

**EDITA FOOD INDUSTRIES (S.A.E.)
AND ITS SUBSIDIARIES**

**REVIEW REPORT AND
CONDENSED CONSOLIDATED PERIODICAL FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED
30 SEPTEMBER 2022**

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES
Notes to the Condensed consolidated interim financial statements –
For the nine months period ended 30 September 2022
(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Contents	Page
Review report	1
Condensed consolidated interim statement of financial position	2
Condensed consolidated Interim statement of profit or loss	3
Condensed consolidated interim statement of comprehensive income	4
Condensed consolidated interim statement of changes in equity	5
Condensed consolidated Interim statement of cash flows	6
Notes to the condensed consolidated interim financial statements	7 – 30

Review Report

To: The Board of Directors of Edita Food Industries Company (S.A.E)

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Edita Food Industries (S.A.E) comprised of the condensed consolidated interim financial position as of September 30 ,2022, and the related condensed consolidated interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine-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 condensed consolidated interim financial statements in accordance with the Egyptian Accounting Standards. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Egyptian Standards on Review Engagements No. 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". A review of condensed consolidated interim financial statements 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 the 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 condensed consolidated interim financial statements.

The Company's consolidated interim financial statements for the period ended September 30, 2021 have been reviewed by another auditor who issued his unqualified review report dated November 2, 2021 on the consolidated interim financial statements for the period ended September 30, 2021.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements do not present fairly, in all material respects the condensed consolidated interim financial position of Edita Food Industries (S.A.E) as of September 30 ,2022; and of its condensed consolidated interim financial performance and its condensed consolidated interim cash flows for the nine-months then ended in accordance with Egyptian Accounting Standards.

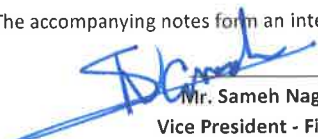
Cairo, November 14, 2022



EDITA FOOD INDUSTRIES (S.A.E) AND ITS SUBSIDIARIES
Condensed consolidated interim Statement of Financial Position as of 30 September 2022

	Note	30-Sep-22 EGP	31 December 2021 EGP
Assets			
Non-current assets			
Property, plant and equipment and projects under constructions	3	2 470 554 718	2 165 626 284
Right of use assets		89 808 050	55 651 129
Intangible assets		188 477 738	180 713 178
Investment in joint ventures	6	--	70 140 650
Goodwill	5	41 956 386	--
Total non-current assets		2 790 796 892	2 472 131 241
Current assets			
Inventories	4	825 856 110	526 494 164
Trade receivables		62 865 170	26 320 002
Debtors and Other Debit Balance		289 416 158	176 124 987
Due from related parties		--	16 472 067
Treasury Bills	8	753 680 638	769 965 310
Investments at Fair value through profit or loss		--	76 403 685
Cash and bank balances	9	524 192 343	159 565 557
Total current assets		2 456 010 419	1 751 345 772
Total assets		5 246 807 311	4 223 477 013
Equity and liabilities			
Equity attributable to owners of the parent			
Paid up capital	10	144 611 688	144 611 688
Legal reserve	11	78 953 630	78 953 630
Cumulative translation reserve		(28 091 988)	1 562 479
Transactions with non-controlling interest		(32 132 098)	(32 132 098)
Retained earnings		2 335 749 865	1 917 983 230
Treasury shares	10	(58 891 581)	--
Total equity		2 440 199 516	2 110 978 929
Non-controlling interest		33 582 350	689 847
Total equity		2 473 781 866	2 111 668 776
Liabilities			
Non-current liabilities			
Borrowings	12	664 167 702	587 634 700
Deferred government grants	12	8 126 550	9 897 288
Employee benefit obligations		27 737 850	24 103 494
Deferred tax liabilities		207 627 562	205 882 770
Lease liabilities		90 102 711	55 125 122
Total non-current liabilities		997 762 375	882 643 374
Current liabilities			
Provisions	13	36 793 358	33 978 251
Bank overdraft	14	373 050 099	400 676 904
Trade and notes payables		579 305 066	379 874 874
Creditors and other credit balances		292 523 435	173 894 718
Current portion of borrowings	12	299 317 615	197 005 383
Deferred government grants	12	4 312 265	4 465 546
Current income tax liabilities		176 999 679	30 584 092
Lease liabilities		12 961 553	8 685 095
Total current liabilities		1 775 263 070	1 229 164 863
Total liabilities		2 773 025 445	2 111 808 237
Total equity and liabilities		5 246 807 311	4 223 477 013

- The accompanying notes form an integral part of these condensed consolidated interim financial statements.


Mr. Sameh Naguib
Vice President - Finance


Eng. Hani Berzi
Chairman

- Auditor's review report attached

EDITA FOOD INDUSTRIES (S.A.E) AND ITS SUBSIDIARIES
Condensed consolidated interim statement of profit or loss
For the nine months period ended 30 September 2022

	Note	Nine Months period ended		Three Months period ended	
		30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
		EGP	EGP	EGP	EGP
Revenue		5 147 710 130	3 711 805 959	2 015 567 758	1 394 672 048
Cost of sales		(3 369 222 347)	(2 544 501 587)	(1 326 280 004)	(976 824 454)
Gross profit		1 778 487 783	1 167 304 372	689 287 754	417 847 594
Other income / expense		8 375 575	32 255 602	3 207 751	2 603 960
Distribution cost		(591 209 940)	(521 071 088)	(188 203 732)	(178 603 903)
Administrative expenses		(309 522 003)	(237 762 700)	(116 154 930)	(74 479 523)
Inventory write-down provision	4	(2 925 000)	(1 500 000)	(975 000)	(500 000)
Provisions	13	(2 884 056)	(5 730 878)	(1 035 460)	(2 297 454)
Employee Benefit Obligations provision		(4 500 000)	(4 500 000)	(1 500 000)	(1 500 000)
Finance Income		73 397 995	56 435 112	28 299 338	22 901 858
Finance cost - Net		(76 962 180)	(58 779 651)	(25 241 831)	(21 495 579)
Fair value gain on investments at fair value through profit or loss		(22 172 000)	--	--	--
Profits from disposal of Joint venture	7	31 807 595	--	--	--
Share of net loss of joint ventures accounted for using the equity method		(5 005 095)	(2 761 599)	--	(880 081)
Profit before income tax		876 888 674	423 889 170	387 683 890	163 596 872
Income tax expense		(203 115 767)	(101 155 991)	(88 821 240)	(38 602 341)
Net profit for the period		673 772 907	322 733 179	298 862 650	124 994 531
Profit is attributable to					
Owners of the parent		675 279 079	322 685 288	299 755 048	125 024 655
Non-controlling interest		(1 506 172)	47 891	(892 398)	(30 124)
Net profit for the period		673 772 907	322 733 179	298 862 650	124 994 531
Basic and Diluted earnings per share	15	0.94	0.45	0.41	0.17

- The accompanying notes form an integral part of these condensed consolidated interim financial statements.

EDITA FOOD INDUSTRIES S.A.E.
Condensed consolidated interim statement of comprehensive income
For the nine months ended 30 September 2022

	Nine Months period ended		Three Months period ended	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
	EGP	EGP	EGP	EGP
Net profit for the period	673 772 907	322 733 179	298 862 650	124 994 531
Other comprehensive income				
Items that may be reclassified to profit or loss :-				
Exchange differences on translation of foreign operations	(30 512 801)	1 394 203	(10 847 743)	644 299
Total comprehensive income for the period	643 260 106	324 127 382	288 014 907	125 638 830
Attributable to				
Owners of the parent	644 766 278	324 079 491	288 907 305	125 668 954
Non-controlling interest	(1 506 172)	47 891	(892 398)	(30 124)
Total comprehensive income for the period	643 260 106	324 127 382	288 014 907	125 638 830

- The accompanying notes form an integral part of these condensed consolidated interim financial statements.

EDITA FOOD INDUSTRIES S.A.E.
Condensed consolidated interim statement of cash flows
For the nine months ended 30 September 2022

	Notes	30 September 2022 EGP	Restated 30 September 2021 EGP
Cash flows from operating activities			
Profit for the period before income tax		876 888 674	423 889 170
Adjustments for:			
Provisions		2 884 057	5 230 878
Provisions no longer required		291 971	—
Employee benefit obligation		4 500 000	4 500 000
Interest expense		70 859 939	57 445 445
Interest expense - Leases assets		7 256 228	6 777 570
Amortization -Lease		11 010 677	—
Fair value gain on financial assets at fair value through profit or loss		22 172 000	—
Share of net loss of Joint ventures accounted for using the equity method		5 005 095	2 761 598
Government Grant		(3 601 372)	(3 144 278)
Deferred Grant Income		(20 805 217)	(22 917 146)
Interest income		(73 397 995)	(56 435 112)
Depreciation and amortization		155 587 924	159 224 602
Provision of slow moving Inventory	4	2 925 000	2 000 000
Gain from sale of property, plant and equipment		(7 800 409)	(17 825 853)
Foreign exchange gains		(1 154 085)	(1 434 536)
Proceeds from sale of Joint venture	7	(31 807 595)	—
		1 020 814 892	560 072 338
Inventories		(301 618 567)	(108 635 791)
Trade receivables and other debit balances		(159 081 108)	(50 056 607)
Trade and other payables		316 006 744	127 673 977
Provision utilized		(163 897)	(2 893 774)
Inventory provision used	4	(668 379)	—
Payments of employee benefit obligations		(865 644)	(1 957 412)
Dividends paid to Company's employees		(40 750 000)	(44 650 000)
Cash generated from operating activities		833 674 041	479 552 731
Interest paid		(73 134 931)	(70 146 576)
Income tax paid		(42 184 209)	(105 174 050)
Net cash flows generated from operating activities		718 354 901	304 232 105
Cash flows from investing activities			
Payment for purchase of property, plant and equipment and Intangible assets	3	(299 502 596)	(216 285 913)
Proceeds from sale of property, plant and equipment		36 096 727	19 971 345
Interest received		78 521 671	41 708 209
Payment for purchase of treasury bills		(1 428 957 504)	(516 076 516)
Proceeds from sale of Treasury Bills		1 435 628 330	287 526 296
Payments for purchase of financial assets at fair value through profit and loss		45 047 121	(71 583 730)
Cash generated from gaining control over edita Morocco during the second	7	11 296 933	—
Net cash flows used in investing activities		(121 869 318)	(454 740 309)
Cash flows from financing activities			
Lease Payments		(13 781 871)	(5 772 890)
Payments of borrowings		(138 141 065)	(166 347 667)
Proceeds from borrowings		191 595 531	141 007 975
Payments to acquire non-controlling Interest		—	(31 529 057)
Dividends paid to shareholders		(200 000 000)	(156 145 803)
Payments to acquire treasury shares	10	(58 891 581)	—
Amounts paid under the capital Increase account - Edita Morocco	7	14 986 994	—
Net cash flows used in financing activities		(204 231 992)	(218 787 442)
Net increase in cash and cash equivalents		392 253 591	(369 295 646)
Cash and cash equivalents at beginning of the period	9	(241 111 347)	267 554 405
Cash and cash equivalents at end of the period	9	151 142 244	(101 741 241)

- The accompanying notes form an integral part of these consolidated interim financial statements.

EDITA FOOD INDUSTRIES S.A.E.
Condensed consolidated interim statement of changes in equity
For the nine months ended 30 September 2022

Note	Paid up capital	Legal reserve	Cumulative translation reserve	Transactions with non-controlling interest		Treasury Shares	Retained earnings	Total Owners of the parent	Non-controlling interest	Total owners' equity
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance at 1 January 2021	145 072 580	78 629 880	1 108 071	(32 132 098)	(22 556 296)	1 608 789 056	1 778 911 193	559 353	1 779 470 546	
Net profit for the period	-	-	-	-	-	322 685 288	322 685 288	110 339	322 795 627	
other comprehensive income	-	-	1 394 203	-	-	-	1 394 203	-	1 394 203	
Total comprehensive income for the period	-	-	1 394 203	-	-	322 685 288	324 079 491	110 339	324 189 830	
Shareholders transactions										
Treasury Shares write-off	(460 892)	-	-	-	22 556 296	(22 095 404)	-	-	-	(194 650 000)
Dividends distribution for 2021	-	-	-	-	-	(194 650 000)	(194 650 000)	-	-	(194 650 000)
Total shareholders transactions	(460 892)	-	-	-	22 556 296	(216 745 404)	(194 650 000)	-	-	(194 650 000)
Balance at 30 September 2021	144 611 688	78 629 880	2 502 274	(32 132 098)	-	1 714 728 940	1 908 340 684	669 692	1 909 010 376	
Balance at 1 January 2022	144 611 688	78 953 630	1 562 479	(32 132 098)	-	1 917 983 230	2 110 978 929	689 847	2 111 668 776	
Joint venture adjustment	-	-	-	-	-	-	-	20 207 570	20 207 570	
Amounts paid under the capital increase account - Edita Morocco	-	-	-	-	-	-	-	14 986 994	14 986 994	
Net profit for the period	-	-	-	-	-	675 216 635	675 216 635	(1 443 727)	673 772 908	
Other comprehensive income for the period	-	-	(29 654 467)	-	-	-	(29 654 467)	(858 334)	(30 512 801)	
Dividends Distribution for 2022	-	-	-	-	-	(257 450 000)	(257 450 000)	-	(257 450 000)	
Treasury Shares acquisition	-	-	-	-	(58 891 581)	-	(58 891 581)	-	(58 891 581)	
Total comprehensive income for the period	-	-	(29 654 467)	-	(58 891 581)	417 766 635	329 220 587	32 892 503	362 113 090	
Balance at 30 September 2022	144 611 688	78 953 630	(28 091 988)	(32 132 098)	(58 891 581)	2 335 749 865	2 440 199 516	33 582 350	2 473 781 866	

- The accompanying notes form an integral part of these condensed consolidated interim financial statements.

1. General information

Edita Food Industries S.A.E. was established on 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. The company's period is 25 years, and the company's period have been extended by 25 years ending July 7, 2046.

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.

The Group's financial year start on 1 January and ends on 31 December each year.

These condensed consolidated financial statements have been approved by Chairman on 14 November 2022.

2. Accounting policies

The condensed consolidated interim financial statements have been prepared by following the same accounting policies that were applied and followed when preparing the financial statements for the financial year ending on December 31, 2021.

A. Basis of preparation

These condensed consolidated financial statements have been prepared in accordance with Egyptian Accounting Standards (EASs) and applicable related laws and regulations. The condensed consolidated financial statements have been prepared under the historical cost convention except for employees' post-employment defined benefit obligations that are measured at the present value of the obligation using the projected credit unit method.

The preparation of condensed consolidated financial statements in conformity with Egyptian Accounting Standards (EAS) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

Egyptian Accounting Standards (EAS) requires referring to the International Financial Reporting Standards (IFRS) in treating certain balances and transactions, which have not been covered in any Egyptian Accounting Standards or legal requirements.

Percentage of ownership in subsidiaries

The group consists of the below companies as of 30 September 2022 and 31 December 2021 unless otherwise was noted and the percentage of the Group's share of the companies in is the direct ownership of the ordinary shares of the paid-up capital only.

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES
Notes to the Condensed consolidated interim financial statements –
For the nine months period ended 30 September 2022
(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group		Ownership interest held by non- controlling interests	
		30			
		September 2022	31 December 2021	30 September 2022	31 December 2021
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	77.95%	--	22.05%	--

B. Basis of consolidation

1) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

1.1 Acquisition method

The group applies the acquisition method to account for business combinations.

The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquire and the equity interests issued by the group.

The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiring on an acquisition-by-acquisition basis, at the non-controlling interest's proportionate share of the recognized amounts of acquirer's identifiable net assets at the date of acquisition. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquire is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in the statement of profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered as an impairment indicator of the assets transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

1.2 Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

1.3 Disposal of subsidiaries

When the group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss for the parent company.

1.4 Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquire and the acquisition-date fair value of any previous equity interest in the acquire over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the statement of profit or loss. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

1.5 Measurement period:

The measurement period is the period after the acquisition date which provides the acquirer with a reasonable time to obtain the information necessary to identify and measure all items arising from an acquisition of a subsidiary. The measurement period shall not exceed one year from the acquisition date. If the group has identified a new facts or circumstances regarding the acquisition during the measurement period, the acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date.

2) Investment in Joint Venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint venturers.

2.1 Equity accounting method

Investments in joint ventures are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition from the change of the group's share from the joint venture's net assets. The group's share of post-acquisition profit or loss is recognized in the statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment, with the group's share of the changes in equity after acquisition date.

2.2 Changes in owner's equity

If an entity's ownership interest in an associate or a joint venture is reduced, but the investment continues to be classified either as an associate or a joint venture respectively, the entity shall reclassify to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

2.3 The losses of a joint venture

When the group's share of losses in an joint venture equals or exceeds its interest in the joint venture, the group does not recognise further losses, and after the group's share reduced to zero, any additional losses and liabilities are recognized only to the limit it has incurred legal or constructive obligations or made payments on behalf of the joint venture, When the joint venture start to generate profits in the upcoming periods, the group continues to recognize their share in these profits, only after their share of profits equals their share of unrecognized losses.

2.4 Transactions with joint venture

Profits and losses resulting from upstream and downstream transactions between the group (including the subsidiaries) and the joint venture are recognised in the group's financial statements only to the extent of other investor's Interests in the joint venture.

2.5 Goodwill arisen from investments in joint venture

Goodwill represents the excess of the consideration transferred, of the group's share in the fair value of the net identifiable assets and liabilities acquired at the acquisition date

Goodwill arises from the investment in joint venture is Included within the cost of the investment in joint venture after deduction of impairment losses in joint venture and it does not presented separately, and the goodwill impairment is not tested separately, In addition to the impairment test is performed on the carrying amount of total investments – as an individual asset, by comparing the carrying value with the recoverable amount of the asset, and the impairment losses recognized at this case are not allocated to any asset, therefore, any reversed settlement for the impairment losses are recognized to the extent that the recoverable amount will increase to the extent it will not exceed the amount of the impairment losses previously recognized.

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES

Notes to the Condensed consolidated interim financial statements --

For the nine months period ended 30 September 2022

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

3. Property, plant and equipment and projects under constructions

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Vehicles</u>	<u>Tools & Equipment</u>	<u>Furniture and Office Equipment</u>	<u>Projects under construction *</u>	<u>Total</u>
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost								
As of January 1, 2021	120 908 260	972 406 587	1 258 816 257	337 789 755	179 717 274	128 126 497	170 246 386	3 168 011 016
Transferred from projects under constructions	-	4 680 216	167 983 168	-	28 023 177	10 405 909	(212 248 054)	(1 155 584)
Additions	-	-	782 745	9 141 677	8 442 517	4 176 229	130 590 250	153 133 418
Disposals	-	-	(66 264)	(18 695 559)	(679 265)	(725 963)	-	(20 167 051)
As of December 31, 2021	120 908 260	977 086 803	1 427 515 906	328 235 873	215 503 703	141 982 672	88 588 582	3 299 821 799
Accumulated depreciation								
As of January 1, 2021	-	(2 05 676 310)	(4 19 993 066)	(1 58 080 691)	(1 03 089 733)	(85 241 057)	-	(9 72 080 857)
Depreciation for the period	-	(39 340 037)	(66 377 923)	(32 117 738)	(25 670 347)	(16 538 201)	-	(1 80 044 246)
Accumulated depreciation of disposals	-	-	22 113	16 686 289	665 934	555 252	-	17 929 588
As of December 31, 2021	-	(245 016 347)	(486 348 876)	(173 512 140)	(128 094 146)	(101 224 006)	-	(11 34 195 515)
Net book value as of December 31, 2021	120 908 260	732 070 456	941 167 030	154 723 733	87 409 557	40 758 666	88 588 582	2 165 626 284
Cost								
Cost as of January 1, 2022	120 908 260	977 086 803	1 427 515 906	328 235 873	215 503 703	141 982 672	88 588 582	3 299 821 799
Transferred from projects under constructions	-	16 830 237	202 457 693	-	17 166 632	6 750 205	(255 117 955)	(11 913 188)
Morocco Additions	-	132 464 514	66 933 126	-	6 964 959	1 082 574	1 110 444	208 555 617
Forex differences	-	(10 138 592)	-	-	-	-	(1 342 386)	(11 480 978)
Additions	-	-	1 411 010	47 227 476	11 228 481	7 081 530	232 554 099	299 502 596
Disposals	(14 194 132)	-	(18 262 325)	(5 355 735)	(2 694 068)	(49 486)	(3 507 924)	(44 063 670)
Cost as of September 30, 2022	106 714 128	1 116 242 962	1 680 055 410	370 107 614	248 169 707	156 847 495	62 284 860	3 740 422 176
Accumulated depreciation								
Accumulated Depreciation as of January 1, 2022	-	(245,016,347)	(486 348 876)	(173,512,140)	(128 094 146)	(101,224,006)	-	(11 34 195 515)
Depreciation for the year	-	(31 642 059)	(53 115 959)	(30 152 243)	(23 723 705)	(12 805 329)	-	(1 51 439 295)
Accumulated depreciation of disposals	-	-	11 567 771	3 877 538	272 557	49 486	-	15 767 352
Accumulated Depreciation as of September 30, 2022	-	(276 658 406)	(527 897 064)	(199 786 845)	(151 545 294)	(113 979 849)	-	(12 69 867 458)
Net book value as of September 30, 2022	106 714 128	839 584 556	1 152 158 346	170 320 769	96 624 413	42 867 646	62 284 860	2 470 554 718

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES
Notes to the Condensed consolidated interim financial statements –
For the nine months period ended 30 September 2022
(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Depreciation included in the consolidation statement of profit or loss is as follows:

	30 September 2022	31 December 2021
Cost of sales	103 065 575	124 881 929
Distribution costs	34 173 397	37 121 915
Administrative expenses	14 200 323	18 040 402
	151 439 295	180 044 246

* The project under construction represents the following Categories:

	30 September 2022	31 December 2021
Buildings	10 067 689	9 201 456
Machinery and equipment	35 940 272	53 757 848
Tools and equipment	15 009 224	15 632 136
Technical and other installations	1 267 675	9 997 142
	62 284 860	88 588 582

During the period, the group has capitalized borrowings costs amounting to EGP 2 000 520 on qualified assets. The capitalization rate used to determine the amount of borrowing cost to be capitalized is the interest rate applicable to the group's specific borrowings during the period was 6.5%

4. Inventories

	30 September 2022	31 December 2021
Raw and packaging materials	655 613 045	410 652 760
Finished goods	93 463 615	50 032 903
Spare parts	49 764 274	44 616 150
Work in process	22 658 367	18 827 641
Consumables	10 841 995	6 593 275
Total	832 341 296	530 722 729
Less: write-down for slow moving and obsolete inventory	(6 485 186)	(4 228 565)
Net	825 856 110	526 494 164

Write-down for slow moving and obsolete inventory:

	30 September 2022	31 December 2021
Balance as of 1 January	4 228 565	2 834 224
Charged during the period / year	2 925 000	2000 000
Utilized during the period / year	(668 379)	(605 659)
Ending Balance as of the period / year	6 485 186	4 228 565

5. Goodwill

On April 21, 2022, the group's management obtained control over Edita Food Industries Morocco. Where both parties signed an amendment agreement where reserved matters related to joint control has been removed following non-exercise of the call option by DISLOG. The group management completed the fair value study for identified assets and liabilities related to the acquisition of Edita Food Industries Morocco and revaluation of goodwill and intangible assets at date of step acquisition of Edita Food Industries Morocco. Please refer to Note No. (7).

	30 September 2022	31 December 2021
Balance as of 1 January	--	--
Goodwill resulting from acquisition of subsidiary	41 956 386	--
Ending Balance as of the period / year	41 956 386	--

6. Investment in joint venture

Investment in joint venture represents the Group's investment in Edita Food Industries Morocco. The Group's shareholding in Edita Food Industries Morocco and the carrying value of the investment in joint venture as of 30 September 2022 and 31 December 2021 are as follows:

	Ownership %	30 September 2022	Ownership %	December 31, 2021
Edita Food Industries Morocco	77.9527%	--	69.6%	70 140 650
		--		70 140 650

On April 2021, the group acquired additional 112 500 shares (25%) in Edita Food Industries Morocco from La Marocaine De Distribution De Logistiques (Dislog S.A) against consideration of EGP 31 529 057, of which 7.4% was subject to a call option exercisable at any point until April 2022 by the Dislog.A. Due to the terms of the call option, the 7.4% was not considered as a purchase as the Dislog.A retained the beneficial interest. The amount paid under the call option was considered a receivable from the minority interest and if not exercised will be accounted for as purchase of 7.4% at that date.

Immediately prior to the purchase, the carrying amount of the 17.6% of the net assets in Edita Food Industries Morocco was EGP 12 325 493, the receivable related to the 7.4% call option has been included in due from related parties, the excess of consideration paid over the acquired 17.6% share of the net assets has been allocated on a provisional basis as follows:

	1 April 2021
Consideration paid to acquire 17.6% of the net assets	18 917 434
Deduct:	
Group's share in fair value of net asset at the date of acquisition *	(12 325 493)
Notional goodwill arises from the cost additional interest in joint venture	6 591 941

* Fair value of net assets has been determined on a provisional basis until the group finalize the purchase price allocation process within the measurement period are as follows:

	Fair value on a provisional basis 30 April 2021
	EGP
Fixed assets	148 679 885
Right of use	18 161 655
Deferred tax assets	2 500 246
Trade and notes receivable and other receivables	56 405 947
Cash and bank balances	6 545 269
Due to related parties	(936 362)
Bank borrowings and overdraft	(93 138 800)
Trade and notes payable and other payables	(49 037 637)
Lease liability	(19 148 991)
Fair value of acquired net assets	70 031 212
Group's share in fair value of net assets at the date of acquisition of joint venture	12 325 493

On April 21, 2022, the call option lapsed, and the minority shareholder didn't exercise the option. Therefore, Edita Group Share in Edita Food Industries Morocco increased from 69.6% to 77%. At the date of the lapse of the option, Edita Participation Limited and the minority shareholder signed a new shareholder agreement which resulted in Edita Group obtained control over Edita Food Industries Morocco. At that date, the investment was derecognized from investments in joint venture and became an investment in subsidiary (Note No. 7).

*The management decided to present April 30, 2022, figures as there are no significant changes in the account balances between April 21, 2022, and April 30, 2022. The carrying amount of the investment on April 30, 2022, is summarized below:

Summarized financial information for the joint venture

The tables below provide summarized financial information for the joint venture. The information disclosed reflects the amounts presented in the financial statements of the joint venture and not the Group's share of those amounts.

Summarized Financial position	30 April 2022	31 December 2021
	EGP	EGP
Non-current assets	235 826 405	214 874 379
Current assets:		
Cash and cash equivalents	11 296 933	20 139 112
Other current assets	55 356 818	34 911 633
Total current assets	66 653 751	55 050 745
Non-Current liabilities:	147 312 211	124 677 108
Current liabilities:		
Financial liabilities	19 795 211	17 922 352

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES
Notes to the Condensed consolidated Interim financial statements –
For the nine months period ended 30 September 2022
(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Other non-current liabilities	47 566 778	38 798 750
Total Current liabilities	67 361 989	56 721 102
Net assets	87 805 956	88 526 914

The Group has provided a financial guarantee to the bank for the joint venture's borrowing amounting to Nil and 120 455 802 as of 30 September 2022 and 31 December 2021 respectively.

Reconciliation to carrying amounts:	30 April 2022	December 31, 2021
	EGP	EGP
Opening net assets 1 January	88 526 914	70 673 129
Amounts paid under Capital increase	–	26 264 520
Losses and other comprehensive income for the period / year	(720 958)	(8 410 735)
Closing net assets as of 30 September	87 805 956	88 526 914
Group's share in %	69.6%	69.6%
Group's share in EGP	61 112 945	60 640 936
Goodwill	6 784 091	6 591 941
Other reconciling Items	–	2 907 773
Carrying amount	67 897 036	70 140 650

Summarized statement of profit or loss	Four months ending 30 April 2022	Year ended December 31, 2021
Revenue	28 224 263	5 737 016
Cost of sales	(27 668 729)	(14 270 790)
Other income	140 675	9 919
Distribution cost	(4 029 655)	(601 983)
Administrative expenses	(4 523 473)	(3 905 881)
Finance cost	(2 883 362)	842 249
Income tax expense	4 240 159	3 778 735
Total loss for the year	(6 500 122)	(8 410 735)

7. Acquisition in stages of a subsidiary company

On April 21, 2022, the call option lapsed, and the minority shareholder in Edita Food Industries Morocco did not exercise the purchase option. Therefore, the group took the beneficial ownership of an additional stake of 7.4% in Edita Food Industries Morocco. at that date, the Group and the minority shareholders signed a new shareholder agreement which resulted in the Group obtaining control of Edita Food Industries Morocco and the investment was derecognized from investments in joint venture and became an investment in subsidiary. The goodwill recognized represents the excess of cash consideration paid to acquire the additional stake of 7.4%, acquisition-date fair value of previously held equity interest and the non-controlling interest share of the fair value of identifiable assets acquired and its assumed liabilities over the fair value of the acquiree identifiable net assets.

The group management has applied the requirements of the Egyptian Accounting Standard (No. 29) with regard to the accounting for business combination carried out in stages and the group's management has re-measured the equity interest previously held in the invested company at fair value at the date of control and recognized the profits resulting from the remeasurement of the investment in the condensed consolidated statement of profit or loss of EGP 31 807 595.

The fair value of the identifiable assets and it's assumed liabilities arising from the acquisition of Edita Food Industries Morocco has been determined. The fair value at the acquisition date amounted to

EGP 87 859 000.

	<u>30 April 2022</u>
	<u>EGP</u>
The net fair value of the assets and liabilities acquired	87 859 000
Deduct:	
Consideration paid to acquire the additional stake of 7.4%	12 611 623
Fair value of the previously held interest	96 996 193
Non-controlling interest shares at fair value of net identifiable assets	20 207 570
Goodwill	<u>41 956 386</u>

Net cash acquired from the acquisition of a subsidiary:

	<u>30 April 2022</u>
	<u>EGP</u>
Consideration paid to acquire the additional stake of 7.4%	(12 611 623)
Deduct: cash and cash equivalents of the acquired Company	11 296 933
	<u>(1 314 690)</u>

Profits from disposed investment in joint venture:

	<u>30 April 2022</u>
	<u>EGP</u>
The fair value of the investment at the date of disposal	96 996 193
Deduct:	
The book value of the investment at the date of disposal of the joint venture company	(65 188 598)
	<u>31 807 595</u>

During September 2022, La Marocaine De Distribution De Logistiques (Dislog S.A) Company paid 14 986 994 under the capital increase account - Edita Morocco. Where the procedures regarding the increase was completed in the subsequent period.

8. Treasury bills

	30 September 2022	31 December 2021
91 Days maturity	675 000 000	233 250 000
250 - 364 Days maturity	100 000 000	572 400 000
	775 000 000	805 650 000
Unearned interest	(21 319 362)	(35 684 690)
Treasury bills balance	753 680 638	769 965 310

The average effective interest rate related to treasury bills is 13 %.

The Group has adopted 12-month ECL approach, based on management assessment, there will be immaterial impact on treasury bills due to the following factors:

- It is issued and guaranteed by Government of Egypt.
- There is no history of default.
- Incorporating forward-looking information would not result in an increase in Expected default rate.

9. Cash and bank balances

	30 September 2022	31 December 2021
Cash at banks and on hand	237 457 159	83 775 717
Time deposit	286 735 184	75 789 840
Cash and bank balances	524 192 343	159 565 557

For the purpose of preparation of the interim consolidation cash flow statements, cash and cash equivalents consist of:

	30 September 2022	31 December 2021
Cash and bank balances	524 192 343	159 565 557
Bank overdraft (Note 14)	(373 050 099)	(400 676 904)
Total	151 142 244	(241 111 347)

10. Share capital

Authorized capital EGP 360 000 000 (1 800 000 000 share, par value EGP 0.2 per share).

Previously, the issued and paid-up capital amounted to EGP 72 536 290 after trading distributed on 362 681 450 shares (par value EGP 0.2 per share) were distributed as follow:

On 30 March 2016, an Extra Ordinary General Assembly meeting held in which the shareholders approved the increase of issued and paid-up capital from 72 536 290 EGP to be 145 072 580 EGP. An increase amounted to 72 536 290 EGP distributed on 362 681 450 shares with a par value of LE 0.2 per share financed from the dividends of the year ended 31 December 2015 distributed as a free share for each original share which has been registered in the commercial register on 9 May 2016.

Currently the issued and paid-up capital amounted to EGP 144 611 688 (par value EGP 0.2 per share) as of 30 September 2022:

Treasury shares

According to Board of Director resolution on 5 April 2020, the group purchased 2 304 461 shares from the stock market and held in treasury for a total consideration of EGP 22 556 296, the consideration paid has been accounted for as reserve in the statement of shareholders' Equity.

On 4 April 2021, the extra ordinary general assembly meeting approved to write off the treasury shares. Accordingly, the share capital has been reduced by the par value of the treasury shares and the difference between the par value and the consideration paid to acquire those shares was absorbed in retained earnings.

According to Board of Director resolution on August 2, 2022, the group purchased 6 152 811 from the stock market and held in treasury for a total consideration of EGP 58 891 581, the consideration paid has been accounted for as reserve in the statement of shareholders' Equity.

11. Legal reserve

In accordance with Company Law No. 159 of 1981 and the Company's Articles of Association, 5% of annual net profit is transferred to the legal reserve. The Group may stop such transfers when the legal reserve reaches 50% of the issued capital. The reserve is not eligible for distribution to shareholders.

12. Loans

	30 September 2022			31 December 2021		
	Current portion	Non-current portion	Total	Current portion	Non-current portion	Total
Loans	299 317 615	664 167 702	963 485 317	197 005 383	587 634 700	784 640 083
	299 317 615	664 167 702	963 485 317	197 005 383	587 634 700	784 640 083

The due dates for current portion loans according to the following schedule:

	30 September 2022	31 December 2021
	2022	
Balance due within 1 year	289 759 694	191 696 203
Accrued interest	9 557 921	5 309 180
	299 317 615	197 005 383

(1) IFC loan obtained by Edita food industries and EPL

	2022			2021		
	Current portion	Non-current portion	Total	Current portion	Non-current portion	Total
IFC loan	76 726 521	203 424 000	280 150 521	64 589 303	189 120 000	253 709 303
	76 726 521	203 424 000	280 150 521	64 589 303	189 120 000	253 709 303

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES
Notes to the Condensed consolidated Interim financial statements –
For the nine months period ended 30 September 2022
(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

The due short-term portion is according to the following schedule:

	2022	2021
Balance due within 1 year	70 416 000	63 040 000
Accrued interest	6 310 521	1 549 303
	76 726 521	64 589 303

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

Terms of payments:

The group is obligated to pay USD 20 000 000 on 10 equal semi-annual instalments; each Instalment amounts to USD 20 000 000. The first instalment is due in May 2021 and the last in November 2025.

Interest:

The interest rate is 4% above the USD Libor rate – 6 months.

Fair value:

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

(2) Edita Food Industries

	30 September 2022			31 December 2021		
	Current	Non-current	Total	Current	Non-current	Total
First loan	--	--	-	9 221 688	-	9 221 688
Second loan	8 034 050	--	8 034 050	16 044 582	-	16 044 582
Third loan	40 000 000	20 000 000	60 000 000	40 050 000	60 000 000	100 050 000
Fourth loan	25 809 838	60 940 773	86 750 611	9 567 069	78 616 366	88 183 435
Fifth loan	10 957 168	55 241 121	66 198 289	12 935 925	57 904 510	70 840 435
Sixth loan	13 025 970	64 523 396	77 549 366	75 198	61 763 341	61 838 539
Seventh loan	16 962 205	81 789 187	98 751 392	26 754	52 824 954	52 851 708
Total	114 789 231	282 494 477	397 283 708	87 921 216	311 109 171	399 030 387

The due short-term portion loans according to the following schedule:

	30 September 2022	31 December 2021
Balance due within 1 year	114 704 767	87 293 990
Accrued Interest	84 464	627 226
Total	114 789 231	87 921 216

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES
Notes to the Condensed consolidated interim financial statements –
For the nine months period ended 30 September 2022
(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Borrower	Type of debt	Guaranties	Currency	Interest rate
First loan	Loan	Cross corporate guarantee Digma Trading Company amounted to LE 90 000 000	EGP	1 % above lending rate of Central Bank of Egypt.
Second loan	Loan	Cross corporate guarantee Digma Trading Company amounted to LE 202 234 888	EGP/USD	1% above mid corridor rate of Central Bank of Egypt and 4.5% above the Libor rate 1 month.
Third loan	Loan	-	USD	3.85% above the USD Libor rate 3 months.
Fourth loan	Loan	Cross corporate guarantee Digma Trading Company	EGP	8 %
Fifth loan	Loan	Cross corporate guarantee Digma Trading Company	EGP	8 %
Sixth loan	Loan	Cross corporate guarantee Digma Trading Company	EGP	8%
Seventh Loan	Loan	-	EGP	8%

(3) Digma For Trading

	30 September 2022			31 December 2021		
	Current portion	Non-current portion	Total	Current portion	Non-current portion	Total
First Loan	36 416 591	50 043 317	86 459 908	36 330 058	83 405 529	119 735 587
	36 416 591	50 043 317	86 459 908	36 330 058	83 405 529	119 735 587

The due current portion is according to the following schedule:

	30 September 2022	31 December 2021
- Balance due within 1 year	33 362 211	33 362 211
Accrued interest	3 054 380	2 967 847
	36 416 591	36 330 058

The company obtained a loan from a financial institution based on a cross corporate guarantee issued from Edita Food Industries Company amounted to EGP 155 million. The loan outstanding balance at 30 September amounted to 100 million in addition to accrued interests.

Terms of payments:

Digma is obligated to pay the loan on 9 semi-annual instalments amounted to 16 681 106 and the first instalments is due on 27 August 2021 and the last instalments is due on 27 February 2025

Interest:

The rate is 1% above Central Bank of Egypt mid corridor rate.

Fair value:

Fair value is approximately equal to book value.

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES
Notes to the Condensed consolidated interim financial statements –
For the nine months period ended 30 September 2022
(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

(4) Edita Confectionery Industries Company

	30 September 2022			31 December 2021		
	Current portion	Non-current portion	Total	Current portion	Non-current portion	Total
First Loan	8 108 556	--	8 108 556	8 164 806	4 000 000	12 164 806
	8 108 556	--	8 108 556	8 164 806	4 000 000	12 164 806

The due current portion is according to the following schedule:

	30 September 2022	31 December 2021
Balance due within 1 year	8 000 000	8 000 000
Accrued interest	108 556	164 806
	8 108 556	8 164 806

(5) Edita Food Industries Morocco:

	30 September 2022			31 December 2021		
	Current portion	Non-Current Portion	Total	Current Portion	Non-current Portion	Total
First loan	7 063 600	128 205 908	135 269 508	--	--	--
Second loan	17 659 000	--	17 659 000	--	--	--
Third loan	12 065 616	--	12 065 616	--	--	--
Fourth loan	26 488 500	--	26 488 500	--	--	--
	63 276 716	128 205 908	191 482 624	--	--	--

The due current portion is according to the following schedule:

	30 September 2022	31 December 2021
Balance due within 1 year	63 276 716	--
Accrued interest	--	--
	63 276 716	--

Deferred government grant

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 recognized in the profit or loss over the year necessary to match them with the costs that they are intended to compensate.

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES
Notes to the Condensed consolidated interim financial statements –
For the nine months period ended 30 September 2022
(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

The Deferred government grants is according to the following schedule:

	30 September 2022			31 December 2021		
	Current	Non-current	Total	Current	Non-current	Total
Fourth loan	2 395 183	4 496 077	6 891 260	2 517 521	4 931 993	7 449 514
Fifth loan	910 358	1 615 867	2 526 225	1 055 416	2 277 069	3 332 485
Sixth loan	606 906	1 346 230	1 953 136	497 621	1 476 828	1 974 449
Seventh loan	399 818	668 376	1 068 194	394 988	1 211 398	1 606 386
	4 312 265	8 126 550	12 438 815	4 465 546	9 897 288	14 362 834

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES
Notes to the Condensed consolidated interim financial statements –
For the nine months period ended 30 September 2022
(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

13. Provisions

	<u>30 September 2022</u>	<u>31 December 2021</u>
Balance at 1 January	33 978 251	34 413 053
Morocco opening balance	94 948	--
Additions during the period / year	3 176 027	10 178 161
Utilized during the period / year	(163 897)	(10 554 328)
Provision no longer required	(291 971)	(58 635)
Ending Balance as of	<u>36 793 358</u>	<u>33 978 251</u>

Provisions related to claims expected to be made by a third party in connection with the Group's operations. These provisions are reviewed by management every period and the amount provided is adjusted based on latest development, discussions, and agreements with the third party.

14. Bank overdraft

	<u>30 September 2022</u>	<u>31 December 2021</u>
Bank overdraft	373 050 099	400 676 904
Total	<u>373 050 099</u>	<u>400 676 904</u>

Bank overdraft is an integral part of the Group's cash management to finance its working capital. The average interest rate for bank overdraft was 8.05% as of 30 September 2022 (31 December 2021: 8.05%).

15. Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the period.

Since there is no proposed distribution account, the net profit of the shareholders has been determined on the basis of the net profit for the period/year without deducting the employees' share and board members' remuneration in the dividends.

	<u>30 September</u> <u>2022</u>	<u>Restated</u> <u>30 September 2021</u>
Profit attributed to owners of the parent*	675 279 079	322 685 288
Weighted average number of ordinary shares in issue		
Ordinary shares	723 058 439	723 058 439
Treasury shares (Note 10)	(6 152 811)	-
	<u>716 905 628</u>	<u>723 058 439</u>
Basic earnings per share	<u>0.94</u>	<u>0.45</u>

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The group does not have any categories of dilutive potential ordinary shares, hence the diluted earnings per share is the same as the basic earnings per share.

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Product

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 Stix	Baked wheat salty snack
Wafer	Freska	Filled wafers
Candy	Mimix	Hard, soft and jelly candy and lollipops

(Amounts presented to the nearest thousands EGP)

	Cake			Croissant			Rusks			Wafer			Candy			Biscuits			Other			Total	
	30 September 2022	30 September 2021		30 September 2022	30 September 2021		30 September 2022	30 September 2021		30 September 2022	30 September 2021		30 September 2022	30 September 2021		30 September 2022	30 September 2021		30 September 2022	30 September 2021		30 September 2022	30 September 2021
Revenue	2 507 679	1 589 796		1 677 649	1 369 779		275 923	201 267		527 488	422 767		126 770	113 409		32 180	13 819		22	970		5 147 711	3 711 861
Gross profit	857 733	551 756		624 052	418 854		82 657	57 620		180 148	119 864		27 080	17 952		6 897	1 259		(80)	-		1 778 487	1 167 301
Profit from operations	468 962	271 915		314 984	122 387		37 301	19 761		76 675	4 800		7 449	(5 595)		(37 846)	(16 528)		(78)	-		867 447	396 711

Operating profit reconciles to net profit as follows:

	30 September 2022	Restated 30 September 2021
Operating profit	867 447	396 740
Finance cost	(99 134)	(58 780)
Finance income	73 398	56 435
The group's share of the results of joint arrangements	26 803	(2 762)
Other income/expense	8 376	32 256
Income tax	(203 116)	(101 156)
Net profit	673 774	322 733

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 EAS 41 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 made 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.

17. Contingent liability

(1) Edita Food Industries Company

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

The Company had contingent liabilities in respect of letters of guarantee and letters of credit arising from ordinary course of business amounted to EGP 260 909 097 as of 30 September 2022, (31 December 2021: EGP 39 835 555).

(2) Digma for Trading Company

The Company guarantees Edita Food Industries against third parties in borrowing from Egyptian Banks. The Company had contingent liabilities in respect of letters of guarantee and letters of credit as at 30 September 2022 EGP 1 250 000 (31 December 2021: EGP 250 000).

(3) Edita Confectionary Industries Company

On 30 September 2022, the Company had contingent liabilities in respect of letters of guarantee and letters of credit arising from ordinary course of business amounted to EGP 7 321 254 (31 December 2021: EGP 1 340 572).

18. Commitments

Capital commitments

The Group has capital commitments as of 30 September 2022 of EGP 81.8 million (31 December 2021: EGP 79 M) in respect of capital expenditure.

19. Restatement

In 2019 and 2020, the investment in Edita Food Industries Morocco "Edita Morocco" was accounted for as an investment in a subsidiary and consolidated on the basis that the Group held 51% and provided the Group with control. One of the minority shareholders held a 45% interest in Edita Morocco and was afforded certain veto rights. In April 2021, the Group acquired an additional interest of 25% from this minority shareholder in the Edita Food Industries Morocco, of which 7.5% was subject to a call option exercisable at any point until April 2022 by the minority shareholder. 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, even subsequent to the acquisition of the additional interest, the reserved matters would continue to prevent the Group from having the current ability to direct the relevant activities of Edita Morocco.

Based on the substantive nature of the veto rights, the Company has joint control according to the requirements of EAS 42, 'Consolidated Financial Statements' and EAS 43 'Joint Arrangements'. As a consequence, the Company has accounted for the investment in Edita Food Industries Morocco as investment in joint ventures using the equity method and, accordingly, has restated the comparative financial information in these condensed consolidated interim financial statements. This restatement has resulted in the following changes:

Extract from the statement of profit or loss:	2021	Profit increase / (decrease)	Restated 2021
Cost of sales	(2549 808 659)	5 307 072	(2544 501 587)
Distribution cost	(520 370 014)	(701 074)	(521 071 088)
Administrative expenses	(239 809 116)	2 046 416	(237 762 700)
Finance income	62 501 425	(234 447)	62 266 978
Share of net loss of joint ventures accounted for using the equity method	—	(2 761 599)	(2 761 599)
Income tax expense	(98 705 839)	(2 450 152)	(101 155 991)
Extract from the statement of cash flow:	2021	Cash increase / (decrease)	Restated 2021
Net cash flows generated from operating activities	295 601 346	8 630 759	304 232 105

Net cash flows used in investing activities	(451 365 550)	3 374 759	(454 740 309)
Net cash flows used in financing activities	(213 531 442)	5 256 000	(218 787 442)

Basic and diluted earnings per share:

Basic and diluted earnings per share for the prior period have not been restated. Since there was no effect on the net profit attributable to the owners of the parent company for the period ended 30 September 2022.

20. Tax position

Due to the nature of the tax assessment process in Egypt, the final outcome of the assessment by the Tax Authority might not be realistically estimated. Therefore, additional liabilities are contingent upon the tax inspection and assessment of the Tax Authority. Below is a summary of the tax status of the group as of the date of the condensed consolidated interim financial statements date.

Edita Food Industries Company

a) Corporate tax

- The company is tax exempted for a period of 10 years ending 31 December 2007 in accordance with Law No. 230 of 1989 and Law No. 59 of 1979 related to New Urban Communities. The exemption period was determined to start from the fiscal year beginning on 1 January 1998. The company submits its tax returns on its legal period.
- The tax inspection was performed for the period from the company's inception till 31 December 2012 and all due tax amounts paid.
- For the years 2013-2016; the company finalized the tax inspection and all due tax amounts paid.
- For the years 2017 – 2021 the Company submitted the tax return according to law No. 91 of 2005 in its legal period and has not been inspected yet.

b) Payroll tax

- The payroll tax inspection was performed till 31 December 2019 and company paid tax due.
- As for the years 2020 till 2021 the tax inspection has not been performed and the company is submitting the quarterly tax return on due time to the Tax Authority.

c) Value added tax

- The sales tax inspection was performed till 31 December 2019 and tax due was paid.

d) Stamp duty tax

- The stamp duty tax inspection was performed till 2019 and all due tax amounts paid.
- The years from 2020 to 2021 tax inspection has not been performed.

Digma for Trading Company

a) Corporate tax

- The company is subject to the corporate income tax according to tax law No. 91 of 2005 and amendments.
- The tax inspection was performed by the Tax Authority for the year from the Company's inception until year 2019 and the tax resulting from the tax inspection were settled and paid to the Tax Authority.
- For the years from 2018 to 2021 Company submits its tax returns on due dates according to law No. 91 for the year 2005.

b) Payroll tax

- For the years till 2019 the company finalized the tax inspection, and the difference was settled to the Tax Authority.

c) Value added tax

- The tax inspection was performed until 31 December 2020 and the tax resulting from the tax inspection and assessment were settled and paid to the Tax Authority.
- The year 2021 the Company submits its monthly sales VAT return on due date.

d) Stamp tax

- The tax inspection was performed for the year from the Company's inception until 31 December 2020 and the tax resulting from the tax inspection and assessment were settled and paid to the Tax Authority
- For the year 2021 the Company paid the tax due.

Edita Confectionary Industries Company

a) Corporate tax

- The Company is subject to the corporate income tax according to tax Law No. 91 of 2005 and adjustments.
- The corporate tax inspection was performed for the years from 2010 to 2016.
- The company hasn't been inspected for the years from 2017 to 2021 and the Company submitted its tax returns to Tax Authority on due dates.

b) Payroll Tax

- The payroll tax inspection was performed for the years from 2009 to 2019 and the tax due was paid to the Tax Authority.
- The company hasn't been inspected for the year from 2020 to 2021.

c) Value added tax

- The tax inspection was performed for the year from the Company's inception until 2020 and the tax resulting from the tax inspection and assessment were settled and paid to the Tax Authority.
- The company hasn't been inspected for the year 2021 and the Company submits its monthly VAT tax return on due date.

d) Stamp Tax

- The stamp tax inspection was performed from 2009 to 2020 and the tax due was paid to the Tax Authority.
- The Company has not been inspected for the year from 2021.

21. Significant events during the period:

- On April 27, 2022, the Prime Minister Issued the Ministerial decree No. (1568) for the year 2022 to amend some provisions of the Egyptian Accounting Standards by adding Annex (B) to the Egyptian Accounting Standard No. 13 "The Effects of Changes in Foreign Exchange Rates".
This annex aims to setting a special accounting treatment for the Implications resulted from the Exceptional Economic Decision pertaining to the movement of the foreign currencies exchange rates through setting a temporary additional option to paragraph (28) of the Egyptian Accounting Standard No (13) – "The Effects of Changes in Foreign Exchange Rates" which requires the recognition of the foreign exchange difference in the statement of profit or loss for the period in which they incur.

Alternatively, an entity that has outstanding liabilities in foreign currency on the date of the movement of the exchange rates that are related to property plant and equipment, investment property, intangible assets (other than goodwill) or mining assets to revalue its related liabilities during the period from the beginning of January 2020 until the date of the movement of the exchange rate, and recognize the foreign exchange differences resulted from the revaluation of related liabilities at the date of movement of the exchange rates as a part of the acquisition costs. Also, this treatment permits an entity to recognize foreign exchange gain or loss resulting from the revaluation of the monetary balances in foreign currencies that are outstanding on the movement date of the exchange rates to be recognized in the other comprehensive income in accordance with paragraph 9 of the annex.

- On April 14, 2022, the ordinary general assembly of the company's shareholders was held, and it approved the financial statements for the year ended December 31, 2021 and approved the dividends distribution of EGP 0.277 per share.
- The Central Bank's Open Policy Committee decided at its meeting on Thursday, May 19, 2022, to raise the overnight deposit and lending rates and the central bank main transaction by 200 basis points to 11.25%, 12.25% and 11.75%, respectively, to reach 11.75%.
- In order to support the price stability on the medium term, the Monetary Policy Committee decided at its extraordinary meeting on October 27, 2022 to raise the overnight deposit and lending rates and the central bank's main operation rate by 200 basis points to reach 13.25%, 14.25% and 13.75 %, Respectively. The credit and discount rate was also raised by 200 basis points to 13.75%.