

EDITA FOOD INDUSTRIES S.A.E.

**REVIEW REPORT AND
CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
30 SEPTEMBER 2023**

Contents	Page
Review report	1
.....	
Condensed Separate Interim statement of financial position	2
.....	
Condensed Separate Interim statement of profit or loss	3
.....	
Condensed Separate Interim statement of comprehensive income	4
.....	
Condensed Separate Interim statement of changes in equity	5
.....	
Condensed Separate Interim statement of cash flows	6
.....	
Notes to the separate Interim financial statements	7 – 18
.....	



Saleh, Barsoum & Abdel Aziz

Grant Thornton

Saleh, Barsoum & Abdel Aziz

Nile City South Tower,

6th floor

2005A Cornish El Nil,

Ramlet Boulaq, Cairo, 11221

Egypt

Review Report

T +20 (0) 2 246 199 09

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

Introduction

We have reviewed the accompanying condensed separate interim financial statements of Edita Food Industries - S.A.E comprised of the condensed separate interim statement of financial position as of September 30, 2023, and the related condensed separate 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 separate interim financial statements in accordance with the Egyptian Accounting Standard No. 30. Our responsibility is to express a conclusion on these interim separate 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 separate 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 separate interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed separate interim financial statements do not present fairly, in all material respects the financial position of Edita Food Industries - S.A.E as of September 30, 2023; and of its financial performance and its cash flows for the Nine-months then ended in accordance with Egyptian Accounting Standard No. 30 "Interim Financial Reporting".

Cairo, November 5, 2023



EDITA FOOD INDUSTRIES S.A.E.

Condensed Separate Interim statement of financial position as of 30 September 2023

	Note	30 September 2023 EGP	31 December 2022 EGP
Assets			
Non-current assets			
Property, plant and equipment and projects under constructions	(3)	1 891 622 709	1 872 216 344
Intangible assets		181 254 272	185 533 682
Investments in subsidiaries	(4)	705 600 849	184 674 445
Total non-current assets		2 778 477 830	2 242 424 471
Current assets			
Inventories (net)	(5)	1 324 045 641	804 189 765
Debtors and other debit balances	(17)	408 110 117	330 175 733
Due from related parties		186 341 256	109 337 659
Treasury bills	(6)	900 515 962	894 641 441
Cash and bank balances	(7)	326 574 331	243 188 704
Total current assets		3 145 587 307	2 381 533 302
Total assets		5 924 065 137	4 623 957 773
Equity and liabilities			
Equity			
Issued and Paid-up capital	(8)	144 611 688	144 611 688
Legal reserve	(9)	72 536 290	72 536 290
Treasury Shares	(8)	(266 012 536)	(160 827 557)
Retained earnings		2 992 330 914	2 392 289 206
Total equity		2 943 466 356	2 448 609 627
Liabilities			
Non-current liabilities			
Borrowings	(10)	365 644 529	260 499 719
Deferred government grant	(10)	4 429 892	7 125 765
Employee benefit obligations		36 513 850	33 396 656
Deferred tax liabilities, net		188 238 172	186 357 278
Total non-current liabilities		594 826 443	487 379 418
Current liabilities			
Provisions	(11)	62 040 387	51 420 223
Bank overdraft	(12)	648 864 241	486 688 869
Trade and notes payables		575 510 380	548 223 717
Creditors Other Credit balances	(13)	228 256 022	176 173 966
Due to related parties		453 652 858	103 830 983
Borrowings	(10)	186 036 901	161 934 467
Deferred government grant - Current portion	(10)	3 402 582	4 111 485
Current income tax liabilities		228 008 967	155 585 018
Total current liabilities		2 385 772 338	1 687 968 728
Total liabilities		2 980 598 781	2 175 348 146
Total equity and liabilities		5 924 065 137	4 623 957 773

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

Mr. Sameh Naguib
Vice President - Finance

Eng. Hani Berzi
Chairman

- Review report attached

EDITA FOOD INDUSTRIES S.A.E.
Condensed Separate Interim statement of profit or loss
For the nine months ended 30 September 2023

	Note	The nine months period ended		The Three months period ended	
		30 September 2023	30 September 2022	30 September 2023	30 September 2022
		EGP	EGP	EGP	EGP
Revenue	(15)	7 124 061 098	4 201 230 226	2 606 747 364	1 647 496 923
Cost of sales	(18)	(5 244 122 637)	(3 041 397 591)	(1 883 370 506)	(1 193 688 478)
Gross profit		1 879 938 461	1 159 832 635	723 376 858	453 808 445
Other income - Net	(16)	40 358 998	18 792 603	(1 593 711)	9 424 935
Distribution cost	(18)	(239 518 588)	(206 760 269)	(78 308 109)	(59 925 808)
Administrative expenses	(18)	(405 735 623)	(245 404 524)	(136 191 203)	(93 146 485)
Inventory write-down provision	(5)	(2 835 000)	(2 628 462)	(945 000)	(876 154)
Provisions	(11)	(11 488 559)	(1 632 791)	(1 000 578)	(647 455)
Employee benefit obligations provision		(6 510 764)	(4 500 000)	(2 250 000)	(1 500 000)
Interest income		162 054 325	72 790 604	54 632 434	28 263 364
Foreign Exchange Gain/(Loss)		39 786 840	4 333 786	7 292 867	4 325 941
Finance cost		(92 818 786)	(49 416 312)	(42 241 408)	(17 327 884)
Profit for the period before tax		1 363 231 304	745 407 270	522 772 150	322 398 899
Income tax expense		(310 489 596)	(170 200 470)	(118 960 727)	(73 438 588)
Net profit for the period		1 052 741 708	575 206 800	403 811 423	248 960 311
Basic earnings per share	(14)	1.41	0.8	0.55	0.35
Diluted earnings per share	(14)	1.41	0.8	0.55	0.35

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

EDITA FOOD INDUSTRIES S.A.E.
Condensed Separate Interim statement of comprehensive income
For the nine months ended 30 September 2023

	The Nine months period ended		The Three months period ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Net profit for the period	1 052 741 708	575 206 800	403 811 423	248 960 311
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>1 052 741 708</u>	<u>575 206 800</u>	<u>403 811 423</u>	<u>248 960 311</u>

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

EDITA FOOD INDUSTRIES S.A.E.
Condensed Separate Interim statement of changes in equity
For the nine months ended 30 September 2023

<u>Note</u>	<u>Share capital</u>	<u>Legal reserve</u>	<u>Treasury shares</u>	<u>Retained earnings</u>	<u>Total</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Balance at 1 January 2022	144 611 688	72 536 290		1 755 460 707	1 972 608 685
Change of equity in 2022					
Profit for the period	-	-	-	575 206 800	575 206 800
Total comprehensive income for the period	-	-	-	575 206 800	575 206 800
Total shareholders transactions					
Acquisition of Treasury Shares	-	-	(58,891,581)		(58 891 581)
Dividends distribution for 2021	-	-	-	(240 750 000)	(240 750 000)
Balance at 30 September 2022	144 611 688	72 536 290	(58 891 581)	2 089 917 504	2 248 173 901
Balance at 1 January 2023	144 611 688	72 536 290	(160 827 557)	2 392 289 206	2 448 609 627
Change of equity in 2023					
Profit for the period	-	-	-	1 052 741 708	1 052 741 708
Total comprehensive income for the period	-	-	-	1 052 741 708	1 052 741 708
Total Shareholders transactions					
Acquisition of Treasury Shares	-	-	(105 184 979)	-	(105 184 979)
Dividends distribution for 2022	-	-	-	(452 700 000)	(452 700 000)
Balance at 30 September 2022	144 611 688	72 536 290	(266 012 536)	2 992 330 914	2 943 466 356

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

EDITA FOOD INDUSTRIES S.A.E.

Condensed Separate Interim statement of cash flows
For the nine months ended 30 September 2023

	Notes	30 September 2023	30 September 2022
		EGP	EGP
Cash flows from operating activities			
Profit for the period before income tax		1 363 231 304	745 407 270
Adjustments for:			
Provisions	(11)	11 488 559	1 632 791
Provision for employee benefit obligation		6 510 764	4 500 000
Interest expenses		92 818 786	49 416 313
Interest income		(162 054 325)	(72 790 604)
Depreciation of Fixed Assets	(3)	113 461 011	106 234 245
Amortization of intangible assets		5 430 016	--
Government grant income		(3 401 171)	(3 601 372)
write-down of slow moving inventory	(5)	2 835 000	2 628 462
Gain on disposal of property, plant and equipment	(3)	(1 093 703)	(7 286 525)
Foreign exchange (gain)		(50 528 725)	(4 333 787)
Operating income before changes in working capital		1 378 697 516	821 806 793
Changes in working Capital			
Inventories		(519 952 229)	(229 572 069)
Debtors and other receivables		(77 934 384)	(42 983 197)
Due from related parties		85 047 349	(28 415 348)
Trade and other payables*		107 417 540	246 804 653
Due to related parties		349 821 875	130 208 230
Provision utilized	(11)	(868 395)	(37 413)
Inventory write-down used	(5)	(2 738 647)	(668 379)
Payment of employee benefits obligation		(3 393 570)	(865 644)
Dividends paid to company's employees		(51 540 872)	(40 750 000)
Cash inflow from operating activities		1 264 556 183	855 527 626
Interest paid		(85 124 078)	(43 477 279)
Income taxes paid		(236 184 753)	(42 184 437)
Net cash inflow from operating activities		943 247 352	769 865 910
Cash flows from investing activities			
Payment of property, plant and equipment and projects under construction	(3)	(155 717 659)	(231 712 792)
Payment of intangible assets		(547 660)	--
Proceeds from disposal of property, plant and equipment	(3)	1 110 175	35 204 173
Interest received		137 264 644	72 790 604
Payment for purchase of treasury bills		(3 821 558 313)	(1 428 957 504)
Proceeds from treasury bills		3 840 473 473	1 380 723 329
Payments for Edita Forzen Foods Capital increase		(400 000 000)	--
Payment for acquisition of new subsidiary**		(257 206 876)	--
Net cash inflow (outflow) from investing activities		(656 182 216)	(171 952 190)
Cash flows from financing activities			
Proceeds from borrowings		240 475 949	55 839 327
Repayment of borrowings		(104 510 618)	(80 778 852)
Acquisition of Treasury Shares		(105 184 979)	(58,891,581)
Payment of dividends		(400 000 000)	(200 000 000)
Net cash outflow from financing activities		(369 219 648)	(283 831 106)
Net increase in cash and cash equivalents		(82 154 512)	314 082 614
Cash and cash equivalents at beginning of the period		(243 500 165)	(307 301 819)
Foreign exchange gain related to Cash and cash equivalents		3 364 767	--
Cash and cash equivalents at the end of the period	(7)	(322 289 910)	6 780 795

* The effect of non-cash transaction of purchase of property, plant, and equipment amounted to EGP 22 230 865 had been eliminated as non cash transaction against the related increase in Trade and other payables.

** Payments for acquisition of new subsidiary includes EGP 136 280 072 represent the debt assignment from the old shareholders.

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

1. General information

Edita Food Industries S.A.E. (the "Company") was established on 9 July 1996, under the investment Law No. 230 of 1989 which had been replaced by law No. 8 of 1997 and the capital market Law No. 95 of 1992 and is registered in the commercial register under number 692 Cairo, and the company's period is for 25 years and the company's period have been extended by 25 years ending on 7 July 2046.

The Company is located in Sheikh Zayed city - Central Axis, Giza.

The Company provides manufacturing, producing, and packing of all food products and producing and packing of juices, jams, readymade food, dry goods, cakes, pastry, dairy products, meat, vegetables, fruits, chocolate, vegetarian products and other food products with all necessary ingredients, the company is registered in Egypt and London's stock exchange.

These condensed separate interim financial statements have been approved by the Chairman on 5 November 2023, and the General Assembly of shareholders has the right to amend the condensed separate interim financial statements after being approved.

2. Accounting policies

The condensed separate interim financial statements have been prepared following the same accounting policies that were applied and followed when preparing the financial statements for the financial year ending on December 31, 2022.

A. Basis of preparation

The condensed separate interim financial statements have been prepared in accordance with Egyptian Accounting Standard no. 30 "Interim Financial Reporting" and applicable related laws and regulations. The condensed separate financial statements have been prepared under the historical cost convention except for employees' end of services obligations, which is measured by the present value of the obligation.

The preparation of condensed separate financial statements in conformity with Egyptian Accounting Standard no. 30 "Interim Financial Reporting" requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting.

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.

3. Property, plant and equipment and projects under constructions

	Land	Buildings	Machinery and Equipment	Vehicles	Tools & Equipment	Furniture and Office Equipment	Projects under construction	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost								
January 1, 2022	120 908 260	839 978 806	1 299 920 301	42 611 615	187 303 166	88 030 583	81 469 041	2 660 221 772
Transferred from projects under constructions	-	19 923 043	218 817 458	-	25 047 275	4 582 963	(279 074 273)	(10 703 534)
Additions	-	-	2 124 681	12 772 051	15 262 647	6 678 445	228 469 452	285 307 276
Disposals	(14 194 133)	(827 195)	(18 262 325)	(7 333 298)	(2 824 973)	(54 213)	(11 424 715)	(54 920 852)
Cost as of December 31, 2022	106 714 127	859 074 654	1 502 600 115	48 050 368	224 788 115	99 237 778	19 439 505	2 859 904 662
Accumulated depreciation								
January 1, 2022	-	(205 925 812)	(448 292 055)	(25 388 124)	(114 422 260)	(72 259 842)	-	(866 288 093)
Depreciation for the year	-	(33 622 393)	(64 576 469)	(7 694 308)	(25 776 671)	(7 922 210)	-	(139 592 051)
Accumulated depreciation of disposals	-	143 380	11 568 483	6 022 288	403 462	54 213	-	18 191 826
As of December 31, 2022	-	(239 404 825)	(501 300 041)	(27 060 144)	(139 795 469)	(80 127 839)	-	(987 688 318)
Net book value as of December 31, 2022	106 714 127	619 669 829	1 001 300 074	20 990 224	84 992 646	19 109 939	19 439 505	1 872 216 344
Cost as of January 1, 2023	106 714 127	859 074 654	1 502 600 115	48 050 368	224 788 115	99 237 778	19 439 505	2 859 904 662
Transferred from projects under constructions	-	4 075 810	25 950 318	-	21 771 285	-	(52 400 359)	(602 946)
Additions	-	-	5 266 194	15 396 970	5 064 560	5 819 654	101 939 416	133 486 794
Disposals	-	-	-	(1 811 500)	-	(362 069)	-	(2 173 569)
Cost as of September 30, 2023	106 714 127	863 150 464	1 533 816 627	61 635 838	251 623 960	104 695 363	68 978 562	2 990 614 941
Accumulated depreciation								
As of January 1, 2023	-	(239 404 825)	(501 300 041)	(27 060 144)	(139 795 469)	(80 127 839)	-	(987 688 318)
Depreciation for the period	-	(25 568 023)	(53 579 608)	(7 068 842)	(21 024 211)	(6 220 327)	-	(113 461 011)
Accumulated depreciation of disposals	-	-	-	1 796 535	-	360 562	-	2 157 097
As of September 30, 2023	-	(264 972 848)	(554 879 649)	(32 332 451)	(160 819 680)	(85 987 604)	-	(1 098 992 232)
Net book value as of September 30, 2023	106 714 127	598 177 616	978 936 978	29 303 387	90 804 280	18 707 759	68 978 562	1 891 622 709

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

	30 September 2023	31 December 2022
Charged to cost of sales	99 199 678	122 125 045
Charged to administrative expenses	13 869 763	17 197 004
Charged to distribution costs	391 570	270 002
	113 461 011	139 592 051

The project under construction represents the following Categories:

	30 September 2023	31 December 2022
Buildings	21 405 415	332 421
Machinery and equipment	23 008 691	11 311 744
Tools and equipment	4 005 507	5 211 025
Technical and other installations	20 558 949	2 584 315
	68 978 562	19 439 505

Cash flow statement

The proceeds from disposal of fixed assets amount in the cash flow represented as follows:

	30 September 2023	30 September 2022
Net book value of the assets disposed	16 472	27 917 648
Gain on sale of property, plant and equipment	1 093 703	7 286 525
	1 110 175	35 204 173

4. Investments in subsidiaries

	Country of Incorporation	% Interest held	30 September 2023	31 December 2022
Digma for Trading Company	Egypt	99.80%	44 939 639	44 939 639
Edita Confectionary Industries*	Egypt	99.98%	134 820 782	134 820 782
Edita Participation Ltd.	Cyprus	100%	14 024	14 024
Edita Holding for Investments**	Egypt	98%	4 900 000	4 900 000
Edita Frozen Foods ***	Egypt	99.99%	520 926 404	--
Balance at			705 600 849	184 674 445

*On 6 March 2019, the company signed an official agreement with Confindel LTD for the acquisition of 2 279 287 shares (22.27%) which is their total ownership in Edita Confectionary Industries for a total consideration of 55 297 782. The deal was finalized in June of 2019; and Edita Food Industries' share in Edita Confectionary Industries increased from 77.71% to 99.98%.

**On December 8, 2022, Edita Holding for Investments had been established as Stock Authorised Enterprise with authorized and issued share capital of EGP 5 000 000. The company's purpose is establishment of companies that issue financial instruments, The company share in Edita Holding for Investments represent 98% on December 31, 2022.

***On 29 May 2023, the company signed a Sell Purchase agreement with Fancy Foods S.A.E Shareholders for the acquisition of 2 000 000 shares (100%) which is their total ownership in Fancy Foods S.A.E for a total purchase price of EGP 120 926 804. The deal was Closed on 13 June 2023.

On 1 August 2023, Edita Frozen Food Industries' board of directors has approved to increase the company paid-up capital by EGP 400 000 000 to be EGP 600 000 000. Article (6) and (7) has been amended accordingly. The paid-up capital increase had been fully paid according to bank certificate issued by National Bank of Kuwait.

5. Inventories (net)

	<u>30 September 2023</u>	<u>31 December 2022</u>
Raw and packaging materials	1 184 728 714	710 716 838
Spare parts	47 725 261	35 395 312
Work in process	40 273 218	24 863 693
Consumables	14 032 273	11 118 358
Finished goods	32 962 701	28 571 569
Goods In Transit	10 895 832	--
Total	1 330 617 999	810 665 770
Less: write-down for slow moving and obsolete inventory	(6 572 358)	(6 476 005)
Net	1 324 045 641	804 189 765
<u>Write-down for slow moving and obsolete inventory</u>		
	<u>30 September 2023</u>	<u>31 December 2022</u>
Balance on 1 January	6 476 005	3 737 579
Charged during the period / year	2 835 000	3 504 616
Utilized during the period / year	(2 738 647)	(766 190)
Ending Balance as of the period / year	6 572 358	6 476 005

6. Treasury bills

	<u>30 September 2023</u>	<u>31 December 2022</u>
Treasury bills par value		
0-31 Days maturity	--	86 000 000
91 Days maturity	660 000 000	685 000 000
182 Days maturity	210 000 000	--
364 Days maturity	50 000 000	150 000 000
Total	920 000 000	921 000 000
Total Unearned credit interest	(66 791 700)	(48 876 540)
Amount paid for treasury bills	853 208 300	872 123 460
Interest income recognized to profit or loss	47 307 662	22 517 981
Treasury bills balance	900 515 962	894 641 441

The average effective interest rate related to treasury bills is 20.64%.

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.

7. Cash and banks balances

	<u>30 September 2023</u>	<u>31 December 2022</u>
Cash on hand	3 008 485	987 723
Cash at banks	65 279 957	25 788 736
Time Deposits	<u>258 285 889</u>	<u>216 412 245</u>
Cash and bank balances	<u>326 574 331</u>	<u>243 188 704</u>

The average rate on time deposit is 5.30 % with a maturity of less than three months.

For the purpose of the preparation of the separate cash flow statements, periodical cash and cash equivalents consist of:

	<u>30 September 2023</u>	<u>30 September 2022</u>
Cash and bank balances	326 574 331	364 239 880
Bank overdraft (Note 12)	<u>(648 864 241)</u>	<u>(357 459 085)</u>
Total	<u>(322 289 910)</u>	<u>6 780 795</u>

8. Issued and paid-up capital

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

On 30 March 2016 an extra ordinary general assembly meeting was held in which the shareholders approved the increase of issued and paid-up capital from EGP 72 536 290 to be EGP 145 072 580.

An increase amounted to EGP 72 536 290 distributed over 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 commercial register on 9 May 2016.

On 4 April 2021, the extraordinary general assembly meeting approved to write off the treasury shares amounted 2 304 461. Accordingly, the share capital has been reduced by the par value of the treasury shares and the difference between the par value to be EGP 144 611 688 and the consideration paid to acquire those shares was absorbed in retained earnings.

Treasury shares

According to Board of Director resolution on August 2, 2022 and October 18, 2022, the group purchased 15 814 199 shares from the stock market and held in treasury for a total consideration of EGP 160 826 557, the consideration paid has been accounted for as part of the statement of shareholders' Equity.

According to Board of Director resolution on March 16, 2023, the group purchased 7 230 584 shares from the stock market and held in treasury for a total consideration of EGP 105 184 979, the consideration paid has been accounted for as part of the statement of shareholders' Equity.

9. 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 company may stop such transfers when the legal reserve reaches 50% of the issued capital. The reserve is not eligible for distribution to shareholders.

10. Borrowings

	30 September 2023			31 December 2022		
	Current	Non-current	Total	Current	Non-current	Total
First loan	--	--	--	--	--	--
Second loan	--	--	--	--	--	--
Third loan	--	--	--	--	--	--
Fourth loan	20 426 528	--	20 426 528	40 000 000	20 000 000	60 000 000
Fifth loan	--	--	--	--	--	--
Sixth loan	--	--	--	40 123 228	--	40 123 228
Seventh loan	45 585 350	23 995 034	69 580 384	34 762 943	40 702 977	75 465 920
Eighth Loan	51 733 579	83 637 285	135 370 864	15 258 754	83 857 170	99 115 924
Ninth Loan	41 630 009	39 795 159	81 425 168	14 122 163	75 209 377	89 331 540
Tenth Loan	25 238 868	28 217 051	53 455 919	17 667 379	40 730 195	58 397 574
Eleventh Loan	1 422 567	190 000 000	191 422 567	--	--	--
Total	186 036 901	365 644 529	551 681 430	161 934 467	260 499 719	422 434 186

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

	30 September 2023	31 December 2022
Balance due within 1 year	183 759 404	161 443 239
Accrued interest	2 277 497	491 228
Total	186 036 901	161 934 467

EDITA FOOD INDUSTRIES S.A.E.
Notes to the condensed separate interim financial statements - For the nine months period ended 30 September 2023

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

Borrower	Type of debt	Guaranties	Currency	Tenure	Interest rate
First loan	Loan	Cross corporate guarantee Digma Trading Company amounted to LE 185,000,000	EGP/USD	7 years with first instalment in Jan 2016	1% above mid corridor rate of Central Bank of Egypt and 2.5% above the Libor rate 3 months.
Second loan	Loan	Cross corporate guarantee Digma Trading Company amounted to LE 90,000,000	EGP	7 years with first installment in April 2017	1 % above lending rate of Central Bank of Egypt.
Third loan	Loan	Cross corporate guarantee Digma Trading Company amounted to LE 202,234,888	EGP/USD	7 years with first installment in April 2017	1% above mid corridor rate of Central Bank of Egypt and 4.5% above the Libor rate 1 month.
Fourth loan	Loan	Cross corporate guarantee Digma Trading Company amounted to LE 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.
Fifth loan	Loan	None	USD	4 years with the first installment in Sep 2018	3.85% above the USD Libor rate 3 months.
Sixth Loan	Loan	None	USD	3 years with the first installment in May 2021	4% above the USD Libor rate 6 months.
Seventh loan	Loan	Cross corporate guarantee Digma Trading Company	EGP	7 years with first installment in Nov 2022	8 %
Eighth loan	Loan	Cross corporate guarantee Digma Trading Company	EGP	7 years with first installment in June 2022	8 %
Ninth loan	Loan	Cross corporate guarantee Digma Trading Company	EGP	7 years with first installment in Sep 2023	8 %
Tenth loan	Loan	None	EGP	7 years with first installment in July 2023	8%
Eleventh Loan	Loan	None	EGP	7 years with first installment in March 2024	0.5% above mid corridor rate of Central Bank of Egypt

Deferred government grant

The Company obtained loan facilities 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.

The Deferred government grants is according to the following schedule:

	30 September 2023			31 December 2022		
	Current	Non-current	Total	Current	Non-current	Total
Seventh loan	1 934 527	2 851 375	4 785 902	2 281 071	4 057 431	6 338 502
Eighth loan	737 437	859 785	1 597 222	861 078	1 415 991	2 227 069
Ninth loan	498 389	779 296	1 277 685	588 420	1 200 392	1 788 812
Tenth loan	232 229	(60 564)	171 665	380 916	451 951	832 867
	3 402 582	4 429 892	7 832 474	4 111 485	7 125 765	11 237 250

11. Provisions

	30 September 2023	31 December 2022
Balance on 1 January	51 420 223	20 045 431
Charged during the period /year	19 324 240	31 972 963
Utilized during the period / year	(868 395)	(390 434)
No longer required	(7 835 681)	(207 737)
Ending Balance as of	62 040 387	51 420 223

Provisions related to claims expected to be made by a third party in connection with the Group's operations. The information usually required by Egyptian Accounting Standards is not disclosed because the management believes that to do so would seriously prejudice the outcome of the negotiation with that party. These provisions are reviewed by management every year and the amount provided is adjusted based on latest development, discussions, and agreements with the third party.

12. Bank overdrafts

	30 September 2023	31 December 2022
Bank overdraft	648 864 241	486 688 869
Total	648 864 241	486 688 869

Bank overdraft is an integral part of the Company's cash management to finance its working capital. The average interest rate for bank overdraft was 14.42% as of 30 September 2023 (31 December 2022: 8.23 %).

During the current period the company signed an overdraft agreement with National Bank of Kuwait to finance 100% from "Fancy foods S.A.E" acquisition transaction and financing company OPEX.

13. Creditors and other credit balances

Increase in Creditors and other credit balances is due to the increase in the accrued outstanding balance of advertising and marketing expense as of 30 September 2023 compared to accrued outstanding balances as of 31 December 2022.

14. Earnings per share**Basic**

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

	<u>30 September 2023</u>	<u>30 September 2022</u>
Profit for the period	1 052 741 780	575 206 800
Employee estimated profit share distribution	(60 937 688)	--
Net profit available after employees' profit share	991 804 020	575 206 800
Ordinary shares	723 058 439	723 058 440
Treasury Shares	(23 044 783)	(6 152 811)
Weighted average number of ordinary shares in issue	701 980 800	716 905 629
Basic earnings per share	1.41	0.80

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 company 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.

15. Sales Revenues

Increase in sales is due to:

- Price increase of Company's products in Cake, Croissant and Rusks segments during the period ended 30 September 2023 compared to the same period last year.
- Increase in export sales during the period ended 30 September 2023 impacted by the change in USD exchange rate.

16. Other income – Net

	<u>30 September 2023</u>	<u>30 September 2022</u>
Export subsidies	50 555 320	20 805 217
Gain on disposal of property, plant, and equipment	1 093 703	7 286 525
Other income	3 118 957	2 702 565
Income from Government grant	3 401 171	3 601 372
Solidarity contribution	(17 810 153)	(10 503 076)
Training Fund	--	(5 100 000)
Total	40 358 998	18 792 603

17. Debtors and other debit balances

Increase in debtors and other debit balances is due to the increase in the Advance payment to suppliers outstanding balance as of 30 September 2023 compared to outstanding balances as of 31 December 2022.

18. Expenses by nature

	30 September 2023	30 September 2022
Cost of sales	5 244 122 637	3 041 397 591
Distribution cost	239 518 588	206 760 269
Administrative expenses	405 735 623	245 404 524
	5 889 376 848	3 493 562 384
Raw and packaging materials used	4 507 981 186	2 470 058 645
Salaries and wages	509 505 717	360 770 888
Advertising expense	212 553 012	190 916 898
Depreciation and Amortization	118 891 011	106 234 478
Miscellaneous and other expense	174 522 646	87 565 950
Fuel, oil, water and electricity	98 738 295	75 459 851
Employees benefits	84 948 583	64 611 593
Company's share in social insurance	27 459 807	23 712 644
Transportation expense	45 698 442	42 960 060
Maintenance	56 524 634	37 911 805
Consumables	47 877 334	29 467 965
Vehicle expense	4 676 181	3 891 607
Total cost of sales, distribution costs, and administrative expenses	5 889 376 848	3 493 562 384

EDITA FOOD INDUSTRIES S.A.E.

Notes to the condensed separate interim financial statements - For the nine months period ended 30 September 2023
(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

19. Segment reporting

The Company operates across Five segments in Egyptian snack food market offering nine distinct brands:

	Segment	Brand		Product									
				Traditional rolled filled and layered cake as well as brownies and packaged donut		Sweet and savoury croissants and strudels		Baked wheat salty snack		Filled wafers		Cookies	
	Cake	Tiger tail, Twinkies, Todo and HOHOS											
	Croissants	Molto											
	Rusks	Bake Rolz, Bake Stix											
	Wafer	Freska											
	Biscuits	Oniro											
	(Amounts presented to the nearest thousands EGP)												
		Cake	Croissant		Rusks		Wafer		Biscuits		Total		
		30.9.2023	30.9.2022	30.9.2023	30.9.2022	30.9.2023	30.9.2022	30.9.2023	30.9.2022	30.9.2023	30.9.2022	30.9.2023	30.9.2022
Revenue	3 637 004	2 085 827	2 435 987	1 415 144	327 892	223 427	671 343	449 401	51 835	27 431	7 124 061	4 201 230	
Gross profit	1 098 172	576 188	551 087	414 659	63 225	40 763	164 241	125 983	3 214	2 239	1 879 939	1 159 832	
Operating profit	734 944	381 083	341 691	255 959	44 059	30 311	116 781	62 307	(2 790)	(30 754)	1 234 684	698 906	

Operating profit reconciles to net profit as follows:

	30 September 2023	30 September 2022
Operating profit	1 234 684	698 906
Foreign Exchange gain	39 787	4 334
Finance cost	(92 819)	(49 416)
Finance income	162 054	72 791
Other income/expense	19 526	18 793
Income tax	(310 490)	(170 200)
Net profit	1 052 742	575 207

Segment reporting (continued)

The segment information disclosed in the table above represents the segment information provided to the chief operating decision makers of the Company.

- Management has determined the operating segments based on the information reviewed by the chief operating decision makers of the Company 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 Company 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 Company.

20. Contingent liabilities

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

The banks have issued letters of credit and guarantee in favor of Edita Foods Industries amounted to EGP 273 588 490 (31 December 2022: EGP 312 623 934).

21. Commitments

Capital commitments

The Company has capital commitments as of 30 September 2023 of EGP 561 M (31 December 2022: EGP 74 M) in respect of the capital expenditure.

22. 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 Company as of the condensed interim financial statements date.

a) Corporate tax

- The company is tax exempted for a period of 10 years ended 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 – 2019, the inspection finalized, and the file transferred to the internal committee.
- For the years 2020 – 2022 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 the Company paid tax due.
- As for the years 2020 till 2022 the tax inspection has not been performed and the Company is submitting the quarterly tax return on due time to the Tax Authority.

c) VAT & Sales tax

- The sales tax inspection was performed till 31 December 2019 and tax due was paid.
- Year 2020 tax inspection has been finalized the tax due was settled.
- Years from 2021 till 2022 tax inspection has not been performed and the company is filling monthly tax return in its due date .

d) Stamp duty tax

- The stamp duty tax inspection was performed till 2020 and tax due was paid.
- Years from 2021 till 2022 tax inspection has not been performed.

23. Significant events during the period:

- On March 28, 2023, the ordinary general assembly of the company's shareholders was held, and it approved the financial statements for the year ended December 31, 2022 and approved the dividends distribution to shareholders of EGP 400 million and employee dividend distribution of EGP 52.7 million.
- The Monetary Policy Committee of the Central Bank of Egypt decided, in its meeting on Thursday, March 30, 2023, to raise the overnight deposit and lending yield and the price of the main operation of the Central Bank by 200 basis points, to reach 18.25, 19.25 and 18.75%, respectively. The credit and discount rate were also raised by 200 basis points to reach my rate 18.75%
- The Board of Directors agreed, in its session on May 29, 2023, the purchase of 100% of "Fancy Foods Company for Food Industries S.A.E.", with a total purchase price of EGP 120 926 903. The deal was closed on June 13, 2023, through registering the sale and transfer of "Fancy Foods Company for Food Industries S.A.E." purchased shares to "Edita Food Industries S.A.E" before the EGX in accordance with the applicable laws and regulations (Note 4).
- The Monetary Policy Committee of the Central Bank of Egypt decided, in its meeting on Thursday, August 3, 2023, to raise the overnight deposit and lending yield and the price of the main operation of the Central Bank by 100 basis points, to reach 19.25, 20.25 and 19.75%, respectively. The credit and discount rate were also raised by 100 basis points to reach my rate 19.75%.
- During the current period the company signed a loan agreement with National Bank of Kuwait with total amount of EGP 200 000 000 to finance "Edita Frozen foods S.A.E" CAPEX expenditure. The loan has not been disbursed until the interim financial statement date.
- The company signed a loan agreement with International Finance Corporation with total amount of USD 45 000 000 to finance the Group's working capital and capital expenditure program in Egypt and Morocco (including for constructing three (3) wastewater treatment plants for factories in Egypt), the Group's expansion plan in Egypt and internationally and the refinancing of up to \$10 million Dollars of the loan provided by IFC to the Co-Borrowers. The loan has not been disbursed until the interim financial statement date.

24. Subsequent events:

- The Board of Directors agreed, in its session held on October 10, 2023, to reduce the capital of the Company from EGP 144 611 688 to EGP 140 002 731 through write off treasury shares of the company in total of 23,044,783 share.
- The Board of Directors agreed, in its session held on 10th of October 2023, approved the proposed interim cash dividend of EGP 299 700 000 at EGP 0.428 per share and decided to present it to general assembly for approval in its next meeting.