

EDITA FOOD INDUSTRIES S.A.E.

**REVIEW REPORT AND
CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
30 June 2024**

EDITA FOOD INDUSTRIES S.A.E.

Condensed Separate Interim financial statements - For the six months period ended 30 June 2024

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 condensed separate Interim financial statements	7 – 19

Review Report

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 June 30, 2024, and the related condensed separate interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the Six-months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these 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 June 30, 2024; and of its financial performance and its cash flows for the Six-months then ended in accordance with Egyptian Accounting Standard No. 30 "Interim Financial Reporting".

Cairo, August 13, 2024

Kamel M. Saleh FCA,
F.E.S.A.A. (R.A.A. 8510)



EDITA FOOD INDUSTRIES S.A.E.
Condensed Separate Interim statement of financial position as of 30 June 2024

	<u>Note</u>	<u>30-Jun-24</u>	<u>31-Dec-23</u>
		<u>EGP</u>	<u>EGP</u>
Assets			
Non-current assets			
Property, plant and equipment and projects under constructions	(3)	2 558 463 890	2 076 400 461
Intangible assets		190 210 360	179 713 137
Investments in subsidiaries	(4)	705 600 849	705 600 849
Total non-current assets		<u>3 454 275 099</u>	<u>2 960 714 447</u>
Current assets			
Inventories (net)	(5)	1 960 050 214	1 578 250 374
Debtors and other debit balances	(14)	663 465 245	446 660 282
Due from related parties		248 883 679	241 758 824
Treasury bills	(6)	--	346 432 739
Cash and bank balances	(7)	348 953 908	121 455 553
Total current assets		<u>3 221 353 046</u>	<u>2 734 587 772</u>
Total assets		<u>6 675 628 145</u>	<u>5 695 272 219</u>
Equity and liabilities			
Equity			
Issued and Paid-up capital	(8)	140 002 731	140 002 731
Legal reserve	(9)	72 536 290	72 536 290
Retained earnings		3 103 274 976	2 721 628 520
Total equity		<u>3 315 813 997</u>	<u>2 934 165 541</u>
Liabilities			
Non-current liabilities			
Borrowings	(10)	694 504 712	335 120 110
Deferred government grant	(10)	2 292 185	3 782 181
Employee benefit obligations		47 968 152	40 009 559
Deferred tax liabilities, net		199 404 415	200 088 020
Total non-current liabilities		<u>944 169 464</u>	<u>578 999 850</u>
Current liabilities			
Provisions	(11)	84 708 185	74 930 176
Bank overdraft	(12)	366 096 514	562 647 724
Trade and notes Payables		889 513 887	792 471 975
Creditors Other Credit balances	(19)	410 511 583	212 421 311
Due to related parties	(15)	287 748 261	48 181 658
Borrowings	(10)	209 264 236	210 892 484
Deferred government grant - Current portion	(10)	2 673 355	3 003 960
Current income tax liabilities		165 128 883	277 557 540
Total current liabilities		<u>2 415 644 684</u>	<u>2 182 106 828</u>
Total liabilities		<u>3 359 814 148</u>	<u>2 761 106 678</u>
Total equity and liabilities		<u>6 675 628 145</u>	<u>5 695 272 219</u>

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

Mr. Sameh Naguib
Chief Financial Officer

Eng. Hani Berzi
Chairman

- Review report attached

EDITA FOOD INDUSTRIES S.A.E.
Condensed Separate interim statement of profit or loss
For the six months ended 30 June 2024

	Note	The six months period ended		The three months period ended	
		30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
		EGP	EGP	EGP	EGP
Revenue	(17)	6 434 364 417	4 517 313 734	3 292 339 547	2 274 745 889
Cost of sales	(18)	(4 946 897 813)	(3 360 752 131)	(2 549 281 440)	(1 689 736 504)
Gross profit		1 487 466 604	1 156 561 603	743 058 107	585 009 385
Other revenues - Net		12 071 181	41 952 709	17 559 784	45 338 879
Distribution cost	(18)	(213 774 286)	(161 210 479)	(107 200 086)	(81 755 900)
Administrative expenses	(18)	(366 686 556)	(269 544 420)	(192 821 836)	(142 885 416)
Inventory write-down provision	(5)	-	(1 890 000)	-	(945 000)
Provisions	(11)	(9 779 064)	(10 487 981)	(5 077 160)	(5 226 703)
Employee benefit obligations provision		(8 478 872)	(4 260 764)	(4 239 436)	(2 250 000)
Interest income		59 350 509	107 421 891	15 520 370	54 446 778
Foreign Exchange Gain		86 968 201	32 493 964	17 318 941	(8 197 818)
Finance cost		(98 955 668)	(50 577 378)	(61 844 782)	(26 747 733)
Profit for the period before tax		948 182 049	840 459 145	422 273 902	416 786 472
Income tax expense		(224 190 026)	(191 528 869)	(104 285 449)	(95 035 219)
Net profit for the period		723 992 023	648 930 276	317 988 453	321 751 253
Basic earnings per share	(13)	0.95	0.93	0.45	0.46
Diluted earnings per share	(13)	0.95	0.93	0.45	0.46

- 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 six months ended 30 June 2024

	The six months period ended		The three months period	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Net profit for the period	723 992 023	648 930 276	317 988 453	321 751 253
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>723 992 023</u>	<u>648 930 276</u>	<u>317 988 453</u>	<u>321 751 253</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 six months ended 30 June 2024

Note	Share capital EGP	Legal reserve EGP	Treasury shares EGP	Retained earnings EGP	Total EGP
Balance at 1 January 2023					
Change of equity in 2023	144 611 688	72 536 290	(160 827 557)	2 392 289 206	2 448 609 627
Profit for the period	-	-	-	648 930 276	648 930 276
Total comprehensive income for the period				648 930 276	648 930 276
Total shareholders transactions					
Purchase of treasury shares	-	-	(105,184,979)	-	(105,184,979)
Dividends distribution for 2022	-	-	-	(452 700 000)	(452 700 000)
Balance at 30 June 2023	144 611 688	72 536 290	(266 012 536)	2 588 519 482	2 539 654 924
Balance at 1 January 2024	140 002 731	72 536 290	-	2 721 626 520	2 934 165 541
Change of equity in 2024					
Profit for the period	-	-	-	723 992 023	723 992 023
Total comprehensive income for the period				723 992 023	723 992 023
Total Shareholders transactions					
Dividends distribution for 2023 *	-	-	-	(342 343 567)	(342 343 567)
Balance at 30 June 2024	140 002 731	72 536 290	-	3 103 274 976	3 315 813 997

* The dividend distribution for 2023 include Employee profit share for for Edita Food Industries employees amounted to EGP 42 343 567.

- 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 six months ended 30 June 2024

	<u>Notes</u>	<u>30-Jun-24</u>	<u>30-Jun-23</u>
		<u>EGP</u>	<u>EGP</u>
<u>Cash flows from operating activities</u>			
Profit for the period before income tax		948 182 049	840 459 145
Adjustments for:			
Provisions	(11)	9 779 064	10 487 981
Provision for employee benefit obligation		8 478 872	4 260 764
Interest expenses		98 955 668	50 577 378
Interest income		(59 350 509)	(107 421 891)
Depreciation of Fixed Assets	(3)	80 497 539	75 326 692
Amortization of intangible assets		3 467 877	3 620 010
Government grant income		(1 820 581)	(2 299 099)
write-down of slow moving inventory	(5)	-	1 890 000
Gain on disposal of property, plant and equipment	(3)	(457 620)	(834 586)
Foreign exchange (gain)		(86 968 201)	(32 493 964)
Operating income before changes in working capital		1 000 764 158	843 572 430
<u>Changes in working Capital</u>			
Inventories		(381 799 840)	(316 616 595)
Debtors and other receivables		(163 607 389)	(56 385 787)
Due from related parties		66 291 948	(183 804 333)
Trade and other payables*		296 550 543	157 890 655
Due to related parties		239 566 603	179 195 331
Provision utilized	(11)	(1 055)	(73 677)
Inventory Provision utilized		-	(260 869)
Payment of employee benefits obligation		(520 279)	(3 083 790)
Dividends paid to company's employees		(57 856 058)	(51 540 872)
Cash inflow from operating activities		999 388 631	568 892 493
Interest paid		(108 389 249)	(23 814 349)
Income taxes paid		(337 302 288)	(182 587 915)
Net cash inflow from operating activities		553 697 094	362 490 229
<u>Cash flows from investing activities</u>			
Payment for purchase of property, plant and equipment and projects under construction*	(3)	(568 489 319)	(106 983 818)
Payment of intangible assets		(228 000)	(255 625)
Proceeds from disposal of property, plant and equipment		545 682	851 077
Interest received		76 589 248	99 283 971
Payment for purchase of treasury bills		(676 043 950)	(3 198 494 113)
Proceeds from treasury bills		1 005 237 950	3 240 834 183
Payment for acquisition of new subsidiary		-	(257 206 876)
Net cash inflow (outflow) from investing activities		(162 388 389)	(221 971 201)
<u>Cash flows from financing activities</u>			
Proceeds from borrowings		391 009 893	50 475 549
Repayment of borrowings		(58 269 033)	(86 779 729)
Payment for purchase of treasury shares		-	(105 184 979)
Dividends paid		(300 000 000)	(400 000 000)
Net cash outflow from financing activities		32 740 860	(541 489 159)
Net increase in cash and cash equivalents		424 049 565	(400 970 131)
Cash and cash equivalents at beginning of the period		(441 192 171)	(243 500 165)
Cash and cash equivalents at the end of the period	(7)	(17 142 606)	(644 470 296)
Non cash transactions			

* The effect of credit purchase of property, plant, and equipment amounted to EGP 8 896 811 had been eliminated as non cash transaction from both Trade and other payables as well as Payment for purchase of Property, Plant and equipment and projects under construction.

- 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 board of directors on 13 August 2024.

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, 2023.

Egyptian Accounting Standard 13 Revised 2024 "Effects of Changes in Foreign Exchange Rates"

The company has applied Egyptian Accounting Standard No. 13 - amended 2024 "Effects of Changes in Foreign Currency Exchange Rates" issued on March 3, 2024, which should be applied to financial periods beginning on or after January 1, 2024. There is no impact on the opening balance of retained earnings on the date of application.

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.

EDITA FOOD INDUSTRIES S.A.E.

Notes to the condensed separate interim financial statements - For the six months period ended 30 June 2024
(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

3. Property, plant and equipment and projects under constructions

Cost	Land EGP	Buildings EGP	Machinery and Equipment EGP	Vehicles EGP	Tools & Equipment EGP	Furniture and Office Equipment EGP	Projects under construction EGP	Total EGP
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	-	29 423 475	31 885 784	-	22 248 677	-	(83 557 936)	
Additions	-	-	5 594 051	20 396 970	7 054 704	7 714 886	322 130 547	362 891 158
Disposals	-	-	(16 161 232)	(4 850 500)	(599 682)	(446 184)	(832 367)	(22 889 965)
Cost as of December 31, 2023	106 714 127	888 498 129	1 523 918 718	63 596 838	253 491 814	106 506 480	257 179 749	3 199 905 855
Accumulated depreciation								
January 1, 2023	-	(239 404 825)	(501 300 041)	(27 060 144)	(139 795 469)	(80 127 839)	-	(987 688 318)
Depreciation for the year	-	(34 131 008)	(71 795 077)	(9 505 450)	(28 785 530)	(8 348 265)	-	(152 565 330)
Accumulated depreciation of disposals	-	-	9 878 895	4 834 012	589 418	445 929	-	15 748 254
As of December 31, 2023	-	(273 535 833)	(563 216 223)	(31 731 582)	(167 991 581)	(88 030 175)	-	(1 124 505 394)
Net book value as of December 31, 2023	106 714 127	614 962 296	960 702 495	31 865 256	85 500 233	18 476 305	257 179 749	2 075 400 461
Cost as of January 1, 2024	106 714 127	888 498 129	1 523 918 718	63 596 838	253 491 814	106 506 480	257 179 749	3 199 905 855
Transferred from projects under constructions	-	12 167 475	49 568 827	-	24 614 373	56 700	(100 144 475)	(13 737 100)
Additions	-	-	767 220	31 051 493	14 372 090	5 860 435	525 334 892	577 386 130
Disposals	-	-	(49 700)	(1 261 900)	(217 206)	(34 309)	-	(1 563 115)
Cost as of June 30, 2024	106 714 127	900 665 604	1 574 205 065	93 386 431	292 261 071	112 389 306	682 370 166	3 761 991 770
Accumulated depreciation								
As of January 1, 2024	-	(273 535 833)	(563 216 223)	(31 731 582)	(167 991 581)	(88 030 175)	-	(1 124 505 394)
Depreciation for the period	-	(17 485 002)	(36 150 697)	(6 953 635)	(15 893 168)	(4 015 037)	-	(80 497 539)
Accumulated depreciation of disposals	-	-	23 520	1 203 892	213 332	34 309	-	1 475 053
As of June 30, 2024	-	(291 020 835)	(599 343 400)	(37 481 325)	(183 671 417)	(92 010 903)	-	(1 203 527 880)
Net book value as of June 30, 2024	106 714 127	609 644 769	974 861 665	55 905 106	108 589 654	20 378 403	682 370 166	2 558 463 890

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

	30 June 2024	30 June 2023
Charged to cost of sales	69 140 029	66 007 006
Charged to administrative expenses	11 155 103	9 095 972
Charged to distribution costs	202 407	223 714
	80 497 539	75 326 692

The project under construction represents the following Categories:

	30 June 2024	31 December 2023
Buildings	63 979 036	13 317 977
Machinery and equipment	554 207 970	205 621 300
Tools and equipment	11 953 991	8 946 181
Technical and other installations	52 229 169	29 294 291
	682 370 166	257 179 749

Cash flow statement.

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

	30 June 2024	30 June 2023
Net book value of the assets disposed	88 062	16 491
Losses / gain on sale of property, plant and equipment	457 620	834 586
	545 682	851 077

4. Investments in subsidiaries

	Country of Incorporation	% Interest held	30 June 2024	31 December 2023
Edita for Trade and Distribution	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 Food industries	Egypt	100%	520 926 404	520 926 404
Balance at June 30, 2024			705 600 849	705 600 849

*On March 6, 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.

***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. 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)

	30 June 2024	31 December 2023
Raw and packaging materials	1 753 801 223	1 437 426 669
Finished goods	74 871 771	38 023 894
Spare parts	56 840 302	49 947 818
Work in process	62 664 944	43 653 337
Consumables	19 051 170	16 377 852
Total	1 967 229 410	1 585 429 570
Less: write-down for slow moving and obsolete inventory	(7 179 196)	(7 179 196)
Net	1 960 050 214	1 578 250 374

Write-down for slow moving and obsolete inventory.

	30 June 2024	31 December 2023
Balance on 1 January	7 179 196	6 476 005
Charged during the period / year	--	3 780 000
Utilized during the period / year	--	(3 076 809)
Ending Balance as of the period / year	7 179 196	7 179 196

6. Treasury bills

	30 June 2024	31 December 2023
Treasury bills par value		
91 Days maturity	--	350 000 000
Total	--	350 000 000
Total Unearned credit interest	--	(20 806 000)
Amount paid for treasury bills	--	329 194 000
Interest income recognized to profit or loss	--	17 238 739
Treasury bills balance	--	346 432 739

According to the decision of the head minister no. 4575 for 2023, financial debt instruments issued by the Egyptian government in the local currency are exempted from recognition and expected credit losses measurement.

7. Cash and banks balances

	<u>30 June 2024</u>	<u>31 December 2023</u>
Cash on hand	10 334 039	3 610 841
Cash at banks	99 705 119	56 277 035
Time Deposits	<u>238 914 750</u>	<u>61 567 677</u>
Cash and bank balances	<u>348 953 908</u>	<u>121 455 553</u>

The average rate on time deposit is 6.32% with a maturity of less than one month.

For the purpose of the preparation of the condensed separate Interim cash flow statement, cash and cash equivalents consist of:

	<u>30 June 2024</u>	<u>30 June 2023</u>
Cash and bank balances	348 953 908	294 726 704
Bank overdraft (Note 12)	<u>(366 096 514)</u>	<u>(939 197 000)</u>
Total	<u>(17 142 606)</u>	<u>(644 470 296)</u>

8. Issued and paid-up capital

The issued and paid-up capital amounted to EGP 72 536 290 distributed on 362 681 450 shares (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 145 072 850. 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 May 9, 2016.

On April 2021, the extraordinary general assembly meeting approved to write off the treasury shares amounted to 2 304 461 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.

On 26 November 2023 the extraordinary general assembly meeting approved to write off the treasury shares amounted 23 044 783. 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.

On 30 June 2024 the issued and paid-up capital amounted to EGP 140 002 731 (par value EGP 0.2 per share).

Treasury shares

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 and the consideration paid to acquire those shares was absorbed in retained earnings.

According to Board of Director resolution on 2 August 2022 and 18 October 2022 the group purchased 15 814 199 shares from the stock market and held in treasury for a total consideration of EGP 160 827 557 the consideration paid has been accounted for as a reserve in the statement of shareholders' Equity.

According to Board of Director resolution on 16 March 2023 the group purchased 7 230 584 shares from the stock market and held in treasury for a total consideration of EGP 105 173 725 the consideration paid has been accounted for as a reserve in the statement of shareholders' Equity.

On 26 November 2023 the extraordinary general assembly meeting approved to write off the treasury shares amounted 23 044 783. 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.

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 June 2024			31 December 2023		
	Current	Non-current	Total	Current	Non-current	Total
Fourth loan	366 528	--	366 528	20 357 361	--	20 357 361
Seventh Loan	44 790 753	4 919 711	49 710 464	54 544 317	4 227 158	58 771 475
Eighth Loan	50 067 452	32 370 653	82 438 105	41 022 947	49 594 457	90 617 404
Ninth loan	32 356 388	7 870 308	40 226 696	41 621 076	41 214 756	82 835 832
Tenth loan	50 543 925	23 483 506	74 027 431	32 085 831	14 375 274	46 461 105
Eleventh loan	15 780 556	190 000 000	205 780 556	11 498 958	190 000 000	201 498 958
Twelfth Loan	13 927 179	44 850 641	58 777 820	9 761 994	35 708 465	45 470 459
Thirteenth loan	210 882	8 251 893	8 462 775	--	--	--
Fourteenth Loan	1 220 573	382 758 000	383 978 573	--	--	--
Total	209 264 236	694 504 712	903 768 948	210 892 484	335 120 110	546 012 594

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

	30 June 2024	31 December 2023
Balance due within 1 year	190 572 987	198 201 286
Accrued interest	18 691 249	12 691 198
Total	209 264 236	210 892 484

EDITA FOOD INDUSTRIES S.A.E.
Notes to the condensed separate interim financial statements - For the six months period ended 30 June 2024

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

Borrower	Type of debt	Guaranties	Currency	Tenure	Interest rate
Fourth loan	Loan	Cross corporate guarantee Edita for Trade and Distribution 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.
Seventh loan	Loan	Cross corporate guarantee Edita for Trade and Distribution Company	EGP	7 years with first installment in Nov 2022	8 %
Eighth loan	Loan	Cross corporate guarantee Edita for Trade and Distribution Company	EGP	7 years with first installment in July 2023	8 %
Ninth loan	Loan	Cross corporate guarantee Edita for Trade and Distribution Company	EGP	7 years with first installment in Sep 2023	8 %
Tenth loan	Loan		EGP	7 years with first installment in June 2022	8%
Eleventh Loan	Loan		EGP	7 years with first instalment in March 2024	0.5% above mid corridor rate of Central Bank of Egypt
Twelfth Loan	Loan	Cross corporate guarantee Edita for Trade and Distribution Company	EGP/USD	5 years with first instalment in July 2023	1% above mid corridor rate of Central Bank of Egypt and average 3% above USD Sofr rate 3 months
Thirteenth loan	Loan	Cross corporate guarantee Edita for Trade and Distribution Company	EGP	7 years with first instalment in May 2026	0.5% above mid corridor rate of Central Bank of Egypt
Fourteenth Loan	Loan	Cross corporate guarantee Edita for Trade and Distribution Company	EGP	8 years with first instalment in June 2026	0.45% above mid corridor rate of Central Bank of Egypt

Fourteenth Loan

During the second quarter Edita food industries S.A.E has signed a loan agreement with Banque Misr to be used to finance new production lines to enhance production. Total loan amount to 990 million Egyptian pound. EGP 382 758 000 has been withdrawn as of the condensed interim separate financial statements as of 30 June 2024.

Deferred government grant

The Company 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.

The Deferred government grants is according to the following schedule:

	30 June 2024			31 December 2023		
	Current	Non-current	Total	Current	Non-current	Total
Seventh loan	1 653 441	1 586 335	3 239 776	1 858 544	2 614 040	4 472 584
Eighth loan	352	--	352	41 727	--	41 727
Ninth loan	442 078	491 643	933 721	475 935	698 953	1 174 888
Tenth loan	577 484	214 207	791 691	627 754	469 168	1 096 922
	2 673 355	2 292 185	4 965 540	3 003 960	3 782 161	6 786 121

11. Provisions

	30 June 2024	31 December 2023
Balance on 1 January	74 930 176	51 420 223
Charged during the period /year	11 581 300	32 214 026
Utilized during the period / year	(1 055)	(868 392)
No longer required	(1 802 236)	(7 835 681)
Ending Balance as of	84 708 185	74 930 176

Provisions related to claims expected to be made by a third party in connection with the Company'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 June 2024	31 December 2023
Bank overdraft	366 096 514	562 647 724
Total	366 096 514	562 647 724

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 23.06% as of 30 June 2024 (31 December 2023: 15.33%).

13. 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 June 2024</u>	<u>30 June 2023</u>
Profit for the period	723 992 023	648 930 276
Employees' profit share*	(55 870 830)	--
Profit attributable to shareholders' after employees' profit share	668 121 193	648 930 276
Weighted average number of ordinary shares in issue		
Ordinary shares	700 013 657	723 058 440
Treasury shares	--	(23 044 783)
	<u>700 013 657</u>	<u>700 013 657</u>
Basic earnings per share	<u>0.95</u>	<u>0.93</u>

*Employees' profit share has been estimated and the employees' profit share distribution proposal will be presented to the board of directors and the ordinary general meeting at the end of the year.

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 potential ordinary shares, hence the diluted earnings per share is the same as the basic earnings per share.

14. Trade and other receivables

	<u>30 June 2024</u>	<u>31 December 2023</u>
Trade receivables	52 563 102	34 548 467
Advances to suppliers	447 038 856	353 072 935
Prepaid expenses	87 605 804	30 648 813
Deposits with others	19 986 305	15 037 018
Other debit balances	36 781 126	13 304 811
Letter of credit	19 473 805	--
Employee loans	16 247	48 238
Total	<u>663 465 245</u>	<u>446 660 282</u>

15. Related parties

The increase in the balance of due to related parties is due to the increase in payments from related parties represented in advance payments from Edita Frozen Food Industries amounting to 53 million EGP, and Edita for Trade and Distribution by 235 million EGP during the period ended 30 June 2024 against company products.

EDITA FOOD INDUSTRIES S.A.E.

Notes to the condensed separate interim financial statements - For the six months period ended 30 June 2024

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

16. Segment reporting

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

Segment	Brand	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											
Biscuits	Oniro	Cookies											
(Amounts presented to the nearest thousands EGP)													
	Cake	Croissant		Rusks		Wafer		Biscuits		Total			
	30.6.2024	30.6.2023	30.6.2024	30.6.2023	30.6.2024	30.6.2023	30.6.2024	30.6.2023	30.6.2024	30.6.2023	30.6.2024	30.6.2023	
Revenue	3 393 933	2 348 555	1 884 991	1 447 784	270 905	213 872	819 458	467 810	65 077	39 293	6 434 364	4 517 314	
Gross profit	929 569	660 153	338 899	335 618	30 804	42 719	186 350	116 424	1 845	1 647	1 487 467	1 156 562	
Operating profit	630 948	417 972	155 118	205 465	10 320	25 667	123 483	79 568	(12 863)	(2 865)	907 006	725 807	
Operating profit reconciles to net profit as follows:													
	30 June 2024		30 June 2023										
Operating profit	907 006		725 807										
Other expenses	(6 187)		25 314										
Foreign Exchange Gain/(Loss)	86 968		32 494										
Finance cost	(98 956)		(50 577)										
Finance income	59 351		107 422										
Income tax	(224 190)		(191 529)										
Net profit	723 992		648 931										

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.

17. Sales Revenues**Increase in Sales is due to:**

- Price increase of Company's products in Cake, Croissants and Rusks segments during last year and the period ended 30 June 2024 compared to the same period last year 30 June 2023.
- Increase in export sales during the period ended 30 June 2024 impacted by the change in USD exchange rate.

18. Expense by nature

	30 June 2024	30 June 2023
Cost of sales	4 946 897 813	3 360 752 131
Distribution cost	213 774 286	161 210 479
Administrative expenses	366 686 556	269 544 420
	5 527 358 655	3 791 507 030
Raw and packaging materials used	4 301 265 560	2 882 803 399
Salaries and wages	483 926 371	321 845 286
Advertising expense	189 015 004	145 694 181
Depreciation and Amortization	83 965 416	78 946 703
Miscellaneous and other expense	129 322 584	126 638 957
Fuel, oil, water and electricity	84 348 397	64 452 151
Employees benefits	78 098 393	55 334 878
Company's share in social insurance	29 762 158	18 230 812
Transportation expense	35 164 400	28 979 530
Maintenance	58 094 337	35 442 277
Consumables	45 313 847	30 322 850
Logistic expenses	4 741 305	--
Vehicle expense	4 340 883	2 816 006
Total cost of sales, distribution costs, and administrative expenses	5 527 358 655	3 791 517 030

19. Creditors and other credit balances

The increase in Creditors and other credit balances is due to the increase in accrued expenses related to advertising and marketing expenses and the increase in advances from customers balance which is related to export customers as of the period ended 30 June 2024.

20. Contingent liabilities

The Company guarantees Edita for Trade and Distribution 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 during the normal course of operation as of 30 June 2024 amounted to EGP 660 455 180 (31 December 2023: EGP 267 893 918).

IFC Loan

On 30 September 2023, Edita Food Industries S.A.E, Edita Participation Cyprus Limited and Edita For Trade & Distribution "The Co-Borrowers" signed a loan agreement with International Finance Corporation with total amount of USD 45 million. to finance (i) the Group's working capital and capital expenditure program in Egypt and Morocco (ii) the Group's expansion plan in Egypt and internationally, and (iii) the refinancing of up to \$10 million Dollars of the loan provided by IFC to the Co-Borrowers under the loan agreement (the "2019 Loan Agreement") entered among the parties and dated May 26, 2019.

According to the loan Agreement, each of the Co-Borrowers shall be jointly and severally liable for all obligations of all the Co-Borrowers, If any Event of Default occurs and is continuing.

As of the condensed interim separate financial statements date no amounts withdrawn by Edita Food Industries from the said loan.

21. Commitments

Capital Commitments

The Company has capital commitments as of 30 June 2024 of EGP 753 M (31 December 2023: EGP 832M) 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 financial statements date 30 June 2024.

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 2016 and all due tax amounts paid.
- For the years 2017 – 2019, the company has been inspected and file has been transferred to the internal committee.
- For the years 2020 – 2023 the tax inspection has not been performed and the Company is submitting the quarterly tax return on due time to the Tax Authority.

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 2023 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 Company is submitting the monthly tax returns on due time to the Tax Authority according to law no 67 for 2016.
- The sales tax inspection was performed till 31 December 2020 and tax due was paid.
- Years from 2021 till 2023 tax inspection has not been performed and the monthly returns is submitted on due time.

D) Stamp duty tax

- The stamp duty tax inspection was performed till 2020 and tax due was paid.
- Years from 2021 till 2023 tax inspection has not been performed.

23. Significant events during the period

- On March 28, 2024, the ordinary general assembly of the company's shareholders was held, and it approved the financial statements for the year ended December 31, 2023 and approved the dividends distribution to shareholders of EGP 300 million to be distributed in the form of cash coupons amounted to EGP 0.428 per share and employee dividend distribution of EGP 42.3 million.
And amount of EGP 140 002 731 from the balance of the retained earnings according to the financial statements as of 31/12/2023 under the balance of the increase of issued and paid up capital to be distributed to the shareholders in the form of free shares with the rate of one free share for each share.
- The Monetary Policy Committee of the Central Bank of Egypt decided, in its meeting on Thursday, February 1, 2024, 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 21.25%, 22.25% and 21.75%, respectively. The credit and discount rate was also raised by 200 basis points to reach my rate 21.75%
- The Monetary Policy Committee of the Central Bank of Egypt decided, in its meeting on Thursday, March 6, 2024, to raise the overnight deposit and lending yield and the price of the main operation of the Central Bank by 600 basis points, to reach 27.25%, 28.25% and 27.75%, respectively. The credit and discount rate was also raised by 600 basis points to reach my rate 28.75% in addition the bank has liberalized the exchange rate to allow the rate to be determined according to market conditions.
- Edita food industries S.A.E has signed an agreement to obtain a medium-term loan for 8 years which amounted to 990 million Egyptian pound with an interest rate of 0.45% above corridor rate with a semi-annual payment plan each installment amounting to 82.5 million EGP, the first installment is due in April 2026, this loan will be used to finance new production lines to enhance production.

24. Subsequent events

- There has been no significant subsequent events post the date of the condensed separate interim financial statements.