

Translation from Arabic

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

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

For the financial period ended 31 March 2021

Contents

	Page
Review report	-
Consolidated interim statement of financial position	1
Consolidated interim statement of Income statement	2
Consolidated interim statement of comprehensive income	3
Consolidated interim statement of changes in shareholders' equity	4
Consolidated interim statement of cash flows	5
Notes to the Consolidated interim financial statements	6 – 42

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Report on Limited Review of Consolidated Interim Financial Statements

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

Introduction

We have performed a limited review for the accompanying consolidated interim statement of financial position of Juhayna Food Industries S.A.E as of 31 March 2021 and the related consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our limited review.

Scope of Limited Review

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

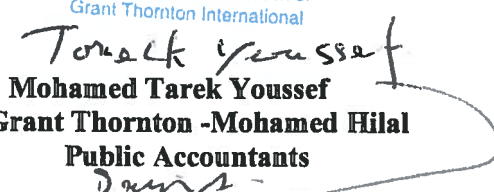
Conclusion

Based on our limited 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 2021, and of its consolidated financial performance and its consolidated cash flows for the three-month period then ended in accordance with Egyptian Accounting Standards.

Emphasis of the matter

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


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Cairo, 26 January 2022

Jubayna Food Industries
(An Egyptian Joint Stock Company)
Consolidated interim statement financial position
As of 31 March 2021

Translated from Arabic

	Note No.	31/3/2021 L.E	31/12/2020 L.E
Assets			
Non-current assets			
Property, plant and equipment	(12)	3 100 183 686	3 147 991 528
Projects under construction	(13)	218 023 469	160 673 699
Plant wealth - productive	(14-1)	16 358 027	16 486 823
Plant wealth - not productive	(14-2)	25 027 332	22 187 917
Biological wealth	(15)	186 008 265	196 167 984
Investments under joint control (equity)	(11)	14 471 707	14 471 707
Goodwill	(34)	97 092 890	97 092 890
Right to use assets	(29-2)	40 595 238	44 325 662
Other - long term asset		730 077	732 144
Non-current assets		3 698 490 691	3 700 130 354
Current assets			
Biological assets - Feeding Sector		67 065	48 501
Biological assets - Existing Agriculture		16 450 699	12 242 286
PPE held for sale		5 861 349	6 636 111
Inventories	(17)	914 183 660	873 968 773
Trade and other receivables	(18)	480 317 369	360 164 022
Due from related party	(1-32)	2 506	-
Cash at banks and on hand	(19)	194 082 746	182 542 538
Current assets		1 610 965 394	1 435 603 231
Total assets		5 309 456 085	5 135 733 585
Equity			
Issued and paid up capital	(20)	941 405 082	941 405 082
Legal reserve		666 697 531	637 021 531
General reserve - Issuance premium	(20-1)	330 920 428	330 920 428
Retained earnings		1 086 641 935	993 211 902
Total equity attributable to the shareholders of the parent company		3 025 664 976	2 902 558 943
Non-controlling interest		754 530	714 909
Total equity		3 026 419 506	2 903 273 852
Non-current liabilities			
Long - term loans	(21)	236 936 918	270 774 821
Other non current liabilities	(25)	10 302 221	18 208 729
Lease contract liabilities - non current portion	(29)	102 975 795	108 412 444
Deferred tax liabilities	(26)	283 435 735	286 882 065
Non-current liabilities		633 650 669	684 278 059
Current liabilities			
Provision for claims	(23)	52 242 386	50 854 882
Bank credit facilities	(22)	353 017 650	276 599 740
Creditors and other credit balances	(24)	687 737 941	674 165 586
Income tax payable	(33)	229 818 684	192 929 560
Lease contract liabilities- current portion	(29)	23 049 450	23 736 357
Loans-current portion	(21)	303 519 799	329 894 549
Current liabilities		1 649 385 910	1 548 180 674
Total liabilities		2 283 036 579	2 232 458 733
Total equity and total liabilities		5 309 456 085	5 135 733 585

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

Chief Finance Officer
Sameh El-hodaiby

Chairman
Ahmed El Wakil

Cairo, 26 January 2022

"Limited review report "attached".

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Consolidated interim statement of profit or loss
For the financial period ended 31 March 2021

Translated from Arabic

	Note No.	Financial period From 1/1/2021 To 30/3/2021 L.E.	Financial period From 1/1/2020 To 30/3/2020 L.E.
Net sales		1 861 689 122	1 781 405 133
Cost of sales		(1 319 074 210)	(1 237 752 722)
Gross profit		542 614 912	543 652 411
Other operating income	(5)	10 825 867	10 807 067
Selling and Marketing expenses	(6)	(281 247 233)	(232 583 532)
General and administrative expenses	(7)	(56 270 655)	(58 350 440)
Other expenses	(8)	(23 121 788)	(26 800 944)
Board of directors remuneration	(32-2)	–	(4 860 000)
Results from operating activities		192 801 103	231 864 562
Profits of a company under joint control		–	819 434
End of service		(13 991 812)	(14 689 561)
Net finance (expense)	(9)	(22 220 843)	(46 205 655)
Net profit before income tax		156 588 448	171 788 780
Current income tax	(33)	(36 889 124)	(59 243 656)
Deferred tax	(26)	3 446 330	1 076 530
Net profit for the period		123 145 654	113 621 654
Distributed as follows			
Parent Company's share in profit		123 106 033	113 592 900
Non-controlling interest		39 621	28 754
		123 145 654	113 621 654
Earning per share for the period (L.E /share)	(35)	0.13	0.12

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

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

	Financial period From 1/1/2021 To 31/3/2021 L.E.	Financial period From 1/1/2020 To 31/3/2020 L.E.
Net profit for the Year	123 145 654	113 621 654
Total other comprehensive income	123 145 654	113 621 654
Distributed as follows		
Parent Company's share in profit	123 106 033	113 592 900
Non-controlling interest	39 621	28 754
	123 145 654	113 621 654

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

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

Disclosure	Issued & paid up capital L.E	Legal reserve L.E	General reserve- insurance premium L.E	Retained earnings L.E	Non-controlling interest L.E	Total L.E
Balance as at 1 January 2020 before adjustments	941 405 082	594 085 534	330 920 428	859 988 077	640 370	2 727 039 491
Dividends to shareholders	-	-	-	(188 281 016)	-	(188 281 016)
Dividends to employees and board of directors	-	-	-	(63 920 851)	-	(63 920 851)
Dividends from subsidiaries to non controlling interest	-	-	-	33 313	(33 313)	-
Holding Company's share in reserves & retained earnings of subsidiaries	-	22 585 978	-	(22 585 978)	-	-
Total other comprehensive income for the period ended 31 March 2020	-	-	-	113 592 900	28 754	113 621 654
Balance as at 31 March 2020	941 405 082	616 671 512	330 920 428	698 826 445	635 811	2 588 459 278
Balance as at 1 January 2021	941 405 082	637 021 531	330 920 428	993 211 902	714 909	2 903 273 852
Holding company share from reserve and retained earning of subsidiaries	-	29 676 000	-	(29 676 000)	-	-
Total other comprehensive income for the period ended 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

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

		Financial period From 1/1/2021 To 31/3/2021	Financial period From 1/1/2020 To 31/3/2020
	Note No.	L.E.	L.E.
Cash flows from operating activities			
Net profit for the year before income tax and minority interest in profits		156 588 448	171 788 780
Adjustments for:			
PPE depreciation	(12)	71 347 492	72 525 438
Capital losses	(8)	(105 693)	(450 418)
Amortization of asset right of use (lands)		2 067	2 068
Amortization of animal wealth	(15)	7 588 955	6 209 712
Amortization of plant wealth (productive)	(14-1)	128 796	101 033
Impairment vital assets	(5)	-	(1 155 000)
Change in Investments under joint control	(11)	-	(819 434)
Impairment of Fixed assets		-	-
Impairment of trade receivables(Reverse)	(8)	(2 900 390)	3 235 859
Amortization of right of use asset	(29)	3 730 424	3 773 380
Right of use asset interest	(29)	1 276 780	-
Inventory write down		-	-
Impairment of the Inventory		-	(2 471 968)
Provision for claims formed	(23)	3 580 297	543 875
Herd birth	(15)	(3 456 100)	(2 712 800)
Herd capitalization	(15)	(13 559 643)	(21 425 200)
Loss from selling and death of animal wealth	(8)	4 368 156	5 607 148
Loss from the compensation of calves death	(8)	-	894 510
Foreign exchange (losses) / gain	(9)	(605 040)	(675 873)
Credit interests	(9)	(2 605 526)	(4 343 337)
Finance interests & expenses	(9)	25 431 409	51 216 116
		250 810 432	281 843 889
Collected credit interests		2 605 526	4 343 337
Finance interest & expenses paid		(25 431 409)	(51 216 116)
Changes in:			
Inventories	(17)	(40 214 887)	(13 092 018)
Biological assets- Exiting Agriculture		(4 208 413)	(4 423 452)
Trade and other receivables	(18)	(117 252 953)	(97 995 381)
Due to related parties	(32-2)	-	9 642 428
Creditors & other credit balances	(24)	13 572 354	(18 899 772)
Due from related parties	(32-1)	(2 506)	-
Dividends paid to employees		-	-
Income tax paid		-	-
Sales tax on capital goods -paid		(7 906 508)	(1 624 640)
Impairment in inventories used		-	-
Impairment in provisions claims		(2 192 793)	(2 375 880)
Impairment in fixed asset usage		-	(3 750 818)
Net cash flows result from operating activities		69 778 843	102 451 577
Cash flows from investing activities			
Acquisition of PPE & projects under construction	(12,13)	(80 654 523)	(70 230 960)
Proceeds from sale of PPE		645 558	737 927
Acquisition of plant wealth	(14,15)	(2 839 415)	(8 732 896)
Proceeds from sale of animal wealth		13 976 182	-
Proceeds from the compensation of calves death		1 223 601	437 000
Proceeds from the sale of plant and animal wealth	(14,15)	-	22 798 231
Net cash flows (used in) investing activities		(67 648 597)	(54 990 698)
Cash flows from financing activities			
Collection proceeds from overdraft & credit facility	(22)	76 417 910	255 529 381
Payment of financial lease contract liabilities	(29)	(7 400 335)	(8 128 162)
Payment for Bank long term loans	(21)	(60 212 653)	2 308 444
Dividends paid to shareholders		-	-
Net cash flows result from financing activities		8 804 922	249 709 663
Change in cash & cash equivalents during the period		10 935 168	297 170 542
The effect of foreign exchange difference		605 040	675 873
Cash & cash equivalents at 1 January		182 542 538	96 717 667
Cash & cash equivalents at 31 March	(19)	194 082 746	394 564 082

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

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Notes to the interim consolidated financial statements
For the financial period ended 31 March 2021

1 Reporting the entity

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

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

The address of the Company's registered office is building no.2 Polygon Sodiq 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 30th of November 2021

2-2 Basis of measurement

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

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

2-3 Functional and presentation currency

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

2-4 Use of estimates and judgments

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

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

Notes to the consolidated interim financial statements for the Financial Year ended 31 March 2021

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

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

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

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

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

3 Significant accounting policies

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

3-1 Basis of consolidation

Subsidiaries

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

Transactions eliminated on consolidation

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

3-2 Foreign currency

Foreign currency transactions

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

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

3-3 Investment under joint control

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

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

Notes to the consolidated interim financial statements for the Financial Year ended 31 March 2021

3-4 Financial instruments

3-4-1 Financial assets

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

A. Classification:

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

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

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

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

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

B. Recognition and derecognition:

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

C. Measurement:

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

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

Debt instruments:

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

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

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

Notes to the consolidated interim financial statements for the Financial Year ended 31 March 2021

• **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 2021

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 2021

Debtors

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

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

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

Cash and cash equivalents

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

Non-derivative financial liabilities

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

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

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

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

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

3-5 Intangible assets and goodwill**Recognition & Measurement****Goodwill**

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

3-6 Property, plant and equipment**Recognition and measurement**

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

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

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

Notes to the consolidated interim financial statements for the Financial Year ended 31 March 2021

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

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

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

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

Subsequent costs

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

Depreciation

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

The estimated useful lives are as follows:

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

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

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

3-7 Projects under construction

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

3-8 Government grants

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

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

Notes to the consolidated interim financial statements for the Financial Year ended 31 March 2021

3-9 Plant wealth

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

3-10 Lease Contracts

Operating lease contracts

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

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

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

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

- Finance leases contracts (sale and lease back):

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

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

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

3-11 Inventories

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

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

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

Notes to the consolidated interim financial statements for the Financial Year ended 31 March 2021

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

3-12 Transactions with related parties:

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

3-13 Impairment

Non –derivative financial assets

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

Non-financial assets

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

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

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

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

3-14 Defined contribution plans

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

3-15 Provisions

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

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.

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 2021

3-24 The new and adjusted accounting standard

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

Standard (47) Financial Instruments

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

Standard (48) revenue from contracts with Customer

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

Standard 49 lease contracts

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

-The Financial Regulatory Authority decided in its declaration on 12 April, 2020 to postpone the application of the new Egyptian accounting standards and the accompanying amendments issued by Ministerial Resolution No. 69 of 2019 to the periodic (quarterly) financial statements that will be issued during the year 2020 that companies implement these standards and these amendments in the annual financial statements of these companies at the year end, also disclosing in the quarterly statement during the year 2020.

The prime minister decision number 1871 for the year 2020 dated 17 September 2020 included replacing first of January 2020 by first of January 2021 in the Egyptian accounting standards number 47, 48, and 49.

4 Determination of fair value

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

4-1 Non-derivative financial liabilities

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

4-2 Biological assets

Biological assets are measured by fair value less cost to sell unless the fair value cannot be measured reliably. If the fair value cannot be measured 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 2021

5 Other operating income

	Financial period From 1/1/2021 To 31/03/2021 L.E	Financial period From 1/1/2020 To 31/03/2020 L.E
Export subsidy revenue	4 533 826	-
Capital gain	105 693	450 418
Increase in biological wealth due to newborn	697 764	2 712 800
Inventory write down (reverse)	-	2 471 968
Gains from assets held for sale	237 306	-
Impairment of plant wealth (reverse)		
Impairment of trade and ther receivables (Reverse)	2 900 390	-
Biological wealth write down (Reverse)	-	1 155 000
Income from leased assets	75 500	1 352 918
Other income	2 275 388	2 663 963
	10 825 867	10 807 067

6 Selling and marketing expenses

	Financial period From 1/1/2021 To 31/03/2021 L.E	Financial period From 1/1/2020 To 31/03/2020 L.E
Advertising expenses	116 168 284	75 562 318
Salaries and wages	73 489 493	65 863 283
Depreciation	14 966 093	15 902 751
Vehicles expenses	27 349 283	24 809 053
Shipping & export expenses	7 174 197	11 760 964
Rent	1 628 011	2 291 661
Temporary labor contractors	6 656 282	5 761 468
Others	33 815 590	30 632 034
	281 247 233	232 583 532

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

Notes to the consolidated interim financial statements for the Financial Year ended 31 March 2021

7 General and administrative expenses

	Financial period From 1/1/2021 To 31/03/2021 L.E	Financial period From 1/1/2020 To 31/03/2020 L.E
Salaries and wages	27 721 680	33 154 431
Depreciation expense	4 270 428	4 386 300
Rent expense	3 081 990	2 704 253
Subscription fees and licenses	8 877 260	6 784 964
Other administrative expenses	12 319 297	11 320 492
	56 270 655	58 350 440

8 Other expenses

	Financial period From 1/1/2021 To 31/03/2021 L.E	Financial period From 1/1/2020 To 31/03/2020 L.E
Donations	4 108 470	3 990 986
Expected credit losses	-	3 235 859
Property tax	71 688	1 459 077
Provision for claims	3 580 297	543 875
Health insurance	8 753 249	8 701 633
Capital losses	-	-
Loss from selling and death of animal wealth	4 368 156	6 501 658
Others	2 239 928	2 367 856
	23 121 788	26 800 944

9 Net finance expense

	Financial period From 1/1/2021 To 31/03/2021 L.E	Financial period From 1/1/2020 To 31/03/2020 L.E
Interest expense	(25 431 409)	(51 216 116)
Interest income	2 605 526	4 334 588
Gain / (Loss) from foreign currency exchange	605 040	675 873
	(22 220 843)	(46 205 655)

10 Segmentation reports

10-1 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						Undistributed items L.E 31/03/2021	Elimination of consolidated transactions L.E 31/03/2021	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				
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)	
<u>Other Information</u>									
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.

10 Segmentation reports

10-2 Segmentation reports for the financial year ended 31 March 2020

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

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

The primary report for activity segmentations:

Revenues and expenses according to activity segment as follows:

	Activity Segments					Elimination of consolidated transactions L.E	Undistributed items L.E	Total L.E
	Dairy sector L.E	Chilled sector L.E	Juices sector L.E	Concentrates sector L.E	Agriculture sector L.E			
Net Sales	979 912 339	360 674 253	315 599 253	57 966 377	12 813 830	-	54 439 081	1 781 405 133
Sales between segments	(937 685 008)	(275 868 577)	(294 447 349)	(33 227 548)	(4 414 777)	1 545 643 259	-	-
Other operating income	1 859 724	765 399	1 127 340	1 683 946	4 966 780	-	1 223 312	11 626 501
Expenses	(140 907 667)	(140 262 622)	(73 042 151)	(9 388 282)	(15 181 832)	-	(4 707 578)	(383 490 132)
Other Information								
Depreciation	23 810 877	21 036 574	16 931 272	5 644 587	5 102 128	-	-	72 525 438
Assets	1 676 511 921	1 544 257 664	996 008 080	516 296 441	906 293 176	-	142 435 647	5 781 802 929
Liabilities	1 218 956 910	792 589 326	569 848 766	374 852 727	227 031 628	-	10 064 294	3 193 343 651

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

Notes to the consolidated interim financial statements for the financial period ended 31 March 2021

11 Investment under joint control (equity)

Name of the investee company	Share percentage %	Current assets		Non current assets		Total assets		Current liabilities		Total liabilities		Cost of investment	
		L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E
31-Mar-21													
Arju Company For food Industrial*	50.75	15 965 519	6090		15 971 609		1 499 902		1 499 902		14 471 707		
Balance as of 31 March 2021		15 965 519	6 090		15 971 609		1 499 902		1 499 902		14 471 707		
31 December 2020													
Arju Company For food Industrial	50.75	15 956 384	15 225		15 971 609		1 499 902		1 499 902		14 471 707		
Balance as at 31 December 2020		15 956 384	15 225		15 971 609		1 499 902		1 499 902		14 471 707		

12 Property, plant and equipment

Description	Land*	Buildings & Constructions	Machinery & Equipment	Transportation & transport vehicles	Tools	Empty plastic containers & Pallets	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.
Cost as at 1/1/2020	230 115 820	1 636 986 742	2 451 430 912	299 272 318	134 407 488	66 503 158	95 023 301	44 367 340	34 297 522	128 977 568	5 121 382 179
Additions of the Year	396 968	6 032 193	153 333 818	53 862 402	13 017 694	11 037 941	4 241 391	-	1 002 149	6 148 877	251 074 393
Disposals of the year	(45 648 512)	(4 751 207)	(72 979 449)	(27 979 033)	(1 476 767)	(8 154 428)	(17 472 548)	(4 577 740)	(1 275 266)	(1 295 519)	(185 610 469)
Transfer of assets held for sale during the year	-	-	(3 291 662)	-	-	-	-	-	-	-	(3 291 662)
Cost as of 31/12/2020	184 864 276	1 638 268 728	2 528 493 619	325 155 687	147 948 415	69 386 671	81 792 144	39 789 600	34 024 405	133 830 886	5 183 564 443
Additions during the period	-	1 379 449	13 101 210	707 845	296 907	6 438 720	-	-	147 504	2 007 880	24 079 515
Disposals during the period	-	-	(1 519 856)	-	-	-	(100 625)	-	(2 562)	(26 997)	(1 650 040)
Transfer of assets held for sale during the period	-	-	-	-	-	-	-	-	-	-	-
Cost as of 31/3/2021	184 864 276	1 639 648 177	2 540 074 773	325 863 542	148 245 322	75 825 391	81 691 519	39 789 600	34 169 347	135 811 769	5 205 983 916
Accumulated depreciation as at 1/1/2020	-	208 485 293	1 102 501 445	164 320 187	74 050 178	39 317 549	88 132 504	11 732 008	19 415 702	107 038 666	1 814 993 532
Depreciation of the year	-	34 767 219	175 733 480	30 715 165	13 096 990	12 247 486	5 619 013	1 606 954	2 677 943	9 863 668	286 329 918
Accumulated depreciation of disposals of the year	-	(631 576)	(36 797 929)	(24 181 523)	(504 565)	(8 154 424)	(17 313 595)	(2 061 311)	(725 232)	(1 152 352)	(91 522 898)
Accumulated depreciation as of 31/12/2020	-	242 620 936	1 241 438 996	170 853 829	86 642 602	43 410 611	76 437 922	11 277 651	21 368 413	115 749 982	2 009 800 942
Depreciation of the period	-	8 733 438	44 246 586	7 146 620	3 385 024	3 476 629	931 834	355 835	646 669	2 424 857	71 347 492
Accumulated depreciation of disposals of the period	-	-	(991 187)	-	-	-	(100 625)	-	(1 309)	(17 054)	(1 110 175)
Accumulated depreciation as of 31/3/2021	-	251 354 374	1 284 694 395	178 080 449	90 027 626	46 887 240	77 569 131	11 633 486	22 013 773	118 157 785	2 080 038 259
Fixed assets impairment as of 31 Mar 2021	(10 354 591)	(132 189)	(15 045 262)	-	-	-	-	(229 979)	-	-	(25 761 971)
Net book value as of 31/3/2021	174 509 685	1 388 161 614	1 240 335 316	147 863 093	59 217 696	28 938 151	4 422 388	27 926 185	12 155 574	17 653 904	3 100 183 605
Impairment of fixed assets 31/12/2020	(10 354 591)	(132 189)	(15 045 262)	-	-	-	-	(229 979)	-	-	(25 761 971)
Net book value as of 31/12/2020	174 509 685	1 395 515 603	1 272 089 361	154 301 868	61 302 813	25 976 060	5 354 222	28 282 020	12 655 992	18 080 904	3 147 991 528

*Cost of fully depreciated assets are amounted to L.E.391 385 109 as at 31 March 2021.

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

Notes to the consolidated interim financial statements for the Financial Year ended 31 March 2021

13 Projects under constructions

	31/03/2021 L.E	31/12/2020 L.E
Buildings and constructions in progress	5 246 751	5 570 405
Machineries under installation	164 062 309	144 895 978
Generators	-	2 530 613
Advance payments for purchase of fixed assets	47 054 430	4 949 848
Computer software	1 659 979	2 700 055
Lake	-	26 800
	218 023 469	160 673 699
Less: Impairment of projects under construction	-	-
	218 023 469	160 673 699

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

	31/03/2021 L.E	31/12/2020 L.E
Cost at the beginning of the period/ year	18 487 577	14 045 612
Additions during the period/ year	-	4 441 965
Cost at end of the period/ year	18 487 577	18 487 577
Less:		
Accumulated depreciation at beginning of the period/ year	(2 000 754)	(1 529 691)
Depreciation during the period/ year	(128 796)	(471 063)
Accumulated depreciation at end of the period/ year	(2 129 550)	(2 000 754)
Net	16 358 027	16 486 823

14-2 Plant wealth – unproductive

	Fruits Tree	330 projects	Project 190	Total
Balance on January 1,2021	7 492 215	10 079 554	4 616 148	22 187 917
Additions	-	2 829 561	9 854	2 839 415
Reclassification	(6 634 850)	6 634 850	-	-
Balance at end of the period	857 365	19 543 965	4 626 002	25 027 332

Notes to the consolidated interim financial statements for the financial period ended 31 March 2021

Translated from Arabic

* Calves of flocks are measured at fair value under book cost. Any increase or decrease in fair value is recognized at financial statement date in income statement.
 ** The company management measure the cost of flocks of dairy livestock because active market to rely on to determine the fair value is unavailable.

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

Notes to the consolidated interim financial statements for the Financial Year ended 31 March 2021

16 Tax status

16-1 Holding Company

A. Corporate tax

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

The period from the beginning of operation till year 2009

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

Years from 2010 till 2013

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

Years from 2014 till 2016

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

Year 2017 - 2020

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

B. Payroll tax

The period from the beginning of operation till year 2010

The tax inspection performed, and differences settled.

Year 2011/2016

The tax inspection performed, and differences settled.

Year 2017/2019

The company prepare for tax inspection.

Year 2020

Not asked for tax inspection

C. Stamp tax

The period from the beginning of operation till 2014

The tax inspection performed, and differences settled.

Year 2015/2016

The tax inspection performed, and differences settled.

Year 2017/2018

The tax inspection is performed and pending forms

Year 2019/2020

Not asked for tax inspection

D. Sales tax/ Value added tax

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

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

Years 2016 till 2018

The tax inspection is performed and pending forms

Years 2019/2020

Not asked for tax inspection

E. Withholding tax

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

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

Notes to the consolidated interim financial statements for the Financial Year ended 31 March 2021

16-2 Subsidiaries

First: Corporate tax

The Company that enjoy the corporate tax exemption

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

The Companies that are not exempted.

Egyptian Companies for Food Industries: -

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

Modern Company for Concentrates: -

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

International company for food industries: -

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

Egyptian Company for Dairy Products

The tax inspection performed and settled till 2004, years from 2005-2008 was not requested for inspection. Years from 2009-2012 was inspected and settled. 2013-2017 the objection was made in legal date. Years 2018-2019 not requested for inspection.

Tiba for Trading and Distribution

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

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

Al Marwa for Food Industries

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

Inmaa for Agriculture Development and Reclamation

The company not inspected yet.

Inmaa for Livestock

The company not inspected yet.

Second: Salaries tax

Subsidiaries

Tax inspection ending date

Egyptian Company for Dairy Products

- Inspection was performed from starting of activity till 2014 and tax settled.

Year 2015/2016 Inspection was performed and waiting for the forms

Years 2017/2019 not inspected yet.

Al-Marwa for Food industries

- Inspection was performed from starting activity till 2018 and tax settled. 2019 the inspection not requested

Year 2019 not inspected yet.

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

Notes to the consolidated interim financial statements for the Financial Year ended 31 March 2021

Tiba for Trading and Distributing	- Inspection was performed from starting of activity till 2015 and differences settled. Year 2016/2019 waiting for inspection.
International Company for Modern Food Industries	- Tax inspection was performed from start of activity till 2016 and tax settled Year 2017-2019 under inspection.
The Egyptian Company for Food Industries "Egyfood"	- Tax inspection was performed till 2018 and tax differences settled. Year 2019 not inspected yet
Modern Concentrates Industrial Company	- Tax inspection was performed from start of activity till 2018 and tax settled Year 2019 not inspected yet.
Inmaa for Agriculture Development Co. and Biological Wealth	- Tax inspection was performed and settled till 2010. Years 2011 – 2015 was inspected and settled. Years 2016/2019 waiting for inspection.
Inmaa for livestock	From the beginning of activity till 2016 was inspected and settled. Years 2018/2019 waiting for inspection.
Inmaa for agriculture	-From the beginning of activity till 2019 was inspected and waiting for the results.
Third: Stamp tax	
Egyptian Company for Dairy Products	-Inspection has been performed and difference settled till 2017. Years 2018/2019 not inspected yet.
Al-Marwa for Food Industries	-Inspection has been performed and difference settled till 2017. Years 2018/2019 not inspected yet.
Tiba for Trading and Distribution	-Inspection has been performed and difference settled till 2017. Years 2018/2019 not inspected yet.
International Company for Modern Food Industries	-Inspection has been performed and difference settled till 2018. Year 2019 not inspected yet.
The Egyptian Company for Food Industries "Egyfood"	- From the beginning of activity till 2017 was inspected and settled - Years 2018 – 2019 not inspected yet.
Modern Concentrates Industrial Company	-Inspection has been performed and difference settled till 2017. Years 2018/2019 not inspected yet.
Inmaa for agricultural development and biological wealth	-Inspection has been performed and difference settled till 2017. Years 2018/2019 not inspected yet.
Inmaa for agriculture	Years till 2017 was inspected and settled, and years 2018-2019 was not inspected yet
Inmaa for livestock	- Inspection has been performed and difference settled till 2017. Years 2018/2019 not inspected yet.

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

Notes to the consolidated interim financial statements for the Financial Year ended 31 March 2021

Fourth: Value added tax (Sales tax)**Egyptian Company for Dairy Products**

- The company products are exempted from sales tax, entity submitted monthly sales tax return. inspected and difference settled till 31/12/2015

Years 2016/2019 inspected and settled.

Al-Marwa for Food Industries

-Inspected and difference settled 2015

Years 2016/2019 waiting for forms.

International Company for Modern Food Industries

-The company submitted sales tax return on monthly basis from starting of activity, inspected and difference settled. till 2017

Years 2018/2019 not inspected yet.

Tiba for Trading and Distribution

-The company submits the sales tax return on monthly basis, inspected and differences settled till 2015.

Years 2016/2019 not inspected yet.

Inmaa for Agriculture Development and biological wealth.

- The tax inspection performed till 2014 and differences settled.

Years 2015/2019 waiting for forms.

Modern concentrates Industrial Company

-The inspection was performed since beginning of activity till 2013, preparing for tax inspection till 2019.

Inmaa for livestock

-The tax inspection performed from 15/3/2012 till 31/8/2016

Years 1/19/2016 till /2019 not inspected yet.

Inmaa for agricultural reclamation

-Inspected and difference is settled from beginning of activity till August 2016

Years 1/09/2016 till /2019 not inspected yet.

The Egyptian Company for Food Industries "Egyfood"

-The tax inspection performed till 2019

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

Notes to the consolidated interim financial statements for the Financial Year ended 31 March 2021

17 Inventories

	31/03/2021	31/12/2020
	L.E	L.E
Raw materials	214 588 747	152 410 563
Packaging and packing materials	181 736 540	104 392 404
Finished goods	386 365 370	457 561 289
Spare parts and miscellaneous supplies	81 247 100	79 737 847
Goods in transit - L/C's for goods purchase	50 245 903	79 866 670
	914 183 660	873 968 773

18 Trade and other receivables

	31/03/2021	31/12/2020
	L.E	L.E
Trade receivables	272 242 024	216 445 863
Less: Expected credit losses	(10 284 772)	(13 469 889)
	261 957 252	202 975 974
Notes receivables	588 465	648 379
Suppliers – advance payments	54 776 456	19 381 202
Prepaid expenses	18 377 693	11 074 597
Export subsidy*	37 457 715	33 696 922
Tax Authority	54 580 871	46 495 494
Customs Authority	7 089 384	4 051 106
Deposits with others	9 143 291	9 284 122
Debtors- sales of PP&E	35 510 000	35 510 000
Other debit balances	19 952 281	15 902 936
	499 458 806	379 020 732
Less: Impairment in other debit balances	(19 141 437)	(18 856 710)
	480 317 369	360 164 022

* The collection occurred during the period ended 31 March 2021 is EGP 0 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 2021

19 Cash at bank and on hand

	31/03/2021	31/12/2020
	L.E	L.E
Time deposits *	92 440 120	95 233 076
Banks -- current accounts	79 063 501	70 617 916
Cheques under collection	-	3 137 987
Cash on hand	3 045 967	1 761 454
Cash in transit	19 533 158	11 792 105
Cash and cash equivalent in cash flow	194 082 746	182 542 538

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

20 Share capital

	31/03/2021	31/12/2020
	L.E	L.E
Authorized capital	5 000 000 000	5 000 000 000
Issued & paid up capital (divided into 941 405 082 shares with nominal value L.E 1 each)	941 405 082	941 405 082

20-1 General reserve

The balance of general reserve is as follows: -

Collected from issuance premium of 205 972 632 shares during the year 2010 999 379 210

Less:

i. Nominal value of issued shares with a premium	(205 972 632)
ii. Issuance fees	(38 507 164)
ii. Legal reserve formed to reach 50 % of paid up capital	(350 398 732)
v. 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)	185 448 393	15 000 000	200 448 393
European Bank for Reconstruction & Development	44 571 406	152 186 918	196 758 324
HSBC bank	73 500 000	69 750 000	143 250 000
Balance at 31/3/2021	303 519 799	236 936 918	540 456 717
Balance at 31/12/2020	329 894 549	270 774 821	600 669 370

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

Notes to the consolidated interim financial statements for the Financial Year ended 31 March 2021

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

22 Bank Credit facilities

This balance amounted to L.E 353 017 650 as at 31 March 2021 (against L.E 276 599 740 as at 31/12/2020), represents the drawn down portion of the L.E 2.166 billion (of the group) bank facilities. Interest is charged on such drawn amounts at a variable interest rate. These lending banks were provided with collators

23 Provision for claims

Description	Balance at 01/01/2021 L.E	Formed during the period L.E	Used during the period L.E	Balance at 31/3/2021 L.E
Provision for claims	50 854 882	3 580 297	(2 192 793)	52 242 386

24 Creditors and other credit balances

	31/03/2021 L.E	31/12/2020 L.E
Suppliers	441 764 997	447 604 517
Notes Payables	5 119 703	—
Dividends payable	23 970 437	13 961 437
Accrued expenses	88 154 433	115 123 034
PPE creditors	27 716 384	856 769
Tax authority	27 277 802	22 416 016
Deposits for others	2 412 924	2 492 161
Sales tax installments on the imported machineries and equipment (Note No. 25)	5 982 304	5 834 174
Social Insurance Authority	6 087 490	5 289 770
Due to health insurance	43 931 665	35 191 568
Advances from customers	9 199 982	7 846 177
Other credit balances	6 119 820	17 549 963
	687 737 941	674 165 586

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

Notes to the consolidated interim financial statements for the Financial Year ended 31 March 2021

25 Other non-current liabilities

	31/03/2021	31/12/2020
	L.E	L.E
The value of sales tax installments on the imported machineries and equipment due from January 2018. The installments due within one year amounted to L.E 5 734 919 as at 31/03/2021 (L.E 5 982 304 as at 31/12/2020) are shown under the caption of creditors and other credit balances in the consolidated balance sheet.	4 046 408	18 208 729
PPE purchase premiums	6 255 813	-
	10 302 221	18 208 729

26 Deferred tax liabilities

Deferred tax liability amounted to L.E 283 435 735 31/03/2021 representing net book value of taxable assets and liabilities:

vi. Deferred Tax (Lease Contracts)

	Balance	Balance
	31/03/2021	31/12/2020
	L.E	L.E
Deferred tax liability	(5 343 183)	(5 443 057)
Deferred tax asset	964 601	1 737 533
Deferred asset/ liability (Lease contracts)	(4 378 582)	(3 705 524)
Deferred tax liability from fixed assets	(279 057 154)	(283 176 541)
Total deferred tax liability	(283 435 735)	(286 882 065)

	Balance on	Movement during	Balance on
	1/1/2021	the period	31/3/2021
	L.E	L.E	L.E
Deferred tax liability	286 882 065	(3 446 330)	283 435 735

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

Notes to the consolidated interim financial statements for the Financial Year ended 31 March 2021

27 Group companies

The following sets out the subsidiaries of Juhayna Food Industries Company that were acquired and controlled by the Company as at 31/03/2021 and the company under joint control shown together with their respective contribution percentage held as at the financial position date.

Subsidiary Name	Contribution % 31/3/2021	Contribution % 31/12/2020	Country
Egyptian Co. for Dairy Products	99.99 %	99.99 %	Egypt
International Co. for Modern Food Industries	99.99 %	99.99 %	Egypt
The Egyptian Company for Food Industries "Egyfood"	99.98 %	99.98 %	Egypt
Tiba For Trading & Distributing	99.90 %	99.90 %	Egypt
Al-Marwa for Food Industries	99.91 %	99.91 %	Egypt
Modern Concentrates Industrial Co.	Indirect 99.81 %	Indirect 99.81 %	Egypt
Inmaa for Agriculture Development Co.	99.994 %	99.994 %	Egypt
Inmaa for Livestock	Indirect 99.862 %	Indirect 99.862 %	Egypt
Inmaa for Agriculture and improvement	Indirect 99.964 %	Indirect 99.964 %	Egypt
<u>Company under joint control</u>			
Arju Company for Food Industries	50.75 % under joint control	50.75 % under joint control	Egypt

28 Financial instruments

Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's Board is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the B.O.D.

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

Notes to the consolidated interim financial statements for the Financial Year ended 31 March 2021

Credit risk

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

Trade and other receivables

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

Credit risk**Exposure to credit risk**

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

	Note	Carrying amount	
		31/03/2021	31/12/2020
		L.E	L.E
Trade and other receivables	(18)	362 786 308	264 845 903

Liquidity risk

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

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

Banks - credit facilities in a principal amount of L.E 353 017 650 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)	353 017 650	76 417 910
Total loans	(21)	540 456 717	(60 212 653)
Operating lease – liabilities	(29)	126 025 245	(7 400 335)

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

Notes to the consolidated interim financial statements for the Financial Year ended 31 March 2021

Market risk

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

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

Currency risk

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

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

Foreign currency risk**Exposure to currency risk**

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

	USD	Euro
Trade and other receivables	2 300 424	–
Cash at banks and on hand	255 371	31 203
Creditors and other credit balances	(7 737 024)	(867 780)
31 March 2021	(5 181 229)	(836 577)
31 December 2020	(10 224 072)	(762 200)

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

	Average rate		Closing Rate	
	31/03/2021	31/12/2020	31/03/2021	31/12/2020
USD	15.76	15.85	15.75	15.78
Euro	18.88	18.16	18.48	19.36

Interest rate risk

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

Capital management

The Board's policy is to maintain a strong capital base 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.

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

Notes to the consolidated interim financial statements for the Financial Year ended 31 March 2021

	31/03/2021	31/12/2020
	L.E	L.E
Total liabilities	2 283 036 579	2 232 458 733
Less: cash at bank and on hand	(194 082 746)	(182 542 538)
Net debt	1 602 660 987	2 049 916 195
Total equity	3 026 419 506	2 903 273 852
Net debt to equity ratio	53%	71%

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

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

On 23/3/2016 the Company signed a contract regarding a land lease (including the building built there on), of land located on plot no. 21 of the Crazy water's corridor in Zayed City with a total area of 15 374 47 m². The contract terms became effective starting 24/3/2016. The following is a summary of the above-mentioned contract:

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

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

Lease contract liabilities

	31/03/2021	31/12/2020
	L.E	L.E
Liabilities from lease contract current portion	14 554 001	14 225 047
Long-term liability from lease contract non-current portion	68 125 688	71 889 896
	82 679 689	86 114 943

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

Notes to the consolidated interim financial statements for the Financial Year ended 31 March 2021

Lease contracts liabilities are as follows:

	Payment of liability principal		Payment of accrued interest	
	31/03/2021	31/12/2020	31/03/2021	31/12/2020
	L.E	L.E	L.E	L.E
Liabilities for one year	14 554 001	14 225 047	6 662 025	6 990 979
Liabilities between 1-5 years	68 125 688	71 889 896	11 434 412	12 974 210

29-2 Operating Lease contract liabilities

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

	31/03/2021	31/12/2020
	L.E	L.E
Buildings, Warehouses and stores	59 247 346	59 247 345
Amortization during the ended period	(18 652 107)	(14 921 683)
Net book value	40 595 238	44 325 662

During the period ended at 31 March 2021 the group has been charged by 1 159 526 as an interest resulted from the renting contracts.

Operation lease contract liability

	31/03/2021	31/12/2020
	L.E	L.E
Liabilities from lease contract-current portion	8 495 449	9 511 310
Long-term liability from lease contract non-current portion	34 850 107	36 522 549
Total	43 345 556	46 033 859

Payment of lease contracts liabilities are as follows:

	Liabilities in present value		Accrued interest	
	31/03/2021	31/12/2020	30/9/2021	31/12/2020
	L.E	L.E	L.E	L.E
Liabilities for one year	8 495 449	9 511 310	4 009 179	4 254 794
Liabilities between 1-5 years	32 167 149	33 571 606	7 130 479	7 974 662
Liabilities more than 5 years	2 682 958	2 950 943	330 405	1 403

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

Notes to the consolidated interim financial statements for the Financial Year ended 31 March 2021

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 31/3/2021 amounting to LE 21 505 076 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 98 986 767 on 31/3/2021.

32 Related party transactions

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

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

32-1 Due to related parties

Company's name	Nature of transaction	Total value of transactions		Balance as at	
		31/03/2021	31/12/2020	31/03/2021	31/12/2020
		L.E	L.E	L.E	L.E
Arju Company For Food Industries	Current account	2 506		2 506	
				<u>2 506</u>	

32-2 Board of Director's remuneration

The total allowances received by the board of directors during the period amounted to LE 0 against L.E 4 860 000 during the period ended 31 March 2020.

33 Income tax – current

	Financial Year 31/03/2021 L.E	Financial Year 31/12/2020 L.E
Income tax at the beginning of the period	192 929 560	103 663 033
Income tax expense	36 889 124	192 965 593
Investment tax on dividends	-	43 393 554
Taxes paid during the year	-	(147 056 587)
Accrued interest income on the tax advances	-	(36 033)
Income tax at the Ending of the period	<u>229 818 684</u>	<u>192 929 560</u>

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

Notes to the consolidated interim financial statements for the Financial Year ended 31 March 2021

	Financial period From 1/1/2021 To 31/03/2021 L.E	Financial period From 1/1/2020 To 31/3/2020 L.E
Income tax expense	(36 889 124)	(53 844 911)
Investment tax on dividends	-	(5 398 745)
Income Tax	(36 889 124)	(59 243 656)

34 Goodwill

	31/03/2021 L.E	31/12/2020 L.E
Goodwill resulting from acquiring the Egyptian Company for Dairy Products	46 433 934	46 433 934
Goodwill resulting from acquiring Al-Marwa for Food Industries Company	50 658 956	50 658 956
	97 092 890	97 092 890

35 Earnings per share

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

	Financial period from 1/1/2021 To 31/03/2021 L.E	Financial period from 1/1/2020 To 31/3/2020 L.E
Parent Company's share in profit	123 106 033	113 592 900
Weighted average number of shares	941 405 082	941 405 082
EPS (L.E/Share)	0.13	0.12

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

- On January 19, 2021, the Board of Directors was held and accepted the resignation of Engineer /Safwan Thabet from the membership of the board of directors and appointing Mr. Ahmed Elwakeel as a board member. The company's commercial register was amended with changes.
- On February 2, 2021, Mr. Seif Thabet - CFO of Juhayna and Chairman of the Board of Directors of the companies (The Egyptian Dairy Products / The Egyptian Food Industries "Egyfood" / The International Modern Food Industries / Tiba for Trade and Distribution / Al Marwa Food Industries / The Modern Concentrates Industry) was detained for investigations that is related to him in person and had nothing to do with the Group or its business activity
- On February 21, 2021, the Boards of Directors of the following subsidiaries (El Masreya Dairy for dairy product Company , Egyptian Company for Food Industries (Egyfood), International Company for Modern Food Industries (El-Dawleya) , Tiba for Trade and Distribution, Al Marwa for Food Industries, Modern Concentrates

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

Notes to the consolidated interim financial statements for the Financial Year ended 31 March 2021

Manufacturing Company), were held and Mr. Ahmed Al-Abin was appointed as Vice Chairman having the same powers and terms of references as that of the Chairman and the resignation of Engineer/ Safwan as a BOD member of these companies was accepted. The minutes of the Board of Directors were approved by the General Authority for Investment and Free Zones (GAFI) and annotation was made to the effect of these changes in the commercial register of these companies except Tiba for trade and distribution Company, since this matter requires obtaining security approvals from the National Authority for the Development of the Sinai Peninsula (SDA) as this Company owns a sales branch in Sinai at (Al-Tur City).

- On March 7, 2021, the Board of Directors of Juhayna Food Industries Company formed an committee to take decisions regarding the duties assigned to the managing director. This Committee is comprised of four of the company's general managers ; namely (General Manager of the financial Sector - General Manager of the Logistics Sector - Head of the Off Shore Markets and Export Sector - General Manager of Tiba for Trade and Distribution Company) on 1 September 2021 the General Manager of Tiba for trade and distribution has resigned.
- As of April 2021, the Company encountered the issue of withdrawing the licenses of some cars and vehicles used in transporting its products, and not renewing the expired licenses by the Sixth of October Traffic Department (Giza Governorate). The company took legal measures as a grievance was filed to the competent authorities and the Company resorted to the judiciary - the Court of State Council (by virtue of lawsuit No. 59508 for judicial year No. 75) in order to keep the rights of the company and revoke this resolution taken to the detriment of the company. The cars which ceased to render the transportation service for these reasons until this date reached 409 cars. The company has replanned, distributed, integrated some sales routes and relied on outsourcing transporting its products to continue the sale process without any impact thereon.
- On June 6, 2021, the Board of Directors was held to accept the resignation of Mr. Yasser Suleiman Hesham Al-Malwani from the BOD membership and the appointment of Mr. Jean-Anders Lindh Green, a member of the Board of Directors and annotation was made in the Commercial Register to this effect.
- Subsidiaries have financial debt covenants "financial indicators" in respect of the medium-term loans granted thereto and the subsidiaries obtained a waiver from banks in respect of the breach of the debt covenants "financial indicators" on March 31, 2021 and tab the rest with current liabilities.
- The Company(from the beginning of these events until this date)continues to practice its normal course of business activity including (producing, marketing, selling and distributing dairy products, juices, coolers and distribution to third parties as well as dealing with suppliers, customers, banks , governmental and non-governmental bodies .

36-2 Events following the date of the financial statements

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

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

Notes to the consolidated interim financial statements for the Financial Year ended 31 March 2021

37 Important events

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

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

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

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

38 Interim Financial statements.

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