

Juhayna Food Industries
(An Egyptian Joint Stock)
Consolidated interim Financial Statements
Financial Period ended 31 March 2022



Hazem Hassan
Public Accountants & Consultants

Translation from Arabic

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**Report on Review of Consolidated Interim Financial Statements
To the Board of Directors of Juhayna Food Industries S.A.E**

Introduction

We have performed a limited review for the accompanying consolidated Interim statement of financial position of Juhayna Food Industries “An Egyptian Joint Stock Company”, as at 31 March 2022 and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the three months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our limited review.

Scope of Limited Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not present fairly in all material respects, the consolidated financial position of the company as at 31 March 2022 and of its financial performance and its cash flows for the three months then ended in accordance with Egyptian Accounting Standards.

KPMG Hazem Hassan
Public Accountants and Consultants
Samy Abdelhafez Ahmed Ibrahim
Financial Regulatory Authority
Register No. (377)
KPMG Hazem Hassan

Cairo, 7 July 2022

Juhayya Food Industries
(An Egyptian Joint Stock Company)
Consolidated interim statement of financial position
As of 31 March 2022

Translated from Arabic

	Note No.	31/03/2022 L.E	31/12/2021 L.E
Assets			
Non-current assets			
Property, plant and equipment	(12)	3 104 818 540	3 164 789 327
Projects under construction	(12)	89 636 802	75 964 179
Plant wealth - productive	(14-1)	25 872 217	24 073 857
Plant wealth - not productive	(14-2)	25 851 171	23 679 027
Biological wealth	(15)	197 711 606	196 194 420
Investments under joint control (equity)	(14)	15 350 295	15 116 843
Right to use assets	(29-2)	58 048 352	61 552 543
Goodwill	(34)	97 092 850	97 092 890
Other - long term asset		721 804	723 872
Non-current assets		3 615 103 677	3 659 218 258
Current assets			
Biological assets - Existing Agriculture		19 908 198	10 571 729
PPE held for sale		1 502 469	1 607 427
Inventories	(17)	1 028 895 815	879 266 088
Trade and other receivables	(18)	607 233 670	456 020 949
Cash at banks and on hand	(19)	358 141 826	453 018 330
Due from related party	(32 -1)	20 022	2 956
Biological assets - Feeding Sector		8 404	46 173
Current assets		2 015 710 404	1 800 530 662
Total assets		5 630 814 081	5 459 748 920
Equity			
Issued and paid up capital	(20)	941 405 082	941 405 082
Legal reserve		709 608 137	688 879 026
General reserve - issuance premium	(20-1)	330 920 428	330 920 428
Retained earnings		1 330 000 611	1 206 348 929
Total equity attributable to the shareholders of the parent company		3 311 934 258	3 167 553 465
Non-controlling interest		801 731	762 819
Total equity		3 312 735 989	3 168 316 284
Non-current liabilities			
Long - term loans	(21)	221 678 751	262 359 516
Lease contract liabilities - non current portion	(29)	103 025 656	109 066 326
Deferred tax liabilities	(26)	299 732 513	299 908 161
Other non current liabilities	(25)	644 652	482 730
Non-current liabilities		625 281 572	671 817 133
Current liabilities			
Provisions	(23)	73 163 915	70 078 923
Bank credit facilities	(22)	257 691 675	273 230 763
Creditors and other credit balances	(24)	976 335 917	928 212 420
Income tax payable	(33)	218 613 967	180 249 503
Lease contract liabilities - current portion	(29)	27 476 194	28 324 136
Loans-current portion	(21)	139 514 852	139 519 750
Current liabilities		1 692 796 520	1 619 615 503
Total liabilities		2 318 078 092	2 291 432 636
Total equity and total liabilities		5 630 814 081	5 459 748 920

The notes from No.(1) to No.(36) are an integral part of these consolidated financial statements and should read there to.

Chief Finance Officer
Samir El-Mondafy

Chairman
Ahmed El-Waldi

Cairo, 23 June 2022
Audited review report attached

Juhayna Food Industries

Translated from Arabic

(An Egyptian Joint Stock Company)

Consolidated interim statement of profit or loss

For the financial year ended 31 March 2022

	Note No.	Financial period From 1/1/2022 To 31/3/2022 L.E.	Financial period From 1/1/2021 To 31/3/2021 L.E.
Net sales		2 403 433 446	1 861 689 122
Cost of sales		(1 761 615 642)	(1 319 074 210)
Gross profit		641 817 804	542 614 912
Other operating income	(5)	30 541 713	10 825 867
Selling and Marketing expenses	(6)	(375 662 265)	(281 247 233)
General and administrative expenses	(7)	(74 419 472)	(70 262 467)
Other expenses	(8)	(21 893 334)	(23 121 788)
Results from operating activities		200 384 446	178 809 291
Share in profit /Loss of a company under joint control		233 452	-
Net finance (expense)	(9)	(13 009 377)	(22 220 843)
Net profit before income tax		187 608 521	156 588 448
Current income tax	(33)	(43 364 464)	(36 889 124)
Deferred tax	(26)	175 648	3 446 330
Net profit for the year		144 419 705	123 145 654
Distributed as follows			
Parent Company's share in profit		144 380 793	123 106 033
Non-controlling interest		38 912	39 621
		144 419 705	123 145 654
Earning per share for the year (L.E /share)	(35)	0.15	0.13

The notes from No.(1) to No.(36) are an integral part of these consolidated financial statements and should read there to.

Juhayna Food Industries
(An Egyptian Joint Stock Company)

Translated from Arabic

Consolidated interim statement of comprehensive income
For the financial year ended 31 March 2022

	Financial period From 1/1/2022 To 31/3/2022	Financial period From 1/1/2021 To 31/3/2021
Net profit for the Year	144 419 705	123 145 654
Total other comprehensive income	144 419 705	123 145 654
Distributed as follows		
Parent Company's share in profit	144 380 793	123 106 033
Non-controlling interest	38 912	39 621
	144 419 705	123 145 654

The notes from No.(1) to No.(36) are an integral part of these consolidated financial statements and should read there to.

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Consolidated interim statement of changes in equity
For the financial year ended 31 March 2022

	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 2021	941 405 082	637 021 531	330 920 428	993 211 902	714 909	2 903 273 852
Holding Company's share in reserves & retained earnings of subsidiaries	-	29 676 000	-	(29 676 000)	-	-
Total other comprehensive income for the period ended 31 March 2021	-	-	-	123 106 033	39 621	123 145 654
Balance as at 31 March 2021	941 405 082	666 697 531	330 920 428	1 086 641 935	754 530	3 026 419 506
Balance as at 1 January 2022	941 405 082	688 879 026	330 920 428	1 206 348 929	762 819	3 168 316 284
Holding company share from reserve and retained earnings of subsidiaries	-	20 729 111	-	(20 729 111)	-	-
Total other comprehensive income for the period ended 31 March 2021	-	-	-	144 380 793	38 912	144 419 705
Balance as at 31 March 2022	941 405 082	709 608 137	330 920 428	1 330 000 611	801 731	3 312 735 989

The notes from No.(1) to No.(36) are an integral part of these consolidated financial statements and should read there to.

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Consolidated interim statement of cash flows
For the financial year ended 31 March 2022

Translated from Arabic

	Note No	Financial period From 1/1/2022 To 31/3/2022	Financial period From 1/1/2021 To 31/3/2021
Cash flows from operating activities			
Net profit for the year before income tax and minority interest in profits		187 608 521	156 588 448
Adjustments for:			
PPE depreciation	(12)	77 924 776	71 347 492
Capital loss	(8)	(13 024 047)	(105 693)
Amortization of asset right of use (lands)		2 068	2 067
Amortization of animal wealth	(15)	7 674 099	7 588 955
Amortization of plant wealth (productive)	(14-1)	201 640	128 796
Changes in investments under joint control (equity)	(11)	(233 452)	-
Impairment of Fixed assets & projects under construction		341 784	(2 900 390)
Amortization of right of use asset	(29)	3 535 491	3 730 424
Right of use asset interest	(29)	1 561 620	1 276 780
Impairment of inventory		(70 806)	-
Provision for claims formed	(23)	5 003 514	3 580 297
Herd birth	(15)	(4 219 000)	(3 456 100)
Herd capitalization	(15)	(15 950 769)	(13 559 643)
Loss from selling and death of animal wealth	(8)	392 166	4 368 156
Foreign currencies exchange differences	(9)	3 425 010	(605 040)
Credit interests	(9)	(3 775 743)	(2 605 526)
Finance interests & expenses	(9)	18 648 510	25 431 409
		<u>269 045 382</u>	<u>250 810 432</u>
Changes in:			
Inventories	(17)	(149 558 921)	(40 214 887)
Biological assets- Exiting Agriculture		(9 336 469)	(4 208 413)
Trade and other receivables	(18)	(151 554 504)	(117 252 953)
Creditors & other credit balances	(24)	236 404 504	13 572 354
Due from related parties	(32-1)	(17 056)	(2 506)
Changes in held for sale		104 958	-
Income tax paid		(5 000 000)	-
Sales tax on capital goods -paid		161 922	(7 906 508)
Provisions claims used		(1 918 522)	(2 192 793)
Net cash flows from operating activities		<u>188 331 294</u>	<u>92 604 726</u>
Cash flows from investing activities			
Acquisition of PPE & projects under construction	(12-13)	(35 765 373)	(80 654 523)
Proceeds from sale of PPE		15 162 808	645 558
Proceeds from plant wealth unproductive		(2 172 144)	(2 839 415)
Proceeds from the sale of plant and animal wealth	(14-15)	9 986 972	13 976 182
Proceeds from the compensation of calves death		637 115	1 223 601
Net cash flows (used in) investing activities		<u>(12 150 622)</u>	<u>(67 648 597)</u>
Cash flows from financing activities			
Proceeds from/ (payments for) overdraft & credit facility	(22)	(15 539 088)	76 417 910
(Payments for) financial lease contract liabilities	(29)	(8 450 232)	(7 400 335)
(Payments for) Bank loans	(21)	(40 486 063)	(60 212 653)
Collected credit interests		3 775 743	2 605 526
Finance interests & expenses paid		(18 648 510)	(25 431 409)
Dividends paid to shareholders		(188 281 016)	-
Net cash flows (used in) financing activities		<u>(267 629 166)</u>	<u>(14 020 961)</u>
Change in cash & cash equivalents during the year		<u>(91 448 494)</u>	<u>10 935 168</u>
The effect of foreign exchange difference	(9)	(3 425 010)	605 040
Cash & cash equivalents at 1 January	(19)	453 015 330	182 542 538
Cash & cash equivalents at 31 December		<u>358 141 826</u>	<u>194 082 746</u>

The notes from No.(1) to No.(36) 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 interim financial statements
For the financial year ended 31 March 2022

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 June 23, 2022.

2-2 Basis of measurement

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

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

2-3 Functional and presentation currency

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

2-4 Use of estimates and judgments

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

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

Notes to the consolidated interim financial statements for the financial year ended 31 March 2022

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

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

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

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

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

3 Significant accounting policies

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

3-1 Basis of consolidation

Subsidiaries

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

Transactions eliminated on consolidation

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

3-2 Foreign currency

Foreign currency transactions

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

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

3-3 Investment under joint control

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

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

Notes to the consolidated interim financial statements for the financial year ended 31 March 2022

3-4 Financial instruments

3-4-1 Financial assets

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

A. Classification:

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

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

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

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

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

B. Recognition and derecognition:

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

C. Measurement:

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

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

Debt instruments:

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

- **Amortized cost:** Assets held to maturity date to collect contractual cash flows, where those cash flows represent only payment of original amount and interest, are measured at amortized cost. Interest income from these financial assets is included in financing income using the interest rate 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.

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

Notes to the consolidated interim financial statements for the financial year ended 31 March 2022

• **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.

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

Notes to the consolidated interim financial statements for the financial year ended 31 March 2022

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

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

Classification as debt or equity

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

Equity instruments

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

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

Financial liabilities

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

Other financial liabilities

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

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

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

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

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

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

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

Notes to the consolidated interim financial statements for the financial year ended 31 March 2022

Debtors

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

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

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

Cash and cash equivalents

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

Non-derivative financial liabilities

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

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

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

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

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

3-5 Intangible assets and goodwill

Recognition & Measurement

Goodwill

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

3-6 Property, plant and equipment

Recognition and measurement

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to

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

Notes to the consolidated interim financial statements for the financial year ended 31 March 2022

bringing the asset to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs.

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

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

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

Subsequent costs

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

Depreciation

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

The estimated useful lives are as follows:

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

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

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

3-7 Projects under construction

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

3-8 Government grants

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

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

Notes to the consolidated interim financial statements for the financial year ended 31 March 2022

3-9 Plant wealth

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

3-10 Lease Contracts

Operating lease contracts

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

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

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

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

- Finance leases contracts (sale and lease back):

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

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

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

3-11 Inventories

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

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

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.

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

Notes to the consolidated interim financial statements for the financial year ended 31 March 2022

3-12 Transactions with related parties:

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

3-13 Impairment

Non –derivative financial assets

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

Non-financial assets

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

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

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

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

3-14 Defined contribution plans

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

3-15 Provisions

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

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

Notes to the consolidated interim financial statements for the financial year ended 31 March 2022

3-16 Revenue**Sales of goods**

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

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

Export subsidy revenue

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

3-17 Rental income

Rental income from other assets is recognized in other income.

3-18 Finance income and finance costs

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

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

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

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

3-19 Income tax**Current tax**

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

Deferred tax

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

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

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

Notes to the consolidated interim financial statements for the financial year ended 31 March 2022

3-20 Assets held for sale

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

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

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

3-21 Legal reserve

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

3-22 End of service benefits

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

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

3-23 Segmentation reporting

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

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

Segmentation reports

Dairy sector
Cooling sector
Juice sector
Concentrate sector
Agriculture sector

Operations

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

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

Notes to the consolidated interim financial statements for the financial year ended 31 March 2022

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

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

Notes to the consolidated interim financial statements for the financial year ended 31 March 2022

5 Other operating income

	Financial period From 1/1/2022 To 31/03/2022 L.E	Financial period From 1/1/2021 To 31/03/2021 L.E
Export subsidy revenue	13 492 572	4 533 826
Capital gain	13 024 047	105 693
Increase in biological wealth due to newborn	304 896	697 764
Income from leased assets	75 000	75 500
Gains from assets held for sale	739 999	237 306
Inventory write-down (Reverse)	70 806	-
Impairment of plant wealth (Reverse)	-	-
Impairment of trade and other receivables (Reverse)	-	2 900 390
Biological wealth write-down (Reverse)	-	-
Other income	2 834 393	2 275 388
	30 541 713	10 825 867

6 Selling and marketing expenses

	Financial period From 1/1/2022 To 31/03/2022 L.E	Financial period From 1/1/2021 To 31/03/2021 L.E
Advertising expenses	178 471 235	116 168 284
Salaries and wages	81 252 129	73 489 493
Depreciation	12 484 064	14 966 093
Vehicles expenses	19 601 800	27 349 283
Shipping & export expenses	30 429 378	7 174 197
Rent	3 362 758	1 628 011
Temporary labor contractors	8 106 972	6 656 282
Others	41 953 929	33 815 590
	375 662 265	281 247 233

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

Notes to the consolidated interim financial statements for the financial year ended 31 March 2022

7 General and administrative expenses

	Financial period From 1/1/2022 To 31/03/2022 L.E	Financial period From 1/1/2021 To 31/03/2021 L.E
Salaries and wages	27 100 299	27 721 680
Depreciation expense	5 588 815	4 270 428
Rent expense	3 248 774	3 081 990
Subscription fees and licenses	8 859 898	8 877 260
End of service expenses	15 101 794	13 991 812
BOD bonus (32-2)	665 000	-
Other administrative expenses	13 854 892	12 319 297
	74 419 472	70 262 467

8 Other expenses

	Financial period From 1/1/2022 To 31/03/2022 L.E	Financial period From 1/1/2021 To 31/03/2021 L.E
Impairment in trade and other receivables	341 784	-
Donations	2 063 215	4 108 470
Real estate tax	263 254	71 688
Provision for claims formed	5 003 514	3 580 297
Health insurance	11 503 924	8 753 249
Loss from selling and death of animal wealth	392 166	4 368 156
Other	2 325 477	2 239 928
	21 893 334	23 121 788

9 Net finance expense

	Financial period From 1/1/2022 To 31/03/2022 L.E	Financial period From 1/1/2021 To 31/03/2021 L.E
Interest expense	(20 210 130)	(25 431 409)
Interest income	3 775 743	2 605 526
Gain from foreign currency exchange	3 425 010	605 040
	(13 009 377)	(22 220 843)

10 Segmentation reports

10-1 Segmentation reports for the financial year ended 31 March 2022

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							Elimination of consolidated transactions L.E 31/03/2022	Total L.E 31/03/2022
	Dairy sector L.E 31/03/2022	chilled sector L.E 31/03/2022	Juices sector L.E 31/03/2022	Concentrates sector L.E 31/03/2022	Agriculture sector L.E 31/03/2022	Undistributed items L.E 31/03/2022			
Net Sales	1 298 499 908	585 043 484	382 037 182	59 321 165	4 884 193	73 647 514		2 403 433 446	
Sales between segments	1 518 746 817	471 040 349	289 948 693	71 524 485	4 604 134		(2 355 864 478)	-	
Other operating income	9 887 279	8 261 401	3 948 461	8 255 994	244 356	177 674	-	30 775 165	
Expenses	(179 546 058)	(226 920 879)	(68 620 874)	(5 071 516)	591 798	(5 416 919)	-	(484 984 448)	
Other Information									
Depreciation	42 100 319	18 968 439	12 386 515	1 923 327	158 357	2 387 819	-	77 924 776	
Assets	1 689 196 793	1 572 376 320	849 679 217	573 342 875	828 472 918	117 745 958	-	5 630 814 081	
Liabilities	670 762 361	512 783 201	223 208 869	236 923 985	46 975 640	2 142 464	-	1 692 796 520	

* 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 period ended 31 March 2021

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

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

The primary report for activity segmentations:

Revenues and expenses according to activity segmentat as follows:

	Activity Segments						Total L.E 31/03/2021
	Dairy sector L.E 31/03/2021	chilled sector L.E 31/03/2021	Juices sector L.E 31/03/2021	Concentrates sector L.E 31/03/2021	Agriculture sector L.E 31/03/2021	Undistributed items L.E 31/03/2021	
Net Sales	988 852 235	455 760 271	310 984 769	41 487 512	4 687 359	59 916 976	1 861 689 122
Sales between segments	2 986 495 158	1 359 328 641	1 076 332 920	228 850 370	1 654 454	-	(5 652 661 543)
Other operating income	3 134 238	2 146 301	2 103 611	3 335 832	105 685	200	10 825 867
Expenses	(161 422 390)	(165 113 745)	(62 113 747)	(3 036 770)	(126 085)	(5 039 593)	(396 852 330)
Other Information							
Depreciation	39 157 075	18 047 428	12 314 533	1 642 844	185 612	-	71 347 492
Assets	1 296 883 013	1 314 005 897	775 152 737	539 070 885	1 272 778 956	111 564 597	5 309 456 085
Liabilities	1 025 643 975	650 605 698	312 796 869	238 894 718	55 095 319	-	2 283 036 579

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

Notes to the consolidated interim financial statements for the financial year ended 31 March 2022

11 Investment under joint control (equity)

Name of the investee company	Share percentage	Current assets		Non current assets		Total assets		Current liabilities		Total liabilities		Cost of investment	
		L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E
Arju Company For food Industrial*	50.75%	16 627 649	-	16 627 649	1 277 354	1 277 354	15 350 295						
Balance as of 31 March 2022		16 627 649	-	16 627 649	1 277 354	1 277 354	15 350 295						
Arju Company For food Industrial	50.75%	16 383 950	-	16 383 950	1 267 107	1 267 107	15 116 843						
Balance as at 31 December 2020		16 383 950	-	16 383 950	1 267 107	1 267 107	15 116 843						

Juhayna Food Industries
Notes to the consolidated interim financial statements for the financial year ended 31 March 2022

Translation from Arabic

12 Property, plant and equipment

Description	Land*		Buildings & Constructions		Machinery & Equipment		Transportation & transport vehicles		Tools		Empty plastic containers & Palettes		Display ref.'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.	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 1/1/2021	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 of 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 of 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	150 789 934	5 476 176 889											
Additions during the year	-	541 058	3 495 111	2 257 008	2 711 926	9 967 470	(125 067)	-	49 451	1 070 726	20 092 750											
Disposals during the year	-	-	(791 000)	(14 635 165)	-	(610 819)	-	-	-	(15 093)	(16 177 144)											
Transfer of assets held for sale during the year	-	-	-	-	-	-	-	-	-	-	-											
Cost as of 31/3/2022	183 500 802	1 649 898 501	2 717 300 494	359 240 316	164 139 563	81 456 686	97 459 465	39 789 600	35 470 501	151 836 567	5 480 092 495											
Accumulated depreciation as at 1/1/2021	-	-	-	-	-	-	-	-	-	-	-											
Depreciation of the year	-	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											
Accumulated depreciation of disposals 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 as of 31/12/2021	-	-	(10 442 022)	(425 628)	-	(9 841 210)	(979 702)	-	-	(62 358)	(21 750 920)											
Depreciation of the year	-	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											
Accumulated depreciation of disposals of the year	-	8 762 641	48 500 438	7 868 892	3 402 630	3 498 997	1 050 827	394 769	657 401	3 788 181	77 924 776											
Accumulated depreciation as of 31/3/2022	-	-	(435 050)	(13 835 700)	-	(605 664)	(125 067)	-	-	(14 868)	(15 016 349)											
Fixed assets impairment as of 31/3/2022	-	286 293 341	1 464 746 472	195 121 973	103 520 483	50 129 878	80 918 757	13 162 403	24 655 374	130 963 303	2 349 511 984											
Net book value as of 31/3/2022	(10 354 591)	(132 189)	(15 945 262)	-	-	-	-	(229 929)	-	-	(25 761 971)											
Net book value as of 31/3/2022	173 146 211	1 363 472 971	1 237 508 760	164 118 343	60 619 080	31 236 808	16 540 708	26 397 268	10 815 127	20 873 264	3 104 318 540											
Impairment of fixed assets 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											

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

Notes to the consolidated interim financial statements for the financial year ended 31 March 2022

13 Projects under constructions

	31/3/2022	31/12/2021
	L.E	L.E
Buildings and constructions in progress	9 424 844	6 657 139
Machineries under installation	42 199 091	24 998 166
Generators	-	-
Advance payments for purchase of fixed assets	36 860 632	41 818 946
Computer software	1 152 235	489 928
Lake	-	-
	<u>89 636 802</u>	<u>73 964 179</u>

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

	31/3/2022	31/12/2021
	L.E	L.E
Cost at the beginning of the year	28 614 075	18 487 577
Additions during the year	-	10 126 498
Cost at end of the year	<u>28 614 075</u>	<u>28 614 075</u>
Less:		
Accumulated depreciation at beginning of the year	(2 540 218)	(2 000 754)
Depreciation during the year	(201 640)	(539 464)
Accumulated depreciation at end of the year	<u>(2 741 858)</u>	<u>(2 540 218)</u>
Net	<u>25 872 217</u>	<u>26 073 857</u>

14-2 Plant wealth – unproductive

	Fruits Tree	330 projects	Project 190	Total
Balance at 01 January 2022	3 521 586	11 727 190	8 430 251	23 679 027
Additions	2 099 815	72 329	-	2 172 144
Transferred to plant wealth (productive)	-	-	-	-
Reclassification	(3 431 274)	253 412	3 177 862	-
Balance at end of the year	<u>2 190 127</u>	<u>12 052 931</u>	<u>11 608 113</u>	<u>25 851 171</u>

Juhayna Food Industries

Notes to the consolidated interim financial statements for the financial year ended 31 March 2022

Translated from Arabic

15- Biological wealth

	biological wealth (Flock of dairy livestock - productive)		biological wealth (Flock of dairy livestock - unproductive)		Total	
	L.E		L.E		31/03/2022	31/12/2021
Amount of flock of livestock at the beginning of the year	182 862 777		69 566 890		252 429 667	245 014 973
<u>Adding:</u>						
Addition during the year	-		-		-	7 335 000
Transferred from projects under construction	-		-		-	-
Transferred from biological wealth (Flock of dairy livestock - unproductive)	16 744 080		(16 744 080)		-	-
* Births of flock	-		-		-	-
Female	-		2 444 000		2 444 000	10 076 111
Capital cost during drying-off	-		15 950 067		15 950 067	58 172 901
	<u>199 606 857</u>		<u>71 216 877</u>		<u>270 823 734</u>	<u>320 598 985</u>
Biological wealth sales	12 091 263		1 529 887		13 621 150	59 158 202
The death of live stock losses	760 250		478 336		1 238 586	9 011 116
Cost of flock of livestock as of the end of the year	<u>12 851 513</u>		<u>2 008 223</u>		<u>14 859 736</u>	<u>68 169 318</u>
Accumulated depreciation	<u>186 755 344</u>		<u>69 208 654</u>		<u>255 963 998</u>	<u>252 429 667</u>
Beginning of the year	56 235 247		-		56 235 247	48 846 990
Depreciation of the year	7 674 099		-		7 674 099	30 080 248
Accumulated depreciation of disposals of sales case	(5 341 872)		-		(5 341 872)	(20 293 031)
Accumulated depreciation of disposals of death case	(315 082)		-		(315 082)	(2 398 960)
Accumulated depreciation as of end year	<u>58 252 392</u>		<u>-</u>		<u>58 252 392</u>	<u>56 235 247</u>
Net amount of flock of livestock as of end year	<u>128 502 952</u>		<u>69 208 654</u>		<u>197 711 606</u>	<u>196 194 420</u>

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

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

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

Notes to the consolidated interim financial statements for the financial year ended 31 March 2022

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.

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

Notes to the consolidated interim financial statements for the financial year ended 31 March 2022

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.

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

Notes to the consolidated interim financial statements for the financial year ended 31 March 2022

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.

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

Notes to the consolidated interim financial statements for the financial year ended 31 March 2022

Tiba for Trading and Distribution	-Inspection has been performed and difference settled till 2017. Years 2018/2019 was inspected and waiting the documents.
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 . -Inspection has been performed and difference settled till 2017.
Modern Concentrates Industrial Company	Years 2018/2019 not inspected yet. -Inspection has been performed and difference settled till 2017.
Inmaa for agricultural development and biological wealth	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.

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

Notes to the consolidated interim financial statements for the financial year ended 31 March 2022

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

	31/3/2022	31/12/2021
	L.E	L.E
Raw materials	294 851 454	159 043 597
Packaging and packing materials	178 966 178	165 116 180
Finished goods	419 490 584	410 768 122
Spare parts and miscellaneous supplies	80 523 155	82 524 155
Goods in transit - L/C's for goods purchase	55 064 444	61 814 034
	1 028 895 815	879 266 088

18 Trade and other receivables

	31/3/2022	31/12/2021
	L.E	L.E
Trade receivables	347 605 711	261 483 258
Less: Expected credit losses	(16 383 226)	(16 111 442)
	331 222 485	245 371 816
Note receivables	5 367 500	6 437 500
Suppliers – advance payments	61 944 947	44 990 987
Prepaid expenses	22 256 408	10 794 098
Export subsidy*	43 632 405	32 402 723
Tax Authority	81 918 494	80 672 197
Customs Authority	15 599 584	3 672 003
Deposits with others	12 329 818	10 600 734
Debtors- sales of PP&E	35 474 181	37 010 000
Other debit balances	25 094 453	12 001 848
	634 840 275	483 953 906
<u>Less:</u> Impairment in other debit balances	(27 606 605)	(27 932 957)
	607 233 670	456 020 949

* The collection occurred during the year ended 31 March 2022 is EGP Zero after deducting bank commissions and governmental fees and 24 883 529 during 2021. The company continues to collect the outstanding balance with the Export Development Fund.

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

Notes to the consolidated interim financial statements for the financial year ended 31 March 2022

19 Cash at bank and on hand

	31/3/2022	31/12/2021
	L.E	L.E
Time deposits *	277 899	125 000 000
Banks – current accounts	183 326 665	311 777 184
Banks - treasury bills	126 848 621	-
Cash on hand	1 751 509	2 942 689
Cash in transit	45 937 132	13 295 457
Cash and cash equivalent in cash flow	358 141 826	453 015 330

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

20 Share capital

	31/3/2022	31/12/2021
	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
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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	42 811 103	95 311 103
European Bank for Reconstruction & Development	39 264 852	131 317 648	170 582 500
HSBC bank	47 750 000	47 750 000	95 500 000
Balance at 31/3/2022	139 514 852	221 878 751	361 393 603
Balance at 31/12/2021	139 519 750	262 359 916	401 879 666

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

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

Notes to the consolidated interim financial statements for the financial year ended 31 March 2022

22 Bank Credit facilities

This balance amounted to L.E 257 691 675 as at 31 March 2022 (against L.E 273 230 763 as at 31-December 2021), represents the drawn down portion of the L.E 2.166 billion (of the group) bank facilities. Interest is charged on such drawn amounts at a variable interest rate. These lending banks were provided with collators

23 Provision for claims

Description	Balance at	Formed during	Used during	Balance at
	01/01/2022	the year	the year	31/3/2022
	L.E	L.E	L.E	L.E
Provision for claims	70 078 923	5 003 514	(1 918 522)	73 163 915

24 Creditors and other credit balances

	31/3/2022	31/12/2021
	L.E	L.E
Suppliers	662 759 320	485 082 949
Notes Payables	5 238 055	750 000
Dividends payable	37 170 987	227 157 853
Accrued expenses	129 124 877	88 013 429
PPE creditors	7 101 789	13 976 201
Tax authority	35 919 689	30 703 131
Deposits for others	2 297 882	2 216 322
Sales tax installments on the imported machineries and equipment (Note No. 25)	3 150 941	5 031 770
Social Insurance Authority	6 930 136	5 962 130
Due to health insurance	52 760 531	41 268 151
Advances from customers	25 605 939	13 053 931
Other credit balances	8 275 771	14 996 561
	976 335 917	928 212 428

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

Notes to the consolidated interim financial statements for the financial year ended 31 March 2022

25 Other non-current liabilities

	31/3/2022	31/12/2021
	L.E	L.E
The value of sales tax installments on the imported machineries and equipment due from January 2018. The installments due within one year amounted to L.E 3 150 941 as at 31/12/2022 (L.E 5 031 770 as at 31/12/2021) are shown under the caption of creditors and other credit balances in the consolidated balance sheet.	644 652	482 730
PPE purchase premiums	-	-
	<u>644 652</u>	<u>482 730</u>

26 Deferred tax liabilities

Deferred tax liability amounted to L.E 299 732 513 at 31/3/2022 representing net book value of taxable assets and liabilities, with LE 299 908 161 at 31/12/2021

v. Deferred Tax (Lease Contracts)

	Balance	Balance
	31/3/2022	31/12/2021
	L.E	L.E
Deferred tax liability	(4 044 838)	(4 144 711)
Deferred tax asset	(2 293 654)	(1 463 103)
Deferred asset/ liability (Lease contracts)	<u>(6 338 492)</u>	<u>(5 607 814)</u>
Deferred tax liability from fixed assets	(293 394 021)	(294 300 347)
Total deferred tax liability	<u>(299 732 513)</u>	<u>(299 908 161)</u>
	Balance on	Balance on
	1/1/2022	31/3/2022
	L.E	L.E
Deferred tax liability	<u>299 908 161</u>	<u>(175 648)</u>
		<u>299 732 513</u>

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.

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

Notes to the consolidated interim financial statements for the financial year ended 31 March 2022

Subsidiary Name	Contribution % 31/3/2022	Contribution % 31/12/2021	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

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

Notes to the consolidated interim financial statements for the financial year ended 31 March 2022

Trade and other receivables

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

Credit risk**Exposure to credit risk**

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

	Note	Carrying amount	
		31/3/2022	31/12/2021
		L.E	L.E
Trade and other receivables	(18)	443 826 779	328 479 929

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)	275 691 675	(15 539 088)
Total loans	(21)	361 393 603	(40 486 063)
Operating lease – liabilities	(29)	130 501 851	(8 450 232)

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.

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

Notes to the consolidated interim financial statements for the financial year ended 31 March 2022

Currency risk

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

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

Foreign currency risk

Exposure to currency risk

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

	USD	Euro
Trade and other receivables	3 759 273	3 507
Cash at banks and on hand	1 862 539	82 525
Creditors and other credit balances	(13 101 808)	(1 200 690)
31 March 2022	(7 479 996)	(1 114 658)
31 December 2021	(3 473 602)	(869 664)

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

	Average rate		Closing Rate	
	31/12/2021	31/3/2022	31/12/2021	31/3/2022
USD	16,61	15,75	18.31	15,75
Euro	18,45	18,54	20,02	17,84

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.

	31/3/2022	31/12/2021
	L.E	L.E
Total liabilities	2 318 078 092	2 291 432 636
Less: cash at bank and on hand	(358 141 826)	(453 015 330)
Net debt	1 959 936 266	1 838 417 306
Total equity	3 312 735 989	3 168 316 284
Net debt to equity ratio	59%	58%

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

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

Notes to the consolidated interim financial statements for the financial year ended 31 March 2022

29 Lease contracts**29-1 Liabilities arising from lease contracts****- Lease contracts (Sale and lease back)**

On 23/3/2016 the Company signed a contract regarding a land lease (including the building built there on), of land located on plot no. 21 of the Crazy water's corridor in Zayed City with a total area of 15 374.47 m². The contract terms became effective starting 24/3/2016. The following is a summary of the above-mentioned contract:

Description	Contract value		Contract period Months	Purchase value at end of contract L.E	Quarterly Installment value L.E
	Contractual value L.E	Accrued interest L.E			
	Contract from 24/3/2016 to 23/3/2026	125 000 000			

- 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

	31/3/2022 L.E	31/12/2021 L.E
Liabilities from lease contract current portion	15 735 789	15 587 214
Long-term liability from lease contract non-current portion	52 462 772	56 302 682
	<u>68 198 561</u>	<u>71 889 896</u>

Lease contracts liabilities are as follows:

	Payment of liability principal		Payment of accrued interest	
	31/3/2022 L.E	31/12/2021 L.E	31/3/2022 L.E	31/12/2021 L.E
Liabilities for one year	15 735 789	15 587 214	5 845 245	5 628 812
Liabilities between 1-5 years	52 462 772	56 302 682	6 885 073	7 345 398

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

Notes to the consolidated interim financial statements for the financial year ended 31 March 2022

29-2 Operating Lease contract liabilities

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

	31/3/2022	31/12/2021
	L.E	L.E
Buildings, Warehouses, and stores	85 707 654	85 039 122
Amortization during the ended period	(27 659 302)	(23 455 279)
Net book value	<u>58 048 352</u>	<u>61 583 843</u>

During the year ended 31 March 2022 the group has been charged by 1 561 620 as an interest resulted from the renting contracts.

Operation lease contract liability

	31/3/2022	31/12/2021
	L.E	L.E
Liabilities from lease contract-current portion	11 740 405	12 736 922
Long-term liability from lease contract non-current portion	50 562 884	52 763 644
Total	<u>62 303 290</u>	<u>65 500 569</u>

Payment of lease contracts liabilities are as follows:

	Liabilities in present value		Accrued interest	
	31/3/2022	31/12/2021	31/3/2022	31/12/2021
	L.E	L.E	L.E	L.E
Liabilities for one year	11 740 405	12 736 922	5 498 702	5 810 498
Liabilities between 1-5 years	43 699 684	45 013 899	11 081 897	12 189 581
Liabilities more than 5 years	6 863 200	7 749 745	494 436	636 570

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 31/3/2022 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 86 721 734 on 31/3/2022.

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

Notes to the consolidated interim financial statements for the financial year ended 31 March 2022

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	
		31/3/2022	31/12/2021	31/3/2022	31/12/2021
		L.E	L.E	L.E	L.E
Arju Company For Food Industries	Current account	17 056	2 966	20 022	2 966
				<u>20 022</u>	<u>2 966</u>

32-2 Board of Director's remuneration

The total allowances received by the board of directors during the period amounted to LE 665 000 against L.E Zero during the period ended 31 March 2021.

33 Income tax – current

	Financial Year 31/3/2022 L.E	Financial Year 31/12/2021 L.E
Income tax at the beginning of the year	180 249 503	192 929 560
Income tax expense	43 364 464	178 627 302
Investment tax on dividends	-	48 335 543
Taxes paid during the year	(5 000 000)	(239 642 902)
Accrued interest income on the tax advances	-	-
	<u>218 613 967</u>	<u>180 249 503</u>

34 Goodwill

	31/3/2022 L.E	31/12/2021 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
	<u>97 092 890</u>	<u>97 092 890</u>

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Notes to the consolidated interim financial statements for the financial year ended 31 March 2022

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 :

	31/3/2022	31/12/2021
	L.E	L.E
Parent Company's share in profit	144 380 793	123 106 033
Weighted average number of shares	941 405 082	941 405 082
EPS (L.E/Share)	<u>0,15</u>	<u>0,13</u>

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

- On February 20, 2022, a board of directors was held, and Mr. Niels Thomason was appointed as a executive chairman of the board
- On June 29, 2022 the board of directors of the company formed and the financial statements for the fiscal year December 31,2021 were approved .