

Translation from Arabic

**Juhatna Food Industries  
(An Egyptian Joint Stock Company)  
Consolidated interim financial statements  
For the financial period ended  
30 June 2022  
And Review report**

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

**For the financial period ended 30 June 2022**

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# Hazem Hassan

Public Accountants & Consultants

*Translation from Arabic*

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

### **Introduction**

We have performed a limited review for the accompanying consolidated Interim statement of financial position of Juhayna Food Industries “An Egyptian Joint Stock Company”, as at 30 June 2022 and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the six months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our limited review.

### **Scope of Limited Review**

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

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not present fairly in all material respects, the consolidated financial position of the company as at 30 June 2022 and of its financial performance and its cash flows for the six months then ended in accordance with Egyptian Accounting Standards.

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

Cairo, 15 August 2022

Johanna Feed Industries  
(An Egyptian Joint Stock Company)  
Consolidated interim statement of financial position  
As of 30 June 2022

Translated from Arabic

	Note No.	30/06/2022 L.E	31/12/2021 L.E
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	(12)	3 042 190 011	2 164 789 337
Project under construction	(13)	130 430 679	73 964 179
Plant worth - productive	(14-1)	25 670 586	26 073 857
Plant worth - not productive	(14-2)	29 772 476	23 679 027
Biological assets	(15)	194 323 660	196 194 420
Investments under joint control (equity)	(11)	15 604 766	15 116 843
Right to use assets	(19-2)	54 573 335	51 503 643
Goodwill	(34)	97 092 650	97 092 890
Other - long term assets		719 736	723 872
<b>Non-current assets</b>		<b>3 550 444 333</b>	<b>3 659 218 258</b>
<b>Current assets</b>			
Biological assets - Exotic Agriculture			
PP&E held for sale		14 036 180	10 371 729
Investments		1 702 363	1 607 427
Trade and other receivables	(17)	1 446 900 895	579 266 085
Cash at bank and on hand	(18)	560 198 600	450 020 949
Due from related party	(19)	457 384 727	453 915 330
Biological assets - Feeding Sector	(32-1)	186 623	2 966
Current assets		<b>2 957 920</b>	<b>46 173</b>
<b>Total assets</b>		<b>6 508 364 663</b>	<b>3 705 394 431</b>
<b>Equity</b>			
Issued and paid up capital	(20)	941 405 082	941 405 082
Legal reserve		709 602 342	686 679 026
General reserve - (insurance premium)	(20-1)	330 520 423	370 920 426
Retained earnings		1 109 335 045	1 205 358 929
Total equity attributable to the shareholders of the parent company		<b>3 090 862 892</b>	<b>3 147 355 465</b>
Non-controlling interest		839 263	762 819
<b>Total equity</b>		<b>3 930 122 155</b>	<b>3 910 118 284</b>
<b>Non-current liabilities</b>			
Long-term loans	(21)	140 647 505	262 359 916
Lease liabilities - non-current portions	(22)	95 620 814	107 066 326
Deferred tax liabilities	(23)	397 521 560	299 500 161
Other non-current liabilities	(25)	473 079	482 730
<b>Non-current liabilities</b>		<b>614 262 958</b>	<b>671 017 133</b>
<b>Current liabilities</b>			
Provisions	(23)	85 814 989	70 078 923
Bank credit facilities	(22)	705 297 881	273 230 783
Credit and other credit balances	(24)	1 353 914 642	920 212 428
Interest payable	(23)	95 739 075	160 249 563
Lease liabilities - current portions	(23)	35 176 104	28 324 136
Current liabilities	(21)	<b>123 509 652</b>	<b>139 519 730</b>
<b>Total liabilities</b>		<b>3 433 611 643</b>	<b>1 419 615 105</b>
<b>Total equity and total liabilities</b>		<b>6 508 364 663</b>	<b>3 705 394 431</b>

The notes from No.(1) to 19.(16) are an integral part of these consolidated interim financial statements and should read there to.

Chief Finance Officer  
Sahar El-Hadady

Chairman  
Ahmed El Wadi

Cairo, 14 August 2022

Interim review report "unaudited"

**Juhayna Food Industries**  
**(An Egyptian Joint Stock Company)**  
**Consolidated interim statement of profit or loss**  
**For the financial period ended 30 June 2022**

Translated from Arabic

		Financial period From 1/1/2022 To 30/6/2022 L.E.	Financial period From 1/1/2021 To 30/6/2021 L.E.	Financial period From 1/4/2022 To 30/6/2022 L.E.	Financial period From 1/4/2021 To 30/6/2021 L.E.
	Note No.				
Net sales		5 164 567 216	4 088 552 758	2 761 133 770	2 226 863 636
Cost of sales		(3 750 110 709)	(2 827 872 753)	(1 988 495 067)	(1 508 798 543)
<b>Gross profit</b>		<b>1 414 456 507</b>	<b>1 260 680 005</b>	<b>772 638 703</b>	<b>718 065 093</b>
Other operating income	(5)	59 731 238	18 245 160	29 189 525	7 419 293
Selling and Marketing expenses	(6)	( 821 545 075)	(657 235 356)	(445 882 810)	(375 988 123)
General and administrative expenses	(7)	(153 290 864)	(133 275 705)	(78 871 392)	(63 013 238)
Other expenses	(8)	(59 974 355)	(44 153 515)	(38 081 021)	(21 031 727)
<b>Results from operating activities</b>		<b>439 377 451</b>	<b>444 260 589</b>	<b>238 993 005</b>	<b>265 451 298</b>
Share in profit /Loss of a company under joint control		487 923	421 307	254 471	421 307
Net finance (expense)	(9)	( 24 569 883)	( 42 076 806)	( 11 560 506)	( 19 855 963)
<b>Net profit before income tax</b>		<b>415 295 491</b>	<b>402 605 090</b>	<b>227 686 970</b>	<b>246 016 642</b>
Current income tax	(33)	( 98 732 401)	( 87 458 885)	( 55 367 937)	( 50 569 761)
Deferred tax	(26)	2 386 301	1 065 320	2 210 653	( 2 381 010)
<b>Net profit for the period after tax</b>		<b>318 949 391</b>	<b>316 211 525</b>	<b>174 529 686</b>	<b>193 065 871</b>
<b>Distributed as follows</b>					
Parent Company's share in profit		318 848 694	316 108 017	174 467 901	193 001 984
Non-controlling interest		100 697	103 508	61 785	63 887
<b>Earning per share for the period (L.E /share )</b>	(35)	<b>0.34</b>	<b>0.34</b>	<b>0.19</b>	<b>0.21</b>

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

**Juhayna Food Industries**  
**(An Egyptian Joint Stock Company)**  
**Consolidated interim statement of comprehensive income**  
**For the financial period ended 30 June 2022**

**Translated from Arabic**

	<b>Financial period From 1/1/2022 To 30/6/2022 L.E.</b>	<b>Financial period From 1/1/2021 To 30/6/2021 L.E.</b>	<b>Financial period From 1/4/2022 To 30/6/2022 L.E.</b>	<b>Financial period From 1/4/2021 To 30/6/2021 L.E.</b>
<b>Net profit for the period after tax</b>	<b>318 949 391</b>	<b>316 211 525</b>	<b>174 529 686</b>	<b>193 065 871</b>
<b>Total other comprehensive income</b>	<b>318 949 391</b>	<b>316 211 525</b>	<b>174 529 686</b>	<b>193 065 871</b>
<b>Distributed as follows</b>				
Parent Company's share in profit	318 848 694	316 108 017	174 467 901	193 001 984
Non-controlling interest	100 697	103 508	61 785	63 887
	<b>318 949 391</b>	<b>316 211 525</b>	<b>174 529 686</b>	<b>193 065 871</b>

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

**Jubayna Food Industries**  
**(An Egyptian Joint Stock Company)**  
**Consolidated interim statement of changes in equity**  
**For the financial period ended 30 June 2022**

Translated from Arabic

	Issued & paid up capital L.E	Legal reserve L.E	General reserve- issuance premium L.E	Retained earnings L.E	Non-controlling interest L.E	Total L.E
<b>Balance as at 1 January 2021</b>	<b>941 405 082</b>	<b>637 021 531</b>	<b>330 920 428</b>	<b>993 211 902</b>	<b>714 969</b>	<b>2 903 273 852</b>
Holding Company's share in reserves & retained earnings of subsidiaries	-	29 676 000	-	( 29 676 000)	-	-
Total other comprehensive income for the period ended 30 June 2021	-	-	-	316 108 017	103 508	316 211 525
<b>Balance as at 30 June 2021</b>	<b>941 405 082</b>	<b>666 697 531</b>	<b>330 920 428</b>	<b>1 279 643 919</b>	<b>818 417</b>	<b>3 219 485 377</b>
<b>Balance as at 1 January 2022</b>	<b>941 405 082</b>	<b>688 879 026</b>	<b>330 920 428</b>	<b>1206 348 929</b>	<b>762 819</b>	<b>3 168 316 284</b>
Dividends to shareholders	-	-	-	( 329 491 779)	( 30 060)	(329 521 839)
Dividends to employees and board of directors	-	-	-	( 65 943 677)	-	(65 943 677)
Holding Company's share in reserves & retained earnings of subsidiaries	-	20 723 316	-	( 20 729 122)	5 806	-
Total other comprehensive income for the period ended 30 June 2022	-	-	-	318 848 694	100 697	318 949 391
<b>Balance as at 30 June 2022</b>	<b>941 405 082</b>	<b>709 602 342</b>	<b>330 920 428</b>	<b>1 109 033 045</b>	<b>839 262</b>	<b>3 091 800 159</b>

The notes from No.(1) to No.(36) 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 cash flows**  
**For the financial period ended 30 June 2022**

Translated from Arabic

	Note No.	Financial period From 1/1/2022 To 30/6/2022	Financial period From 1/1/2021 To 30/6/2021
<b>Cash flows from operating activities</b>			
Net profit for the period before income tax and minority interest share in profits		415 295 491	402 605 090
<b>Adjustments for:</b>			
PPE depreciation	(12)	155 839 199	142 751 512
Capital loss (gain)	(8)	(23 902 851)	( 2 411 805)
Amortization of asset right of use (lands)		4 136	-
Amortization of animal wealth	(15)	15 313 344	15 010 368
Amortization of plant wealth (productive)	(14-1)	403 277	257 592
Amortization of plant wealth (non productive)	(8)	-	( 4 899 589)
Changes in investments under joint control (equity)	(11)	( 487 923)	( 421 307)
Impairment of Fixed assets & projects under construction		( 117 781)	( 237 301)
Impairment of accounts receivable		(1 607 431)	( 3 045 181)
Amortization of right of use asset	(29)	7 010 309	8 634 100
Right of use asset interest	(29)	3 044 270	2 565 995
Impairment of inventory no longer required		-	1 482 100
Provision for claims formed	(23)	18 463 748	6 032 043
Herd birth	(15)	(7 570 700)	( 6 285 600)
Herd capitalization	(15)	(26 166 559)	( 27 148 073)
Loss from selling and death of animal wealth	(8)	1 456 267	6 741 307
Foreign currencies exchange differences	(9)	(7 088 122)	( 855 083)
Credit interests	(9)	(12 871 093)	( 5 656 876)
Finance interests & expenses	(9)	41 484 828	46 022 770
		<u>578 502 409</u>	<u>581 142 062</u>
credit interest collection		12 871 093	5 656 876
Finance interests & expenses paid		(41 484 828)	(46 022 770)
<b>Changes in:</b>			
Inventories	(17)	(567 634 807)	( 40 602 893)
Biological assets- Exiting Agriculture		(3 486 451)	7 136 503
Trade and other receivables	(18)	(102 570 220)	( 80 646 801)
Creditors & other credit balances	(24)	295 692 643	( 351 799)
Due from related parties	(32-1)	( 383 657)	( 2 715)
Changes in held for sale		505 064	2 279 017
Dividends paid to employeee		(37 184 580)	( 34 816 343)
Income tax paid		(182 182 829)	( 167 245 678)
Sales tax on capital goods -paid			( 15 735 343)
Provisions claims used		(2 727 682)	( 8 885 153)
<b>Net cash flows from operating activities</b>		<u>(50 083 845)</u>	<u>201 904 963</u>
<b>Cash flows from investing activities</b>			
Acquisition of PPE & projects under construction	(12-13)	(86 485 529)	( 136 346 046)
Proceeds from sale of PPE		30 739 778	4 764 234
Proceeds from plant wealth unproductive		(6 099 449)	( 7 335 000)
Proceeds from the sale of plant and animal wealth	(14-15)	16 801 014	19 606 896
Proceeds from the compensation of calves death		1 784 647	3 892 065
<b>Net cash flows (used in) investing activities</b>		<u>(43 259 539)</u>	<u>(115 417 851)</u>
<b>Cash flows from financing activities</b>			
Proceeds from/ (payments for) overdraft & credit facility	(22)	432 067 118	90 363 162
(Payments for) financial lease contract liabilities	(29)	(15 439 315)	( 15 623 972)
(Payments for) Bank loans	(21)	(137 722 128)	( 98 929 620)
Dividends paid to shareholders		(188 281 016)	
<b>Net cash flows (used in) financing activities</b>		<u>90 624 659</u>	<u>(24 190 430)</u>
<b>Change in cash &amp; cash equivalents during the period</b>		<u>(2 718 725)</u>	<u>62 296 682</u>
<b>The effect of foreign exchange difference</b>	(9)	7 088 122	855 083
<b>Cash &amp; cash equivalents at 1 January</b>	(19)	<u>453 015 330</u>	<u>182 542 538</u>
<b>Cash &amp; cash equivalents at 31 December</b>		<u><u>457 384 727</u></u>	<u><u>245 694 303</u></u>

The notes from No.(1) to No.(36) 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 consolidated interim financial statements**  
**For the financial period ended 30 June 2022**

**1 Reporting the entity**

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

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

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

The factory address: 6<sup>th</sup> 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 14 August 2022.

**2-2 Basis of measurement**

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

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

**2-3 Functional and presentation currency**

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

**2-4 Use of estimates and judgments**

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

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

Notes to the consolidated interim financial statements for the financial period ended 30 June 2022

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

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

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

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

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

### 3 Significant accounting policies

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

#### 3-1 Basis of consolidation

##### Subsidiaries

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

##### Transactions eliminated on consolidation

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

#### 3-2 Foreign currency

##### Foreign currency transactions

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

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

#### 3-3 Investment under joint control

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

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

Notes to the consolidated interim financial statements for the financial period ended 30 June 2022

### **3-4 Financial instruments**

#### **3-4-1 Financial assets**

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

##### **A. Classification:**

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

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

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

For financial assets measured at fair value, gains and losses will be recorded either in the statement of profit or loss or in other comprehensive income. For investments in equity instruments that are not held for sale, this will depend on whether the Group has made an irrevocable election at the initial recognition of accounting for these investments to be at fair value 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 period ended 30 June 2022

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

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

#### **Equity instruments**

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

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

#### **d- Impairment:**

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

#### **Financial derivatives**

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

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

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

Notes to the consolidated interim financial statements for the financial period ended 30 June 2022

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

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

#### **Classification as debt or equity**

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

#### **Equity instruments**

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

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

#### **Financial liabilities**

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

#### **Other financial liabilities**

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

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

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

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

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

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

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

Notes to the consolidated interim financial statements for the financial period ended 30 June 2022

#### **Non-derivative financial assets**

The Company initially recognises receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non – derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for sale financial assets.

#### **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

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Notes to the consolidated interim financial statements for the financial period ended 30 June 2022

less impairment losses. Recognized goodwill impairment losses are not subsequently reversed. Goodwill is not amortized.

### 3-6 Property, plant and equipment

#### Recognition and measurement

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

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

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

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

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

#### Subsequent costs

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

#### Depreciation

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

The estimated useful lives are as follows:

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

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

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

### 3-7 Projects under construction

Expenditures incurred on purchasing and constructing fixed assets are initially recorded in projects under construction until the asset is completed and becomes ready for use. Upon the completion of the assets, all related costs are transferred to fixed assets. Projects under construction are measured at cost less

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Notes to the consolidated interim financial statements for the financial period ended 30 June 2022

accumulated impairment losses (note no. 13). No depreciation is charged until the project is completed and transferred to fixed asset

### **3-8 Government grants**

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

### **3-9 Plant wealth**

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

### **3-10 Lease Contracts**

#### **Operating lease contracts**

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

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

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

At inception, the ROU asset comprises, the initial lease liability, initial 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



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Notes to the consolidated interim financial statements for the financial period ended 30 June 2022

in bringing them to their existing location and condition. Net realizable value is the estimated selling price, in the ordinary course of business, less estimated costs of the completion and selling expenses.

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

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

### **3-12 Transactions with related parties:**

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

### **3-13 Impairment**

#### **Non –derivative financial assets**

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

#### **Non-financial assets**

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

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

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

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

### **3-14 Defined contribution plans**

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

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

Notes to the consolidated interim financial statements for the financial period ended 30 June 2022

### **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.

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

Notes to the consolidated interim financial statements for the financial period ended 30 June 2022

### **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.

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Notes to the consolidated interim financial statements for the financial period ended 30 June 2022

### 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

### 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	ears 35

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Notes to the consolidated interim financial statements for the financial period ended 30 June 2022

**5 Other operating income**

	Financial period From 1/1/2022 To 30/06/2022 L.E	Financial period From 1/1/2021 To 30/06/2021 L.E	Financial period From 1/4/2022 To 30/06/2022 L.E	Financial period From 1/4/2021 To 30/06/2021 L.E
Export subsidy revenue	22 931 958	7 245 385	9 439 386	2 711 559
Capital gain	23 902 851	2 411 805	10 878 804	2 068 806
Increase in biological wealth due to newborn	5 694 265	1 078 810	5 389 369	381 046
Inventory write-down (Reverse)	-	-	(70 806)	-
Gains from assets held for sale	-	-	(739 999)	-
Impairment of trade and other receivables (Reverse)	1 607 431	3 045 181	1 607 431	144 791
Fixed Assets write-down (Reverse)	117 781	-	117 781	-
Income from leasing assets) under the company's control)	150 000	156 870	75 000	81 370
Other income	5 326 952	4 307 109	2 492 559	2 031 721
	<b>59 731 238</b>	<b>18 245 160</b>	<b>29 189 525</b>	<b>7 419 293</b>

**6 Selling and marketing expenses**

	Financial period From 1/1/2022 To 30/06/2022 L.E	Financial period From 1/1/2021 To 30/06/2021 L.E	Financial period From 1/4/2022 To 30/06/2022 L.E	Financial period From 1/4/2021 To 30/06/2021 L.E
Advertising expenses	396 323 615	295 030 614	217 852 380	178 862 330
Salaries and wages	180 496 136	151 771 545	99 244 007	78 282 052
Depreciation	31 500 993	29 663 612	19 016 929	14 697 519
Vehicles expenses	50 270 284	49 559 353	30 668 484	22 210 070
Shipping & export expenses	49 911 610	31 748 731	19 482 232	24 574 534
Rent	5 602 923	5 218 559	2 240 165	3 590 548
Temporary labor contractors	18 852 874	16 589 070	10 745 902	9 932 788
Others	88 586 640	77 653 872	46 632 711	43 838 282
	<b>821 545 075</b>	<b>657 235 356</b>	<b>445 882 810</b>	<b>375 988 123</b>

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

Notes to the consolidated interim financial statements for the financial period ended 30 June 2022

**7 General and administrative expenses**

	Financial period From 1/1/2022 To 30/06/2022 L.E	Financial period From 1/1/2021 To 30/06/2021 L.E	Financial period From 1/4/2022 To 30/06/2022 L.E	Financial period From 1/4/2021 To 30/06/2021 L.E
Salaries and wages	62 361 937	57 388 524	35 261 638	29 666 844
Depreciation expense	13 809 990	8 634 806	8 221 175	4 364 378
Rent expense	6 107 996	6 523 098	2 859 222	3 441 108
Subscription fees and licenses	21 186 577	16 999 539	12 326 679	8 122 279
End of service expenses	15 114 148	15 237 719	12 354	1 245 907
BOD bonus (32-2)	905 000	-	240 000	-
Other administrative expenses	33 805 216	28 492 019	19 950 324	16 172 722
	<b>153 290 864</b>	<b>133 275 705</b>	<b>78 871 392</b>	<b>63 013 238</b>

**8 Other expenses**

	Financial period From 1/1/2022 To 30/06/2022 L.E	Financial period From 1/1/2021 To 30/06/2021 L.E	Financial period From 1/4/2022 To 30/06/2022 L.E	Financial period From 1/4/2021 To 30/06/2021 L.E
Donations	4 282 765	6 109 804	2 219 550	2 001 334
Impairment in trade and other receivables	-	-	(341 784)	-
Real estate tax	831 682	802 227	568 428	730 539
Inventory write-down (Reverse)	-	1 482 100	-	1 482 100
Custom Claims	18 463 748	6 032 043	13 460 234	2 451 746
Health insurance	24 540 393	19 117 332	13 036 469	10 364 083
Loss from selling and death of animal wealth	502 055	6 741 307	109 889	2 373 151
Costs of cows sold not capitalized	6 978 514	-	6 978 514	-
Other	4 375 198	3 868 702	2 049 721	1 628 774
	<b>59 974 355</b>	<b>44 153 515</b>	<b>38 081 021</b>	<b>21 031 727</b>

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

Notes to the consolidated interim financial statements for the financial period ended 30 June 2022

**9 Net finance expense**

	<b>Financial period From 1/1/2022 To 30/06/2022 L.E</b>	<b>Financial period From 1/1/2021 To 30/06/2021 L.E</b>	<b>Financial period From 1/4/2022 To 30/06/2022 L.E</b>	<b>Financial period From 1/4/2021 To 30/06/2021 L.E</b>
Interest expense	(44 529 098)	(48 588 765)	(24 318 968)	(23 157 356)
Interest income	12 871 093	5 656 876	9 095 350	3 051 350
Gain from foreign currency exchange	7 088 122	855 083	3 663 112	250 043
	<u><b>(24 569 883)</b></u>	<u><b>(42 076 806)</b></u>	<u><b>(11 560 506)</b></u>	<u><b>(19 855 963)</b></u>

## 10 Segmentation reports

## 10-1 Segmentation reports for the financial period ended 30 June 2022

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

The primary report for activity segmentations:

Revenues and expenses according to activity segmentat as follows:

	Activity Segments						Elimination of consolidated transactions L.E 30/06/2022	Total L.E 30/06/2022
	Dairy sector L.E 30/06/2022	chilled sector L.E 30/06/2022	Juices sector L.E 30/06/2022	Concentrates sector L.E 30/06/2022	Agriculture sector L.E 30/06/2022	Undistributed items L.E 30/06/2022		
Net Sales	2 582 187 898	1 458 262 813	843 660 275	129 314 378	17 332 280	133 809 572		5 164 567 216
Sales between segments	2 728 503 189	1 107 357 367	711 804 716	173 402 567	4 604 134	-	(4 725 671 973)	-
Other operating income	18 321 186	14 097 123	7 154 721	20 441 859	( 12 800)	217 072	-	60 219 161
Expenses	(358 611 626)	(523 098 202)	(158 293 703)	(9 839 166)	705 847	(10 243 327)	-	(1 059 380 177)
<b>Other Information</b>								
Depreciation	77 916 706	44 002 628	25 437 187	3 902 021	522 996	4 037 662	-	155 839 200
Assets	1 701 306 558	1 720 109 056	1 078 689 852	564 063 172	841 978 533	154 627 470	-	6 060 774 641
Liabilities	1 220 631 637	796 617 958	524 180 251	314 864 410	89 332 046	23 348 180	-	2 968 974 482

\* 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

## 10-1 Segmentation reports for the financial period ended 30 June 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						Elimination of consolidated transactions 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	Undistributed items L.E		
	30/06/2021	30/06/2021	30/06/2021	30/06/2021	30/06/2021	30/06/2021	30/06/2021	30/06/2021
Net Sales	1 929 800 634	1 231 466 211	699 825 182	86 987 021	25 220 926	115 252 784		4 088 552 758
Sales between segments	1 893 260 599	900 993 536	631 066 365	145 127 733	142 614		(3 570 590 847)	
Other operating income	4 747 994	4 486 463	3 373 388	5 269 508	355 629	433 485		18 666 467
Expenses	(288 407 531)	(441 818 255)	(128 830 407)	(7 077 638)		(10 607 551)		(876 741 382)
<b>Other Information</b>								
Depreciation	69 333 289	44 243 743	25 143 106	3 125 243	906 130	-		142 751 511
Assets	1 175 835 575	1 373 722 874	838 185 267	553 497 651	1 282 891 777	111 985 904	-	5 336 119 048
Liabilities	904 367 053	575 501 250	328 917 179	244 750 268	63 097 921	-	-	2 116 633 671

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

## Notes to the consolidated interim financial statements for the financial year ended 30 June 2022

## 11 Investment under joint control (equity)

Name of the investee company	Share percentage %	Current assets		Non current assets		Total assets		Current liabilities		Total liabilities		Cost of investment	
		L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E
Arju Company For food Industrial*	50.75%	16 882 401	-	-	16 882 401	16 882 401	1 277 635	1 277 635	15 604 766				
<b>Balance as of 30 June 2022</b>		<b>16 882 401</b>	<b>-</b>	<b>-</b>	<b>16 882 401</b>	<b>16 882 401</b>	<b>1 277 635</b>	<b>1 277 635</b>	<b>15 604 766</b>				
Arju Company For food Industrial	50.75%	16 383 950	-	-	16 383 950	16 383 950	1 267 107	1 267 107	15 116 843				
<b>Balance as at 31 December 2021</b>		<b>16 383 950</b>	<b>-</b>	<b>-</b>	<b>16 383 950</b>	<b>16 383 950</b>	<b>1 267 107</b>	<b>1 267 107</b>	<b>15 116 843</b>				

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

## 12. Property, plant and equipment

Description	Land	Buildings & Constructions	Machinery & Equipment	Transportation & transport vehicles	Tools	Empty plastic containers & Palettes	Display ref.'s	Wells	Office furniture & equipment	Computers	Total
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.
Cost											
Cost as at 1/1/2021	184 864 276	1 638 248 728	2 528 493 619	325 155 697	147 948 415	69 386 671	81 792 144	39 789 600	34 024 405	133 830 886	5 183 554 441
Additions of the year	3 770	11 088 715	199 689 652	48 212 776	13 479 222	12 554 574	16 772 090	-	1 399 207	17 032 655	320 232 661
Disposals of the year	( 1 367 244)	-	( 17 611 453)	( 1 750 000)	-	( 9 841 210)	( 979 702)	-	( 2 562)	( 82 607)	( 31 634 778)
Transfer of assets held for sale during the year	-	-	4 024 565	-	-	-	-	-	-	-	4 024 565
Cost as of 31/12/2021	183 500 802	1 649 357 443	2 714 596 383	371 618 473	161 427 637	72 100 035	97 584 532	39 789 600	35 421 050	150 780 934	5 476 176 889
Additions during the year	-	951 972	12 405 534	4 334 604	7 116 910	11 767 568	-	-	337 602	3 044 840	39 959 030
Disposals during the year	-	( 3 694 284)	( 791 000)	( 15 728 260)	( 132 938)	( 1 472 321)	( 199 597)	-	-	( 49 636)	( 22 068 036)
Transfer of assets held for sale during the year	-	-	-	-	-	-	-	-	-	-	-
Cost as of 30/6/2022	183 500 802	1 646 615 131	2 726 210 917	360 224 817	168 411 609	82 395 282	97 384 935	39 789 600	35 758 652	153 776 138	5 494 067 883
Accumulated depreciation as at 1/1/2021	-	242 620 936	1 241 438 996	170 853 829	86 642 602	43 410 611	76 437 922	11 277 651	21 368 413	115 749 982	2 009 800 942
Depreciation of the year	-	34 909 764	185 684 110	30 660 580	13 475 251	13 667 144	4 534 777	1 489 983	2 629 560	11 502 366	298 553 535
Accumulated depreciation of disposals of the year	-	-	( 10 442 022)	( 425 628)	-	( 9 841 210)	( 979 702)	-	-	( 62 358)	( 21 750 920)
Accumulated depreciation as of 31/12/2021	-	277 530 700	1 416 681 084	201 088 781	100 117 853	47 236 545	79 992 997	12 767 634	23 997 973	127 189 890	2 286 603 557
Depreciation of the year	-	17 506 188	96 750 137	15 642 404	6 892 283	7 017 128	2 101 586	789 540	1 654 721	7 485 213	155 839 200
Accumulated depreciation of disposals of the year	-	-	( 435 050)	( 14 124 217)	( 98 345)	( 1 420 235)	( 199 597)	-	-	( 49 412)	( 16 326 856)
Accumulated depreciation as of 30/6/2022	-	295 036 888	1 512 996 171	202 606 968	106 911 791	52 833 438	81 894 986	13 557 174	25 652 694	134 625 791	2 426 115 901
Fixed assets impairment as of 30/6/2022	( 10 354 591)	( 132 189)	( 15 045 262)	-	-	-	-	( 229 929)	-	-	( 25 761 971)
Net book value as of 30/6/2022	173 146 211	1 514 446 054	1 198 169 484	157 617 849	61 499 818	29 561 844	15 489 949	26 002 497	10 105 958	19 150 347	3 042 190 011
Impairment of fixed assets 31/12/2021	(10 354 591)	( 132 189)	(14 067 296)	-	-	-	-	( 229 929)	-	-	( 24 784 005)
Net book value as of 31/12/2021	173 146 211	1 371 694 554	1 283 848 003	170 529 692	61 309 784	24 863 490	17 591 535	26 792 037	11 423 077	23 590 944	3 164 789 327

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

Notes to the consolidated interim financial statements for the financial period ended 30 June 2022

**13 Projects under constructions**

	<b>30/6/2022</b>	<b>31/12/2021</b>
	<b>L.E</b>	<b>L.E</b>
Buildings and constructions in progress	3 883 914	6 657 139
Machineries under installation	72 263 262	24 998 166
Advance payments for purchase of fixed assets	43 934 695	41 818 946
Computer software	408 808	489 928
	<b>120 490 679</b>	<b>73 964 179</b>

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

	<b>30/6/2022</b>	<b>31/12/2021</b>
	<b>L.E</b>	<b>L.E</b>
Cost at the beginning of the period/year	<b>28 614 075</b>	<b>18 487 577</b>
Additions during the period/year	-	10 126 498
Cost at end of the period/year	<b>28 614 075</b>	<b>28 614 075</b>
<b>Less:</b>		
Accumulated depreciation at beginning of the period/year	(2 540 218)	(2 000 754)
Depreciation during the period/year	(403 277)	(539 464)
<b>Accumulated depreciation at end of the year</b>	<b>(2 943 495)</b>	<b>(2 540 218)</b>
<b>Net</b>	<b>25 670 580</b>	<b>26 073 857</b>

**14-2 Plant wealth – unproductive**

	<b>Fruits Tree</b>	<b>330 projects</b>	<b>Project 190</b>	<b>Total</b>
<b>Balance at 01 January 2022</b>	3 521 586	11 727 190	8 430 251	<b>23 679 027</b>
<b>Additions</b>	2 118 120	669 544	3 311 785	<b>6 099 449</b>
<b>Balance at end of the period</b>	<b>5 639 706</b>	<b>12 396 734</b>	<b>11 742 036</b>	<b>29 778 476</b>

**Juhayna Food Industries**

Notes to the consolidated interim financial statements for the financial year ended 30 June 2022

Translated from Arabic

**15- Biological wealth**

	biological wealth (Flock of dairy livestock - productive) L.E	biological wealth (Flock of dairy livestock - unproductive) L.E	Total
			31/12/2021 L.E
Amount of flock of livestock at the beginning of the year	182 862 777	69 566 890	252 429 667
Adding:			
Addition during the year	-	-	-
Transferred from biological wealth (Flock of dairy livestock - unproductive)	30 429 199	(30 429 199)	-
* Births of flock	-	-	7 335 000
Female	-	-	-
Capital cost during drying -off	-	4 619 200	4 619 200
	213 291 976	26 166 559	58 172 901
		69 923 450	320 598 985
Biological wealth sales			
The death of live stock losses	21 431 574	3 270 185	24 701 759
Cost of flock of livestock as of the end of the period	2 282 018	871 671	3 153 689
Accumulated depreciation	23 713 592	4 141 856	27 855 448
	189 578 384	65 781 594	255 359 978
Beginning of the year	56 235 247	-	56 235 247
Depreciation of the year	15 313 344	-	15 313 344
Accumulated depreciation of disposals of sales case	(9 519 301)	-	(9 519 301)
Accumulated depreciation of disposals of death case	( 992 972)	-	( 992 972)
Accumulated depreciation as of end year	61 036 318	-	61 036 318
Net amount of flock of livestock as of end period	128 542 066	65 781 594	194 323 660
			56 235 247
			196 194 420

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

\*\* The company management measure the cost of flocks of dairy 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 period ended 30 June 2022

**16 Tax status**

**16-1 Holding Company**

**17 Corporate tax**

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

**The period from the beginning of operation till year 2009**

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

**Years from 2010 till 2013**

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

**Years from 2014 till 2018**

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

**Year 2019 - 2021**

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

**18 Payroll tax**

**The period from the beginning of operation till year 2019**

The tax inspection performed, and differences settled.

**Year 2020 - 2021**

Not asked for tax inspection

**19 Stamp tax**

**The period from the beginning of operation till 2018**

The tax inspection performed, and differences settled.

**Year 2019/2021**

Not asked for tax inspection

**20 Sales tax/ Value added tax**

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

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

**Years 2016 till 2018**

The tax inspection is performed and and differences settled .

**Years 2019/2021**

Not asked for tax inspection

**21 Withholding tax**

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

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

Notes to the consolidated interim financial statements for the financial period ended 30 June 2022

### **Subsidiaries**

#### **First: Corporate tax**

#### **The Company that benefits from the corporate tax exemption**

	<b>Tax exemption ending date</b>
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. 2013-2021 in processing to inspection.

#### **Modern Company for Concentrates: -**

Inspected from Beginning of its activity to 2009 the objection was made in legal date to Council of State . Years 2010-2012 the objection was made in legal date. Years 2013–2015 not requested for inspection. Years 2016 – 2021 not requested for inspection and the Company submitted the annual tax return in the due date

#### **International company for food industries: -**

Inspected from Beginning of its activity to 2008. Years 2009-2014 the objection was made of form 19 and waiting result. Year 2015-2018 the objection was made and waiting result Years 2019-2020 not requested for inspection.

The company enjoys a tax exemption for a period of ten years, starting from the beginning of the fiscal year following the date of the actual production start date, which was determined by the General Investment Authority as of May 31, 2008. Therefore, the company's profits are exempt from corporate tax from the date of the start of the activity until 31 12/2018 in accordance with the Investment Guarantees and Incentives Law No. 8 of 1997.

-The tax department examined the period from 2009 to 2014 and postponed the exemption until the General Authority for committee opinion about determining the date of the start of the activity. Successively pronounced, the dispute was returned to the Tax Office to decide on the authority's letter. As a result, the point of view of the tax department without giving other reasons other than what was sent to the authority in advance. The dispute was referred to the appeal committees again on March 2, 2022, and no session has been set for it to date.

- It is according to the documents submitted by the company and the inspections that were made by the General Investment Authority in 2008, in 2009 and in 2020, as well as with reference to the proof that the company enjoys tax exemption, which is proven in the company's tax card, and it is proven that the date of the start of production was set on 5/31/ 2008 based on the certificate of the General Investment Authority and the Policy Committee and in reference to the certificate issued by the Authority regarding the company to exemption with Certificate No. 5740 dated 12/24/2008, and the Authority issued two letters No. 6667 on 10/11/2009 and Letter No. 2802 dated 25/3 / 2021 The certificate issued by the authority confirms the company's eligibility to enjoy tax exemption for a period of ten years from the date of the year following the start of production on May 31, 2008.

- So far, no decision has been issued by the appeal committees to decide on the eligibility of the company or not, and that the dispute is only the opinion of the commission. And in the event that the Appeal Committee issues a decision that the company is not entitled to the exemption, the company still has the right to appeal against it before the administrative court in its two stages.

#### **Egyptian Company for Dairy Products**

The tax inspection performed and settled till 2004, years from 2005-2008 was not requested for inspection. Years from 2009-2012 was inspected and settled. 2013-2017 form 19 has been notified and the objection was made in legal date. Years 2018-2021 not requested for inspection and the Company submitted the annual tax return in the due date.

#### **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 2013-2018 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 2019-2021 the

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

Notes to the consolidated interim financial statements for the financial period ended 30 June 2022

declarations were submitted on the legal date and not requested for inspection and the Company submitted the annual tax return in the due date.

#### **Al Marwa for Food Industries**

The company was inspected from the beginning of its operations and settled till 2005. Years 2006-2009 the objection for model 19 then years 2010-2013 the inspection inspected and settled. Years 2014-2018 form 19 has been received the objection on the legal date and years 2019-2021 in processing to inspection.

#### **Inmaa for Agriculture Development and Reclamation**

The company not inspected yet.

#### **Inmaa for Livestock**

The company not inspected yet.

### **Second: Salaries tax**

#### **Subsidiaries**

#### **Tax inspection ending date**

Egyptian Company for Dairy Products	<p>- Inspection was performed from starting of activity till 2014 and tax settled.</p> <p>Year 2015/2016 Inspection was performed, and tax settled</p> <p>Years 2017/2019 Inspection was performed, and tax settled</p> <p>years 2020/2021 the Company submitted the quarter tax return in the due date.</p>
Al-Marwa for Food industries	<p>- Inspection was performed from starting activity till 2018 years 2019/2021 not inspected yet.</p>
Tiba for Trading and Distributing	<p>- Inspection was performed from starting of activity till 2015 and differences settled.</p> <p>Year 2016/2019 performed, and tax settled.</p> <p>Years 2020/2021 the Company submitted the quarter tax return in the due date.</p>
International Company for Modern Food Industries	<p>- Tax inspection was performed from start of activity till 2016 and tax settled</p> <p>Year 2017-2019 preparing for inspection.</p> <p>Years 2020/2021 the Company submitted the quarter tax return in the due date.</p>
The Egyptian Company for Food Industries "Egyfood"	<p>- Tax inspection was performed till 2018 and tax differences settled.</p> <p>Year 2019 not inspected yet</p> <p>Years 2020/2021 the Company submitted the quarter tax return in the due date</p>
Modern Concentrates Industrial Company	<p>- Tax inspection was performed from start of activity till 2018 and tax settled</p> <p>Year 2019 not inspected yet.</p> <p>Years 2020/2021 the Company submitted the quarter tax return in the due date</p>
Inmaa for Agriculture Development Co. and Biological Wealth	<p>- Tax inspection was performed and settled till 2010.</p> <p>Years 2011 – 2015 was inspected and settled.</p> <p>Years 2016/2019 waiting for inspection.</p> <p>Years 2020/2021 the Company submitted the quarter tax return in the due date</p>



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

Notes to the consolidated interim financial statements for the financial period ended 30 June 2022

Inmaa for livestock	From the beginning of activity till 2016 was inspected and settled. Years 2017/2019 waiting for inspection. Years 2020/2021 the Company submitted the quarter tax return in the due date
Inmaa for agriculture	-From the beginning of activity till 2019 was inspected and settled Years 2020/2021 the Company submitted the quarter tax return in the due date
<b>Third: Stamp tax</b>	
Egyptian Company for Dairy Products	-Inspection has been performed and difference settled till 2018. Years 2020/2021 preparing for inspection
Al-Marwa for Food Industries	-Inspection has been performed and difference settled till 2017. Years 2018/2019 was inspected the objection was made in legal date. Years 2020/2021 the Company submitted the quarter tax return in the due date
Tiba for Trading and Distribution	-Inspection has been performed and difference settled till 2017. Years 2018/2019 was inspected and waiting the documents. Years 2020/2021 the Company submitted the quarter tax return in the due date
International Company for Modern Food Industries	-Inspection has been performed and difference settled till 2018. Year 2019/2021 not inspected yet.
The Egyptian Company for Food Industries "Egyfood"	- From the beginning of activity till 2017 was inspected and settled - Years 2018 – 2021 not inspected yet .
Modern Concentrates Industrial Company	-Inspection has been performed and difference settled till 2017. Years 2018/2021 not inspected yet.
Inmaa for agricultural development and biological wealth	-Inspection has been performed and difference settled till 2017. Years 2018/2021 was inspected the objection was made in legal date.
Inmaa for agriculture	Years till 2019 was inspected and settled. Years 2020/2021 not inspected yet.
Inmaa for livestock	- Inspection has been performed and difference settled till 2017. Years 2018/2021 not inspected yet.

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

Notes to the consolidated interim financial statements for the financial period ended 30 June 2022

**Fourth: Value added tax (Sales tax)**

	- 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. Years 2020/2021 not inspected yet.
Egyptian Company for Dairy Products	
Al-Marwa for Food Industries	-Inspected and difference settled 2015 Years 2016/2019 inspected and settled. Years 2020/2021 not inspected yet.
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 2018/2021 not inspected yet.
Tiba for Trading and Distribution	-The company submits the sales tax return on monthly basis, inspected and differences settled till 2015. Years 2016/2019 inspected and settled. Years 2020/2021 not inspected yet.
Inmaa for Agriculture Development and biological wealth.	- The tax inspection performed till 2014 and differences settled. Years 2015/2019 preparing for inspection. Years 2020/2021 not inspected yet.
Modern concentrates Industrial Company	-The inspection was performed since beginning of activity till 2013, preparing for tax inspection till 2021.
Inmaa for livestock	-The tax inspection performed from 15/3/2012 till 31/8/2016 Years 1/09/2016 till /2021 not inspected yet.
Inmaa for agricultural reclamation	-Inspected and difference is settled from beginning of activity till August 2016 Years 1/09/2016 till /2021 not inspected yet.
The Egyptian Company for Food Industries "Egyfood"	-The tax inspection performed till 2019 Years 2020/2021 not inspected yet.

**17 Inventories**

	30/6/2022	31/12/2021
	L.E	L.E
Raw materials	405 032 561	159 043 597
Packaging and packing materials	339 252 786	165 116 180
Finished goods	567 293 756	410 768 122
Spare parts and miscellaneous supplies	78 400 573	82 524 155
Goods in transit - L/C's for goods purchase	56 921 219	61 814 034
	<b>1 446 900 895</b>	<b>879 266 088</b>

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

Notes to the consolidated interim financial statements for the financial period ended 30 June 2022

**18 Trade and other receivables**

	30/6/2022	31/12/2021
	L.E	L.E
Trade receivables	342 691 440	261 483 258
Less: Expected credit losses	(14 825 363)	(16 111 442)
	<b>327 866 077</b>	<b>245 371 816</b>
Note receivables	-	6 437 500
Suppliers – advance payments	57 384 494	44 990 987
Prepaid expenses	31 087 508	10 794 098
Export subsidy*	38 112 614	32 402 723
Tax Authority	54 255 634	80 672 197
Customs Authority	7 282 528	3 672 003
Deposits with others	10 544 871	10 600 734
Debtors- sales of PP&E	44 785 301	37 010 000
Other debit balances	16 486 178	12 001 848
	<b>587 805 205</b>	<b>483 953 906</b>
Less: Impairment in other debit balances	(27 606 605)	(27 932 957)
	<b>560 198 600</b>	<b>456 020 949</b>

\* The collection occurred during the year ended 30 June 2022 is EGP 10 536 246 after deducting bank commissions and governmental fees and EGP 24 883 529 during 2021. The company continues to collect the outstanding balance with the Export Development Fund.

**19 Cash at bank and on hand**

	30/6/2022	31/12/2021
	L.E	L.E
Time deposits *	8 465 062	125 000 000
Banks – current accounts	125 604 527	311 777 184
Banks - treasury bills	268 508 641	-
Cash on hand	1 880 942	2 942 689
Cash in transit	52 925 555	13 295 457
Cash and cash equivalent in cash flow	<b>457 384 727</b>	<b>453 015 330</b>

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

**20 Share capital**

	30/6/2022	31/12/2021
	L.E	L.E
Authorized capital	5 000 000 000	5 000 000 000
Issued & paid-up capital (divided into 941 405 082 shares with nominal value L.E 1 each)	941 405 082	941 405 082

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

Notes to the consolidated interim financial statements for the financial period ended 30 June 2022

**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
<b>Less:</b>	
i. Nominal value of issued shares with a premium	(205 972 632)
ii. Issuance fees	(38 507 164)
iii. Legal reserve formed to reach 50 % of paid-up capital	(350 398 732)
iv. Difference between the nominal value and the cost of own shares cancelled on 5 February 2012.	(73 580 254)
<b>General reserve</b>	<b>330 920 428</b>

**21 Loans**

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

	Long term loans		Total
	Current portion	Non-current portion	
	L.E	L.E	L.E
Commercial International Bank (CIB)	52 500 000	35 311 103	87 811 103
Attijariwafa Bank	23 259 952	69 523 983	92 783 935
HSBC bank	47 750 000	35 812 500	83 562 500
<b>Balance at 30/6/2022</b>	<b>123 509 952</b>	<b>140 647 586</b>	<b>264 157 538</b>
<b>Balance at 31/12/2021</b>	<b>139 519 750</b>	<b>262 359 916</b>	<b>401 879 666</b>

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 705 297 881 as at 30 June 2022 (against L.E 273 230 763 as at 31-December 2021), represents the drawn down portion of the L.E 2.166 billion (of the group) bank facilities. Interest is charged on such drawn amounts at a variable interest rate. These lending banks were provided with collators

**23 Provision for claims**

Description	Balance at 01/01/2022 L.E	Formed during the year L.E	Used during the period L.E	Balance at 30/6/2022 L.E
Provision for claims	70 078 923	18 463 748	(2 727 682)	85 814 989

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

Notes to the consolidated interim financial statements for the financial period ended 30 June 2022

**24 Creditors and other credit balances**

	30/6/2022	31/12/2021
	L.E	L.E
Suppliers	748 971 931	485 082 949
Notes Payables	750 000	750 000
Dividends payable	415 166 616	227 157 853
Accrued expenses	108 741 547	88 013 429
PPE creditors	2 784 028	13 976 201
Tax authority	30 237 807	30 703 131
Deposits for others	2 397 452	2 216 322
Sales tax installments on the imported machineries and equipment (Note No. 25)	2 027 820	5 031 770
Social Insurance Authority	7 606 291	5 962 130
Due to health insurance	56 143 853	41 268 151
Advances from customers	11 154 619	13 053 931
Other credit balances	7 932 678	14 996 561
	<b>1 393 914 642</b>	<b>928 212 428</b>

**25 Other non-current liabilities**

	30/6/2022	31/12/2021
	L.E	L.E
The value of sales tax installments on the imported machineries and equipment due from January 2018. The installments due within one year amounted to L.E 2 027 820 as at 30/6/2022 (L.E 5 031 770 as at 31/12/2021) are shown under the caption of creditors and other credit balances in the consolidated balance sheet.	473 079	482 730
PPE purchase premiums	-	-
	<b>473 079</b>	<b>482 730</b>

**26 Deferred tax liabilities**

Deferred tax liability amounted to L.E 297 521 860 at 30/6/2022 representing net book value of taxable assets and liabilities, with L.E 299 908 161 at 31/12/2021

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

Notes to the consolidated interim financial statements for the financial period ended 30 June 2022

**Deferred Tax (Lease Contracts)**

	<b>Balance</b>	<b>Balance</b>
	<b>30/6/2022</b>	<b>31/12/2021</b>
	<b>L.E</b>	<b>L.E</b>
Deferred tax liability	(3 795 157)	(4 144 711)
Deferred tax asset	(3 114 910)	(1 463 103)
Deferred asset/ liability (Lease contracts)	<b>(6 910 067)</b>	<b>(5 607 814)</b>
Deferred tax liability from fixed assets	(290 611 793)	(294 300 347)
Total deferred tax liability	<b>(297 521 860)</b>	<b>(299 908 161)</b>

  

	<b>Balance on</b>	<b>Movement during</b>	<b>Balance on</b>
	<b>1/1/2022</b>	<b>the period</b>	<b>30/6/2022</b>
	<b>L.E</b>	<b>L.E</b>	<b>L.E</b>
Deferred tax liability	<b>299 908 161</b>	<b>(2 386 301)</b>	<b>297 521 860</b>

**27 Group companies**

The following sets out the subsidiaries of Juhayna Food Industries Company that were acquired and controlled by the Company as at 30/6/2022 and the company under joint control shown together with their respective contribution percentage held as at the financial position date.

<b>Subsidiary Name</b>	<b>Contribution %</b>	<b>Contribution %</b>	<b>Country</b>
	<b>30/6/2022</b>	<b>31/12/2021</b>	
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
<b><u>Company under joint control</u></b>			
Arju Company for Food Industries	50.75 % under joint control	50.75 % under joint control	Egypt

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Notes to the consolidated interim financial statements for the financial period ended 30 June 2022

## 28 Financial instruments

### Financial risk management

#### Overview

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

- Credit risk
- Liquidity risk
- Market risk.

#### Risk management framework

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

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

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

#### Credit risk

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

#### Trade and other receivables

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

#### Credit risk

##### Exposure to credit risk

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

	Note	Carrying amount	
		30/6/2022	31/12/2021
		L.E	L.E
Trade and other receivables	(18)	429 460 319	328 479 929

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### 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 705 297 881 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)	705 297 881	(15 539 088)
Total loans	(21)	264 157 538	(40 486 063)
Operating lease – liabilities	(29)	124 995 418	(8 450 232)

### Market risk

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

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

### 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:



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	USD	Euro
Trade and other receivables	2 809 198	6 230
Cash at banks and on hand	609 213	8 811
Creditors and other credit balances	(11 128 576)	(1 590 557)
<b>30 June 2022</b>	<b>(7 710 165)</b>	<b>(1 575 517)</b>
<b>31 December 2021</b>	<b>(3 473 602)</b>	<b>(869 664)</b>

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

	Average rate		Closing Rate	
	30/6/2022	31/12/2021	30/6/2022	31/12/2021
USD	17.63	15,75	18.82	15,75
Euro	19.09	18,54	19.79	17,84

#### Interest rate risk

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

#### Capital management

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

	30/6/2022	31/12/2021
	L.E	L.E
Total liabilities	2 968 974 482	2 291 432 636
Less: cash at bank and on hand	(457 384 727)	(453 015 330)
<b>Net debt</b>	<b>2 511 589 755</b>	<b>1 838 417 306</b>
Total equity	3 091 800 159	3 168 316 284
<b>Net debt to equity ratio</b>	<b>81%</b>	<b>58%</b>

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

## 29 Lease contracts

### 29-1 Liabilities arising from lease contracts

#### - Lease contracts (Sale and lease back)

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

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Notes to the consolidated interim financial statements for the financial period ended 30 June 2022

Description	Contract value		Contract period Months	Purchase value at end of contract	Quarterly Installment value
	Contractual value	Accrued interest			
	L.E	L.E		L.E	L.E
Contract from 24/3/2016 to 25/12/2025	125 000 000	109 716 514	120	1	5 568 994

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

**Lease contract liabilities**

	30/6/2022	31/12/2021
	L.E	L.E
Liabilities from lease contract current portion	15 752 728	15 587 214
Long-term liability from lease contract non-current portion	48 795 798	56 302 682
	<b>64 548 526</b>	<b>71 889 896</b>

Lease contracts liabilities are as follows:

	Payment of liability principal		Payment of accrued interest	
	30/6/2022	31/12/2021	30/6/2022	31/12/2021
	L.E	L.E	L.E	L.E
Liabilities for one year	15 752 728	15 587 214	6 519 648	5 628 812
Liabilities between 1-5 years	48 795 798	56 302 682	6 885 141	7 345 398

**29-2 Operating Lease contract liabilities**

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

	30/6/2022	31/12/2021
	L.E	L.E
Buildings, Warehouses, and stores	85 039 122	85 039 122
Accumulated amortization during the ended period	(30 465 587)	(23 455 279)
<b>Net book value</b>	<b>54 573 535</b>	<b>61 583 843</b>

During the year ended 30 June 2022 the group has been charged by 3 044 270 L.E as an interest resulted from the renting contracts.

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Notes to the consolidated interim financial statements for the financial period ended 30 June 2022

**Operation lease contract liability**

	30/6/2022	31/12/2021
	L.E	L.E
Liabilities from lease contract-current portion	12 422 376	12 736 922
Long-term liability from lease contract non-current portion	48 024 516	52 763 644
<b>Total</b>	<b>60 446 892</b>	<b>65 500 569</b>

**Payment of lease contracts liabilities are as follows:**

	Liabilities in present value		Accrued interest	
	30/6/2022	31/12/2021	30/6/2022	31/12/2021
	L.E	L.E	L.E	L.E
Liabilities for one year	12 422 376	12 736 922	5 199 914	5 810 498
Liabilities between 1-5 years	42 191 067	45 013 899	10 076 307	12 189 581
Liabilities more than 5 years	5 833 449	7 749 745	316 160	636 570

**30 Contingencies**

The Company had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise. In the ordinary course of business, the Company has given guarantees on 30/6/2022 amounting to LE 62 942 512 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 99 289 390 on 30/6/2022.

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

Notes to the consolidated interim financial statements for the financial period ended 30 June 2022

**32 Related party transactions**

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

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

**32-1 Due to related parties**

Company's name	Nature of transaction	Total value of transactions		Balance as at	
		30/6/2022	31/12/2021	30/6/2022	31/12/2021
		L.E	L.E	L.E	L.E
Arju Company for Food Industries	Current account	383 657	2 966	386 623	2 966
				<b>386 623</b>	<b>2 966</b>

**32-2 Board of Director's remuneration**

The total allowances received by the board of directors during the period amounted to LE 905 000 against L.E Zero during the period ended 30 June 2021.

**33 Income tax – current**

	Financial Year 30/6/2022 L.E	Financial Year 31/12/2021 L.E
Income tax at the beginning of the year	180 249 503	192 929 560
Income tax expense	96 555 534	178 627 302
Investment tax on dividends	9 596 994	48 335 543
Taxes paid during the year	(182 182 829)	(239 642 902)
Accrued interest income on the tax advances	(7 420 127)	-
	<b>96 799 075</b>	<b>180 249 503</b>

**34 Goodwill**

	30/6/2022 L.E	31/12/2021 L.E
Goodwill resulting from acquiring the Egyptian Company for Dairy Products	46 433 934	46 433 934
Goodwill resulting from acquiring Al-Marwa for Food Industries Company	50 658 956	50 658 956
	<b>97 092 890</b>	<b>97 092 890</b>

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Notes to the consolidated interim financial statements for the financial period ended 30 June 2022

**35 Earnings per share**

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

	Financial period From 1/1/2022 To 30/06/2022 L.E	Financial period From 1/1/2021 To 30/06/2021 L.E	Financial period From 1/4/2022 To 30/06/2022 L.E	Financial period From 1/4/2021 To 30/06/2021 L.E
Parent Company's share in profit	318 848 694	316 108 017	174 467 901	193 001 984
Weighted average number of shares	941 405 082	941 405 082	941 405 082	941 405 082
EPS (L.E/Share)	<u>0,34</u>	<u>0,34</u>	<u>0,19</u>	<u>0,21</u>

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

- On June 29, 2022 the board of directors of the company formed and the financial statements for the fiscal year December 31,2021 were approved.