

Translation from Arabic

**Juhayna Food Industries
(An Egyptian Joint Stock Company)
Consolidated interim financial statements
For the financial period ended
30 September 2021
And Review report**

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

**Juhayna Food Industries
(An Egyptian Joint Stock Company)
Consolidated interim financial statements**

For the financial period ended 30 September 2021

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Report on Limited Review of Consolidated Interim Financial Statements

To: The members of the board of directors of Juhayna Food Industries S.A.E

Introduction

We have performed a limited review for the accompanying consolidated interim statement of financial position of Juhayna Food Industries S.A.E as of 30 September 2021 and the related consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our limited review.

Scope of Limited Review

We conducted our limited review in accordance with Egyptian Standard on Review Engagements 2410, "Limited Review of interim Financial Statements Performed by the Independent Auditor of the Entity". A review of consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the Company and applying analytical and other limited review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these consolidated interim financial statements.

Basis for Qualified Conclusion

As discussed in note No. (38) to the notes of the consolidated interim financial statements, the company is required to issue and publish consolidated interim financial statements each three months in -accordance with the Egyptian Stock Exchange rules. The company had not issued these financial statements for the first and second quarter of the year 2021 and hence were not subject to our limited review procedures. Both the income statement and the statement of other comprehensive income for the financial period ended 30 September 2021 included the company results for the three months ended thereon as prepared by the company management.

Qualified Conclusion

Based on our limited review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not present fairly, in all material respects, the consolidated financial position of the Company as at 30 September 2021, and of its consolidated financial performance and its consolidated cash flows for the nine-month period then ended in accordance with Egyptian Accounting Standards.

Emphasis of the matter

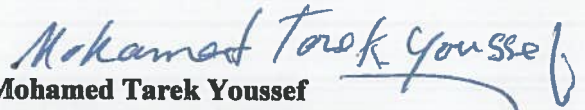
We draw attention to note No. (36) of the consolidated interim financial statements, which describes the effect of major events to the company during the financial period ended 30 September 2021.



**Samy Abdelhafiz Ahmed Ibrahim
KPMG Hazem Hassan
Public Accountants & Consultants**



Cairo, 13 January 2022



**Mohamed Tarek Youssef
Grant Thornton - Mohamed Hilal
Public Accountants**

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Grant Thornton - Mohamed Hilal
Public Accountants
The Egyptian Member Firm of
Grant Thornton International

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Consolidated Interim statement financial position
As of 30 September 2021

Translated from Arabic

	Note No.	30/9/2021 L.E	31/12/2020 L.E
Assets			
Non-current assets			
Property, plant and equipment	(12)	3 180 842 974	3 147 991 528
Projects under construction	(13)	83 476 046	160 673 699
Plant wealth - productive	(14-1)	16 100 436	16 486 823
Plant wealth - not productive	(14-2)	29 759 631	22 187 917
Biological wealth	(15)	193 482 405	196 167 984
Investments under joint control (equity)	(11)	14 930 253	14 471 707
Goodwill	(34)	97 092 890	97 092 890
Right to use assets	(29-2)	40 375 889	44 325 662
Other - long term asset		725 941	732 144
Non-current assets		3 686 786 465	3 700 130 354
Current assets			
Biological assets - Feeding Sector		26 503	48 501
Biological assets - Existing Agriculture		15 749 099	12 242 286
FPE held for sale		3 228 923	6 636 111
Inventories	(17)	799 385 788	873 968 773
Trade and other receivables	(18)	520 947 007	360 164 022
Due from related party	(32-1)	2 722	-
Cash at banks and on hand	(19)	473 805 880	182 542 538
Current assets		1 813 145 922	1 439 602 231
Total assets		5 469 932 387	5 139 732 585
Equity			
Issued and paid up capital	(20)	941 405 082	941 405 082
Legal reserve		666 697 531	637 021 531
General reserve - issuance premium	(20-1)	330 920 428	330 920 428
Retained earnings		1 453 563 382	993 211 902
Total equity attributable to the shareholders of the parent company		3 393 586 423	2 903 558 943
Non-controlling interest		879 097	714 909
Total equity		3 393 469 520	2 903 273 852
Non-current liabilities			
Long-term loans	(21)	232 537 549	270 774 821
Other non current liabilities	(25)	1 192 982	18 208 729
Lease contract liabilities - non current portion	(29)	96 328 212	108 412 444
Deferred tax liabilities	(26)	293 544 461	286 882 065
Non-current liabilities		623 603 204	684 278 059
Current liabilities			
Provision for claims	(23)	46 922 399	50 854 882
Bank credit facilities	(22)	254 493 514	276 599 740
Creditors and other credit balances	(24)	771 364 819	674 165 586
Income tax payable	(33)	134 078 577	192 929 560
Lease contract liabilities- current portion	(29)	24 926 170	23 736 357
Loans-current portion	(21)	221 078 184	329 894 349
Current liabilities		1 453 863 663	1 548 180 674
Total liabilities		2 076 466 867	2 232 458 733
Total equity and total liabilities		5 469 932 387	5 139 732 585

The notes from No.(1) to No.(38) are an integral part of these consolidated interim financial statements and should read there to.

Chief Finance Officer
Samer El-hodaby

Chairman
Ahmed El Wakil

Cairo, 13 January 2022

"Linked review report "attached".

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Consolidated interim statement of profit or loss
For the financial period ended 30 September 2021

Translated from Arabic

	Note No.	Financial period From 1/1/2021 To 30/9/2021 L.E.	Financial period From 1/1/2020 To 30/9/2020 L.E.	Financial period From 1/7/2021 To 30/9/2021 L.E.	Financial period From 1/7/2020 To 30/9/2020 L.E.
Net sales		6 523 983 182	5 628 575 625	2 435 430 424	1 987 343 543
Cost of sales		(4 601 653 747)	(3 825 821 257)	(1 773 745 272)	(1 342 720 293)
Gross profit		1 922 329 435	1 802 754 368	661 685 152	644 623 250
Other operating income	(5)	25 420 437	17 994 945	7 174 347	3 392 297
Selling and Marketing expenses	(6)	(996 701 724)	(804 408 664)	(339 464 808)	(275 070 142)
General and administrative expenses	(7)	(180 959 101)	(189 961 137)	(62 922 679)	(63 750 590)
Other expenses	(8)	(65 411 735)	(102 745 870)	(21 257 297)	(34 592 708)
Board of directors remuneration	(32-2)	(1 875 000)	(15 105 000)	(1 875 000)	(4 860 000)
Results from operating activities		702 802 312	708 528 642	243 339 715	269 742 107
Profits of a company under joint control		458 546	(159 915)	458 546	(979 349)
Share in the (Loss) /gain of company under joint control		(16 129 481)	(43 526 352)	(891 762)	(28 131 819)
Net finance (expense)	(9)	(57 856 969)	(124 274 271)	(15 780 366)	(33 334 827)
Net profit before income tax		629 274 408	540 568 104	227 126 133	207 296 112
Current income tax	(33)	(132 420 344)	(155 123 963)	(46 319 122)	(55 692 419)
Deferred tax	(26)	(6 662 396)	(1 697 823)	(7 277 147)	435 680
Net profit for the year		490 191 668	383 746 318	173 529 864	152 039 373
Distributed as follows					
Parent Company's share in profit		490 027 480	383 667 982	173 469 670	152 011 655
Non-controlling interest		164 188	78 336	60 194	27 718
Earning per share for the year (L.E./share)	(35)	0.52	0.41	0.18	0.16

The notes from No.(1) to No.(38) are an integral part of these consolidated interim financial statements and should read there to.

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Consolidated interim statement of comprehensive income
For the financial period ended 30 September 2021

Translated from Arabic

	Financial period From 1/1/2021 To 30/9/2021 L.E.	Financial period From 1/1/2020 To 30/9/2020 L.E.	Financial period From 1/7/2021 To 30/9/2021 L.E.	Financial period From 1/7/2020 To 30/9/2020 L.E.
Net profit for the Year	490 191 668	383 746 318	173 529 864	152 039 373
Total other comprehensive income	490 191 668	383 746 318	173 529 864	152 039 373
Distributed as follows				
Parent Company's share in profit	490 027 480	383 667 982	173 469 670	152 011 655
Non-controlling interest	164 188	78 336	60 194	27 718
	490 191 668	383 746 318	173 529 864	152 039 373

The notes from No.(1) to No.(38) are an integral part of these consolidated interim financial statements and should read there to.

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Consolidated interim statement of changes in equity
For the financial period ended 30 September 2021

	Disclosures	Issued & paid up capital L.E	Legal reserve L.E	General reserve- insurance premium L.E	Retained earnings L.E	Non-controlling interest L.E	Total L.E	Translation from Arabic
								Translated from Arabic
Balance as at 1 January 2020 before adjustments		941 405 082	594 085 534	330 920 428	859 988 077	640 370	2 727 039 491	
Restatement arising from lease contract liabilities					(188 281 016)		(188 281 016)	
Balance as at 1 January 2020 after adjustments		941 405 082	594 085 534	330 920 428	671 707 061		2 537 518 505	
Dividends to shareholders								
Dividends to employees and board of directors								
Dividends from subsidiaries to non controlling interest					33 698	(33 698)		
Holding Company's share in reserves & retained earnings of subsidiaries			22 585 977		(22 585 977)			
Total other comprehensive income for the period ended 30 September 2020					383 667 982	78 336	383 746 318	
Balance as at 30 September 2020		941 405 082	616 671 511	330 920 428	968 901 912	685 008	2 858 583 941	
Balance as at 1 January 2021		941 405 082	637 021 531	330 920 428	993 211 902	714 909	2 903 273 852	
Holding company share from reserve and retained earning of subsidiaries			29 676 000		(29 676 000)			
Total other comprehensive income for the period ended 30 September 2021					490 027 480	164 188	490 191 668	
Balance as at 30 September 2021		941 405 082	666 697 531	330 920 428	1 453 563 382	879 097	3 393 465 520	

The notes from No.(1) to No.(38) are an integral part of these consolidated interim financial statements and should read there to.

Jahayna Food Industries
(An Egyptian Joint Stock Company)
Consolidated interim statement of cash flows
For the financial period ended 30 September 2021

Translated from Arabic

		Financial period From 1/1/2021 To 30/9/2021	Financial period From 1/1/2020 To 30/9/2020
	Note No.	L.E.	L.E.
Cash flows from operating activities			
Net profit for the year before income tax and minority interest in profits		629 274 408	540 568 104
Adjustments for:			
PPE depreciation	(12)	218 374 870	215 486 093
Capital losses	(8)	832 241	22 818 569
Amortization of asset right of use (lands)		6 203	6 205
Amortization of animal wealth	(15)	22 247 034	19 279 634
Amortization of plant wealth (productive)	(14-1)	386 387	709 267
Impairment vital assets	(5)	-	(2 890 000)
Change in Investments under joint control	(11)	(458 546)	159 915
Impairment of Fixed assets		(237 300)	-
Impairment of trade receivables(Reverse)	(8)	3 520 215	5 177 412
Amortization of right of use asset	(29)	11 277 113	11 191 264
Right of use asset interest	(29)	3 285 406	4 062 867
Inventory write down		942 945	-
Impairment of the Inventory		-	(2 069 608)
Provision for claims formed	(23)	6 884 505	10 799 875
Herd birth	(15)	(11 260 800)	(10 509 700)
Herd capitalization	(15)	(41 315 583)	(53 781 246)
Loss from selling and death of animal wealth	(8)	8 102 304	16 319 305
Loss from the compensansation of calves death	(8)	-	715 022
Foreign exchange (losses) / gain	(9)	(1 452 752)	(372 401)
Credit interests	(9)	(10 927 194)	(14 398 274)
Finance interests & expenses	(9)	66 951 509	134 982 079
		<u>906 432 965</u>	<u>898 254 382</u>
Collected credit interests		10 927 194	14 398 274
Finance interest & expenses paid		(66 951 509)	(134 982 079)
Changes in:			
Inventories	(17)	73 640 040	128279641
Biological assets- Exiting Agriculture		(3 506 813)	7 412 397
Trade and other receivables	(18)	(129 450 437)	(77 220 564)
Due to related parties	(32-2)	-	(3 532)
Creditors & other credit balances	(24)	97 199 233	58 861 054
Due from related parties	(32-1)	(2 722)	(421 866)
Dividends paid to employees		(34 852 760)	(63 920 851)
Income tax paid		(191 271 328)	(109 061 777)
Sales tax on capital goods -paid		(17 015 747)	(5 107 287)
Impairment of trade and other receivables used		-	(7 031 884)
Impairment in inventories used		-	(2 737 247)
Impairment in provisions claims		(10 816 988)	(23 322 516)
Impairment in fixed asset usage		-	(12 392 780)
Net cash flows result from operating activities		<u>634 331 128</u>	<u>671 003 365</u>
Cash flows from investing activities			
Acquisition of PPE & projects under construction	(12,13)	(176 725 491)	(206 397 778)
Proceeds from sale of PPE		5 509 075	68 779 115
Acquisition of plant wealth	(14,15)	(7 571 714)	(24 330 644)
Acquisition of animal wealth		(7 335 000)	-
Proceeds from the sale of animal wealth		27 018 549	-
Proceeds from the compensansation of calves death		5 251 072	3 878 405
Proceeds from the sale of plant and animal wealth	(14,15)	-	44 388 970
Net cash flows (used in) investing activities		<u>(153 853 509)</u>	<u>(113 681 932)</u>
Cash flows from financing activities			
Collection proceeds from overdraft & credit facility	(22)	(22 106 226)	(115 184 173)
Payment for Bank long term loans	(29)	(21 507 166)	(22 472 132)
Payment of financial lease contract liabilities	(21)	(147 053 637)	(226 764 748)
Dividends paid to shareholders		-	(188 281 016)
Net cash flows (used in) financing activities		<u>(190 667 029)</u>	<u>(552 702 069)</u>
Change in cash & cash equivalents during the year		<u>289 810 590</u>	<u>4 619 364</u>
The effect of foreign exchange difference	(9)	1 452 752	372 401
Cash & cash equivalents at 1 January	(19)	<u>182 542 538</u>	<u>96 717 667</u>
Cash & cash equivalents at 30 September		<u>473 805 880</u>	<u>101 709 432</u>

The notes from No (1) to No.(38) are an integral part of these consolidated interim financial statements and should read there to.

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Notes to the interim consolidated financial statements
For the financial period ended 30 September 2021

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. Ahmed Elwakil is the Chairman of the Board of Directors.

The Company is considered a holding Company.

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 30 November 2021

2-2 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).

2-3 Functional and presentation currency

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

2-4 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.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated interim financial statements for the Financial Year ended 30 September 2021

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.

Juhayna Food Industries Company (S.A.E.)
Notes to the consolidated interim financial statements for the Financial Year ended 30 September 2021

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 through 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

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated interim financial statements for the Financial Year ended 30 September 2021

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.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated interim financial statements for the Financial Year ended 30 September 2021

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.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated interim financial statements for the Financial Year ended 30 September 2021

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

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated interim financial statements for the Financial Year ended 30 September 2021

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 -13
Transportation & Transport Vehicles	1.5- 8
Tools	1.08 – 10
Office equipment & Furniture	More than -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).

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated interim financial statements for the Financial Year ended 30 September 2021

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 (25-50) 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 direct 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.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated interim financial statements for the Financial Year ended 30 September 2021

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.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated interim financial statements for the Financial Year ended 30 September 2021

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 is 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 recognizes 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.

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Notes to the consolidated interim financial statements for the Financial Year ended 30 September 2021

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 voluntarily 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

Dairy sector
Cooling sector
Juice sector
Concentrate sector
Agriculture sector

Operations

Manufacture and sell dairy products & its derivatives
Manufacture cooled dairy products
Manufacture and sell various products of juice
Manufacture and sell fruit concentrates
Produce agriculture crops in- addition to livestock farm that produce dairy product and sell to dairy sector

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Notes to the consolidated interim financial statements for the Financial Year ended 30 September 2021

3-24 The new and adjusted accounting standard

There are amendments related to the issuance of Egyptian Accounting Standards 47, 48 and 49 and their data as follows:

Standard (47) Financial Instruments

- It includes an amendment to measure and classify financial instruments and apply the realized losses model in measuring the impairment of financial assets with expected credit loss models, which requires the measurement of impairment of all financial assets measured at amortized cost and financial instruments that are measured at fair value through other comprehensive income since the moment of the first recognition of those assets regardless. When there is an indication of a loss. The application of this standard does not result in significant effects on the measurement and classification of the company's financial assets. Also, the standard does not have an impact on the financial liabilities of the company.

Standard (48) revenue from contracts with Customer

- The basic principle of this standard is that the entity must recognize revenue in a manner that reflects the transfer of goods or the performance of promised services to customers in an amount that represents the consideration that the entity expects to be entitled to in exchange for those goods or services.

Standard 49 lease contracts

- The lessee recognizes the right of use of the leased asset within the company's assets and recognizes a liability, which represents the current value of unpaid lease payments within the company's obligations, with the exception of short-term leases (less than 12 months) and leases of insignificant values. The application of the standard resulted in an increase in the assets and liabilities of the company. The interests related to the lease contracts are included in the financing costs, as they are not included in the activity expenses.

- 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.

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 reliably, 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

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Notes to the consolidated interim financial statements for the Financial Year ended 30 September 2021

5 Other operating income

	Financial period From 1/1/2021 To 30/09/2021 L.E	Financial period From 1/1/2020 To 30/09/2020 L.E	Financial period From 1/7/2021 To 30/09/2021 L.E	Financial period From 1/7/2020 To 30/09/2020 L.E
Export subsidy revenue	14 781 801	-	7 536 416	-
Capital gain	1 570 282	-	(228 280)	-
Increase in biological wealth due to newborn	1 581 689	3 497 108	502 879	3 497
Inventory write down (reverse)	-	2 069 608	-	(855 563)
Impairment of plant wealth (reverse)	-	-	(300 000)	-
Impairment of trade and other receivables (Reverse)	-	-	(2 745 181)	-
Biological wealth write down (Reverse)	237 300	2 890 000	-	1 309 902
Income from leased assets	231 870	801 000	75 000	801 000
Other income	7 017 495	8 737 229	2 333 513	2 133 461
	25 420 437	17 994 945	7 174 347	3 392 297

6 Selling and marketing expenses

	Financial period From 1/1/2021 To 30/9/2021 L.E	Financial period From 1/1/2020 To 30/9/2020 L.E	Financial period From 1/7/2021 To 30/9/2021 L.E	Financial period From 1/7/2020 To 30/9/2020 L.E
Advertising expenses	434 910 060	301 026 889	139 879 446	96 313 206
Salaries and wages	231 049 466	209 711 315	79 277 922	72 578 625
Depreciation	46 670 565	48 196 884	17 006 954	16 129 798
Vehicles expenses	63 437 908	77 612 616	13 878 555	28 360 371
Shipping & export expenses	67 673 899	33 658 913	35 925 168	12 724 940
Rent	9 416 510	5 698 911	4 197 951	1 768 602
Temporary labor contractor	25 112 114	20 251 697	8 523 044	7 701 113
Others	118 431 202	108 251 439	40 775 768	39 493 487
	996 701 724	804 408 664	339 464 808	275 070 142

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated interim financial statements for the Financial Year ended 30 September 2021

7 General and administrative expenses

	Financial period From 1/1/2021 To 30/09/2021	Financial period From 1/1/2020 To 30/09/2020	Financial period From 1/7/2021 To 30/09/2021	Financial period From 1/7/2020 To 30/09/2020
	L.E	L.E	L.E	L.E
Salaries and wages	86 830 048	103 573 197	29 683 674	36 136 972
Depreciation expense	13 309 640	12 752 941	4 674 834	4 092 473
Rent expense	9 955 245	8 394 915	3 369 275	3 027 141
Subscription fees and licenses	28 288 918	24 086 032	8 522 003	8 389 005
Other administrative expenses	42 575 250	41 154 052	16 672 893	12 104 999
	180 959 101	189 961 137	62 922 679	63 750 590

8 Other expenses

	Financial period From 1/1/2021 To 30/09/2021	Financial period From 1/1/2020 To 30/09/2020	Financial period From 1/7/2021 To 30/09/2021	Financial period From 1/7/2020 To 30/09/2020
	L.E	L.E	L.E	L.E
Donations	8 273 038	10 350 465	2 163 235	2 068 428
Expected credit losses	3 520 215	5 177 412	3 520 215	(1 494 465)
Property tax	795 053	1 592 231	489 119	4 777
Impairment in inventories	942 945	-	(609 173)	-
Provision for claims	6 884 505	10 799 875	213 968	9 533 500
Health insurance	30 438 115	27 843 701	11 751 598	9 961 276
Capital losses	832 241	22 818 569	832 241	6 177 233
Loss from selling and death of animal wealth	8 102 304	17 034 327	1 360 997	5 874 597
Others	5 623 319	7 129 290	1 535 097	2 467 362
	65 411 735	102 745 870	21 257 297	34 592 708

9 Net finance expense

	Financial period From 1/1/2021 To 30/09/2021	Financial period From 1/1/2020 To 30/09/2020	Financial period From 1/7/2021 To 30/09/2021	Financial period From 1/7/2020 To 30/09/2020
	L.E	L.E	L.E	L.E
Interest expense	(70 236 915)	(139 044 946)	(23 782 895)	(38 655 926)
Interest income	10 927 194	14 398 274	5 428 989	5 041 906
Gain / (Loss) from foreign currency exchange	1 452 752	372 401	2 573 540	279 193
	(57 856 969)	(124 274 271)	(15 780 366)	(33 334 827)

10 Segmentation reports

10-1 Segmentation reports for the financial period ended 30 September 2021

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							Total L.E 30/09/2021
	Dairy sector L.E 30/09/2021	chilled sector L.E 30/09/2021	Juices sector L.E 30/09/2021	Concentrates sector L.E 30/09/2021	Agriculture sector L.E 30/09/2021	Undistributed Items L.E 30/09/2021	Elimination of consolidated transactions L.E 30/09/2021	
Net Sales	3 117 562 431	1 840 933 309	1 211 675 721	144 952 348	27 076 086	181 763 287	-	6 523 983 182
Sales between segments	2 986 495 158	1 359 328 641	1 076 332 920	228 850 370	1 654 454	-	(5 652 661 543)	-
Other operating income	3 857 651	3 433 390	5 268 042	12 371 887	(549 370)	948 013	-	25 878 983
Expenses	(422 147 162)	(630 957 290)	(230 978 006)	(15 464 741)	(549 370)	(18 837 441)	-	(1318 934 010)
Other Information								
Depreciation	104 353 011	61 621 547	40 557 972	4 851 936	906 308	6 084 096	-	218 374 870
Assets	1 529 215 169	1 582 911 643	973 939 247	466 183 633	805 656 829	112 025 866	-	5 469 932 387
Liabilities	914 615 885	548 547 522	308 075 568	247 971 060	57 256 832	-	-	2 076 466 867

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

10 Segmentation reports

10-2 Segmentation reports for the financial year ended 30 september 2021

Translated from Arabic

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						Total L.E 30/09/2020	
	Dairy sector L.E 30/09/2020	Chilled sector L.E 30/09/2020	Juices sector L.E 30/09/2020	Concentrates sector L.E 30/09/2020	Agriculture sector L.E 30/09/2020	Undistributed items L.E 30/09/2020		Elimination of consolidated transactions L.E 30/09/2020
Net Sales	2 880 990 703	1 475 902 742	1 049 218 860	135 167 667	42 031 752	136 158 188	-	5 719 469 912
Sales between segments	2 677 360 766	1 100 124 140	882 470 959	152 194 047	13 597 062		(4 825 746 976)	-
Other operating income	4 895 152	2 223 389	2 378 933	1 076 438	5 405 030	1 856 088	-	17 835 030
Expenses	(461 711 373)	(567 079 217)	(251 355 156)	(23 034 083)	(59 750 002)	(13 985 750)	-	(1 370 915 581)
Other Information								
Depreciation	64 334 488	60 538 376	46 044 409	15 209 236	29 359 584	-	-	215 486 093
Assets	1 464 968 144	1 381 546 446	940 279 756	459 493 931	878 440 227	111 800 655	-	5 236 529 159
Liabilities	869 290 581	712 080 081	404 981 653	306 983 382	84 609 521	-	-	2 377 945 218

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

Notes to the consolidated interim financial statements for the financial period ended 30 September 2021

11 Investment under joint control (equity)

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	L.E	L.E	L.E	L.E	L.E	L.E
30-Sep-21													
Arju Company For food Industrial*	50.75	16 352 233	-	-	16 352 233	1 421 980	1 421 980	1 421 980	14 930 253				
Balance as of 30 September 2021		16 352 233	-	-	16 352 233	1 421 980	1 421 980	1 421 980	14 930 253				
31 December 2020													
Arju Company For food Industrial	50.75	15 956 384	15 225	15 225	15 971 609	1 499 902	1 499 902	1 499 902	14 471 707				
Balance as at 31 December 2020		15 956 384	15 225	15 225	15 971 609	1 499 902	1 499 902	1 499 902	14 471 707				

* On November 30, 2021 the decision of the Juhayna Board of Directors, based on the request of Arja, to liquidate Argu and cancel the partnership between Argu and other companies

12. Property, plant and equipment

Description	Land*		Buildings & Constructions		Machinery & Equipment		Transportation & transport vehicles		Tools		Empty plastic containers & Palettes		Display ref.'s		Walls		Office furniture & equipment		Computers		Total	
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.
Cost	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	128 977 568	5 121 382 179											
Cost as at 1/1/2020	396 968	6 033 193	153 333 818	53 862 402	15 017 694	11 037 941	4 241 391	1 002 149	6 148 837	251 074 393												
Additions of the period	(45 648 512)	(4 751 207)	(72 979 449)	(27 979 033)	(1 476 767)	(8 154 428)	(17 472 548)	(4 577 740)	(1 295 519)	(185 610 469)												
Disposals of assets held for sale during the period																						
Transfer of assets held for sale during the period																						
Cost as of 31/12/2020	184 864 276	1 638 268 728	2 528 493 619	325 156 697	147 948 415	69 386 671	81 792 144	39 789 600	34 024 405	133 830 886	5 183 554 441											
Additions during the period	3 770	5 778 504	155 582 457	47 884 886	7 244 099	6 841 140	16 772 090		976 298	13 191 518	254 274 762											
Disposals during the period			(9 455 610)	(1 750 000)		(1 904 811)	(252 342)		(2 562)	(69 501)	(13 434 826)											
Transfer of assets held for sale during the period			3 055 570								3 055 570											
Cost as of 30/9/2021	184 868 046	1 644 047 232	2 677 676 036	371 290 583	155 192 514	74 323 000	98 311 892	39 789 600	34 998 141	146 952 903	5 427 449 947											
Accumulated depreciation as at 1/1/2020																						
Depreciation of the period		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	107 038 666	1 814 993 532											
Accumulated depreciation of disposals of the period		34 767 219	175 735 480	30 715 165	13 096 990	12 247 486	5 619 013	1 606 954	2 677 943	9 863 668	286 329 918											
Accumulated depreciation as of 31/12/2020		(631 576)	(36 797 929)	(24 181 523)	(504 566)	(8 154 424)	(17 313 595)	(2 061 311)	(725 232)	(1 152 352)	(91 522 508)											
PPE impairment as of 31 December 2020		242 620 936	1 241 438 996	170 853 879	86 642 602	43 410 611	76 437 922	11 277 651	21 368 413	115 749 982	2 009 800 942											
Depreciation of the period		(132 189)	(15 045 262)																			
Depreciation of disposals of the period		26 264 131	134 973 538	22 439 112	10 146 439	10 233 711	3 338 970	1 117 574	1 954 204	7 907 171	218 374 870											
Accumulated depreciation of disposals of the period			(4 460 842)	(425 628)		(1 904 811)	(252 342)				(7 093 510)											
Accumulated depreciation as of 30/9/2021		268 885 067	1 371 951 692	192 867 313	96 789 061	51 739 511	79 524 550	12 395 225	23 322 617	123 607 266	2 221 052 302											
Fixed assets impairment as of 30 September 2021		(132 189)	(14 807 962)																			
Net book value as of 30/9/2021	(10 354 591)	1 375 029 976	1 290 916 382	178 423 270	58 403 453	22 583 489	18 787 342	27 164 446	11 675 524	23 345 637	3 180 842 974											
Impairment of fixed assets 31/12/2020	174 513 455	(132 189)	(15 045 262)																			
Net book value as of 31/12/2020	174 509 685	1 396 515 603	1 272 009 361	154 301 868	61 306 613	25 976 060	5 354 222	28 282 020	12 685 992	18 080 904	3 147 991 528											

*Cost of fully depreciated assets are amounted to L.E. 427 475 742 as at 30 September 2021.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated interim financial statements for the Financial Year ended 30 September 2021

13 Projects under constructions

	30/9/2021	31/12/2020
	L.E	L.E
Buildings and constructions in progress	6 013 988	5 570 405
Machineries under installation	57 269 940	144 895 978
Generators	2 969 618	2 530 613
Advance payments for purchase of fixed assets	14 993 850	4 949 848
Wells and water pumps	568 671	-
Computer software	1 659 979	2 700 055
Lake	-	26 800
	83 476 046	160 673 699
Less: Impairment of projects under construction	-	-
	83 476 046	160 673 699

14 Plant wealth**14-1 Plant wealth - productive**

	30/9/2021	31/12/2020
	L.E	L.E
Cost at the beginning of the period/ year	18 487 577	14 045 612
Additions during the period/ year	-	4 441 965
Cost at end of the period/ year	18 487 577	18 487 577
Less:		
Accumulated depreciation at beginning of the period/ year	(2 000 754)	(1 529 691)
Depreciation during the period/ year	(386 387)	(471 063)
Accumulated depreciation at end of the period/ year	(2 387 141)	(2 000 754)
Net	16 100 436	16 486 823

14-2 Plant wealth – unproductive

	Fruits Tree	330 projects	Project 190	Total
Balance on January 1,2021	7 492 215	10 079 554	4 616 148	22 187 917
Additions	-	6 694 337	877 377	7 571 714
Reclassification	(5 416 150)	5 416 150	-	-
Balance at end of the period	2 076 065	22 190 041	5 493 525	29 759 631

Juhayna Food Industries

Notes to the consolidated interim financial statements for the financial period ended 30 September 2021

15- Biological wealth

	Translated from Arabic		Total	
	30/09/2021	31/12/2020	30/09/2021	31/12/2020
	L.E	L.E	L.E	L.E
biological wealth (Flock of dairy livestock - productive)	171 942 722	73 072 251	245 014 973	236 439 784
biological wealth (Flock of dairy livestock - unproductive)		7 335 000	7 335 000	2 868 851
		(47 527 052)	-	12 221 834
Amount of flock of livestock at the beginning of the period/ year				
Adding:				
Addition during the period/ year				
Transferred from projects under construction				
Transferred from biological wealth (Flock of dairy livestock - unproductive)	47 527 052			
* Births of flock				
Female				
Capital cost during drying -off				
	219 469 774	81 110 973	300 580 747	324 392 931
Biological wealth sales	35 198 445	9 101 566	44 300 011	71 933 366
The death of live stock losses	5 967 428	1 384 881	7 352 309	7 444 592
Cost of flock of livestock as of the end of the period/ year	41 165 873	10 486 447	51 652 320	79 377 958
Accumulated depreciation	178 303 901	70 624 526	248 928 427	245 014 973
Beginning of the period/ year	48 846 990	-	48 846 990	41 318 270
Depreciation of the period/ year	22 247 034	-	22 247 034	26 583 250
Accumulated depreciation of disposals of sales case	(13 610 117)	-	(13 610 117)	(17 029 211)
Accumulated depreciation of disposals of death case	(2 037 885)	-	(2 037 885)	(2 025 320)
Accumulated depreciation as of end period/ year	55 446 022	-	55 446 022	48 846 989
Net amount of flock of livestock as of end period/ year	122 857 879	70 624 526	193 482 405	196 167 984

* Calves 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 livestock because active market to rely on to determine the fair value is unavailable.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated interim financial statements for the Financial Year ended 30 September 2021

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 2009

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

Years from 2010 till 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 - 2020

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 2010

The tax inspection performed, and differences settled.

Year 2011/2016

The tax inspection performed, and differences settled.

Year 2017/2019

The company prepare for tax inspection.

Year 2020

Not asked for tax inspection

C. Stamp tax

The period from the beginning of operation till 2014

The tax inspection performed, and differences settled.

Year 2015/2016

The tax inspection performed, and differences settled.

Year 2017/2018

The tax inspection is performed and pending forms

Year 2019/2020

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 2019/2020

Not asked for tax inspection

E. Withholding tax

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

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated interim financial statements for the Financial Year ended 30 September 2021

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. 2019the inspection not requested
Year 2019 not inspected yet.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated interim financial statements for the Financial Year ended 30 September 2021

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	
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.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated interim financial statements for the Financial Year ended 30 September 2021

Fourth: Value added tax (Sales tax)

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

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated interim financial statements for the Financial Year ended 30 September 2021

17 Inventories

	30/9/2021	31/12/2020
	L.E	L.E
Raw materials	144 528 773	152 410 563
Packaging and packing materials	170 904 670	104 392 404
Finished goods	354 349 451	457 561 289
Spare parts and miscellaneous supplies	84 304 663	79 737 847
Goods in transit - L/C's for goods purchase	45 298 231	79 866 670
	<u>799 385 788</u>	<u>873 968 773</u>

18 Trade and other receivables

	30/9/2021	31/12/2020
	L.E	L.E
Trade receivables	283 667 998	216 445 863
Less: Expected credit losses	<u>(16 705 377)</u>	<u>(13 469 889)</u>
Notes receivables	9 993 421	648 379
Suppliers – advance payments	35 411 258	19 381 202
Prepaid expenses	21 947 684	11 074 597
Export subsidy*	28 614 850	33 696 922
Employee dividends - Advance	34 815 075	-
Tax Authority	56 825 957	46 495 494
Customs Authority	17 140 322	4 051 106
Deposits with others	13 623 657	9 284 122
Debtors- sales of PP&E	42 020 886	35 510 000
Other debit balances	12 732 713	15 902 936
	<u>540 088 444</u>	<u>379 020 732</u>
<u>Less: Impairment in other debit balances</u>	<u>(19 141 437)</u>	<u>(18 856 710)</u>
	<u>520 947 007</u>	<u>360 164 022</u>

* The collection occurred during the period ended 30 September 2021 is EGP 17 849 461. The company continues to collect the outstanding balance with the Export Development Fund.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated interim financial statements for the Financial Year ended 30 September 2021

19 Cash at bank and on hand

	30/9/2021	31/12/2020
	L.E	L.E
Time deposits *	330 814 765	95 233 076
Banks – current accounts	125 240 558	70 617 916
Cheques under collection	–	3 137 987
Cash on hand	1 881 860	1 761 454
Cash in transit	15 868 697	11 792 105
Cash and cash equivalent in cash flow	473 805 880	182 542 538

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

20 Share capital

	30/9/2021	31/12/2020
	L.E	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
<u>Less:</u>	
i. Nominal value of issued shares with a premium	(205 972 632)
ii. Issuance fees	(38 507 164)
ii. Legal reserve formed to reach 50 % of paid up capital	(350 398 732)
iv. Difference between the nominal value and the cost of own shares cancelled on 5 February 2012.	(73 580 254)
General reserve	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	Non-current portion	
	L.E	L.E	L.E
Commercial International Bank (CIB)	134 061 103	10 000 000	144 061 103
European Bank for Reconstruction & Development	39 267 081	150 912 549	190 179 630
HSBC bank	47 750 000	71 625 000	119 375 000
Balance at 30/9/2021	221 078 184	232 537 549	453 615 733
Balance at 31/12/2020	329 894 549	270 774 821	600 669 370

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

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated interim financial statements for the Financial Year ended 30 September 2021

22 Bank Credit facilities

This balance amounted to L.E 254 493 514 as at 30 September 2021 (against L.E 276 599 740 as at 31/12/2020), represents the drawn down portion of the L.E 2.166 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	Formed during	Used during	Balance at
	01/01/2021	the period	the period	30/9/2021
	L.E	L.E	L.E	L.E
Provision for claims	50 854 882	6 884 505	(10 816 988)	46 922 399

24 Creditors and other credit balances

	30/9/2021	31/12/2020
	L.E	L.E
Suppliers	484 609 962	447 604 517
Notes Payables	750 000	-
Dividends payable	23 934 020	13 961 437
Accrued expenses	104 202 998	115 123 034
PPE creditors	20 587 145	856 769
Tax authority	40 608 430	22 416 016
Deposits for others	1 909 542	2 492 161
Sales tax installments on the imported machineries and equipment (Note No. 25)	5 734 919	5 834 174
Social Insurance Authority	6 036 146	5 289 770
Due to health insurance	65 551 770	35 191 568
Advances from customers	10 934 335	7 846 177
Other credit balances	6 505 552	17 549 963
	771 364 819	674 165 586

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated interim financial statements for the Financial Year ended 30 September 2021

25 Other non-current liabilities

	30/9/2021	31/12/2020
	L.E	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 5 734 919 as at 30/9/2021 (L.E 5 834 174 as at 31/12/2020) are shown under the caption of creditors and other credit balances in the consolidated balance sheet.	1 192 982	18 208 729
PPE purchase premiums	-	-
	<u>1 192 982</u>	<u>18 208 729</u>

26 Deferred tax liabilities

Deferred tax liability amounted to L.E 293 544 461 on 30/9/2021 representing net book value of taxable assets and liabilities:

vi. Deferred Tax (Lease Contracts)

	Balance	Balance
	2021/9/30	2020/12/31
	L.E	L.E
Deferred tax liability	(4 694 011)	(5 443 057)
Deferred tax asset	(635 299)	1 737 533
Deferred asset/ liability (Lease contracts)	(5 329 310)	(3 705 524)
Deferred tax liability from fixed assets	(288 215 151)	(283 176 541)
Total deferred tax liability	<u>(293 544 461)</u>	<u>(286 882 065)</u>
	Balance on	Balance on
	1/1/2021	30/9/2021
	L.E	L.E
Deferred tax liability	<u>286 882 065</u>	<u>293 544 461</u>
	Movement during	Movement during
	the period	the period
	L.E	L.E
	<u>6 662 396</u>	<u>6 662 396</u>

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated interim financial statements for the Financial Year ended 30 September 2021

27 Group companies

The following sets out the subsidiaries of Juhayna Food Industries Company that were acquired and controlled by the Company as at 30/9/2021 and the company under joint control shown together with their respective contribution percentage held as at the financial position date.

Subsidiary Name	Contribution % 30/9/2021	Contribution % 31/12/2020	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
<u>Company under joint control</u>			
Arju Company for Food Industries	50.75 % under joint control	50.75 % under joint control	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.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated interim financial statements for the Financial Year ended 30 September 2021

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	
		30/9/2021	31/12/2020
		L.E	L.E
Trade and other receivables	(18)	387 621 826	264 845 903

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 254 493 514 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	Contractual cash flows
		L.E	L.E
Banks - credit facilities	(22)	254 493 514	(22 106 226)
Total loans	(21)	453 615 733	(147 053 637)
Operating lease – liabilities	(29-1)	121 254 382	(21 507 166)
	(29-2)		

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated interim financial statements for the Financial Year ended 30 September 2021

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	3 235 945	-
Cash at banks and on hand	1 425 830	24 033
Creditors and other credit balances	(11 566 463)	(492 290)
30 September 2021	(6 904 688)	(468 257)
31 December 2020	(10 224 072)	(762 200)

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

	Average rate		Closing Rate	
	30/9/2021	31/12/2020	30/9/2021	31/12/2020
USD	15.74	15,85	15.75	15,78
Euro	18.73	18,16	18.24	19,36

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.

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	30/9/2021	31/12/2020
	L.E	L.E
Total liabilities	2 076 466 867	2 232 458 733
Less: cash at bank and on hand	(473 805 880)	(182 542 538)
Net debt	1 602 660 987	2 049 916 195
Total equity	3 393 465 520	2 903 273 852
Net debt to equity ratio	47%	71%

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 m². The contract terms became effective starting 24/3/2016. The following is a summary of the above-mentioned contract:

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

- vii. 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

	30/9/2021	31/12/2020
	L.E	L.E
Liabilities from lease contract current portion	15 234 907	14 225 047
Long-term liability from lease contract non-current portion	60 334 117	71 889 895
	75 569 024	86 114 943

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Lease contracts liabilities are as follows:

	Payment of liability principal		Payment of accrued interest	
	30/9/2021	31/12/2020	30/9/2021	31/12/2020
	L.E	L.E	L.E	L.E
Liabilities for one year	15 234 907	14 225 047	5 981 119	6 990 979
Liabilities between 1-5 years	60 334 117	71 889 896	8 617 969	12 974 210

29-2 Operating Lease contract liabilities

The group is renting buildings and stores and this rent is performed individually and each contract has its 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

	30/9/2021	31/12/2020
	L.E	L.E
Buildings, Warehouses and stores	66 574 688	59 247 345
Amortization during the ended period	(26 198 799)	(14 921 683)
Net book value	40 375 889	44 325 662

During the period ended at 30 September 2021 the group has been charged by 3 285 407 as an interest resulted from the renting contracts.

Operation lease contract liability

	30/9/2021	31/12/2020
	L.E	L.E
Liabilities from lease contract-current portion	9 691 263	9 481 310
Long-term liability from lease contract non-current portion	35 994 095	36 522 549
Total	45 685 358	46 003 859

Payment of lease contracts liabilities are as follows:

	Liabilities in present value		Accrued interest	
	30/9/2021	31/12/2020	30/9/2021	31/12/2020
	L.E	L.E	L.E	L.E
Liabilities for one year	9 691 263	9 511 310	4 092 052	4 254 794
Liabilities between 1-5 years	33 833 231	33 571 606	6 735 839	7 974 662
Liabilities more than 5 years	2 160 864	2 950 943	203 593	1 403

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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 30/9/2021 amounting to LE 17 023 133 and the covered portion reached to be LE.

31 Capital commitments

The capital commitments related to setting up and acquiring fixed assets amounted to L.E 52 033 818 on 30/9/2021.

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 Due to related parties

Company's name	Nature of transaction	Total value of transactions		Balance as at	
		30/9/2021	31/12/2020	30/9/2021	31/12/2020
		L.E	L.E	L.E	L.E
Arju Company For Food Industries	Current account	2 722		2 722	
				<u>2 722</u>	

32-2 Board of Director's remuneration

The total allowances received by the board of directors during the period amounted to LE 1 875 000 against L.E 15 105 000 during the period ended 30 September 2020.

33 Income tax – current

	Financial Year 30/9/2021 L.E	Financial Year 31/12/2020 L.E
Income tax at the beginning of the year	192 929 560	103 663 033
Income tax expense	132 420 344	192 965 593
Investment tax on dividends	-	43 393 554
Taxes paid during the year	(191 271 327)	(147 056 587)
Accrued interest income on the tax advances	-	(36 033)
	<u>134 078 577</u>	<u>192 929 560</u>

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	Financial period From 1/1/2021 To 30/9/2021 L.E	Financial period From 1/1/2020 To 30/9/2020 L.E
Income tax expense	132 420 344	149 725 218
Investment tax on dividends	-	5 398 745
	132 420 344	155 123 963

34 Goodwill

	30/9/2021 L.E	31/12/2020 L.E
Goodwill resulting from acquiring the Egyptian Company for Dairy Products	46 433 934	46 433 934
Goodwill resulting from acquiring Al-Marwa for Food Industries Company	50 658 956	50 658 956
	97 092 890	97 092 890

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 period from 1/1/2021 To 30/9/2021 L.E	Financial period from 1/1/2020 To 30/9/2020 L.E	Financial period from 1/7/2021 To 30/9/2021 L.E	Financial period from 1/7/2020 To 30/9/2020 L.E
Parent Company's share in profit	490 027 480	383 667 982	173 469 671	152 011 655
Weighted average number of shares	941 405 082	941 405 082	941 405 082	941 405 082
EPS (L.E/Share)	0.52	0.41	0.18	0.16

36 Significant events**36-1 Important events during the financial period:**

- 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

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(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-Abin 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 Tiba for trade and distribution 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).

- On March 7, 2021, the Board of Directors of Juhayna Food Industries Company formed an 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 Off Shore 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 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 409 cars. The company has replanned, distributed, integrated some sales routes and relied on outsourcing transporting its products 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 September 30, 2021 and tab the rest with current liabilities.
- The Company(from the beginning of these events until this date)continues to practice its normal course of business activity including (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 .

36-2 Events following the date of the financial statements

- On November 7, 2021, the company's ordinary general assembly was held, and the financial statements for the financial year ending on December 31, 2020 were approved by the general assembly and the board of directors was re-formed. The assembly was approved by the General Authority for Investment and Free Zones on December 14, 2021.
- On November 30, 2021, a board of directors was held, and Mr. Ahmed Al-Wakeel was appointed as a non-executive chairman of the board.

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Notes to the consolidated interim financial statements for the Financial Year ended 30 September 2021

37 Important events

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).

38 Interim Financial statements.

The company requested to issued financial position quarterly for publishing according to stock market requirements, However, the company and it's subsidiaries not issued the financial position for the first and second quarters of this year work is underway to issue the first and second quarters of 2021.