Translation from Arabic

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Consolidated financial statements
For the financial year ended
31 December 2021
And Audit report

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Giza- Cairo – Egypt

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

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

For the financial year ended 31 December 2021

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Auditor's report

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

Introduction

We have audited the consolidated statement of financial position of Juhayna Food Industries S.A.E as of 31 December 2021, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditors Responsibility

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

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Juhayna Food Industries S.A.E as of 31 December 2021, and of its consolidated financial performance and cash flows for the year then ended in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these consolidated financial statements.

Emphasis of the matter

We draw attention to note No. 36 of the consolidated financial statements, which describes the effect of major events to the company.

KPMG Hazem Hassan

Samy Abdelhafiz Ahmed Ibrahim
KPMG Hazem Hassan
Public Accountants & Consultants

Mohamed Tarek Youssef

Mohamed Tarek Youssef
Grant Thornton -Mohamed Hilal
Public Accountants

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

Cairo, 28 April 2022

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Consolidated statement of financial position
As of 31 December 2021

Translated from Arabic

	Note No.	12/31/2021 L.E	12/31/2020 L.E
Assets			
Non-current assets			
Property, plant and equipment	(12)	3 164 789 327	3 147 001 528
Projects under construction	(13)	73 964 179	160 673 699
Plant wealth - productive	(14-1)	26 073 857	16 486 823
Plant wealth – not productive	(14-2)	23 679 027	22 187 917
Biological wealth	(15)	196 194 420	196 167 984
Investments under joint control (equity)	(31)	15 116 843	14 471 707
Other - long term asset		723 872	732 144
Right to use assets	(29-2)	61 583 843	44 325 662
Goodwill	(34)	97 092 890	97 092 890
Non-current assets		3 659 218 258	3 [illegible] 130 354
Current assets			
Biological assets - Feeding Sector		46 173	48 501
Biological assets - Existing Agriculture		10 571 729	12 242 286
PPE held for sale		1 607 427	6 636 111
Inventories	(17)	879 266 088	873 908 773
Trade and other receivables	(18)	456 020 949	360 164 022
Due from related party	(1-33)	2 966	-
Cash at banks and on hand	(19)	453 015 330	182 542 538
Current assets		1 [illegible] 662	1 435 602 231
Total assets		5 459 748 920	5 135 732 585
Equity			
Issued and paid up capital	(20)	941 405 082	941 405 082
Legal reserve		688 879 026	637 021 531
General reserve - issuance premium	(20-1)	330 920 428	330 920 428
Retained earnings		1 206 348 929	993 211 902
Total equity attributable to the shareholders of the parent company		3 167 553 465	2 902 558 943
Non-controlling interest		762 819	714 909
Total equity		3 168 316 284	2 903 273 852
Non-current liabilities			
Long - term loans	(21)	262 359 916	270 774 821
Other non current liabilities	(25)	482 730	18 208 729
Lease contract liabilities - non current portion	(29)	109 066 326	108 412 444
Deferred tax liabilities	(26)	299 908 161	286 882 065
Non-current liabilities		671 817 133	684 278 059
Current liabilities			
Provisions	(23)	70 078 923	50 854 882
Bank credit facilities	(22)	273 230 763	276 599 740
Creditors and other credit balances	(24)	928 212 428	674 165 586
Income tax payable	(33)	180 240 503	192 929 560
Lease contract liabilities - current portion	(29)	28 324 136	23 736 357
Loans-current portion	(21)	139 519 750	329 894 549
Current liabilities		1 619 615 503	1 548 180 674
Total liabilities		2 291 432 636	2 232 458 733
Total equity and total liabilities		5 459 748 920	5 135 732 585

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

Chief Finance Officer
Sameh El-hodaiby

Chairman
Ahmed El Wakil

Cairo, 27 April 2022
"Auditor's report "attached"

Juhayna Food Industries **Translated from Arabic**

(An Egyptian Joint Stock Company)

Consolidated statement of profit or loss

For the financial year ended 31 December 2021

	Note No.	Financial year ended 31/12/2021 L.E.	Financial year ended 31/12/2020 L.E.
Net sales		8 805 974 252	7 495 796 836
Cost of sales		(6 278 903 539)	(5 092 839 603)
Gross profit		**2 527 070 713**	**2 402 957 233**
Other operating income	(5)	41 548 292	45 914 514
Selling and Marketing expenses	(6)	(1 340 271 251)	(1084 132 592)
General and administrative expenses	(7)	(272 283 318)	(308 699 973)
Other expenses	(8)	(122 143 862)	(218 615 019)
Results from operating activities		**833 920 574**	**837 424 163**
Share in profit /Loss of a company under joint control		645 136	(392 442)
Net finance (expense)	(9)	(68 187 651)	(161 212 082)
Net profit before income tax		**766 378 059**	**675 819 639**
Current income tax	(33)	(226 962 845)	(236 359 147)
Deferred tax	(26)	(13 026 096)	(10 972 590)
Net profit for the year		**526 389 118**	**428 487 902**
Distributed as follows			
Parent Company's share in profit		526 196 634	428 376 245
Non-controlling interest		192 484	111 657
		526 389 118	428 487 902
Earning per share for the year (L.E /share)	(35)	**0.56**	**0.46**

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

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Consolidated statement of comprehensive income
For the financial year ended 31 December 2021

Translated from Arabic

	Financial year ended 31/12/2021 L.E.	Financial year ended 31/12/2020 L.E.
Net profit for the Year	**526 389 118**	**428 487 902**
Total other comprehensive income	**526 389 118**	**428 487 902**
Distributed as follows		
Parent Company's share in profit	526 196 634	428 376 245
Non-controlling interest	192 484	111 657
	526 389 118	**428 487 902**

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

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Consolidated statement of changes in equity
For the financial year ended 31 December 2021

	Issued & paid up capital L.E	Legal reserve L.E	General reserve- issuance premium L.E	Retained earnings L.E	Non-controlling interest L.E	Total L.E
Balance as at 1 January 2020	941 405 082	594 085 534	330 920 428	859 988 077	640 370	2 727 039 491
Dividends to shareholders	–	–	–	(188 281 016)	–	(188 281 016)
Dividends to employees and board of directors	–	–	–	(63 972 525)	–	(63 972 525)
Dividends from subsidiaries to non controlling interest	–	–	–	37 118	(37 118)	-
Holding Company's share in reserves & retained earnings of subsidiaries	–	42 935 997	–	(42 935 997)	–	-
Total other comprehensive income for the year ended 31 December 2020	–	–	–	428 376 245	111 657	428 487 902
Balance as at 31 December 2020	941 405 082	637 021 531	330 920 428	993 211 902	714 909	2 903 273 852
Balance as at 1 January 2021	941 405 082	637 021 531	330 920 428	993 211 902	714 909	2 903 273 852
Dividends to shareholders	–	–	–	(188 281 016)	–	(188 281 016)
Dividends to employees and board of directors	–	–	–	(72 921 096)	–	(72 921 096)
Dividends from subsidiaries to non controlling interest	–	–	–	–	(144 574)	(144 574)
Holding company share from reserve and retained earning of subsidiaries	–	51 857 495	–	(51 857 495)	–	-
Total other comprehensive income for the year ended 31 December 2021	–	–	–	526 196 634	192 484	526 389 118
Balance as at 30 September 2021	941 405 082	688 879 026	330 920 428	1 206 348 929	762 819	3 168 316 284

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

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Consolidated statement of cash flows
For the financial year ended 31 December 2021

Translated from Arabic

	Note No	Financial year ended 31/12/2021 L.E.	Financial year ended 31/12/2020 L.E.
Cash flows from operating activities			
Net profit for the year before income tax and minority interest in profits		766 378 059	675 819 639
Adjustments for:			
PPE depreciation	(12)	298 553 535	286 329 918
Capital loss	(8)	1 154 821	16 516 151
Amortization of asset right of use (lands)		8 272	8 273
Amortization of animal wealth	(15)	30 080 248	26 583 250
Amortization of plant wealth (productive)	(14-1)	539 464	471 063
Impairment vital assets	(5)	-	289 588
Impairment vital assets write-down		-	(3 179 588)
Changes in investments under joint control (equity)	(11)	(645 136)	392 442
Impairment of Fixed assets & projects under construction		503 366	24 920 137
Impairment of trade and other receivables write-down	(8)	11 917 800	(1 653 387)
Impairment of trade and other receivables	(8)	-	21 691 583
Amortization of right of use asset	(29)	14 765 235	-
Right of use asset interest	(29)	4 398 912	-
Impairment of inventory		1 331 557	11 955 299
Impairment of inventory write-down		-	(2 645 192)
Provision for claims formed	(23)	36 656 195	58 490 324
Herd birth	(15)	(16 133 111)	(15 249 100)
Herd capitalization	(15)	(58 183 714)	(68 520 036)
Loss from selling and death of animal wealth	(8)	-	25 081 483
Loss from calves death		8 296 528	
Foreign currencies exchange differences	(9)	(1 158 376)	2 660 103
Credit interests	(9)	(20 226 267)	(14 366 296)
Finance interests & expenses	(9)	85 173 382	178 238 481
		1 163 410 770	**1 223 834 135**
Changes in:			
Inventories	(17)	(6 628 872)	163 189 072
Biological assets- Exiting Agriculture		1 670 557	14 214 138
Trade and other receivables	(18)	(107 774 727)	36 203 700
Creditors & other credit balances	(24)	64 139 830	(21 730 600)
Due from related parties	(32-1)	(2 966)	(421 867)
Dividends paid to employees		(72 921 096)	(63 972 525)
Changes in held for sale		1 004 119	(392 863)
Income tax paid		(239 642 813)	(147 056 588)
Sales tax on capital goods -paid		(17 725 999)	(4 755 574)
Impairment of trade and other receivables used		-	(2 262 250)
Impairment in inventories used		-	(3 050 336)
Provisions claims used		(17 432 154)	(24 109 653)
Impairment in fixed asset used		-	(23 162 696)
Net cash flows from operating activities		**768 096 649**	**1146 526 093**
Cash flows from investing activities			
Acquisition of PPE & projects under construction	(12-13)	(233 523 140)	(304 490 090)
Proceeds from sale of PPE		8 729 037	80 863 472
Proceeds from plant wealth unproductive		138 994	
Acquisition of plant & animal wealth	(14-15)	(7 335 000)	(35 098 267)
Acquisition of plant wealth unproductive		(11 756 601)	
Proceeds from the sale of plant and animal wealth	(14-15)	36 804 206	62 938 470
Proceeds from the compensation of calves death		6 446 734	-
Net cash flows (used in) investing activities		**(200 495 770)**	**(195 786 415)**
Cash flows from financing activities			
Proceeds from/ (payments for) overdraft & credit facility	(22)	(3 368 977)	(122 340 584)
(Payments for) financial lease contract liabilities	(29)	(31 180 667)	(10 976 121)
(Payments for) Bank loans	(21)	(198 789 704)	(376 748 765)
Collected credit interests		20 226 267	14 330 263
Finance interests & expenses paid		(85 173 382)	(178 238 481)
Dividends paid to shareholders		-	(188 281 016)
Net cash flows (used in) financing activities		**(298 286 463)**	**(862 254 704)**
Change in cash & cash equivalents during the year		**269 314 416**	**88 484 974**
The effect of foreign exchange difference	(9)	1 158 376	(2 660 103)
Cash & cash equivalents at 1 January	(19)	182 542 538	96 717 667
Cash & cash equivalents at 31 December		**453 015 330**	**182 542 538**

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

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Notes to the consolidated financial statements
For the financial year ended 31 December 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 April 27, 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised and in any future periods affected.
Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

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

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

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

3 Significant accounting policies

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

3-1 Basis of consolidation

Subsidiaries

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

Transactions eliminated on consolidation

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

3-2 Foreign currency

Foreign currency transactions

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

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

3-3 Investment under joint control

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

3-4 Financial instruments

3-4-1 Financial assets

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

A. Classification:

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

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

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

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

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

B. Recognition and derecognition:

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

C. Measurement:

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

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

Debt instruments:

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

- **Amortized cost:** Assets held to maturity date to collect contractual cash flows, where those cash flows represent only payment of original amount and interest, are measured at amortized cost. Interest income from these financial assets is included in financing income using the interest rate method. Any gains or losses resulting from the disposal of investments are recognized directly in the statement of profit or loss, and they are classified under other income / (expenses). Impairment losses are presented as a separate item in the statement of profit or loss.

• **Fair value through other comprehensive income:** Assets held for the purpose of collecting contractual cash flows and also for the purpose of selling financial assets, where the cash flows of assets represent only payment of original amount and interest, are measured at fair value through other comprehensive income. Changes in carrying amount are taken into other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in the statement of profit or loss. When the financial asset is disposed of, the cumulative gain or loss previously recognized in other comprehensive income from equity is reclassified to profit or loss and recognized in other income/(expenses). Interest income from these financial assets is included in financing income using the interest rate method, and impairment expense is presented as a separate item in the statement of profit or loss.

• **Fair value through profit or loss:** Assets that do not meet the criteria for depreciated cost or fair value through other comprehensive income are measured at fair value through profit or loss. Gains or losses on investment in debt instruments that are subsequently measured at fair value through profit or loss are recognized in profit or loss and are presented under other income / (expenses) in the period in which they arise. Impairment expenses as a separate item in the statement of profit or losses.

Equity instruments

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

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

d- Impairment:

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

Financial derivatives

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

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

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

3-4-2 Financial liabilities and equity instruments issued by the Group

Classification as debt or equity

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

Equity instruments

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

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

Financial liabilities

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

Other financial liabilities

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

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

3-4-3 De-recognition of financial instruments from books

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

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

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

Debtors

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

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

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

Cash and cash equivalents

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

Non-derivative financial liabilities

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

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

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

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

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

3-5 Intangible assets and goodwill

Recognition & Measurement

Goodwill

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

3-6 Property, plant and equipment

Recognition and measurement

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

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

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.
When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.
The gain and loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognized net within other income/other expenses in profit or loss.

Subsequent costs

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

Depreciation

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

Description	Estimated useful life (Years)
Buildings & Constructions	13.3- 50
Machinery & Equipment	More than -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).

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

- **Finance leases contracts (sale and lease back):**

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

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

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

3-11 Inventories

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

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

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

3-12 Transactions with related parties:

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

3-13 Impairment

Non –derivative financial assets

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

Non-financial assets

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

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

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

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

3-14 Defined contribution plans

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

3-15 Provisions

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

3-16 Revenue

Sales of goods

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

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

Export subsidy revenue

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

3-17 Rental income

Rental income from other assets is recognized in other income.

3-18 Finance income and finance costs

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

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

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

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

3-19 Income tax

Current tax

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

Deferred tax

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

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

3-20 Assets held for sale

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

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

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

3-21 Legal reserve

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

3-22 End of service benefits

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

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

3-23 Segmentation reporting

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

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

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

3-24 The new and adjusted accounting standard

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

Cows	4 years
Orange trees	35 years

5 Other operating income

	Financial year ended 31/12/2021 L.E	Financial year ended 31/12/2020 L.E
Export subsidy revenue	27 590 745	21 988 060
Increase in biological wealth due to newborn	1 861 031	4 301 416
Income from leased assets	300 000	3 015 337
Inventory write-down (Reverse)	-	2 645 192
Impairment of plant wealth (Reverse)	-	25 788
Impairment of trade and other receivables (Reverse)	-	1 653 387
Biological wealth write-down (Reverse)	-	3 179 588
Other income	11 796 516	9 105 746
	41 548 292	**45 914 514**

6 Selling and marketing expenses

	Financial year ended 31/12/2021 L.E	Financial year ended 31/12/2020 L.E
Advertising expenses	571 945 872	410 092 922
Salaries and wages	310 538 424	277 147 875
Depreciation	63 174 367	63 719 398
Vehicles expenses	78 135 736	102 799 484
Shipping & export expenses	102 044 628	42 878 144
Rent	13 310 377	7 338 397
Temporary labor contractors	32 528 265	27 032 954
Others	168 603 582	153 123 418
	1 340 271 251	**1 084 132 592**

7 General and administrative expenses

	Financial year ended 31/12/2021 L.E	Financial year ended 31/12/2020 L.E
Salaries and wages	117 148 846	129 014 472
Depreciation expense	18 670 789	16 952 409
Rent expense	14 121 361	12 013 868
Subscription fees and licenses	38 410 278	32 998 499
End of service expenses	16 653 894	43 982 598
BOD bonus (32-2)	1 875 000	11 875 000
Other administrative expenses	65 403 180	61 863 127
	272 283 318	**308 699 973**

8 Other expenses

	Financial year ended 31/12/2021 L.E	Financial year ended 31/12/2020 L.E
Impairment in Fixed Assets and Project under Construction	503 366	24 920 137
Impairment in trade and other receivables	11 917 800	21 691 583
Donations	10 493 317	12 309 788
Write-down of inventory value at net realizable value	1 331 557	11 955 299
Capital losses	1 154 821	16 516 151
Real estate tax	2 786 696	3 691 765
Provision for claims formed	36 656 195	58 490 324
Health insurance	41 367 220	32 815 667
Loss from selling and death of animal wealth	8 296 529	24 318 172
Other	7 636 361	11 906 133
	122 143 862	**218 615 019**

9 Net finance expense

	Financial year ended 31/12/2021 L.E	Financial year ended 31/12/2020 L.E
Interest expense	(89 572 294)	(178 238 481)
Interest income	20 226 267	14 366 296
Gain from foreign currency exchange	1 158 376	2 660 103
	(68 187 651)	**(161 2 082)**

10 Segmentation reports

10-1 Segmentation reports for the financial year ended 31 December 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							
	Dairy sector L.E 31/12/2021	chilled sector L.E 31/12/2021	Juices sector L.E 31/12/2021	Concentrates sector L.E 31/12/2021	Agriculture sector L.E 31/12/2021	Undistributed items L.E 31/12/2021	Elimination of consolidated transactions L.E 31/12/2021	Total L.E 31/12/2021
Net Sales	4 345 848 113	2 382 575 294	1 616 413 127	185 013 902	32 229 547	243 894 269		8 805 974 252
Sales between segments	4 010 597 691	1 770 843 004	1 456 008 259	308 130 623	142 614		(7 545 722 191)	-
Other operating income	7 547 615	5 316 831	8 525 502	19 604 498	482 987	715 995	-	42 193 428
Expenses	(595 380 724)	(829 405 586)	(325 235 388)	(20 795 719)	(7 412 876)	(24 655 789)	-	(1 802 886 082)
Other Information								
Depreciation	151 536 579	83 078 678	56 363 156	6 451 301	1 123 821		-	**298 553 535**
Assets	1 608 536 939	1 484 901 834	944 825 508	490 675 108	818 596 832	112 212 699	-	**5 459 748 920**
Liabilities	998 748 089	588 181 286	356 852 575	276 137 717	71 512 969		-	**2 291 432 636**

* 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 31 December 2020

The segmentation reports was prepared on an activity segments basis, the primary report for the activity segments was prepared in accordance with the organizational and managerial chart of the Company and its subsidiaries.
Activity segmentations results include a direct participation unit in each sector activity.

The primary report for activity segmentations:

Revenues and expenses according to activity segment as follows:

	Activity Segments							
	Dairy sector L.E 31/12/2020	Chilled sector L.E 31/12/2020	Juices sector L.E 31/12/2020	Concentrates sector L.E 31/12/2020	Agriculture sector L.E 31/12/2020	Undistributed items L.E 31/12/2020	Elimination of consolidated transactions L.E 31/12/2020	Total L.E 31/12/2020
Net Sales	3 826 355 703	1 915 800 722	1 362 840 655	153 559 202	48 599 408	188 641 146	-	7 495 796 836
Sales between segments	3 701 507 725	1 443 718 134	1 118 770 377	202 508 243	14 234 125		(6480 738 604)	-
Other operating income	2 514 209	3 240 502	3 674 189	21 125 809	11 247 634	3 719 729	-	45 522 072
Expenses	(599 966 363)	(705 332 921)	(330 504 027)	(32 090 396)	(90 287 237)	(14 478 722)	-	(1 772 659 666)
Other Information								
Depreciation	109 303 879	79 545 139	61 040 371	27 417 055	6 023 474	-	-	283 329 918
Assets	1 475 856 108	1 389 816 558	882 090 251	455 734 154	820 670 916	111 564 598	-	5 135 732 585
Liabilities	1 001 173 932	567 407 942	340 098 141	274 325 748	49 452 970	-	-	2 232 458 733

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

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
Arju Company For food Industrial*	50.75%	16 383 950	-	16 383 950	1 267 107	1 267 107	15 116 843
Balance as of 31 December 2021		**16 383 950**	**-**	**16 383 950**	**1 267 107**	**1 267 107**	**15 116 843**
Arju Company For food Industrial	50.75%	15 956 384	15 225	15 971 609	1 499 902	1 499 902	14 471 707
Balance as at 31 December 2020		**15 956 384**	**15 225**	**15 971 609**	**1 499 902**	**1 499 902**	**14 471 707**

* On November 30, 2021 Board of Directors approved to call the EX GA of Arju to decide togather with Arla on the approval to liquidate Arju and cancel the partnership between Argu and other group companies

12 Property, plant and equipment

Description	Land*	Buildings & Constructions	Machinery & Equipment	Transportation &transport vehicles	Tools	Empty plastic containers & Palettes	Display refg.'s	Wells	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
Cost											
Cost as at 1/1 2020	**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
Additions of the year	396 968	6 033 193	153 333 818	53 862 402	15 017 694	11 037 941	4 241 391		1 002 149	6 148 837	251 074 393
Disposals of the year	(45 648 512)	(4 751 207)	(72 979 449)	(27 979 033)	(1 476 767)	(8 154 428)	(17 472 548)	(4 577 740)	(1 275 266)	(1 295 519)	(185 610 469)
Transfer of assets held for sale during the year	-	-	(3 291 662)	-	-	-	-	-	-	-	(3 291 662)
Cost as of 31/12/2020	**184 864 276**	**1 638 268 728**	**2 528 493 619**	**325 155 697**	**147 948 415**	**69 386 671**	**81 792 144**	**39 789 600**	**34 024 405**	**133 830 886**	**5 183 554 441**
Additions during the year	3 770	11 088 715	199 689 652	48 212 776	13 479 222	12 554 574	16 772 090	-	1 399 207	17 032 655	320 232 661
Disposals during the year	(1 367 244)	-	(17 611 453)	(1 750 000)	-	(9 841 210)	(979 702)	-	(2 562)	(82 607)	(31 634 778)
Transfer of assets held for sale during the year	-	-	4 024 565	-	-	-	-	-	-	-	4 024 565
Cost as of 31/12/2021	**183 500 802**	**1 649 357 443**	**2 714 596 383**	**371 618 473**	**161 427 637**	**72 100 035**	**97 584 532**	**39 789 600**	**35 421 050**	**150 780 934**	**5 476 176 889**
Accumulated depreciation as at 1/1/2020	-	**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
Depreciation of the year	-	34 767 219	175 735 480	30 715 165	13 096 990	12 247 486	5 619 013	1 606 954	2 677 943	9 863 668	286 329 918
Accumulated depreciation of disposals of the year	-	(631 576)	(36 797 929)	(24 181 523)	(504 566)	(8 154 424)	(17 313 595)	(2 061 311)	(725 232)	(1 152 352)	(91 522 508)
Accumulated depreciation as of 31/12/2020	-	**242 620 936**	**1 241 438 996**	**170 853 829**	**86 642 602**	**43 410 611**	**76 437 922**	**11 277 651**	**21 368 413**	**115 749 982**	**2 009 800 942**
Depreciation of the year	-	34 909 764	185 684 110	30 660 580	13 475 251	13 667 144	4 534 777	1 489 983	2 629 560	11 502 366	298 553 535
Accumulated depreciation of disposals of the year	-	-	(10 442 022)	(425 628)	-	(9 841 210)	(979 702)	-	-	(62 358)	(21 750 920)
Accumulated depreciation as of 31/12/2021	-	**277 530 700**	**1 416 681 084**	**201 088 781**	**100 117 853**	**47 236 545**	**79 992 997**	**12 767 634**	**23 997 973**	**127 189 990**	**2 286 603 557**
Fixed assets impairment as of 31/12/2021	**(10 354 591)**	**(132 189)**	**(14 067 296)**	-	-	-	-	**(229 929)**	-	-	**(24 784 005)**
Net book value as of 31/12/2021	**173 146 211**	**1 371 694 554**	**1 283 848 003**	**170 529 692**	**61 309 784**	**24 863 490**	**17 591 535**	**26 792 037**	**11 423 077**	**23 590 944**	**3 164 789 327**
Impairment of fixed assets 31/12/2020	**(10 354 591)**	**(132 189)**	**(15 045 262)**	-	-	-	-	**(229 929)**	-	-	**(25 761 971)**
Net book value as of 31/12/2020	**174 509 685**	**1 395 515 603**	**1 272 009 361**	**154 301 868**	**61 305 813**	**25 976 060**	**5 354 222**	**28 282 020**	**12 655 992**	**18 080 904**	**3 147 991 528**

13 Projects under constructions

	31/12/2021	31/12/2020
	L.E	L.E
Buildings and constructions in progress	6 657 139	5 570 405
Machineries under installation	24 998 166	144 895 978
Generators	-	2 530 613
Advance payments for purchase of fixed assets	41 818 946	4 949 848
Computer software	489 928	2 700 055
Lake	-	26 800
	73 964 179	**160 673 699**

14 Plant wealth

14-1 Plant wealth - productive

	31/12/2021	31/12/2020
	L.E	L.E
Cost at the beginning of the year	**18 487 577**	**14 045 612**
Additions during the year	10 126 498	4 441 965
Cost at end of the year	**28 614 075**	**18 487 577**
Less:		
Accumulated depreciation at beginning of the year	(2 000 754)	(1 529 691)
Depreciation during the year	(539 464)	(471 063)
Accumulated depreciation at end of the year	**(2 540 218)**	**(2 000 754)**
Net	**26 073 857**	**16 486 823**

14-2 Plant wealth – unproductive

	Fruits Tree	330 projects	Project 190	Total
Balance at 01 January 2021	**138 104**	**17 109 221**	**4 940 592**	**22 187 917**
Additions	3 522 476	4 744 466	3 489 659	**11 756 601**
Transferred to plant wealth (productive)	-	(10 126 497)	-	**(10 126 497)**
Reclassification	(138 994)	-	-	**(138 994)**
Balance at end of the year	**3 521 586**	**11 727 190**	**8 430 251**	**23 679 027**

15- Biological wealth

	biological wealth (Flock of dairy livestock - productive)	biological wealth (Flock of dairy livestock - unproductive)	Total	
			31/12/2021	31/12/2020
	L.E	L.E	L.E	L.E
Amount of flock of livestock at the beginning of the year	171 942 722	73 072 251	245 014 973	236 439 784
Adding:				
Addition during the year	-	7 335 000	7 335 000	2 868 851
Transferred from projects under construction	-	-	-	12 221 834
Transferred from biological wealth (Flock of dairy livestock - unproductive)	65 677 969	(65 677 969)	-	-
* **Births of flock**				
Female	-	10 076 111	10 076 111	9 992 400
Capital cost during drying -off	-	58 172 901	58 172 901	62 870 062
	237 620 691	82 978 294	320 598 985	324 392 931
Biological wealth sales	47 785 258	11 372 944	59 158 202	71 933 366
The death of live stock losses	6 972 655	2 038 461	9 011 116	7 444 592
Cost of flock of livestock as of the end of the year	54 757 913	13 411 405	68 169 318	79 377 958
Accumulated depreciation	182 862 778	69 566 889	252 429 667	245 014 973
Beginning of the year	48 846 990	-	48 846 990	41 318 270
Depreciation of the year	30 080 248	-	30 080 248	26 583 250
Accumulated depreciation of disposals of sales case	(20 293 031)	-	(20 293 031)	(17 029 211)
Accumulated depreciation of disposals of death case	(2 398 960)	-	(2 398 960)	(2 025 320)
Accumulated depreciation as of end year	56 235 247	-	56 235 247	48 846 989
Net amount of flock of livestock as of end year	126 627 531	69 566 889	196 194 420	196 167 984

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

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

16 Tax status

16-1 Holding Company

17 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 2018

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

Year 2019 - 2020

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

18 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

19 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 differences settled.

Year 2019/2020

Not asked for tax inspection

20 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 and differences settled .

Years 2019/2020

Not asked for tax inspection

21 Withholding tax

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

Subsidiaries
First: Corporate tax

The Company that benefits form 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. 2013-2020 in processing.to inspection.
Modern Company for Concentrates: -
Inspected from Beginning of its activity to 2009 the objection was made in legal date to Council of State . 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 2015-2018 the objection was made and waiting result Years 2019-2020 not requested for inspection.
The company enjoys a tax exemption for a period of ten years, starting from the beginning of the fiscal year following the date of the actual production start date, which was determined by the General Investment Authority as of May 31, 2008. Therefore, the company's profits are exempt from corporate tax from the date of the start of the activity until 31 12/2018 in accordance with the Investment Guarantees and Incentives Law No. 8 of 1997.
-The tax department examined the period from 2009 to 2014 and postponed the exemption until the General Authority for committee opinion about determining the date of the start of the activity. Successively pronounced, the dispute was returned to the Tax Office to decide on the authority's letter. As a result, the point of view of the tax department without giving other reasons other than what was sent to the authority in advance. The dispute was referred to the appeal committees again on March 2, 2022, and no session has been set for it to date.
- It is according to the documents submitted by the company and the inspections that were made by the General Investment Authority in 2008, in 2009 and in 2020, as well as with reference to the proof that the company enjoys tax exemption, which is proven in the company's tax card, and it is proven that the date of the start of production was set on 5/31/ 2008 based on the certificate of the General Investment Authority and the Policy Committee and in reference to the certificate issued by the Authority regarding the company to exemption with Certificate No. 5740 dated 12/24/2008, and the Authority issued two letters No. 6667 on 10/11/2009 and Letter No. 2802 dated 25/3 / 2021 The certificate issued by the authority confirms the company's eligibility to enjoy tax exemption for a period of ten years from the date of the year following the start of production on May 31, 2008.
- So far, no decision has been issued by the appeal committees to decide on the eligibility of the company or not, and that the dispute is only the opinion of the commission. And in the event that the Appeal Committee issues a decision that the company is not entitled to the exemption, the company still has the right to appeal against it before the administrative court in its two stages.
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. 2013-2017 the objection was made in legal date. Years 2018-2020 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 inspected and settled. Years 2014-2020 in processing to 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 tax settled 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.
Tiba for Trading and Distributing	- Inspection was performed from starting of activity till 2015 and differences settled. Year 2016/2019 performed and tax settled.
International Company for Modern Food Industries	- Tax inspection was performed from start of activity till 2016 and tax settled Year 2017-2019 waiting for 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 settled

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 was inspected the objection was made in legal date.

Tiba for Trading and Distribution	-Inspection has been performed and difference settled till 2017. Years 2018/2019 current inspect.
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 – 2017 was inspected and settled .
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 was inspected the objection was made in legal date.
Inmaa for agriculture	Years till 2019 was inspected and settled.
Inmaa for livestock	- Inspection has been performed and difference settled till 2017. Years 2018/2019 not inspected yet.

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 inspected and settled.
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 inspected and settled.
Inmaa for Agriculture Development and biological wealth.	- The tax inspection performed till 2014 and differences settled. Years 2015/2019 waiting for forms.
Modern concentrates Industrial Company	-The inspection was performed since beginning of activity till 2013, preparing for tax inspection till 2019.
Inmaa for livestock	-The tax inspection performed from 15/3/2012 till 31/8/2016 Years 1/19/2016 till /2019 not inspected yet.

Inmaa for agricultural reclamation	-Inspected and difference is settled from beginning of activity till August 2016 Years 1/19/2016 till /2019 not inspected yet.
The Egyptian Company for Food Industries "Egyfood"	-The tax inspection performed till 2019

17 Inventories

	31/12/2021	31/12/2020
	L.E	L.E
Raw materials	159 043 597	152 410 563
Packaging and packing materials	165 116 180	104 392 404
Finished goods	410 768 122	457 561 289
Spare parts and miscellaneous supplies	82 524 155	79 737 847
Goods in transit - L/C's for goods purchase	61 814 034	79 866 670
	879 266 088	**873 968 773**

18 Trade and other receivables

	31/12/2021	31/12/2020
	L.E	L.E
Trade receivables	261 483 258	216 445 863
Less: Expected credit losses	(16 111 442)	(13 469 889)
	245 371 816	**202 975 974**
Note receivables	6 437 500	648 379
Suppliers – advance payments	44 990 987	19 381 202
Prepaid expenses	10 794 098	11 074 597
Export subsidy*	32 402 723	33 696 922
Tax Authority	80 672 197	46 495 494
Customs Authority	3 672 003	4 051 106
Deposits with others	10 600 734	9 284 122
Debtors- sales of PP&E	37 010 000	35 510 000
Other debit balances	12 001 848	15 902 936
	483 953 906	**379 020 732**
Less: Impairment in other debit balances	(27 932 957)	(18 856 710)
	456 020 949	**360 164 022**

* The collection occurred during the year ended 31 December 2021 is EGP 24 883 529 after deducting bank commissions and governmental fees and 60 784 026 during 2020. The company continues to collect the outstanding balance with the Export Development Fund.

19 Cash at bank and on hand

	31/12/2021	31/12/2020
	L.E	L.E
Time deposits *	125 000 000	95 233 076
Banks – current accounts	311 777 184	70 617 916
Cheques under collection	-	3 137 987
Cash on hand	2 942 689	1 761 454
Cash in transit	13 295 457	11 792 105
Cash and cash equivalent in cash flow	**453 015 330**	**182 542 538**

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

20 Share capital

	31/12/2021	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
Less:	
i. Nominal value of issued shares with a premium	(205 972 632)
ii. Issuance fees	(38 507 164)
iii. 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)	52 500 000	61 561 103	114 061 103
European Bank for Reconstruction & Development	39 269 750	141 111 313	180 381 063
HSBC bank	47 750 000	59 687 500	107 437 500
Balance at 31/12/2021	**139 519 750**	**262 359 916**	**401 879 666**
Balance at 31/12/2020	**329 894 549**	**270 774 821**	**600 669 370**

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

22 Bank Credit facilities

This balance amounted to L.E 273 230 763 as at 31 December 2021 (against L.E 276 599 740 as at 31-December 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 01/01/2021 L.E	Formed during the year L.E	Used during the year L.E	Balance at 31/12/2021 L.E
Provision for claims	**50 854 882**	**36 656 195**	**(17 432 154)**	**70 078 923**

24 Creditors and other credit balances

	31/12/2021 L.E	31/12/2020 L.E
Suppliers	485 082 949	447 604 517
Notes Payables	750 000	-
Dividends payable	227 157 853	13 961 437
Accrued expenses	88 013 429	115 123 034
PPE creditors	13 976 201	856 769
Tax authority	30 703 131	22 416 016
Deposits for others	2 216 322	2 492 161
Sales tax installments on the imported machineries and equipment (Note No. 25)	5 031 770	5 834 174
Social Insurance Authority	5 962 130	5 289 770
Due to health insurance	41 268 151	35 191 568
Advances from customers	13 053 931	7 846 177
Other credit balances	14 996 561	17 549 963
	928 212 428	**674 165 586**

25 Other non-current liabilities

	31/12/2021 L.E	31/12/2020 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 5 031 770 as at 31/12/2021 (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.	482 730	18 208 729
PPE purchase premiums	-	-
	482 730	**18 208 729**

26 Deferred tax liabilities

Deferred tax liability amounted to L.E 299 908 161at 31/12/2021 representing net book value of taxable assets and liabilities:

v. Deferred Tax (Lease Contracts)

	Balance 31/12/2021 L.E	Balance 2020/12/31 L.E
Deferred tax liability	(4 144 711)	(5 443 057)
Deferred tax asset	(1 463 103)	1 737 533
Deferred asset/ liability (Lease contracts)	**(5 607 814)**	**(3 705 524)**
Deferred tax liability from fixed assets	(294 300 347)	(283 176 541)
Total deferred tax liability	**(299 908 161)**	**(286 882 065)**

	Balance on 1/1/2021 L.E	Movement during the period L.E	Balance on 31/12/2021 L.E
Deferred tax liability	**286 882 065**	**13 026 096**	**299 908 161**

27 Group companies

The following sets out the subsidiaries of Juhayna Food Industries Company that were acquired and controlled by the Company as at 31/12/2021 and the company under joint control shown together with their respective contribution percentage held as at the financial position date.

Subsidiary Name	Contribution % 31/12/2021	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.

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:

		Carrying amount	
	Note	31/12/2021	31/12/2020
		L.E	L.E
Trade and other receivables	(18)	328 479 929	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 273 230 763 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)	273 230 763	(3 368 976)
Total loans	(21)	401 879 666	(198 789 704)
Operating lease – liabilities	(29)	137 390 462	(31 180 667)

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	2 314 014	9 427
Cash at banks and on hand	1 251 249	23 434
Creditors and other credit balances	(7 038 865)	(902 525)
31 December 2021	**(3 473 602)**	**(869 664)**
31 December 2020	**(10 224 072)**	**(762 200)**

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

	Average rate		Closing Rate	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
USD	15.74	15,85	15.75	15,78
Euro	18.54	18,16	17.84	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.

	31/12/2021	31/12/2020
	L.E	L.E
Total liabilities	2 291 432 636	2 232 458 733
Less: cash at bank and on hand	(453 015 330)	(182 542 538)
Net debt	**1 838 417 306**	**2 049 916 195**
Total equity	3 168 316 284	2 903 273 852
Net debt to equity ratio	**58%**	**71%**

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

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	Purchase value at end of contract	Quarterly Installment value
	Contractual value	Accrued interest			
	L.E	L.E	Months	L.E	L.E
Contract from 24/3/2016 to 23/3/2025	125 000 000	108 256 482	120	1	5 304 007

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

Lease contract liabilities

	31/12/2021	31/12/2020
	L.E	L.E
Liabilities from lease contract current portion	15 587 214	14 225 047
Long-term liability from lease contract non-current portion	56 302 682	71 889 895
	71 889 896	**86 114 943**

Lease contracts liabilities are as follows:

	Payment of liability principal		Payment of accrued interest	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	L.E	L.E	L.E	L.E
Liabilities for one year	15 587 214	14 225 047	5 628 812	6 990 979
Liabilities between 1-5 years	56 302 682	71 889 896	7 345 398	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 it`s special terms, the contract period ranges from 1.5 to 10 years and some of these contracts has a term for extending the lease which provide more flexibility for the group

	31/12/2021	31/12/2020
	L.E	L.E
Buildings, Warehouses, and stores	85 039 122	59 247 345
Amortization during the ended period	(23 455 279)	(14 921 683)
Net book value	**61 583 843**	**44 325 662**

During the year ended 31 December 2021 the group has been charged by 4 398 912 as an interest resulted from the renting contracts.

Operation lease contract liability

	31/12/2021	31/12/2020
	L.E	L.E
Liabilities from lease contract-current portion	12 736 922	9 481 310
Long-term liability from lease contract non-current portion	52 763 644	36 522 549
Total	**65 500 569**	**46 003 859**

Payment of lease contracts liabilities are as follows:

	Liabilities in present value		Accrued interest	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	L.E	L.E	L.E	L.E
Liabilities for one year	12 736 922	9 511 310	5 810 498	4 254 794
Liabilities between 1-5 years	45 013 899	33 571 606	12 189 581	7 974 662
Liabilities more than 5 years	7 749 745	2 950 943	636 570	1 403

30 Contingencies

The Company had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise. In the ordinary course of business, the Company has given guarantees on 31/12/2021 amounting to LE 31 590 361 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 41 083 553 on 31/12/2021.

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	
		31/12/2021	31/12/2020	31/12/2021	31/12/2020
		L.E	L.E	L.E	L.E
Arju Company For Food Industries	Current account	2 966	-	2 966	-
				2 966	**-**

32-2 Board of Director's remuneration

The total allowances received by the board of directors during the year amounted to LE 1 875 000 against L.E 11 875 000 during the year ended 31 December 2020.

33 Income tax – current

	Financial Year 31/12/2021	Financial Year 31/12/2020
	L.E	L.E
Income tax at the beginning of the year	**192 929 560**	**103 663 033**
Income tax expense	178 627 302	192 965 593
Investment tax on dividends	48 335 543	43 393 554
Taxes paid during the year	(239 642 902)	(147 056 587)
Accrued interest income on the tax advances	-	(36 033)
	180 249 503	**192 929 560**

34 Goodwill

	31/12/2021	31/12/2020
	L.E	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 31/12/2021	Financial period from 1/1/2020 To 31/12/2020
	L.E	L.E
Parent Company's share in profit	526 196 634	428 376 245
Weighted average number of shares	941 405 082	941 405 082
EPS (L.E/Share)	**0.56**	**0.46**

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 (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. From the first of February till now the company has licensed 320 cars, the procedures for the rest of the company`s cars are being completed and expected to be done before the end of April 2022.

- 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.

- On November 7, 2021 the board of directors of the company formed and the financial statements for the fiscal year December 31,2020 were approved by BOD and reformed, the BOD was approved by the general authority for investment and free zone on December 12,2021.

- On November 7, 2021 the Boards of Directors of the following subsidiaries (El Masreya Dairy for dairy product Company , Egyptian Company for Food Industries (Egyfood), International Company for Modern Food Industries (El-Dawleya) , Tiba for Trade and Distribution, Al Marwa for Food Industries, Modern Concentrates Manufacturing Company), were held and Mr. Ahmed Al-Abin was appointed as Chairman and annoted in the commercial register during March 2022.

- On November 30 ,2021 the board of directors Mr.Ahmed El wakel as non-executive chairman.

- 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 agencies.

36-2 Events following the date of the financial statements

- On February 20, 2022, a board of directors was held, and Mr. Niels Thomason was appointed as a executive chairman of the board

37 Covid-19 effects

The year 2020 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).