 491**
Balance as at 1 January 2020	**941 405 082**	**594 085 534**	**330 920 428**	**859 988 077**	**640 370**	**2 727 039 491**
Dividends to shareholders	-	-	-	(188 281 016)	-	(188 281 016)
Dividends to employees and board of directors	-	-	-	(63 972 525)	-	(63 972 525)
Dividends from subsidiaries to non controlling interest	-	-	-	37 118	(37 118)	-
Holding company share from reserve and retained earning of subsidiaries	-	42 935 997	-	(42 935 997)	-	-
Total other comprehensive income for the Year ended 31 December 2020	-	-	-	428 376 245	111 657	428 487 902
Balance as at 31 December 2020	**941 405 082**	**637 021 531**	**330 920 428**	**993 211 902**	**714 909**	**2 903 273 852**

The notes from No.(1) to No.(37) are an integral part of these consolidated financial statements and should read there to.

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2020

	Note No.	31/12/2020 L.E	31/12/2019 L.E
Cash flows from operating activities			
Net profit for the year before income tax and minority interest in profits		675 819 639	483 566 438
Adjustments for:			
PPE depreciation	(12)	286 329 918	270 172 158
Capital losses	(8)	16 516 151	(10 167 110)
Amortization of asset right of use		8 273	8 271
Amortization of animal wealth	(15)	26 583 250	19 864 058
Amortization of plant wealth (productive)	(14-1)	471 063	402 151
Impairment of Fixed assets and Project under construction		24 920 137	4 890 000
Biological write down	(8)	289 588	
Biological write down (Reverse)	(5)	(3 179 588)	-
Change in Investments under joint control	(11)	392 442	(6 289 154)
Impairment of trade receivables(Reverse)		(1 653 387)	-
Impairment of trade and other receivables	(8)	21 691 583	4 249 210
Impairment of the Inventory		11 955 299	-
Inventory write down (reverse)	(5)	(2 645 192)	-
Provision for claims formed	(23)	58 490 324	7 528 379
Herd birth	(8)	(15 249 100)	(15 868 900)
Herd capitalization	(8)	(68 520 036)	(98 752 108)
Loss from selling and death of animal wealth		25 081 483	17 070 107
Foreign exchange (losses) / gain	(9)	2 660 103	5 432 830
Credit interests	(9)	(14 366 296)	(14 309 318)
Finance interests & expenses	(9)	178 238 481	330 488 745
		1 223 834 135	**998 285 757**
Collected credit interests	(9)	14 330 263	14 309 318
Finance interest & expenses paid	(9)	(178 238 481)	(330 488 745)
Changes in:			
Inventories	(17)	163 189 072	20 152 176
Biological assets- Exiting Agriculture		14 214 138	(2 607 594)
Trade and other receivables	(18)	36 203 700	70 195 109
Due to related parties	(32-2)		(361 061)
Creditors & other credit balances	(24)	(21 730 600)	193 964 583
Due from related parties	(32-1)	(421 867)	-
Change in PPE held for sale		(392 863)	
Dividends paid to employees		(63 972 525)	(50 927 506)
Income tax paid		(147 056 588)	(71 295 469)
Sales tax on capital goods -paid		(4 755 574)	(7 310 566)
Impairment of trade and other receivables used		(2 262 250)	(4 402 582)
Impairment in inventories used		(3 050 336)	(8 696 612)
Provision for claims used		(24 109 653)	(7 441 952)
Impairment in fixed asset and Project under construction usage		(23 162 696)	
Net cash flows result from operating activities		**982 617 875**	**813 374 856**
Cash flows from investing activities			
Acquisition of PPE & projects under construction	(12,13)	(304 490 090)	(330 928 237)
Proceeds from sale of PPE		80 863 472	45 503 919
Acquisition of plant and animal wealth	(14,15)	(35 098 267)	(30 531 290)
Proceeds from the sale of plant and animal wealth	(14,15)	62 938 470	47 362 471
Net cash flows (used in) investing activities		**(195 786 415)**	**(268 593 137)**
Cash flows from financing activities			
Collection proceeds from overdraft & credit facility	(22)	(122 340 584)	(341 422 015)
Payment for Bank long term loans	(29)	(10 976 121)	(60 916 729)
Payment of financial lease contract liabilities	(21)	(376 748 765)	112 032 195
Dividends paid to shareholders		(188 281 016)	(188 281 016)
Decrease in non-controlling interest		-	(186 611)
Net cash flows (used in) financing activities		**(698 346 486)**	**(478 774 176)**
Change in cash & cash equivalents during the year		**88 484 974**	**66 007 543**
The effect of foreign exchange difference	(9)	(2 660 103)	(5 432 830)
Cash & cash equivalents at 1 January		96 717 667	36 142 954
Cash & cash equivalents at 31 December		**182 542 538**	**96 717 667**

The notes from No.(1) to No.(37) are an integral part of these consolidated financial statements and should read there to.

Notes to the Consolidated Financial Statements

For the Financial Year Ended 31 December 2020

1. Reporting the entity

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

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

The address of the Company's registered office is building no.2 Polygon Sodic West, Sheikh Zayed Giza.

The factory address: 6th Oct. city the industrial zone No. 1, plot No. 39, 40.

Mr. Mohammed Abdullah Mohammed Aldeghaim is the Chairman of the Board of Directors.

The Company is considered a holding Company.

The Company is listed in the Egyptian Stock Exchanges in the (A) list and from the begging of June 2021 it was moved to (D).

The Company's purpose

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

Registration in the Stock Exchange

The Company is listed in the Egyptian Stock Exchanges.

2. Basis of preparation

2.1. Statement of compliance with laws and regulation

The consolidated financial statements have been prepared in accordance with the Egyptian Accounting Standards ("EAS"), and in the light of prevailing Egyptian laws.

The financial statements were authorized for issue by the Board of Directors on 15th of September 2021

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following significant items in the balance sheet.

- Non-derivative financial liabilities at fair value through profit or loss are measured at fair value (Note 4-1).
- Biological assets and Agricultural crops are measured at fair value less cost to sell unless the fair value cannot be reliably measured (Note 4-2).
- The methods used to measure fair values are discussed further in note (4).

2.2. Functional and presentation currency
These consolidated financial statements are presented in Egyptian pound, which is the Company's functional currency.

2.3. Use of estimates and judgments
The preparation of consolidated financial statements in conformity with Egyptian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Accounting policy no (3-10): lease classification.

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

- Note (18): impairment of trade and notes receivable.
- Note (23): provisions & contingent liabilities
- Note (26): deferred tax.
- Note (4-2): biological assets

3. Significant accounting policies
The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements except as mentioned in note (3-24) .

3.1. Basis of consolidation
Subsidiaries
Subsidiaries are entities controlled by the Company. The financial statement of subsidiaries is included in the consolidated financial statements from the date that control commences until the date that control ceases.

Transactions eliminated on consolidation
Intra-group balances, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

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

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

3.3. Investment under joint control
Companies under joint control are companies that exercise joint control over an investee. Joint control is in place when decisions on main activities require the unanimous consent of the controlling parties. Investments under joint control entities are presented in the consolidated financial statements using the equity method so that initial recognition is recognized at cost including costs associated with the acquisition and the subsequent measurement in the consolidated financial statements increases or decreases the carrying amount of the investment by the Group's share of profit or loss.

3.4. Financial instruments
3.4.1. Financial assets
Starting from January 1, 2020, the Group has early adopted the Egyptian Accounting Standard no. 47 (for more details, please refer to note no. 3-17).

A. Classification:
Starting from January 1, 2020 the Group classified its financial assets into the following measurement categories:

- financial assets at fair value through profit or loss or through other comprehensive income, and
- financial assets measured at amortized cost.

The classification depends on the Company's business model for managing those financial assets and the contractual terms of the cash flows.

For financial assets measured at fair value, gains and losses will be recorded either in the statement of profit or loss or in other comprehensive income. For investments in equity instruments that are not held for sale, this will depend on whether the Group has made an irrevocable election at the initial recognition of accounting for these investments to be at fair value thorough other comprehensive income.

The Group reclassifies its investments when and only when its business model for managing those assets changes.

B. Recognition and derecognition:
The normal way of buying and selling financial assets, on the trade date, which is the date on which the Group has a commitment to buy or sell the financial asset. A financial asset is derecognized when the contractual rights to receive cash flows from the financial asset expire, or those rights are transferred in a transaction in which substantially all the risks and rewards of ownership of the financial asset have been transferred.

C. Measurement:
On initial recognition, the Group measures the financial asset at its fair value plus or minus, in the case of a financial asset not at fair value through profit or loss statement, transaction costs directly attributable to the acquisition of the financial asset. Transaction costs of financial assets at fair value through profit or loss are expensed in the statement of profit or loss.

Embedded financial assets are considered entirely embedded derivatives when determining whether their cash flows are solely payments of principal and interest.

Debt instruments:

The measurement of debt instruments depends on the company's business for managing the asset and characteristics of cash flow of the asset, there are three measurement categories by which the Group classifies debt instruments:

- **Amortized cost:** Assets held to maturity date to collect contractual cash flows, where those cash flows represent only payment of original amount and interest, are measured at amortized cost. Interest income from these financial assets is included in financing income using the interest rate method. Any gains or losses resulting from the disposal of investments are recognized directly in the statement of profit or loss, and they are classified under other income / (expenses). Impairment losses are presented as a separate item in the statement of profit or loss.
- **Fair value through other comprehensive income:** Assets held for the purpose of collecting contractual cash flows and also for the purpose of selling financial assets, where the cash flows of assets represent only payment of original amount and interest, are measured at fair value through other comprehensive income. Changes in carrying amount are taken into other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in the statement of profit or loss. When the financial asset is disposed of, the cumulative gain or loss previously recognized in other comprehensive income from equity is reclassified to profit or loss and recognized in other income/(expenses). Interest income from these financial assets is included in financing income using the interest rate method, and impairment expense is presented as a separate item in the statement of profit or loss.
- **Fair value through profit or loss:** Assets that do not meet the criteria for depreciated cost or fair value through other comprehensive income are measured at fair value through profit or loss. Gains or losses on investment in debt instruments that are subsequently measured at fair value through profit or loss are recognized in profit or loss and are presented under other income / (expenses) in the period in which they arise. Impairment expenses as a separate item in the statement of profit or losses.

Equity instruments

The Group subsequently measures all investments in equity instruments at fair value. When the company's management chooses to present the fair value gains and losses on investments in equity instruments in the statement of other comprehensive income, it is not subsequently reclassified to the statement of profit or loss after disposal of the investment. Dividends from these investments continue to be recognized in the statement of profit or loss as other income when the company's right to receive dividends is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in other income/(expenses) in the statement of profit or loss. Impairment losses (and reversals of impairment losses) on investments in equity instruments that are measured at fair value through other comprehensive income are not recognized separately from other changes in fair value.

D. Impairment:

The Group assesses the expected credit losses associated with the investment in debt instruments, which are carried at amortized cost and fair value through other comprehensive income. Where the applied impairment methodology depends on whether there is a significant deterioration in the credit risk of customers, the Group applies the simplified approach allowed by Egyptian Accounting Standard no. 47, which requires recognizing expected losses over the life of the initial recognition of customers.

Financial derivatives

When needed, the Group companies enter in some financial derivatives' Contracts to hedge the risks of fluctuation in exchange rates, in addition to embedded derivatives resulting from contractual terms contained in agreements in which the company may enter as a party with respect of both financial and non-financial instruments. Embedded derivatives that meet recognition criteria are recognized separately from the host contract and are measured at fair value through profit or loss in accordance with the accounting requirements.

Derivatives are initially recognized at fair value, while attributable transaction costs are recognized in profit or loss when incurred.

Changes in fair value of derivatives during each financial period are charged to the income statement. For the financial derivatives designated as hedging instruments at initial recognition in a documented and effective relationship, the time of recognition of fair value change in the income statement depends on the coverage relationship type and the nature of hedged item.

3.4.2. Financial liabilities and equity instruments issued by the Group

Classification as debt or equity

Financial instruments are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangement at the date of issuance of these instruments.

Equity instruments

Equity instruments represent any contract that gives the Group the right to the net assets of an entity after deducting all of its obligations.

Equity instruments issued by the Group are recorded at the value of the proceeds received or the net value of the assets transferred, deduct the costs of issuance directly attributable to the transaction.

Financial liabilities

Financial liabilities are classified as either financial liabilities (at fair value through profit or loss) or other financial liabilities.

Other financial liabilities

The Group has classified its financial liabilities as trade payables, due to related parties borrowings and other credit balances, which are initially measured at fair value (proceeds received), net of transaction costs and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest rate is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

3.4.3. De-recognition of financial instruments from books

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and recognizes a collateralized borrowing for the proceeds received.

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Debtors
Debtors are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs.

Generally, short-duration trade and other receivables with no stated interest rate are stated at their nominal value (original invoice amount) less an allowance for any doubtful debts.

Debtors comprise cash and cash equivalents, and trade and other receivables.

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

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

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

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

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

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

3.5. Intangible assets and goodwill
Recognition & Measurement
Goodwill
Goodwill arise from acquisition of subsidiaries. Goodwill is initially measured at its cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities. After initial recognition, the group measures acquired goodwill at cost less impairment losses. Recognized goodwill impairment losses are not subsequently reversed. Goodwill is not amortized

3.6. Property, plant and equipment
Recognition and measurement
Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses (note 12).

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

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

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

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

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

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

The estimated useful lives are as follows:

Description	Estimated useful life (Years)
Buildings & Constructions	13.3- 50
Machinery & Equipment	More than 1-13
Transportation & Transport Vehicles	1.5- 8
Tools	1.08 – 10
Office equipment & Furniture	More than 1-10
Empty plastic containers & pallets	5
Computers	3.33-5
Wells	25 or Wells use full life

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

Depreciation method useful life and residual value are reviewed at each date and adjusted as appropriate.

3.7. Projects under construction
Expenditures incurred on purchasing and constructing fixed assets are initially recorded in projects under construction until the asset is completed and becomes ready for use. Upon the completion of the assets, all related costs are transferred to fixed assets. Projects under construction are measured at cost less accumulated impairment losses (note no. 13). No depreciation is charged until the project is completed and transferred to fixed asset

3.8. Government grants

Government grants related to assets – including non-monetary grants recorded at fair value presented in financial statements as deferred income (grants considered deferred income and recorded in income statement according to regular systematic basis over the estimated useful lives of assets)

3.9. Plant wealth

This item represents the amounts spent for cultivation of fruit trees which were recognized as noncurrent assets in the balance sheet in projects in progress caption and when it reaches the planned marginal productivity it will be classified as noncurrent assets (plant wealth), and will be depreciated over (25 and 50) years respectively according to the nature of those assets.

3.10. Lease Contracts

Operating lease contracts

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

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

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

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

- Finance leases contracts (sale and lease back):

If an entity (the lessee) transfers an asset to another entity (the lessor) and re-leases the asset, the entity must determine whether the asset is being accounted for as a sale transaction on that asset or not.

- In case the transfer of the asset is not a sale transaction

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

3.11. Inventories

Inventories of raw materials, supplies, packing materials and spare parts are measured at the lower of cost or net realizable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price, in the ordinary course of business, less estimated costs of the completion and selling expenses.

The inventory of work in process is measured at the lower of cost, which is determined based on the cost of last process reached, or net realizable value.

Finished production is measured at the lower of manufacturing cost or net realizable value. The manufacturing cost comprises raw materials, direct labor, and cost includes an appropriate share of overheads based on normal operating capacity.

3.12. Transactions with related parties:

The company records all transactions with the related parties in the context of their regular accounting and as per the conditions established by the board of directors, applying the same principles for dealing with others.

3.13. Impairment

Non –derivative financial assets

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

Non-financial assets

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

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

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

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

3.14. Defined contribution plans

The Company contributes to the government social insurance system for the benefits of its personnel in accordance with the social insurance Law No. 79 of 1975 and its amendments. Under this Law the employees and the employers contribute into the system on a fixed percentage – of- salaries basis. The Company's contributions are recognized in income statement using the accrual basis of accounting. The company's obligation in respect of employees' pensions is confined to the amount of contributions.

3.15. Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.16. Revenue

Sales of goods

Revenue for sale of goods is recognized based on the transaction price of the received or receivable payment. The transaction price is determined considering returns, trade discounts and volume rebates. Revenue is recognized in the income statement when pervasive evidence exists of the settlement of contractual performance obligation by transfer of goods to the customer. Pervasive evidence usually exists in the form of an executed sales agreement. Settlement of the performance obligation has pervasively occurred when control over the goods has been transferred to the customer, associated costs and possible return of goods can then be estimated reliably and there in no continuing control or involvement with the goods.

Discounts are recognized as a reduction of revenues when they will probably be granted, and the discounts amount can be measured reliably. When discounts granted over past performance obligations, a provision is recognized in the balance sheet. In case a discount will be granted over future performance obligations, a contract liability will be recognized.

Export subsidy revenue

The company recognize export subsidy according to its quota in the export sales invoices claimed and accepted by the relevant authority.

3.17. Rental income

Rental income from other assets is recognized in other income.

3.18. Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, fair value losses on financial assets at fair value through profit or loss, impairment losses recognized on financial assets.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3.19. Income tax

Current tax

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

Deferred tax

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

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

3.20. Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Immediately before classification as held-for-sale, the assets, or components of a disposal group, are premeasured in accordance with the Company's other accounting policies. Thereafter, generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets & biological assets, which continue to be measured in accordance with the Company's other accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on re-measurement are recognized in profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

3.21. Legal reserve

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

3.22. End of service benefits

End of service benefits are recognized as an expense when the company is committed clearly-without having the possibility of cancellation – a formal detailed plan to either finish the work before the normal retirement date or to provide end of service benefits as a result of resignations (voluntary) / left the work voluntary according to law (12) of 2003 and related Egyptian Laws and the policy approved and declared by the company.

If the benefit is payable for a period of more than 12 months after the date of preparation of the financial statements, it is reduced to its present value.

3.23. Segmentation reporting

A segment is a group of associated assets and processes that are characterized by risks and rewards that differ from those of other segments or within a same economic environment with risks and rewards that are related to other segments operating in a different economic environment. All the operating results of the operating segments are reviewed regularly by the Group's business leaders (chief operating decision maker), where the Group makes decisions about the resources allocated to the segments and assesses their performance, which provides detailed financial information

The group has 5 operational segments, which represent segments for which financial reporting is provided to high management. These reports present different products and services and are managed separately because they require different technology and marketing strategies. the operation of each sector is reported below

Segmentation reports	Operations
Dairy sector	Manufacture and sell dairy products & its derivatives
Cooling sector	Manufacture cooled dairy products
Juice sector	Manufacture and sell various products of juice
Concentrate sector	Manufacture and sell fruit concentrates
Agriculture sector	Produce agriculture crops in- addition to livestock farm that produce dairy product and sell to diary sector

3.24. The new and adjusted accounting standard

- On 18 March 2019, the Minister of Investment and International Cooperation introduced amendments to some provisions of the Egyptian Accounting Standards issued thereby by virtue of Decree No. 110 of 2015, which include some new accounting standards as well as introducing amendments to certain existing standards. The most prominent amendments are as follows:
- The Financial Regulatory Authority decided in its declaration on 12 April, 2020 to postpone the application of the new Egyptian accounting standards and the accompanying amendments issued by Ministerial Resolution No. 69 of 2019 to the periodic (quarterly) financial statements that will be issued during the year 2020 that companies implement these standards and these amendments in the annual financial statements of these companies at the year end, also disclosing in the quarterly statement during the year 2020.
- The prime minister decision number 1871 for the year 2020 dated 17 September 2020 included replacing first of January 2020 by first of January 2021 in the Egyptian accounting standards number 47, 48, and 49.
- Juhayna Food Industries has implemented early for each of the new Egyptian Accounting Standard No. (47) financial instruments, The new Egyptian Accounting Standard No. (48) - "Revenue from Contracts with Customers", and a new Egyptian Accounting Standard (49) leasing contracts.

New or Amended Standards	A Summary of the Most Significant Amendments	The Impact on the Financial Statements	Date of Implementation
The new Egyptian Accounting Standard No. (47) "Financial Instruments"	Standard No. (47) comprise revised stipulations regarding classification and measurement of financial instruments. Including a new model of expected credit losses for the purposed of calculating impairment of financial assets. The revised model requires the recognition of impairment to be based in expected credit losses rather that the basis of triggering events for credit losses.	Standard No. (47) does not have a significant impact on the classification of and measurement of financial assets of the Group. Also does not have impact on financial liabilities for the Group. A minor increase in the provision for doubtful trade receivable resulted from applying the expected credit loss model.	This standard applies to Financial Years beginning on or after 1st of January 2021, and the early adoption is permitted; provided that the amended Egyptian Accounting Standards Nos. (1), (25), (26) and (40) are to be simultaneously applied. -These ammendments are effective as of the date of implementing Standard No. (47)
The new Egyptian Accounting Standard No. (48) - "Revenue from Contracts with Customers"	The company assessed the impact of applying Standard No. (48) to its financial statements. In view of the nature of the contracts, that are primarily related to the sale of goods with no separate performance obligations requiring revenue to be reported over time pursuant to Standard No. (48)	The Management is currently assessing the impact of implementing the amendment of the standard on the financial statements	Standard No (48) applies to Financial Years beginning on or after 1st of January 2021, and the early adoption is permitted
The new Egyptian Accounting Standard No. (49) "Lease Contracts	The new Egyptian Accounting Standard No. (49) "Lease Contracts" comprises that lessees must recognize right of use assets and lease liabilities in the balance sheet, except for short term leases (less than 12 months) and leases of low value. The assets and liabilities related to operating leases are recognized in the statement of financial position. Standard No. (49) results in an increase in the group assets and lease liabilities. Furthermore, interest expenses related to lease agreements are no longer reported as part of operating profit, but as finance costs.	The Management is currently assessing the impact of implementing the amendment of the standard on the financial statements. The disclosure no. (32) represent the adjustments of applying the new accounting standard no. (49).	This standard No. (49) Applies to Financial Years beginning on or after 1st of January 2021, and the early adoption is permitted if Egyptian Accounting Standard No. (48) "Revenue from Contracts with Customers" is simultaneously applied. Except for the above-mentioned date of enforcement, Standard No. (49) applies to lease contracts that were subjected to Finance Lease Law No. 95 of 1995 and its amendments and were treated according to Egyptian Accounting Standard No. 20,"Accounting rules and standards related to financial leasing" as well as the finance lease contracts that arise under and are subjected to Law No. 176 of 2018 to the effect of regulating both financial leasing and factoring activities starting from the beginning of the annual reporting period in which Law No. (95) Of 1995 was cancelled and Law No. (176) of 2018 was issued.

New or Amended Standards	A Summary of the Most Significant Amendments	The Impact on the Financial Statements	Date of Implementation
Egyptian Accounting Standard No. (42) as ammended " Consolidated Financial Statements"	Some paragraphs related to the exclusion of the Investment Entities from the consolidation process were added . This amendment has resulted in introducing an amendment to some of the standards related to the subject of the Investment Entities. The standards that were ammended are as follows: • (EAS 15) Related Party Disclosures • (EAS 17)Consolidated and Separate Financial Statements • (EAS 18) Investments in Associates • (EAS 24) Income Taxes • (EAS 29)Business Combinations • (EAS 30) Periodical Financial Statements • (EAS 44) Disclosure of Interests in Other Entities.	Standard No. (42) has been applied before and made an impact on the group results and statements.	This standard applies to Financial Years beginning on or after 1st of January 2020, and the early adoption is permitted. -The new or amended paragraphs Pertaining to the amended standards concerning the investment entities shall apply on the effective date of Egyptian Accounting Standard No. (42) "Consolidated Financial Statements", as amended and issued in 2019
Egyptian Accounting Standard No. (22) as ammended " Earnings per Share	he scope of implementaion of the Standard was amended to be applied to the separate, or consolidated financial statements issued to all enterprises.	It has no effect on the company	This amendment is introduced and shall apply to Financial Years beginning on or after 1st of January 2020.

4 Determination of fair value

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

4.1. Non-derivative financial liabilities

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

4.2. Biological assets

Biological assets are measured by fair value less cost to sell unless the fair value cannot be measured reliably.

If the fair value cannot be measured reliable, the biological assets acquired during the Financial Year are presented according to their cost at the date of acquisition Also biological assets which are internally grown are presented at cost of breeding or growth until commercial production (called the increase in the value of the biological assets), less accumulated depreciation and accumulated impairment loss, If any. The cost of small bio-assets is determined by the cost of breeding or growth according to the age group. These young ones are also not consumed. The biological assets are depreciated on a straight-line basis to their estimated residual values over periods, as summarized below.

Cows	4 years
Orange trees	35 years

5. Other operating income

	31/12/2020 L.E	31/12/2019 L.E
Export subsidy revenue	21 988 060	23 787 558
Capital gain	-	10 167 110
Increase in biological wealth due to newborn	4 301 416	15 868 900
Proceeds from the sale of Scrap	-	7 986 646
Income from leased assets	3 015 337	4 470 954
Inventory write down (reverse)	2 645 192	-
Impairment of plant wealth (reverse)	25 788	-
Impairment of trade and other receivables (Reverse)	1 653 387	-
Biological write down (Reverse)	3 179 588	-
Other income	9 105 746	3 806 210
	45 914 514	**66 087 378**

6. Selling and marketing expenses

	31/12/2020 L.E	31/12/2019 L.E
Advertising expenses	556 150 195	532 559 564
Salaries and wages	277 147 875	269 693 379
Depreciation	63 719 398	52 479 489
Vehicles expenses	102 799 484	94 760 447
Shipping & export expenses	42 878 144	58 407 836
Rent	7 338 397	17 752 891
Temporary labor contractors	27 032 954	22 092 987
Others	153 123 418	147 046 805
	1 230 189 865	**1 194 793 398**

7. General and administrative expenses

	31/12/2020 L.E	31/12/2019 L.E
Salaries and wages	129 014 472	122 725 376
Depreciation expense	16 952 409	17 634 777
Rent expense	12 013 868	12 608 299
Subscription fees and licenses	32 998 499	32 459 837
Cost of the end of service	43 982 598	14 235 734
Board of directors' remuneration (Note 32-1)	11 875 000	19 975 000
Other administrative expenses	61 863 127	58 433 645
	308 699 973	**278 072 668**

8. Cost of Sales and Other expense

8.1. Cost of sales

	31/12/2020 L.E	31/12/2019 L.E
Raw materials	4 406 360 948	4 615 524 253
Manufacturing Salaries and Wages	117 682 114	115 238 585
Other Manufacturing expenses	568 796 541	601 969 139
	5 092 839 603	**5 332 731 977**

8.2. Other expenses

	31/12/2020 L.E	31/12/2019 L.E
Impairment of fixed assets, and projects under construction	24 920 137	4 890 000
Impairment of receivable and other debit balances	21 691 583	4 249 210
Donations	12 309 788	9 054 728
Write down of inventory value at net realizable value	11 955 299	-
Real estate tax	3 691 765	4 310 220
Provision for claims formed	58 490 324	7 528 379
Health insurance	32 815 667	38 177 398
Loss from selling and death of animal wealth	24 318 172	17 070 106
Capital losses	16 516 151	-
Other	11 906 133	12 176 250
	218 615 019	**97 456 291**

9. Net finance (expense)

	31/12/2020 L.E	31/12/2019 L.E
Interest expense	(178 238 481)	(330 488 745)
Interest income	14 366 296	14 309 318
Gain / (Loss) from foreign currency exchange	2 660 103	(5 432 830)
	(161 212 082)	**(321 612 257)**

10. Segmentation report

10.1. Segmentation reports for the financial year period ended 31 December 2019

The segmentation reports was prepared on an activity segments basis, the primary report for the activity segments was prepared in accordance with the organizational and managerial chart of the Company and its subsidiaries.

Activity segmentations results include a direct participation unit in each sector activity.

The primary report for activity segmentations:

Revenues and expenses according to activity segmentat as follows:

	Activity Segments							
	Dairy sector L.E 12/31/2020	chilled sector L.E 12/31/2020	Juices sector L.E 12/31/2020	Concentrates sector L.E 12/31/2020	Agriculture sector L.E 12/31/2020	Undistributed items L.E 12/31/2020	Elimination of consolidated transactions L.E 12/31/2020	Total L.E 12/31/2020
Net Sales	3 902 419 832	1 957 502 252	1 391 132 269	153 559 202	48 599 408	188 641 146	-	7 641 854 109
Sales between segments	3 625 443 596	1 443 718 134	1 118 770 377	202 508 243	14 234 125	-	(6 404 674 475)	-
Other operating income	2 514 209	3 240 502	3 674 189	21 125 809	11 247 634	4 112 171	-	45 914 514
Expenses	(676 234 869)	(747 146 499)	(358 871 658)	(32 090 396)	(90 287 237)	(14 478 722)	-	(1 919 109 381)
Other Information								
Depreciation	109 303 879	79 545 139	61 040 371	27 417 055	9 023 474	-	-	286 329 918
Assets	**1 475 856 108**	**1 389 816 558**	**882 090 251**	**455 734 154**	**820 670 916**	**111 564 598**	-	**5 135 732 585**
Liabilities	**1 001 173 932**	**567 407 942**	**340 098 141**	**274 325 748**	**49 452 970**	-	-	**2 232 458 733**

The Group operates in one geographical sector - Arab Republic of Egypt - Operating revenues primarily result from activities related to the food industry.

10.2. Segmentation reports for the financial year period ended 31 December 2019

The segmentation reports was prepared on an activity segments basis, the primary report for the activity segments was prepared in accordance with the organizational and managerial chart of the Company and its subsidiaries.

Activity segmentations results include a direct participation unit in each sector activity.

The primary report for activity segmentations:

Revenues and expenses according to activity segment as follows:

	Activity Segments							
	Dairy sector	Chilled sector	Juices sector	Concentrates sector	Agriculture sector	Undistributed items	Elimination of consolidated transactions	Total
	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E
	12/31/2019	12/31/2019	12/31/2019	12/31/2019	12/31/2019	12/31/2019	12/31/2019	12/31/2019
Net Sales	3 759 569 334	1 811 004 623	1 525 934 034	256 227 929	30 814 055	252 306 522	-	7 635 856 497
Sales between segments	3 185 855 521	1 369 431 700	1 243 405 756	124 924 051	-	-	(5 923 617 028)	-
Other operating income	11 220 364	5 357 391	10 692 247	16 713 961	21 490 757	6 901 812	-	72 376 532
Expenses	(666 203 159)	(681 278 667)	(413 656 769)	(46 020 538)	(63 752 162)	(21 023 319)	-	(1 891 934 614)
Other Information								
Depreciation	79 408 914	82 171 847	62 952 220	18 687 417	26 951 760	-	-	270 172 158
Assets	**1 431 123 174**	**1 361 103 103**	**942 563 058**	**514 206 147**	**891 312 004**	**179 924 948**	-	**5 320 232 434**
Liabilities	**919 779 554**	**696 973 062**	**433 010 112**	**332 824 498**	**210 183 849**	**421 868**	-	**2 593 192 943**

The Group operates in one geographical sector - Arab Republic of Egypt - Operating revenues primarily result from activities related to the food industry.

11 Investment

Name of the investee company	Share percentage	Current assets	Non current assets	Total assets	Current liabilities	Total liabilities	Cost of investment
	%	L.E	L.E	L.E	L.E	L.E	L.E
31 December 2020							
Arju Company For food Industrial	50.75	15 956 384	15 225	15 971 609	1 499 902	1 499 902	14 471 707
Balance as of 31 December 2020		**15 956 384**	**15 225**	**15 971 609**	**1 499 902**	**1 499 902**	**14 471 707**
31 December 2019							
Arju Company For food Industrial	50.75	18 003 873	114 847	18 118 720	3 383 252	3 383 252	14 864 149
Balance as at 31 December 2019		**18 003 873**	**114 847**	**18 118 720**	**3 383 252**	**3 383 252**	**14 864 149**

12 Fixed assets

Description	Land L.E.	Buildings & constructions L.E.	Machinery & equipment L.E.	Transportation & transport vehicles L.E	Tools L.E	Empty plastic containers& Palettes L.E	Display refg.'s L.E	Wells L.E	Office furniture& equipment L.E
Cost									
Cost as at 1/1/2019	214 436 240	1 607 824 983	2 225 869 495	285 676 062	111 442 778	63 927 406	96 235 776	44 137 411	32 136 463
Additions of the year	15 931 580	29 879 349	289 200 237	29 417 311	27 359 443	9 094 466	-	229 929	2 294 000
Disposals of the year	(252 000)	(717 590)	(63 638 820)	(15 821 045)	(4 394 733)	(6 518 714)	(1 212 475)	-	(132 941)
Cost as of 31/12/2019	**230 115 820**	**1 636 986 742**	**2 451 430 912**	**299 272 328**	**134 407 488**	**66 503 158**	**95 023 301**	**44 367 340**	**34 297 522**
Additions during the year	396 968	6 033 193	153 333 818	53 862 402	15 017 694	11 037 941	4 241 391		1 002 149
Disposals during the year	(45 648 512)	(4 751 207)	(72 979 449)	(27 979 033)	(1 476 767)	(8 154 428)	(17 472 548)	(4 577 740)	(1 275 266)
Transfer of assets held for sale during the year	-	-	(3 291 662)	-	-	-	-	-	-
Cost as of 31/12/2020	**184 864 276**	**1 638 268 728**	**2 528 493 619**	**325 155 697**	**147 948 415**	**69 386 671**	**81 792 144**	**39 789 600**	**34 024 405**
Accumulated depreciation as at 1/1/2019	-	175 016 202	985 269 339	148 332 303	64 399 935	36 139 991	79 152 959	9 879 268	16 908 579
Depreciation of the year	-	33 900 881	160 082 233	29 337 904	13 801 207	9 661 356	10 143 165	1 852 740	2 624 579
Accumulated depreciation of disposals of the year	-	(431 790)	(42 850 127)	(13 350 020)	(4 150 964)	(6 483 798)	(1 163 620)	-	(117 456)
Accumulated depreciation as of 31/12/2019	-	**208 485 293**	**1 102 501 445**	**164 320 187**	**74 050 178**	**39 317 549**	**88 132 504**	**11 732 008**	**19 415 702**
Depreciation of the year	-	34 767 219	175 735 480	30 715 165	13 096 990	12 247 486	5 619 013	1 606 954	2 677 943
Accumulated depreciation of disposals of the year	-	(631 576)	(36 797 929)	(24 181 523)	(504 566)	(8 154 424)	(17 313 595)	(2 061 311)	(725 232)
Accumulated depreciation as of 31/12/2020	-	**242 620 936**	**1 241 438 996**	**170 853 829**	**86 642 602**	**43 410 611**	**76 437 922**	**11 277 651**	**21 368 413**
Fixed assets impairment as of 31 December 2020	**(10 354 591)**	**(132 189)**	**(15 045 262)**					**(229 929)**	
Net book value as of 31/12/2020	**174 509 685**	**1 395 515 603**	**1 272 009 361**	**154 301 868**	**61 305 813**	**25 976 060**	**5 354 222**	**28 282 020**	**12 655 992**
Fixed assets impairment as of 31 December 2019	**(10 492 090)**	**(440 628)**	**(2 030 606)**	-	-	-	-	**(1 141 385)**	-
Net book value as of 31/12/2019	**219 623 730**	**1 428 060 821**	**1 346 898 861**	**134 952 141**	**60 357 310**	**27 185 609**	**6 890 797**	**31 493 947**	**14 881 820**

13. Projects under constructions

	31/12/2020 L.E	31/12/2019 L.E
Buildings and constructions in progress	5 570 405	2 743 390
Machineries under installation	144 895 978	49 354 549
Generators	2 530 613	5 328 695
Advance payments for purchase of fixed assets	4 949 848	47 030 594
Wells and water pumps	-	964 698
Computer software	2 700 055	2 034 411
Lake	26 800	572 530
	160 673 699	**108 028 867**
Less:		
Impairment of projects under construction	-	(10 670 686)
	160 673 699	**97 358 181**

14. Plant wealth

14.1. Plant wealth - productive

	31/12/2020 L.E	31/12/2019 L.E
Cost at the beginning of the year	14 045 612	13 880 181
Additions during the year	4 441 965	165 431
Cost at end of the year	**18 487 577**	**14 045 612**
Less:		
Accumulated depreciation at beginning of the year	(1 529 691)	(1 127 540)
Depreciation during the year	(471 063)	(402 151)
Accumulated depreciation at end of the year	**(2 000 754)**	**(1529 691)**
Net	**16 486 823**	**12 515 921**

14.2. Plant wealth – unproductive

	Fruit trees	330 acres of citrus + connecting network project L.E	190 acres Lemon	Total L.E
Balance at 1 Jan	7 492 215	8 372 744	-	15 864 959
Additions	-	15 391 434	4 616 148	20 007 582
Transferred for plant-produced wealth	-	(4 441 965)	-	(4 441 965)
Reclassification	-	(9 242 659)	-	(9 242 659)
	7 492 215	**10 079 554**	**4 616 148**	**22 187 917**

15. Biological wealth

	biological wealth (Flock of dairy livestock - productive)	biological wealth (Flock of dairy livestock - unproductive)	Total	
			12/31/2020	12/31/2019
	L.E	L.E	L.E	L.E
Amount of flock of livestock at the beginning of the year	**150 444 219**	**85 995 565**	**236 439 784**	**171 931 209**
Adding:				
Addition during the year	-	2 868 851	2 868 851	
Transferred from projects under construction	-	12 221 834	12 221 834	17 892 821
Transferred from biological wealth (Flock of dairy livestock - unproductive)	68 057 655	(68 057 655)	-	
***Births of flock**	-			
Female	-	9 992 400	9 992 400	10 295 500
Capital cost during drying -off	4 751 819	58 118 244	62 870 063	76 189 753
	223 253 693	101 139 239	324 392 932	276 309 283
Biological wealth sales	45 949 745	25 983 622	71 933 367	32 403 957
The death of live stock losses	5 361 227	2 083 365	7 444 592	7 465 542
Cost of flock of livestock as of the end of the year	**51 310 972**	**28 066 987**	**79 377 959**	**39 869 499**
Accumulated depreciation	**171 942 721**	**73 072 252**	**245 014 973**	**236 439 784**
Beginning of the year	41 318 270	-	41 318 270	28 804 771
Depreciation of the year	26 583 250	-	26 583 250	19 864 058
Accumulated depreciation of disposals of sales case	(17 029 211)	-	(17 029 211)	(6 463 379)
Accumulated depreciation of disposals of death case	(2 025 320)	-	(2 025 320)	(887 180)
Accumulated depreciation as of end year	**48 846 989**	-	**48 846 989**	**41 318 270**
Net amount of flock of livestock as of end year	**123 095 732**	**73 072 252**	**196 167 984**	**195 121 514**

* Calfs of flocks are measured at fair value deducted by sale cost. Any increase or decrease in fair value under book value is recognized at financial statement date in income statement

** The company management measure the cost of flocks of dairy livestocks because active market to relay on to determine the fair value is unavailable

16. Tax status

16.1. Holding Company

A. Corporate tax

The corporate tax due from the Company is an annual tax according to income tax law No. 91 for the year 2005 and payments due over annual taxable profits.

The period from the beginning of operation till year 2013

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

Years from 2014 till 2016

The company received tax Forms (19) based on estimate tax inspection from the tax authority and the company was objected in due time.

Year 2017 - 2019

The Company submitted the annual tax return in the due date and was not requested for inspection.

B. Payroll tax

The period from the beginning of operation till year 2016

The tax inspection performed, and differences settled.

Year 2017/2019

The company prepare for tax inspection.

C. Stamp tax

The period from the beginning of operation till 2010

The tax inspection performed, and differences settled.

Year 2011/2016

The tax inspection performed, and differences settled.

Year 2017/2018

The tax inspection is performed and pending forms

Year 2019

Not asked for tax inspection

D. Sales tax/ Value added tax

The tax inspection performed, and the company settled differences till 31/12/2015.

The sales tax was replaced by value added tax by the issuance of the law no. 67 for year 2016 to be applied as of the day following its issuance date on 7 September 2016.

Years 2016 till 2018

The tax inspection is performed and pending forms

Years 2019

Not asked for tax inspection

E. Withholding tax

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

16.2. Subsidiaries

First: Corporate tax

The Company that enjoy the corporate tax exemption

	Tax exemption ending date
Inmaa for agriculture development & biological wealth.	19/03/2021
Inmaa for Livestock	02/11/2029

The Companies that are not exempted.

Egyptian Companies for Food Industries: -

Inspected from Beginning of its activity to 2012. 2013-2019 not requested for inspection.

Modern Company for Concentrates: -

Inspected from Beginning of its activity to 2009. Years 2010-2012 the objection was made in legal date. Years 2013–2019 not requested for inspection.

International company for food industries: -

Inspected from Beginning of its activity to 2008. Years 2009-2014 the objection was made and waiting result. Year 2015-2019 not requested for inspection.

Egyptian Company for Dairy Products

The tax inspection performed and settled till 2004, years from 2005-2008 was not requested for inspection. Years from 2009-2012 was inspected and settled. 2013-2015 the objection was made in legal date. Years 2016-2019 not requested for inspection.

Tiba for Trading and Distribution

The company was not requested for inspection from beginning of its activity until 2008.

Year 2009-2012 was inspected and settled. Years 2013-2017 the estimated inspection of the period and the objection was made, and a decision was issued to re-examine the actual and ongoing inspection. Years 2018-2019 the declarations were submitted on the legal date and not requested for inspection.

Al Marwa for Food Industries

The company was inspected from the beginning of its operations till 2009 and settled till 2005. Years 2010-2013 the inspection is under process. Years 2014-2018 the objection was made in legal date. 2019 not requested for inspection.

Inmaa for Agriculture Development and Reclamation

The company not inspected yet.

Inmaa for Livestock

The company not inspected yet.

Second: Salaries tax

Subsidiaries	Tax inspection ending date
Egyptian Company for Dairy Products	- Inspection was performed from starting of activity till 2014 and tax settled. Year 2015/2016 Inspection was performed and waiting for the forms Years 2017/2019 not inspected yet.
Al-Marwa for Food industries	- Inspection was performed from starting activity till 2018 and tax settled.2019 the inspection not requested Year 2019 not inspected yet.
Tiba for Trading and Distributing	- Inspection was performed from starting of activity till 2015 and differences settled. Year 2016/2019 waiting for inspection.
International Company for Modern Food Industries	- Tax inspection was performed from start of activity till 2016 and tax settled Year 2017-2019 under inspection.
The Egyptian Company for Food Industries "Egyfood"	- Tax inspection was performed till 2018 and tax differences settled. Year 2019 not inspected yet
Modern Concentrates Industrial Company	- Tax inspection was performed from start of activity till 2018 and tax settled Year 2019 not inspected yet.
Inmaa for Agriculture Development Co. and Biological Wealth	- - Tax inspection was performed and settled till 2010. Years 2011 – 2015 was inspected and settled. Years 2016/2019 waiting for inspection.
Inmaa for livestock	- From the beginning of activity till 2016 was inspected and settled. Years 2017/2019 waiting for inspection.
Inmaa for agriculture	-From the beginning of activity till 2019 was inspected and waiting for the results.

Third: Stamp tax

Subsidiaries	Tax inspection ending date
Egyptian Company for Dairy Products	-Inspection has been performed and difference settled till 2017. Years 2018/2019 not inspected yet.
Al-Marwa for Food Industries	-Inspection has been performed and difference settled till 2017. Years 2018/2019 not inspected yet.
Tiba for Trading and Distribution	-Inspection has been performed and difference settled till 2017. Years 2018/2019 not inspected yet.
International Company for Modern Food Industries	-Inspection has been performed and difference settled till 2018. Year 2019 not inspected yet.
The Egyptian Company for Food Industries "Egyfood"	- From the beginning of activity till 2012 was inspected and settled - Years 2013 – 2019 not inspected yet.
Modern Concentrates Industrial Company	-Inspection has been performed and difference settled till 2017. Years 2018/2019 not inspected yet.
Inmaa for agricultural development and biological wealth	-Inspection has been performed and difference settled till 2017. Years 2018/2019 not inspected yet.
Inmaa for agriculture	Years till 2018 was inspected and settled, and 2019 was not inspected yet
Inmaa for livestock	- Inspection has been performed and difference settled till 2017. Years 2018/2019 not inspected yet.

Fourth: Value added tax (Sales tax)

Subsidiaries	Tax inspection ending date
Egyptian Company for Dairy Products	- The company products are exempted from sales tax, entity submitted monthly sales tax return. inspected and difference settled till 31/12/2015 Years 2016/2019 inspected and settled.
Al-Marwa for Food Industries	-Inspected and difference settled 2015 Years 2016/2019 waiting for forms.
International Company For Modern Food Industries	-The company submitted sales tax return on monthly basis from starting of activity, inspected and difference settled. till 2017 Years 2018/2019 not inspected yet.
Tiba for Trading and Distribution	-The company submits the sales tax return on monthly basis, inspected and differences settled till 2015. Years 2016/2019 not inspected yet.
Inmaa for Agriculture Development and biological wealth.	- The tax inspection performed till 2014 and differences settled. Years 2015/2019 waiting for forms.
Modern concentrates Industrial Company	-The inspection was performed since beginning of activity till 2013, preparing for tax inspection till 2019.
Inmaa for livestock	-The tax inspection performed from 15/3/2012 till 31/8/2016 Years 1/19/2016 till /2019 not inspected yet.
Inmaa for agricultural reclamation	-Inspected and difference is settled from beginning of activity till August 2016 Years 1/19/2016 till /2019 not inspected yet.
The Egyptian Company for Food Industries "Egyfood"	-The tax inspection performed till 2019

17. Inventories

	31/12/2020 L.E	31/12/2019 L.E
Raw materials	152 410 563	404 452 459
Packaging and packing materials	104 392 404	109 265 440
Finished goods	457 561 289	381 587 813
Spare parts and miscellaneous supplies	79 737 847	81 757 692
Goods in transit - L/C's for goods purchase	79 866 670	66 354 212
	873 968 773	**1 043 417 616**

18. Trade and other receivables

	31/12/2020 L.E	31/12/2019 L.E
Trade receivables	216 445 863	205 713 019
Less: Expected credit losses	(13 469 889)	(10 443 933)
	202 975 974	**195 269 086**
Notes receivables	648 379	454 909
Suppliers – advance payments	19 381 202	35 701 049
Prepaid expenses	11 074 597	13 286 680
Export subsidy*	33 696 922	78 004 378
Tax Authority	46 495 494	50 670 468
Customs Authority	4 051 106	11 195 758
Deposits with others	9 284 122	8 286 693
Debtors- sales of PP&E	35 510 000	13 250 000
Other debit balances	15 902 936	12 131 356
	379 020 732	**418 250 377**
Less: Impairment in other debit balances	(18 856 710)	(4 106 710)
	360 164 022	**414 143 667**

*The collection occurred during 2020 is EGP 60 784 026. The company continues to collect the outstanding balance with the Export Development Fund.

19. Cash at bank and on hand

	31/12/2020 L.E	31/12/2019 L.E
Time deposits *	95 233 076	9 355 046
Banks – current accounts	70 617 916	80 032 416
Cheques under collection	3 137 987	-
Cash on hand	1 761 454	4 592 438
Cash in transit	11 792 105	2 737 767
Cash and cash equivalent in cash flow	**182 542 538**	**96 717 667**

*The above-mentioned time deposits are with original maturity less than 3 months.

20. Share capital

	31/12/2020 L.E	31/12/2019 L.E
Authorized capital	5 000 000 000	5 000 000 000
Issued & paid up capital (divided into 941 405 082 shares with nominal value L.E 1 each)	941 405 082	941 405 082

20.1. General reserve

The balance of general reserve is as follows: -

Collected from issuance premium of 205 972 632 shares during the year 2010	999 379 210
Less:	
Nominal value of issued shares with a premium	(205 972 632)
Issuance fees	(38 507 164)
Legal reserve formed to reach 50 % of paid up capital	(350 398 732)
Difference between the nominal value and the cost of own shares cancelled on 5/2/2012.	(73 580 254)
	330 920 428

21. Loans

The long-term loans and short-term that are granted to the group companies are as follow:

	Long term loans		Total
	Current portion L.E	Non-current L.E	L.E
Commercial International Bank (CIB)	269 871 822	163 337 321	433 209 143
European Bank for Reconstruction & Development	7 272 727	-	7 272 727
HSBC bank	52 750 000	107 437 500	160 187 500
Balance at 31/12/2020	**329 894 549**	**270 774 821**	**600 669 370**
Balance at 31/12/2019	**284 871 572**	**692 546 563**	**977 418 135**

- These loans are subject to variable interest rates and guaranteed by promissory notes and joint grantees.

22. Bank Credit facilities

This balance amounted to L.E 276 599 740 as at 31/12/2020 (against L.E 398 940 324 as at 31/12/2019), represents the drawn down portion of the L.E 1.835 billion (of the group) bank facilities. Interest is charged on such drawn amounts at a variable interest rate. These lending banks were provided with collators

23. Provision for claims

Description	Balance at 01/01/2020 L.E	Formed during the period L.E	Used during the period L.E	Balance at 31/12/2020 L.E
Provision for claims	**16 474 211**	**58 490 324**	**(24 109 653)**	**50 854 882**

24. Creditors and other credit balances

	31/12/2020 L.E	31/12/2019 L.E
Suppliers	447 604 517	431 067 540
Dividends payable	13 961 437	8 010 192
Accrued expenses	115 123 034	111 322 991
PPE creditors	856 769	23 512 505
Tax authority	22 416 016	30 035 589
Deposits for others	2 492 161	2 026 274
Sales tax installments on the imported machineries and equipment (Note No. 25)	5 834 174	7 310 572
Social Insurance Authority	5 289 770	6 830 566
Due to health insurance	35 191 568	53 833 523
Advances from customers	7 846 177	12 356 384
Other credit balances	17 549 963	9 590 050
	674 165 586	**695 896 186**

25. Other non-current liabilities

	31/12/2020 L.E	31/12/2019 L.E
The value of sales tax installments on the imported machineries and equipment due from January 2018. The installments due within one year amounted to L.E 5 834 174 as at 31/12/2020 (L. E 7 310 572 as at 31/12/2019) are shown under the caption of creditors and other credit balances in the consolidated balance sheet.	18 208 729	12 104 545
Fixed assets purchase premiums	-	10 859 758
	18 208 729	**22 964 303**

26. Deferred tax liabilities

Deferred tax liability amounted to L.E 286 882 065 on 31/12/2020 representing net book value of taxable assets and liabilities:

- Deferred Tax (Lease Contracts)

	Balance 31/12/2020 L.E	Balance 31/12/2019 L.E
Deferred tax liability	(5 443 057)	(6 741 399)
Deferred tax asset	1 737 533	4 591 541
Deferred asset/ liability (Lease contracts)	**(3 705 524)**	**(2 149 858)**
Deferred tax liability from fixed assets	(283 176 541)	(273 759 617)
Total deferred tax liability	**(286 882 065)**	**(275 909 475)**

	Balance on 1/1/2020 L.E	Movement during the period L.E	Balance on 30/9/2020 L.E
Deferred tax liability	**275 909 475**	**10 972 590**	**286 882 065**

27. Group companies

The following sets out the subsidiaries of Juhayna Food Industries Company that were acquired and controlled by the Company as at 31/12/2020 and the company under joint control shown together with their respective contribution percentage held as at the financial position date.

Subsidiary Name	Contribution % 30/9/2020	Contribution % 31/12/2019	Country
Egyptian Co. for Dairy Products	99.99 %	99.99 %	Egypt
International Co. for Modern Food Industries	99.99 %	99.99 %	Egypt
The Egyptian Company for Food Industries "Egyfood"	99.98 %	99.98 %	Egypt
Tiba For Trading & Distributing	99.90 %	99.90 %	Egypt
Al-Marwa for Food Industries	99.91 %	99.91 %	Egypt
Modern Concentrates Industrial Co.	Indirect 99.81 %	Indirect 99.81 %	Egypt
Inmaa for Agriculture Development Co.	99.994 %	99.994 %	
Egypt			
Inmaa for Livestock	Indirect 99.862 %	Indirect 99.862 %	Egypt
Inmaa for Agriculture and improvement	Indirect 99.964 %	Indirect 99.964 %	Egypt
Company under joint control			
Arju Company for Food Industries*	50.75 % under joint control	50.75 % under joint control	Egypt

* Argu Food Industries was established on the basis of an agreement between Juhayna Food Industries and Arla Food Industries, which aims to sell Arla's products using the Juhayna Group distribution network through Tiba for Trading and Distribution (a subsidiary of Juhayna Group) and the agreement stipulated that Argu will produce cheese from the product of Puck (the brand owned by Arla Industries) This is through the Egyptian Company for Dairy Products (a subsidiary of Juhayna Group) and at present the two parties are studying alternatives to production in Egypt.

28. Financial instruments
Financial risk management
Overview
The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk.

Risk management framework
The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.
The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.
The Company's Board oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's Board is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the B.O.D.

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

Trade and other receivables
The Company distributes the credit risk on several customers who have strong and stable financial positions. Also, it deals with its customers through signed contracts and agreements, in addition the Company review the credit limits granted to customers on a regular basis as it gets sufficient guarantees from its customers.

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

	Note	Carrying amount 31/12/2020 L.E	31/12/2019 L.E
Trade and other receivables	(18)	264 845 903	260 986 383

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

The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimizing its cash return on investments. Typically, the company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Company maintains the following lines of credit.

Banks - credit facilities in a principal amount of L.E 283 756 153 on which the interest is charged at a variable interest rate for facilities in Egyptian pound and US Dollars facilities.

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

		Carrying amount L.E	Contractual cash flows L.E
Banks - credit facilities	(22)	276 599 740	(122 340 584)
Total loans	(21)	600 669 370	(367 748 765)
Finance lease – liabilities	(29-1)	86 144 943	(10 976 121)
Operating lease – liabilities	(29-2)	460 338 859	-

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

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

Currency risk
The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Company, primarily the L.E The currencies in which these transactions primarily are denominated are Euro, USD, and Swiss Francs (CHF).

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

Foreign currency risk

Exposure to currency risk.

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

	USD	Euro
Trade and other receivables	1 477 960	59 613
Cash at banks and on hand	3 790 514	72 444
Creditors and other credit balances	(15 492 546)	(894 257)
31 December 2020	**(10 224 072)**	**(762 200)**
31 December 2019	**(5 088 292)**	**(477 756)**

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

	Average rate		Closing Rate	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
USD	15.85	16.78	15.78	16.09
Euro	18.16	18.80	19.36	18.07

Interest rate risk

The Company adopts a policy of ensuring that its exposure to changes in interest rates on borrowings is on a fixed-rate basis, considering assets with exposure to changes in interest rates.

Capital management

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

	31/12/2020	31/12/2019
	L.E	L.E
Total liabilities	2 232 458 733	2 590 486 794
Less: cash at bank and on hand	(182 542 538)	(96 717 667)
Net debt	**2 049 916 195**	**2 493 769 127**
Total equity	2 903 273 852	2 727 039 491
Net debt to equity ratio	**71%**	**91.45%**

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

29. Lease contracts

29.1. Liabilities arising from lease contracts

- Lease contracts (Sale and lease back)

On 23/3/2016 the Company signed a contract regarding a land lease (including the building built there on), of land located on plot no. 21 of the Crazy water's corridor in Zayed City with a total area of 15 374.47 m^2. The contract terms became effective starting 24/3/2016. The following is a summary of the above-mentioned contract:

Description	Contract value		Contract period	Purchase value at end of contract	Quarterly Installment value
	Contractual value	Accrued interest			
	L.E	L.E	Months	L.E	L.E
Contract from 24/3/2016 to 23/3/2025	125 000 000	120 728 031	120	1	5 838 578

• In accordance with the provisions of the transitional rules of the Egyptian Accounting Standard No. 49 of 2019 on leasing contracts, the initial application date of this standard is the beginning of the annual reporting period in which the Finance Leasing Law No. 95 of 1995 was amended and the Financial Leasing and Factoring Law No. 176 For the year 2018, in respect of leasing contracts which were subject to Law 95 of 1995 and were accounted for in accordance with IAS 20 (Accounting Standards and Standards for Financial Leasing Transactions).

Lease contract liabilities

	31/12/2020	31/12/2019
	L.E	L.E
Liabilities from lease contract current portion	14 255 047	11 597 450
Long-term liability from lease contract non-current portion	71 889 896	87 201 810
	86 144 943	**98 799 260**

Lease contracts liabilities are as follows:

	Payment of liability principal		Payment of accrued interest	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	L.E	L.E	L.E	L.E
Liabilities for one year	14 255 047	11 597 450	6 990 979	11 756 700
Liabilities between 1-5 years	71 889 896	87 201 809	12 974 210	29 569 749

29.2. Operating Lease contract liabilities

The group is renting buildings and stores and this rent is performed individually and each contract has it`s special terms, the contract period ranges from 1.5 to 10 years and some of these contracts has a term for extending the lease which provide more flexibility for the group

	31/12/2020 L.E	31/12/2019 L.E
Buildings, Warehouses and stores	59 247 345	-
Amortization during the ended period	(14 921 683)	-
Net book value	**44 325 662**	-

During the period ended at 31-12-2020 the group has been charged by 4 150 373 as an interest resulted from the renting contracts.

Operation lease contract liability

	31/12/2020 L.E	31/12/2019 L.E
Liabilities from lease contract current portion	9 511 310	-
Long-term liability from lease contract non-current portion	36 522 549	-

Payment of lease contracts liabilities are as follows:

	Liabilities in present value		Accrued interest	
	31/12/2020 L.E	31/12/2019 L.E	31/12/2020 L.E	31/12/2019 L.E
Liabilities for one year	9 511 310	-	4 254 794	-
Liabilities between 1-5 years	33 571 606	-	7 974 662	-
Liabilities more than 5 years	2 950 943	-	1 403	-

30. Contingencies

The Company had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise. In the ordinary course of business, the Company has given guarantees on 31/12/2020 amounting to LE 4 029 436 and the covered portion reached to be LE. 25 398.

31. Capital commitments

The capital commitments related to setting up and acquiring fixed assets amounted to L.E 61 210 543 on 31/12/2020.

32. Related party transactions

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

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

32.1. Board of Director's remuneration

The total allowances received by the board of directors during the period amounted to LE 11 875 000

32.2. Due to related parties

Company's name	Nature of transaction	Total value of transactions		Balance as at	
		31/12/2020 L.E	31/12/2019 L.E	31/12/2020 L.E	31/12/2019 L.E
Arju	Current account	-	(361 060)		421 867
				-	**421 867**

33. Income tax - current

	Financial Year 31/12/2020 L.E	Financial Year 31/12/2019 L.E
Income tax at the beginning of the year	103 663 033	51 136 832
Prior period Tax differences	-	(1 333 281)
Income tax expense	192 965 593	103 663 033
Investment tax on dividends	43 393 554	(21 491 918)
Taxes paid during the year	(147 056 587)	(71 295 469)
Accrued interest income on the tax advances	(36 033)	
	192 929 560	**103 663 033**

34. Goodwill

	31/12/2020 L.E	31/12/2019 L.E
Goodwill resulting from acquiring the Egyptian Company for Dairy Products	934 433 46	934 433 46
Goodwill resulting from acquiring Al-Marwa for Food Industries Company	956 658 50	956 658 50
	890 092 97	**890 092 97**

35. Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year after reducing dividends to employees and BOD as follows:

	Financial Year 31/12/2020 L.E	Financial Year 31/12/2019 L.E
Parent Company's share in profit	428 376 245	328 676 436
Weighted average number of shares	941 405 082	941 405 082
EPS (L.E/Share)	**0.46**	**0.35**

36. Significant events

36.1. Events at the end of the fiscal year

- On December 2, 2020, Safwan Thabet, Chairman of the Company, was detained for investigations that is related to him in person but had nothing to do with the Group or its business activity.
- On December 8, 2020, the Board of Directors was held, and Mr. Mohammed Abdullah El Dogheim became the Chairman and Engineer Safwan Thabet became a board member.

36.2. Subsequent events to the end date of fiscal year:

- On January 19, 2021, the Board of Directors was held and accepted the resignation of Engineer /Safwan Thabet from the membership of the board of directors and appointing Mr. Ahmed Elwakeel as a board member. The company's commercial register was amended with changes.
- On February 2, 2021, Mr. Seif Thabet - CFO of Juhayna and Chairman of the Board of Directors of the companies (The Egyptian Dairy Products / The Egyptian Food Industries "Egyfood" / The International Modern Food Industries / Tiba for Trade and Distribution / Al Marwa Food Industries / The Modern Concentrates Industry) was detained for investigations that is related to him in person and had nothing to do with the Group or its business activity
- On February 21, 2021, the Boards of Directors of the following subsidiaries (El Masreya Dairy for dairy product Company , Egyptian Company for Food Industries (Egyfood), International Company for Modern Food Industries (El-Dawleya) , Tiba for Trade and Distribution, Al Marwa for Food Industries, Modern Concentrates Manufacturing Company), were held and Mr. Ahmed Al-Amin was appointed as Vice Chairman having the same powers and terms of references as that of the Chairman and the resignation of Engineer/ Safwan as a BOD member of these companies was accepted .The minutes of the Board of Directors were approved by the General Authority for Investment and Free Zones (GAFI) and annotation was made to the effect of these changes in the commercial register of these companies except for Tiba Company, since this matter requires obtaining security approvals from the National Authority for the Development of the Sinai Peninsula (SDA)as this Company owns a sales branch in Sinai at (Al-Tur City), in addition to Modern Concentrates Manufacturing Company due to holding another BOD Meeting for this company on June 6, 2021, which was approved by the General Authority for Investment and Free Zones (GAFI) and annotation is being done in the commercial register to this effect.
- On March 7, 2021, the Board of Directors of Juhayna Food Industries Company formed an ad hoc steering committee to take decisions regarding the duties assigned to the managing director. This Committee is comprised of four of the company's general managers; namely (General Manager of the financial Sector - General Manager of the Logistics Sector - Head of the Offshore Markets and Export Sector - General Manager of Tiba for Trade and Distribution Company). On 1 September 2021 the General Manager of Tiba for Trade and Distribution Company has resigned.
- As of April 2021, the Company encountered the issue of withdrawing the licenses of some cars and vehicles used in transporting its products, and not renewing the expired licenses by the Sixth of October Traffic Department (Giza Governorate). The company took legal measures as a grievance was filed to the competent authorities and the Company resorted to the judiciary - the Court of State Council (by virtue of lawsuit No. 59508 for judicial year No. 75) in order to keep the rights of the company and revoke this resolution taken to the detriment of the company. The cars which ceased to render the transportation service for these reasons until this date reached 400 cars. The company has replanned, distributed, integrated some sales routes and relied on the leased cars to continue the sale process without any impact thereon.
- On June 6, 2021, the Board of Directors was held to accept the resignation of Mr. Yasser Suleiman Hesham Al-Malwani from the BOD membership and the appointment of Mr. Jean-Anders Lindh Green, a member of the Board of Directors and annotation was made in the Commercial Register to this effect.
- Subsidiaries have financial debt covenants "financial indicators" in respect of the medium-term loans granted thereto and the subsidiaries obtained a waiver from banks in respect of the breach of the debt covenants "financial indicators" on December 31, 2020.
- The limits of the credit facilities whose date of renewal fell due before December 31, 2020, or during the period subsequent to the fiscal year ending on this date and which have not been renewed until this date amounted to EGP 375 million and an amount of EGP .68 million was used therefrom. The companies obtained the banks' approval in respect of continuing to receive these facilities until the issuance of financial statements for 2020 and annotation is made in the commercial register of (Tiba for Trade and Distribution Company and Modern Concentrates Manufacturing Company) to the effect of the completion of the renewal procedures.
- The Company (from the beginning of these events until this date) continues to practice its normal course of business activity (producing, marketing, selling, and distributing dairy products, juices, coolers and distribution to third parties as well as dealing with suppliers, customers, banks, governmental and non-governmental bodies.

37. Covid-19 impact

The second half of March witnessed the beginning of the impact of the outbreak of the emerging Corona virus on the Egyptian market, and the Egyptian government announced unprecedented measures to combat the virus infection & its spread.

Juhayna group has formed a risk committee to manage the crisis, and the objectives of this period have been defined in maintaining all employees and securing them from Corona risks, as well as continuing production and sales operations to ensure the provision and delivery of the company's products to the consumer.

Indeed, all risks were studied and evaluated and taken a series of precautionary measures to reduce risks on all employees and to ensure the continuity of the supply chain (operational, manufacturing, sales and collection operations) and meeting the needs of the local market in this period.

And there is no effect on the company's current economic situation (its financial position, business results and cash flow).