

EDITA FOOD INDUSTRIES (S.A.E.)
and its subsidiaries

Condensed Consolidated Interim
Financial Information
For the period ended March 31, 2023

EDITA Food Industries (S.A.E.) and its subsidiaries
Condensed Consolidated Interim Financial Information
For the period ended March 31, 2023

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Report on review of the condensed consolidated interim financial information To the Shareholders of Edita Food Industries (S.A.E.)

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Edita Food Industries (S.A.E.) ("the Company") and its subsidiaries (collectively referred to as "the Group") as at March 31, 2023, and the related condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the three month period then ended, and explanatory notes.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34.


GRANT THORNTON**Dr. Osama El Bakry
Registration No. 935
Dubai, United Arab Emirates
May 29, 2023**

Edita Food Industries (S.A.E.) and its subsidiaries
Condensed Consolidated Interim Financial Information

Condensed consolidated statement of financial position
As at March 31, 2023

	Notes	March 31, 2023 (Unaudited) EGP	December 31, 2022 (Audited) EGP
ASSETS			
Non-current assets			
Property, plant and equipment	4	2,646,209,707	2,542,701,504
Right-of-use assets		105,032,432	96,235,414
Intangible assets		227,340,955	229,226,565
		<u>2,978,583,094</u>	<u>2,868,163,483</u>
Current assets			
Inventories		1,314,225,489	981,499,151
Trade and other receivables		523,890,477	545,215,216
Financial assets at amortized cost	6	1,194,779,566	894,641,441
Cash and cash equivalents	7	365,177,423	494,387,411
		<u>3,398,072,955</u>	<u>2,915,743,219</u>
TOTAL ASSETS		<u>6,376,656,049</u>	<u>5,783,906,702</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		144,611,688	144,611,688
Legal reserve		79,338,742	78,953,630
Cumulative translation reserve		(69,820,142)	(42,273,721)
Transactions with non-controlling interests		(32,132,098)	(32,132,098)
Treasury shares		(160,827,557)	(160,827,557)
Retained earnings		2,607,028,669	2,633,270,813
Equity attributed to the Owners of the Parent		<u>2,568,199,302</u>	<u>2,621,602,755</u>
Non-controlling interests		53,704,746	40,579,768
Total equity		<u>2,621,904,048</u>	<u>2,662,182,523</u>
Non-current liabilities			
Borrowings	9	774,086,738	739,496,389
Deferred government grants		18,744,509	16,912,608
Employee benefit obligations		32,407,420	33,396,656
Deferred tax liabilities		187,704,647	194,682,549
Lease liabilities		113,931,000	102,209,569
		<u>1,126,874,314</u>	<u>1,086,697,771</u>
Current liabilities			
Provisions		79,577,633	72,714,382
Bank overdraft		349,946,625	501,662,588
Trade and other payables		1,552,105,314	1,006,229,685
Current portion of borrowings	9	317,882,127	244,539,007
Current income tax liabilities		315,495,614	197,610,283
Lease liabilities		12,870,374	12,270,463
		<u>2,627,877,687</u>	<u>2,035,026,408</u>
Total liabilities		<u>3,754,752,001</u>	<u>3,121,724,179</u>
TOTAL EQUITY AND LIABILITIES		<u>6,376,656,049</u>	<u>5,783,906,702</u>

This condensed consolidated interim financial information was approved and authorised for issue by the Board of Directors on May 29, 2023 and were signed on their behalf by:


Mr. Sameh Naguib
Vice President - Finance


Eng. Hani Berzi
Chairman

The accompanying notes from 1 to 15 form an integral part of this condensed consolidated interim financial information.

Edita Food Industries (S.A.E.) and its subsidiaries
Condensed Consolidated Interim Financial Information

Condensed consolidated statement of profit or loss
For the period ended March 31, 2023

	Note	Three-month period ended March 31, 2023 (Unaudited) EGP	Three-month period ended March 31, 2022 (Unaudited) EGP
Revenue	11	2,779,712,789	1,558,959,966
Cost of sales		(1,900,062,715)	(1,002,344,966)
Gross profit		879,650,074	556,615,000
Distribution cost		(246,921,586)	(219,534,554)
Administrative expenses		(169,207,945)	(93,457,025)
Provision for employee benefit obligations		(2,250,000)	(1,500,000)
Inventory write-down provision		(1,250,000)	(975,000)
Other income		6,909,016	3,360,216
Other losses		(22,163,377)	(8,081,430)
Finance income		53,442,216	23,618,738
Finance cost		(42,611,618)	(22,241,495)
Foreign exchange gains/(losses)		47,081,025	(5,311,807)
Share of net losses of a joint venture accounted for using the equity method		-	(3,263,336)
Loss on financial assets measured at fair value through profit or loss		-	(22,172,000)
PROFIT BEFORE INCOME TAX		502,677,805	207,057,307
Income tax expenses		(127,283,328)	(58,951,903)
NET PROFIT FOR THR PERIOD		375,394,477	148,105,404
<i>Profit attributable to:</i>			
Owners of the Parent		374,142,968	148,071,081
Non-controlling interest		1,251,509	34,323
Net profit for the period		375,394,477	148,105,404
Earnings per share (expressed in EGP per share)			
Basic and diluted earnings per share		0.53	0.20

The accompanying notes from 1 to 15 form an integral part of this condensed consolidated interim financial information.

Edita Food Industries (S.A.E.) and its subsidiaries
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Condensed consolidated statement of comprehensive income
For the period ended March 31, 2023

	Three-month period ended March 31, 2023 (Unaudited) EGP	Three-month period ended March 31, 2022 (Unaudited) EGP
Profit for the period	375,394,477	148,105,404
Other comprehensive income:		
<i>Items that will never be subsequently reclassified to profit or loss:</i>		
Exchange differences on translation of foreign operations	(15,672,952)	(12,318,501)
Total other comprehensive loss for the period	(15,672,952)	(12,318,501)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	359,721,525	135,786,903
Total comprehensive income attributable to:		
Owners of the Parent	346,596,547	135,752,580
Non-controlling interest	13,124,978	34,323
	359,721,525	135,786,903

The accompanying notes from 1 to 15 form an integral part of this condensed consolidated interim financial information.

Edita Food Industries (S.A.E.) and its subsidiaries
Condensed Consolidated Interim Financial Information

Condensed consolidated statement of changes in equity
For the period ended March 31, 2023

	Equity attributable to the owners of the Parent						
	Transactions			Non-			Total equity EGP
	Share capital EGP	Legal reserve EGP	Cumulative translation reserve EGP	with non-controlling interest EGP	Treasury shares EGP	Retained earnings EGP	Total EGP
Balance as at January 1, 2022 (audited)	144,611,688	78,953,630	1,190,318	(32,132,098)	-	1,866,823,044	2,059,446,582
<i>Total comprehensive income for the period:</i>							
Net profit for the period	-	-	-	-	-	148,071,081	148,071,081
Other comprehensive loss for the period	-	-	(12,318,501)	-	-	-	(12,318,501)
Total comprehensive income for the period	-	-	(12,318,501)	-	-	148,071,081	135,752,580
Other adjustments	-	-	-	-	-	-	-
Balance as at March 31, 2022 (Unaudited)	144,611,688	78,953,630	(11,128,183)	(32,132,098)	-	2,014,894,125	2,195,199,162
Balance as at January 1, 2023 (audited)	144,611,688	78,953,630	(42,273,721)	(32,132,098)	(160,827,557)	2,633,270,813	2,621,602,755
<i>Total comprehensive income for the period:</i>							
Net profit for the period	-	-	-	-	-	374,142,968	374,142,968
Other comprehensive loss for the period	-	-	(27,546,421)	-	-	-	(27,546,421)
Total comprehensive income for the period	-	-	(27,546,421)	-	-	374,142,968	346,596,547
<i>Transactions with shareholders:</i>							
Dividend distributed during the period (Note 14)	-	-	-	-	-	(400,000,000)	(400,000,000)
Transfer to legal reserve	-	385,112	-	-	-	(385,112)	-
Total transactions with shareholders	-	385,112	-	-	-	(400,385,112)	(400,000,000)
Balance as at March 31, 2023 (Unaudited)	144,611,688	79,338,742	(69,820,142)	(32,132,098)	(160,827,557)	2,607,028,669	2,568,199,302
						53,704,746	2,621,904,048

The accompanying notes from 1 to 15 form an integral part of this condensed consolidated interim financial information.

Edita Food Industries (S.A.E.) and its subsidiaries
Condensed Consolidated Interim Financial Information

Condensed consolidated statement of cash flows
For the period ended March 31, 2023

	Three-month period ended March 31, 2023 (Unaudited) EGP	Three-month period ended March 31, 2022 (Unaudited) EGP
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period before income tax	502,677,805	207,057,307
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	59,179,109	48,104,171
Depreciation of right-of-use asset	5,173,661	3,452,458
Amortisation of intangible assets	1,885,608	1,141,034
Share of net loss of joint venture accounted for using the equity method	-	3,266,394
Fair value loss on financial assets at fair value through profit or loss	-	22,172,000
(Gain)/ loss on sale of property, plant and equipment	(342,684)	14,411
Grant income	(1,171,104)	(1,101,909)
Provision for employee benefit obligation	2,250,000	1,500,000
Provision for slow moving inventory	1,250,000	975,000
Other provisions	6,626,074	1,030,386
Interest income	(53,442,216)	(23,618,738)
Interest expense	38,473,192	19,153,284
Interest expenses on lease	4,138,426	3,088,211
Foreign exchange gain	(47,081,025)	(11,050,814)
Translation reserve	27,546,421	(12,318,501)
Operating cash flows before changes in working capital	547,163,267	262,864,694
<i>Changes in working capital</i>		
Inventories	(333,976,336)	19,030,599
Trade and other receivables	32,960,782	(25,165,296)
Trade and other payables	145,005,934	59,322,540
Provision utilised	(75,173)	(230,692)
Staff terminal benefits paid	(3,239,236)	-
Cash flows from operations	387,839,239	315,821,845
Interest paid	(28,371,050)	(19,153,284)
Income tax paid	(11,440,837)	-
Net cash flow from operating activities	348,027,351	296,668,561
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(79,142,300)	(43,400,591)
Proceeds from sale of property plant and equipment	357,649	656,669
Finance income received	49,662,670	23,618,738
Payment for purchase of treasury bills	(1,605,312,660)	(316,453,970)
Proceeds from sale of treasury bills	1,352,000,000	240,248,735
Net cash flow used in investing activities	(282,434,641)	(95,330,419)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease payment	(6,912,535)	(4,121,015)
Proceeds from borrowings	(67,043,511)	48,626,754
Repayment of borrowings	30,869,310	(1,193,082)
Net cash flow (used in)/ from financing activities	(43,086,735)	43,312,657
Net change in cash and cash equivalents	22,505,975	244,650,799
Cash and cash equivalents at the beginning of the period	(7,275,177)	(241,111,348)
Cash and cash equivalents at the end of the period (Note 7)	15,230,798	3,539,451

The accompanying notes from 1 to 15 form an integral part of this condensed consolidated interim financial information.

Edita Food Industries (S.A.E.) and its subsidiaries

Condensed Consolidated Interim Financial Information

Notes to the condensed consolidated interim financial information

For the period ended March 31, 2023

1 Legal status and principal activities

Edita Food Industries S.A.E. (the "Company") was established in July 9, 1996, under the investment Law No. 230 of 1989, which had been replaced by Law No. 8 of 1997, and the Money Market Law No. 95 of 1992 and is registered in the Commercial Register under number 692, Cairo, Egypt.

The registered address of the Company is Edita Group Building, Plot no. 13 - Central Pivot, P.O Box No. 64, ZIP Code No. 12588, El Sheikh Zayed, Cairo, Egypt.

The Company's shares are listed on the Egyptian Exchange Market and its global depositary receipts (each representing five ordinary shares) are also listed on the London Stock Exchange.

The details of Company's principal subsidiaries, as at March 31, are set out below:

Subsidiaries	Place of business/ country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interest	
		March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Edita for Trading and Distribution (Formerly 'Digma for Trading')	Egypt	99.8%	99.8%	0.2%	0.2%
Edita Confectionery Industries	Egypt	99.98%	99.98%	0.02%	0.02%
Edita Participation Limited	Cyprus	100%	100%	-	-
Edita Food Industries Morocco	Morocco	77%	77%	23%	23%
Edita Holding for Investment	Egypt	100%	100%	-	-

This condensed consolidated interim financial information as at March 31, 2023 includes the consolidated financial performance and position of the Company and its subsidiaries (collectively referred to as "the Group").

The Group provides manufacturing, producing and packing of all food products and producing and packing of juices, jams, readymade food, cakes, pastry, milk products, meat, vegetables, fruits, chocolate, vegetarian products and other food products with all necessary ingredients.

Subsequent events

Subsequent to period end, The Board of Directors intended to purchase all the shares of Fancy Food Company for Food Industries S.A.E. (subject of acquisition) through Edita Food Industries and/or its subsidiaries, with a total consideration of EGP 380 million. As of the date of authorising and approving this condensed consolidated Interim Financial Information, The Board of Directors are taking the necessary related legal formalities.

The Group has prepared and published a separate set of consolidated interim financial statements in accordance with Egyptian Accounting Standards for the three months' period ended March 31, 2023, which does not constitute part of this condensed consolidated interim financial information.

2 Basis of preparation and summary of significant accounting policies

a Basis of preparation

The condensed consolidated interim financial information of the Group has been prepared in accordance with International Accounting Standard (IAS) 34, *Interim Financial Reporting*. The condensed consolidated interim financial information does not include all of the information required for full annual consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) and should be read in conjunction with the consolidated financial statements of the Group for the year ended December 31, 2022. Accounting policies, related adjustments, estimates and assumptions adopted for the preparation of this condensed consolidated interim financial information are same as those applied in the preparation of the audited consolidated financial statements for the year ended December 31, 2022.

The condensed consolidated interim financial information has been prepared on the historical cost basis except for defined benefit obligations.

Edita Food Industries (S.A.E.) and its subsidiaries
Condensed Consolidated Interim Financial Information

Notes to the condensed consolidated interim financial information (continued)
For the period ended March 31, 2023

2 Basis of preparation and summary of significant accounting policies (continued)

b Basis of consolidation

This condensed consolidated interim financial information incorporates the financial information of the Company and entities controlled by the Company. Control is achieved where the Company has the power over the investee, exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the investor's returns.

c Functional and presentation currency

The condensed consolidated interim financial information is presented in Egyptian Pounds ("EGP"), which is the Group's functional and presentation currency except for Edita Participation Limited and Edita Food Industries Morocco, the functional currencies of which are Euro and Moroccan Dirhams, respectively.

d Significant accounting estimates and judgments

The preparation of the condensed consolidated interim financial information in conformity with IAS 34, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied in preparation of the consolidated financial statements of the Group as at and for the year ended December 31, 2022.

2.1 New Standards, Interpretations and Amendments adopted as at January 1, 2023

Certain accounting pronouncements which have become effective from January 1, 2023 and have therefore been adopted, do not have significant impact on the Group's financial results or position.

2.2 Standards, Amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Group

As at the date of authorization of this condensed consolidated interim financial information, several new but not yet effective, Standards, Amendments and Interpretations to existing standards have been published by International Accounting Standards Board ("IASB"). These amendments have neither been adopted early by the Group nor are these expected to have a significant impact on this condensed consolidated interim financial information in the period of initial application.

3 Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements of the Group as at and for the year ended December 31, 2022.

4 Property and equipment

During the period ended March 31, 2023, the Group acquired various property, plant and equipment amounting to EGP 80,349,604 (the period ended March 31, 2022: EGP 43,400,591).

Depreciation charge on property and equipment for the period ended March 31, 2023, amounted to EGP 59,179,109 (the period ended March 31, 2022: EGP 48,104,171).

5 Investment in Edita Food Industries Morocco

In prior years, the Group held 51% ownership of Edita Food Industries Morocco and as of that date, one of the minority shareholders held 45% interest and was afforded certain veto rights.

In April 2021, the Group acquired an additional interest of 25% from this minority shareholder, of which, 7.4% was subject to a call option exercisable at any point until April 2022 by the minority shareholder.

Edita Food Industries (S.A.E.) and its subsidiaries
Condensed Consolidated Interim Financial Information

Notes to the condensed consolidated interim financial information (continued)
For the period ended March 31, 2023

5 Investment in Edita Food Industries Morocco (continued)

As a result of assessing the accounting implications of the acquisition and the call option, it was noted that the minority interest had substantive veto rights on certain reserved matters and even subsequent to the acquisition of the additional interest, the reserved matters would continue to prevent the Group from having the sole ability to direct the relevant activities of Edita Food Industries Morocco. Accordingly, the management assessed that based on the substantive nature of the veto rights, the Group had joint control according to the requirements of IFRS 10 - Consolidated Financial Statements and IFRS 11 - Joint Arrangements. As a consequence, the Group accounted for the investment in Edita Food Industries Morocco as investment in a joint venture using the equity method.

In April 2022, the call option lapsed and ownership interest of the Group was increased to 77%. At the date of lapse of the call option, Group (through its subsidiary Edita Participation Limited) along-with the minority shareholder signed a revised Shareholders' Agreement, under which, substantive veto rights on certain earlier reserved matters to the minority shareholder were abolished.

Based on this, the management assessed that the Group has acquired controlling interest in Edita Food Industries Morocco from the date of revision of the Shareholders' Agreement (i.e. April 30, 2022). The details of the additional acquisition are as follows:

	April 30, 2022 EGP
Fair value of pre-existing interest in the Subsidiary	96,996,193
Consideration paid to acquire additional 7.4% ownership interest	12,611,623
Fair value of non-controlling interest as at the date of acquisition	<u>20,005,036</u>
	129,612,852
Fair value of net assets acquired	<u>(86,978,417)</u>
Goodwill arising on acquisition	<u>42,634,435</u>

Subsequent to the period-end, the Group completed the measurement of fair values of assets and liabilities at the date of acquisition and accordingly, adjustments resulting from fair valuation of net assets at the date of acquisition of the afore-said subsidiary have been recorded accordingly.

6 Financial assets at amortised cost - Treasury Bills

	March 31, 2023 (Unaudited) EGP	December 31, 2022 (Audited) EGP
Upto 91 days maturity	1,159,000,000	771,000,000
266-364 days maturity	<u>50,000,000</u>	<u>150,000,000</u>
	1,209,000,000	921,000,000
Unearned interest	<u>(40,517,960)</u>	<u>(48,876,540)</u>
Amount of Treasury Bills paid	1,168,482,040	872,123,460
Interest income recognised in profit or loss	<u>26,297,526</u>	<u>22,517,981</u>
	<u>1,194,779,566</u>	<u>894,641,441</u>

The average effective interest rate related to Treasury Bills is 18.50% (December 31, 2022: 14.07%).

The Group has adopted 12-month ECL model, based on management assessment, there is an immaterial impact on treasury bills as they are issued and guaranteed by the Government of Egypt, there is no history of default and incorporating forward-looking information would not result in any significant increase in expected default rate.

Edita Food Industries (S.A.E.) and its subsidiaries
Condensed Consolidated Interim Financial Information

Notes to the condensed consolidated interim financial information (continued)
For the period ended March 31, 2023

7 Cash and cash equivalents

	March 31, 2023 (Unaudited) EGP	December 31, 2022 (Audited) EGP
Cash at banks and in hand	132,900,346	277,975,166
Time deposit - Foreign currency	232,277,077	216,412,245
Cash and cash equivalents (excluding bank overdrafts)	365,177,423	494,387,411

For the purpose of preparation of the consolidated interim statement of cash flows, cash and cash equivalents consist of:

	March 31, 2023 (Unaudited) EGP	March 31, 2022 (Unaudited) EGP
Cash and bank balances	365,177,423	216,567,822
Bank overdraft	(349,946,625)	(213,028,371)
Total	15,230,798	3,539,451

8 Related Parties

	March 31, 2023 (Unaudited) EGP	December 31, 2022 (Audited) EGP
Amount due from a related party		
La Marocaine De Distribution De Logistiquis (other related party)	80,874,998	62,072,443

The nature of transactions with related party during the period ended March 31, 2023 and March 31, 2022 are represented as follows:

	March 31, 2023 (Unaudited) EGP	March 31, 2022 (Unaudited) EGP
Sale of finished goods	149,532,258	-

During the period ended March 31, 2023, the Group incurred an amount of EGP 49,409,195 as benefits to the key management members (March 31, 2022: EGP 27,827,177).

	31 March 2023 (Unaudited)		31 March 2022 (Unaudited)	
	Non-executive / independent board members	Key management personnel	Non-executive / independent board members	Key management personnel
Salaries and compensation	-	47,221,157	-	26,182,094
Allowances	-	368,700	-	360,600
Other benefit	1,750,000	69,338	1,225,000	59,483

Edita Food Industries (S.A.E.) and its subsidiaries
Condensed Consolidated Interim Financial Information

Notes to the condensed consolidated interim financial information (continued)
For the period ended March 31, 2023

9 Borrowings

	March 31, 2023 (Unaudited)			December 31, 2022 (Audited)		
	Short-term	Long-term	Total	Short-term	Long-term	Total
	portion	portion		portion	portion	
	EGP	EGP	EGP	EGP	EGP	EGP
Borrowings	317,882,127	774,086,738	1,091,968,865	244,539,007	739,496,389	984,035,396

The break-up of the short-term borrowings is as follows:

	March 31, 2023 (Unaudited) EGP	December 31, 2022 (Audited) EGP
Balance due within 1 year	300,569,426	237,632,559
Accrued interest	17,312,701	6,906,448
	<u>317,882,127</u>	<u>244,539,007</u>

9.1 Loan obtained from International Finance Corporation ("IFC") by Edita Food Industries S.A.E. and Edita Participation Limited

	March 31, 2023 (Unaudited)			December 31, 2022 (Audited)		
	Short-term	Long-term	Total	Short-term	Long-term	Total
	portion	portion		portion	portion	
	EGP	EGP	EGP	EGP	EGP	EGP
IFC loan	62,626,667	321,880,000	384,506,667	43,305,344	257,608,000	300,913,344

The break-up of the short-term borrowings is as follows:

	March 31, 2023 (Unaudited) EGP	December 31, 2022 (Audited) EGP
Balance due within 1 year	49,520,000	39,632,000
Accrued interest	13,106,667	3,673,344
	<u>62,626,667</u>	<u>43,305,344</u>

In June 2019, the Group signed an agreement with a financial institution to obtain a loan amounting to USD 20,000,000.

The Group is obligated to pay USD 20,000,000 in 10 equal semi-annual instalments, with each instalment amounting to USD 2,000,000 from May 2021 to November 2025.

The interest rate on the loan is 4% above the 6 months' USD Libor rate.

Fair value is approximately equal the carrying amount since the loan is bearing variable interest rate that approximate the market prevailing rates.

Edita Food Industries (S.A.E.) and its subsidiaries
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Notes to the condensed consolidated interim financial information (continued)
For the period ended March 31, 2023

9 Borrowings (continued)

9.2 Loans obtained by Edita Food Industries S.A.E.

	March 31, 2023 (Unaudited)			December 31, 2022 (Audited)		
	Short-term	Long-term	Total	Short-term	Long-term	Total
	portion	portion		portion	portion	
	EGP	EGP	EGP	EGP	EGP	EGP
Fourth loan	40,672,778	-	40,672,778	40,000,000	20,000,000	60,000,000
Seventh loan	35,230,801	42,416,132	77,646,933	34,762,943	40,702,977	75,465,920
Eighth loan	34,528,958	64,864,545	99,393,503	15,258,754	83,857,170	99,115,924
Ninth loan	18,007,066	41,984,390	59,991,456	14,122,163	75,209,377	89,331,540
Tenth loan	34,137,378	57,166,759	91,304,137	17,667,379	40,730,195	58,397,574
Total	162,576,981	206,431,826	369,008,807	121,811,239	260,499,719	382,310,958

The sixth loan is the IFC loan which is separately disclosed in Note 9.1.

The break-up of the short-term borrowings is as follows:

	March 31, 2023 (Unaudited) EGP	December 31, 2022 (Audited) EGP
Balance due within 1 year	161,904,203	121,811,239
Accrued interest	672,778	-
	162,576,981	121,811,239

Type	Guarantees	Currency	Tenure	Interest rate
Fourth loan	Cross corporate guarantee Digma Trading Company amounted to EGP 220,000,000 and 6,000,000 Euro	EGP/USD	7 years with first installment in May 2017	0.5% above mid corridor rate of Central Bank of Egypt and average 4% above USD Libor rate (6 months)
Seventh loan	Cross corporate guarantee Digma Trading Company	EGP	7 years with first installment in November 2022	8%
Eighth loan	Cross corporate guarantee Digma Trading Company	EGP	7 years with first installment in June 2022	8 %
Ninth loan	Cross corporate guarantee Digma Trading Company	EGP	7 years with first installment in September 2023	8 %
Tenth loan	None	EGP	7 years with first installment in July 2023	8 %

9.3 Loans obtained by Digma for Trading

	March 31, 2023 (Unaudited)			December 31, 2022 (Audited)		
	Short-term	Long-term	Total	Short-term	Long-term	Total
	portion	portion		portion	portion	
	EGP	EGP	EGP	EGP	EGP	EGP
First loan	36,807,439	33,362,211	70,169,650	36,466,982	50,043,317	86,510,299

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9 Borrowings (continued)

9.3 Loans obtained by Digma for Trading (continued)

The break-up of the short-term borrowings is as follows:

	March 31, 2023 (Unaudited) EGP	December 31, 2022 (Audited) EGP
Balance due within 1 year	33,362,211	33,362,211
Accrued interest	3,445,228	3,104,771
	<u>36,807,439</u>	<u>36,466,982</u>

The Group obtained a loan from a financial institution based on a cross corporate guarantee issued from Edita Food Industries S.A.E. amounting to EGP 155 million.

The Group is obligated to pay the loan in 9 semi-annual instalments amounting to EGP 16,681,106 and the first instalment is due on August 27, 2021 and the last instalment is due on February 27, 2025.

The interest rate is 1% above the Central Bank of Egypt's mid corridor rate.

The fair value of the loan approximately equals its carrying amount since the loan bears variable interest rate that approximates the prevailing market rates.

9.4 Loan obtained by Edita Confectionery Industries Company

	March 31, 2023 (Unaudited)			December 31, 2022 (Audited)		
	Short-term portion EGP	Long-term portion EGP	Total EGP	Short-term portion EGP	Long-term portion EGP	Total EGP
First loan	<u>4,088,028</u>	<u>-</u>	<u>4,088,028</u>	<u>4,128,333</u>	<u>-</u>	<u>4,128,333</u>

The break-up of the short-term borrowings is as follows:

	March 31, 2023 (Unaudited) EGP	December 31, 2022 (Audited) EGP
Balance due within 1 year	4,000,000	4,000,000
Accrued interest	88,028	128,333
	<u>4,088,028</u>	<u>4,128,333</u>

The Group obtained a loan facility of EGP 40 million from one of the commercial banks. The Group utilised the whole loan.

The Group is obligated to pay the loan in 3 semi-annual instalments with the first instalment is due in June 2022 and last instalment due in June 2023. The interest rate is 0.5% plus the lending rate.

The fair value of the loan approximately equals its carrying amount since the loan bears variable interest rate that approximates the prevailing market rates.

9.5 Loan obtained by Edita Food Industries Morocco

	March 31, 2023 (Unaudited)			December 31, 2022 (Audited)		
	Short-term portion EGP	Long-term portion EGP	Total EGP	Short-term portion EGP	Long-term portion EGP	Total EGP
First loan	<u>51,783,012</u>	<u>212,412,701</u>	<u>264,195,713</u>	<u>38,827,109</u>	<u>171,345,353</u>	<u>210,172,462</u>

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9 Borrowings (continued)

9.5 Loan obtained by Edita Food Industries Morocco (continued)

The break-up of the short-term borrowings is as follows:

	March 31, 2023 (Unaudited) EGP	December 31, 2022 (Audited) EGP
Balance due within 1 year	51,783,012	38,827,109
	<u>51,783,012</u>	<u>38,827,109</u>

Type	Guarantees	Currency	Tenure	Interest rate
First loan	Assets Pledge	MAD	7 years over 20 quarterly Instalments starting Aug 22	6.00%
Second loan	Sales Proceeds	MAD	21 months over 6 Instalments starting after 16 Month from 1 st withdrawal	5.75%
Third loan	Sales Proceeds	MAD	270 Days, Revolving	5.75%
Fourth loan	Backed by capital increase amount	MAD	3 months paid in full following capital increase	5.75%

The fair value of the loan approximately equals its carrying amount since the loan bears 5.75% interest rate that approximates the prevailing market rates.

9.6 Deferred government grants

The Group obtained a loan facility of EGP 441 million from commercial banks under the Central Bank of Egypt initiative to support the Egyptian manufacturing companies. According to the initiative, the loan was obtained at interest rate of 8% that is lower than the prevailing market rate of similar loans and recognised in profit or loss over the years necessary to match them with the costs that they are intended to compensate. The deferred government grants are recognised according to the following schedule:

	March 31, 2023 (Unaudited) EGP	December 31, 2022 (Audited) EGP
Edita Food Industries S.A.E. (A)	10,062,541	11,237,250
Edita Food Industries Morocco (investment subsidy)	12,565,193	9,786,843
	<u>22,627,734</u>	<u>21,024,093</u>

A. Edita Food Industries S.A.E.

	March 31, 2023 (Unaudited)			December 31, 2022 (Audited)		
	Short-term portion EGP	Long-term portion EGP	Total EGP	Short-term portion EGP	Long-term portion EGP	Total EGP
Seventh loan	2,165,632	3,634,826	5,800,458	2,281,071	4,057,431	6,338,502
Eighth loan	811,922	1,234,662	2,046,584	861,078	1,415,991	2,277,069
Ninth loan	565,510	1,048,586	1,614,096	588,420	1,200,392	1,788,812
Tenth loan	340,161	261,242	601,403	380,916	451,951	832,867
Total	<u>3,883,225</u>	<u>6,179,316</u>	<u>10,062,541</u>	<u>4,111,485</u>	<u>7,125,765</u>	<u>11,237,250</u>

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10 Segment reporting

The Group operates across six segments in the Egyptian snack food market offering nine distinct brands:

Segment	Brand	Product	Revenue		Gross profit		Operating profit	
			March 31, 2023 (Unaudited) EGP '000	March 31, 2022 (Unaudited) EGP '000	March 31, 2023 (Unaudited) EGP '000	March 31, 2022 (Unaudited) EGP '000	March 31, 2023 (Unaudited) EGP '000	March 31, 2022 (Unaudited) EGP '000
Cake	Tiger tail, Twinkies, Todo and Hohos	Traditional rolled filled and layered cake as well as brownies and packaged donut						
Croissants	Molto	Sweet and savoury croissants and strudels						
Rusks	Bake Rolz, Bake Sixx	Baked wheat salty snack						
Wafer	Freska	Filled wafers						
Candy	Mimix	Hard, soft and jelly candy and lollipops						
Biscuits	Oniro	Lava chocolate and Lava vanilla						
Cake			1,512,230	704,036	488,609	264,530	270,112	153,819
Croissants			767,465	460,384	241,399	162,155	118,893	46,668
Rusks			139,498	92,864	38,645	31,030	17,829	15,403
Wafer			289,372	243,058	98,622	84,828	54,757	29,223
Candy			61,647	44,258	12,854	9,451	4,754	2,337
Biscuits			9,501	14,186	(479)	4,538	(2,824)	(14,356)
Others			-	174	-	83	(3,500)	8,054
Total			2,779,713	1,558,960	879,650	556,615	460,021	241,148

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Notes to the condensed consolidated interim financial information (continued)
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10 Segment reporting (continued)

Operating profit is reconciled to net profit as follows:

	March 31, 2023 (Unaudited) EGP '000	March 31, 2022 (Unaudited) EGP '000
Operating profit	460,021	241,148
Other income	6,909	3,360
Other losses	(22,163)	(8,081)
Finance income	53,442	23,619
Finance cost	(42,612)	(22,242)
Foreign exchange gains/(losses)	47,081	(5,312)
Share of net losses of a joint venture accounted for using the equity method	-	(3,263)
Loss on financial assets measured at fair value through profit or loss	-	(22,172)
Income tax expense	(127,283)	(58,952)
Net profit	375,395	148,105

The segment information disclosed in the table above represents the segment information provided to the Chief Operating Decision Makers of the Group.

Management has determined the operating segments based on the information reviewed by the chief operating decision makers of the Group for the purpose of allocating and assessing resources.

The Chief Operating Decision Makers consider the business from products perspective. Although Rusks, Wafer, and Candy do not meet the quantitative threshold required by IFRS 8 for reportable segments, management has concluded that these segments should be reported as it is closely monitored by the chief operating decision makers as it is expected to materially contribute to the Group revenue in the future.

The chief operating decision makers assesses the performance of the operating segments based on their operating profit.

There were no inter-segment sales during the period.

Finance income and finance cost are not allocated to segments, as this type of activity is driven by the central treasury function which manage the cash position of the Group.

11 Basic and diluted earnings per share

	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)
Profit attributable to owners of the Parent (EGP)	374,142,968	148,071,081
Weighted average number of ordinary shares in issue		
Ordinary shares	723,058,439	723,058,439
Treasury shares	(15,814,199)	-
Weighted average number of ordinary shares in issue	707,244,240	723,058,439
Basic and diluted earnings per share (EGP)	0.53	0.20

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For the period ended March 31, 2023

12 Contingent liabilities

Edita Food Industries Company

Edita Food Industries Company has provided guarantees for Digma for Trading company and Edita Confectionary Industries against third parties in borrowing from Egyptian Banks.

Edita Food Industries Company had contingent liabilities in respect of letters of guarantee and letters of credit arising from ordinary course of business amounting to EGP 383,484,803 as at March 31, 2023 (December 31, 2022: EGP 320,653,365).

Digma for Trading Company

Digma for Trading Company has provided guarantees for Edita Food Industries against third parties in borrowing from Egyptian Banks.

Digma for Trading Company had contingent liabilities in respect of letters of guarantee and letters of credit as at March 31, 2022 of EGP 1,500,000 (December 31, 2022: EGP 1,500,000).

Edita Confectionary Industries Company

As at March 31, 2023, Edita Confectionary Industries Company had contingent liabilities in respect of letters of guarantee and letters of credit arising from ordinary course of business amounting to EGP 100,742 (December 31, 2022: EGP 5,837,326).

These contingent liabilities are not expected to result in material losses for the Group in the foreseen future and not consider it probable that there will be an outflow of economic resources with regard to these contingent liabilities.

13 Capital commitments

The Group has capital commitments of EGP 147,428,109 as at March 31, 2023 (December 31, 2022: EGP 96,587,976) in respect of capital expenditure.

14 Dividends

At the Annual General Meeting held on March 28, 2023, the Board of Directors proposed, and the shareholders of the Company approved a cash dividend of EGP 400,000,000 at EGP 0.566 per share for the year ended December 31, 2022 (at the Annual General Meeting held on April 15, 2022, Board of Directors proposed, and the shareholders approved a cash dividend of EGP 200,000,000 at EGP 0.277 per share for the year ended December 31, 2021).

15 Reclassification of figures in condensed consolidated statement of profit or loss

The following prior period amounts have been reclassified for consistency with the current period presentation and improve the quality of information presented.

- Provisions, earlier disclosed as a separate line item in the condensed consolidated statement of profit or loss, have been reclassified to other losses.
- Foreign exchange gains/(losses), earlier included in finance cost, have been reclassified as a separate line item in the condensed consolidated statement of profit or loss.

As the result of these reclassifications, the comparative figures for operating segment note (Refer Note 10) have also been changed accordingly.