

EDITA FOOD INDUSTRIES S.A.E.

REVIEW REPORT AND
CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
31 March 2024

EDITA FOOD INDUSTRIES S.A.E.

Condensed Separate Interim financial statements - For the three months period ended 31 March 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



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

T +20 (0) 2 246 199 09

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 March 31, 2024, and the related condensed separate interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-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 March 31, 2024; and of its financial performance and its cash flows for the three-months then ended in accordance with Egyptian Accounting Standard No. 30 "Interim Financial Reporting".

Cairo, May 20, 2024



EDITA FOOD INDUSTRIES S.A.E.
Condensed Separate interim statement of financial position as of 31 March 2024

	Note	31-Mar-24 EGP	31-Dec-23 EGP
Assets			
Non-current assets			
Property, plant and equipment and projects under constructions	(3)	2 251 349 996	2 075 400 461
Intangible assets		187 906 972	179 713 137
Investments in subsidiaries	(4)	705 600 849	705 600 849
Total non-current assets		3 144 857 817	2 960 714 447
Current assets			
Inventories (net)	(5)	1 639 843 600	1 578 250 374
Debtors and other debit balances	(14)	961 677 049	446 660 282
Due from related parties		151 629 967	241 758 824
Treasury bills	(6)	710 774 116	346 432 739
Cash and bank balances	(7)	390 102 494	121 455 553
Total current assets		3 854 027 226	2 734 557 772
Total assets		6 998 885 043	5 695 272 219
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		2 785 286 523	2 721 626 520
Total equity		2 997 825 544	2 934 165 541
Liabilities			
Non-current liabilities			
Borrowings	(10)	316 534 934	335 120 110
Deferred government grant	(10)	2 924 355	3 782 161
Employee benefit obligations		44 248 995	40 009 559
Deferred tax liabilities, net		198 109 009	200 088 020
Total non-current liabilities		561 817 293	578 999 850
Current liabilities			
Provisions	(11)	79 620 649	74 930 176
Bank overdraft	(12)	836 041 856	562 647 724
Trade and notes Payables		816 279 392	792 471 975
Creditors Other Credit balances		646 448 529	212 421 311
Due to related parties	(15)	463 047 243	48 181 658
Borrowings	(10)	204 866 370	210 892 484
Deferred government grant - Current portion	(10)	2 917 807	3 003 960
Current income tax liabilities		390 020 360	277 557 540
Total current liabilities		3 439 242 206	2 182 106 828
Total liabilities		4 001 059 499	2 761 106 678
Total equity and liabilities		6 998 885 043	5 695 272 219

- 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 three months ended 31 March 2024

	<u>Note</u>	The three months period ended	
		<u>31-Mar-24</u>	<u>31-Mar-23</u>
		<u>EGP</u>	<u>EGP</u>
Revenue	(17)	3 142 024 870	2 242 567 845
Cost of sales	(18)	(2 397 616 373)	(1 671 015 627)
Gross profit		744 408 497	571 552 218
Other expenses - Net		(5 488 603)	(3 386 170)
Distribution cost	(18)	(106 574 200)	(79 454 579)
Administrative expenses	(18)	(173 864 720)	(126 659 004)
Inventory write-down provision	(5)	-	(945 000)
Provisions	(11)	(4 701 904)	(5 261 278)
Employee benefit obligations provision		(4 239 436)	(2 010 764)
Interest income		43 830 139	52 975 113
Foreign Exchnage Gain		69 649 260	40 691 782
Finance cost		(37 110 886)	(23 829 645)
Profit for the period before tax		525 908 147	423 672 673
Income tax expense		(119 904 577)	(96 493 650)
Net profit for the period		406 003 570	327 179 023
Basic earnings per share	(13)	0.54	0.46
Diluted earnings per share	(13)	0.54	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 three months ended 31 March 2024

	The three months period ended	
	31-Mar-24	31-Mar-23
	<u>EGP</u>	<u>EGP</u>
Net profit for the period	406 003 570	327 179 023
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>406 003 570</u>	<u>327 179 023</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 three months ended 31 March 2024**

<u>Note</u>	<u>Share capital</u> <u>EGP</u>	<u>Legal reserve</u> <u>EGP</u>	<u>Treasury shares</u> <u>EGP</u>	<u>Retained earnings</u> <u>EGP</u>	<u>Total</u> <u>EGP</u>
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	-	-	-	327 179 023	327 179 023
Total comprehensive income for the period				327 179 023	327 179 023
Total shareholders transactions					
Dividends distribution for 2022	-	-	-	(452 700 000)	(452 700 000)
Balance at 31 March 2023	<u>144 611 688</u>	<u>72 536 290</u>	<u>(160 827 557)</u>	<u>2 266 768 229</u>	<u>2 323 088 650</u>
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	-	-	-	406 003 570	406 003 570
Total comprehensive income for the period				406 003 570	406 003 570
Total Shareholders transactions					
Dividends distribution for 2023 *	-	-	-	(342 343 567)	(342 343 567)
Balance at 31 March 2024	<u>140 002 731</u>	<u>72 536 290</u>	<u>-</u>	<u>2 785 286 523</u>	<u>2 997 825 544</u>

* 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 three months ended 31 March 2024

	Notes	31-Mar-24 EGP	31-Mar-23 EGP
<u>Cash flows from operating activities</u>			
Profit for the period before income tax		525 908 147	423 672 673
Adjustments for:			
Provisions	(11)	4 701 904	5 261 278
Provision for employee benefit obligation		4 239 436	2 010 764
Interest expenses		37 110 886	23 829 645
Interest income		(43 830 139)	(52 975 113)
Depreciation of Fixed Assets	(3)	39 264 648	37 293 345
Amortization of intangible assets		1 744 751	1 810 006
Government grant income		(943 959)	(1 171 104)
write-down of slow moving inventory	(5)	-	945 000
Gain on disposal of property, plant and equipment	(3)	-	(342 683)
Foreign exchange (gain)		(69 649 260)	(40 691 782)
Operating income before changes in working capital		498 546 414	399 642 029
<u>Changes in working Capital</u>			
Inventories		(61 593 226)	(237 974 201)
Debtors and other receivables		(428 764 537)	89 142 674
Due from related parties		90 128 857	(39 855 086)
Trade and other payables*		22 065 110	71 073 216
Due to related parties		414 865 585	189 297 187
Provision utilized	(11)	(11 431)	(73 677)
Payment of employee benefits obligation		-	(3 000 000)
Cash inflow from operating activities		535 236 772	468 252 142
Interest paid		(44 677 407)	(18 919 101)
Income taxes paid		(9 420 634)	-
Net cash inflow from operating activities		481 138 731	449 333 041
<u>Cash flows from investing activities</u>			
Payment for purchase of property, plant and equipment and projects under construction*	(3)	(131 726 811)	(61 625 248)
Proceeds from disposal of property, plant and equipment		-	357 649
Interest received		26 338 712	49 040 778
Payment for purchase of treasury bills		(676 043 950)	(1 605 312 660)
Proceeds from treasury bills		329 194 000	1 352 000 000
Net cash inflow (outflow) from investing activities		(452 238 049)	(265 539 481)
<u>Cash flows from financing activities</u>			
Proceeds from borrowings		8 251 893	1 376 410
Repayment of borrowings		(41 899 766)	(20 000 000)
Net cash outflow from financing activities		(33 647 873)	(18 623 590)
Net increase in cash and cash equivalents		(4 747 191)	165 169 970
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)	(445 939 362)	(78 330 195)

Non cash transactions

*The effect of dividends payable amounted to EGP 342 343 567 had been eliminated as non cash transaction from Trade and other payables.

* The effect of credit purchase of property, plant, and equipment amounted to EGP 93 425 958 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 20 May 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.

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	-	-	-	-	-	-	(9 710 586)	(9 710 586)
Additions	-	-	767 220	26 129 572	9 037 704	3 274 801	185 715 472	224 924 769
Disposals	-	-	-	-	-	-	-	-
Cost as of March 31, 2024	106 714 127	888 498 129	1 524 685 938	89 726 410	262 529 518	109 781 281	433 184 635	3 415 120 038
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	-	(8 747 443)	(18 077 507)	(2 639 111)	(7 827 241)	(1 973 346)	-	(39 264 648)
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-
As of March 31, 2024	-	(282 283 276)	(581 293 730)	(34 370 693)	(175 818 822)	(90 003 521)	-	(1 163 770 042)
Net book value as of March 31, 2024	106 714 127	606 214 853	943 392 208	55 355 717	86 710 696	19 777 760	433 184 635	2 251 349 996

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

	31 March 2024	31 March 2023
Charged to cost of sales	34 422 786	32 829 745
Charged to administrative expenses	4 741 382	4 394 743
Charged to distribution costs	100 480	68 857
	39 264 648	37 293 345

The project under construction represents the following Categories:

	31 March 2024	31 December 2023
Buildings	31 247 257	13 317 977
Machinery and equipment	355 624 528	205 621 300
Tools and equipment	14 598 059	8 946 181
Technical and other installations	31 714 791	29 294 291
	433 184 635	257 179 749

Cash flow statement.

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

	31 March 2024	31 March 2023
Net book value of the assets disposed	--	14 966
Losses / gain on sale of property, plant and equipment	--	342 683
	--	357 649

4. Investments in subsidiaries

	Country of Incorporation	% Interest held	31 March 2024	31 December 2023
Edita for Trade and Distribution 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 Food industries	Egypt	100%	520 926 404	520 926 404
Balance at March 31, 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)

	31 March 2024	31 December 2023
Raw and packaging materials	1 474 100 370	1 437 426 669
Finished goods	53 833 936	38 023 894
Spare parts	53 590 636	49 947 818
Work in process	48 008 308	43 653 337
Consumables	17 489 546	16 377 852
Total	1 647 022 796	1 585 429 570
Less: write-down for slow moving and obsolete inventory	(7 179 196)	(7 179 196)
Net	1 639 843 600	1 578 250 374

Write-down for slow moving and obsolete inventory.

	31 March 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

	31 March 2024	31 December 2023
Treasury bills par value		
91 Days maturity	720 000 000	350 000 000
Total	720 000 000	350 000 000
Total Unearned credit interest	(43 956 050)	(20 806 000)
Amount paid for treasury bills	676 043 950	329 194 000
Interest income recognized to profit or loss	34 730 166	17 238 739
Treasury bills balance	710 774 116	346 432 739

The average effective interest rate related to treasury bills is 25.90%.

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>31 March 2024</u>	<u>31 December 2023</u>
Cash on hand	11 681 971	3 610 841
Cash at banks	259 086 233	56 277 035
Time Deposits	<u>119 334 290</u>	<u>61 567 677</u>
Cash and bank balances	<u>390 102 494</u>	<u>121 455 553</u>

The average rate on time deposit is 6.12% 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>31 March 2024</u>	<u>31 March 2023</u>
Cash and bank balances	390 102 494	260 548 263
Bank overdraft (Note 12)	<u>(836 041 856)</u>	<u>(338 878 458)</u>
Total	<u>(445 939 362)</u>	<u>(78 330 195)</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 31 March 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

	31 March 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	55 021 245	5 463 387	60 484 632	54 544 317	4 227 158	58 771 475
Eighth Loan	51 209 576	30 909 182	82 118 758	41 022 947	49 594 457	90 617 404
Ninth loan	50 144 355	22 397 407	72 541 762	41 621 076	41 214 756	82 835 832
Tenth loan	32 433 351	15 281 949	47 715 300	32 085 831	14 375 274	46 461 105
Eleventh loan	1 972 569	190 000 000	191 972 569	11 498 958	190 000 000	201 498 958
Twelfth Loan	13 672 616	44 231 116	57 903 732	9 761 994	35 708 465	45 470 459
Thirteenth loan	46 130	8 251 893	8 298 023	--	--	--
Total	204 866 370	316 534 934	521 401 304	210 892 484	335 120 110	546 012 594

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

	31 March 2024	31 December 2023
Balance due within 1 year	201 445 989	198 201 286
Accrued interest	3 420 381	12 691 198
Total	204 866 370	210 892 484

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

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:

	31 March 2024			31 December 2023		
	Current	Non-current	Total	Current	Non-current	Total
Seventh loan	1 898 245	2 002 752	3 900 997	1 858 544	2 614 040	4 472 584
Eighth loan	--	--	--	41 727	--	41 727
Ninth loan	442 078	583 495	1 025 573	475 935	698 953	1 174 888
Tenth loan	577 484	338 108	915 592	627 754	469 168	1 096 922
	2 917 807	2 924 355	5 842 162	3 003 960	3 782 161	6 786 121

11. Provisions

	31 March 2024	31 December 2023
Balance on 1 January	74 930 176	51 420 223
Charged during the period /year	6 504 140	32 214 026
Utilized during the period / year	(11 431)	(868 392)
No longer required	(1 802 236)	(7 835 681)
Ending Balance as of	79 620 649	74 930 176

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

	31 March 2024	31 December 2023
Bank overdraft	836 041 856	562 647 724
Total	836 041 856	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 22.14% as of 31 March 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>31 March 2024</u>	<u>31 March 2023</u>
Profit for the period	406 003 570	327 179 002
Employees' profit share*	<u>(25 350 000)</u>	<u>--</u>
Profit attributable to shareholders' after employees' profit share	380 653 570	327 179 002
Weighted average number of ordinary shares in issue		
Ordinary shares	700 013 656	723 058 439
Treasury shares	<u>--</u>	<u>(15 814 199)</u>
	700 013 656	707 244 240
Basic earnings per share	<u>0.54</u>	<u>0.46</u>

*Employees' profit share have 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>31 March 2024</u>	<u>31 December 2023</u>
Trade receivables	130 543 481	34 548 467
Advances to suppliers	751 786 439	353 072 935
Prepaid expenses	49 310 356	30 648 813
Deposits with others	16 063 479	15 037 018
Other debit balances	13 918 146	31 304 811
Letter of credit	22 648	--
Employee loans	<u>32 500</u>	<u>48 238</u>
Total	<u>961 677 049</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 59.7 million EGP, and Edita for Trade and Distribution by 403.3 million EGP during the period ended 31 March, 2024 against company products.

EDITA FOOD INDUSTRIES S.A.E.

Notes to the condensed separate financial statements - For the three months period ended 31 March 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				
31.3.2024	31.3.2023	31.3.2024	31.3.2023	31.3.2024	31.3.2023	31.3.2024	31.3.2023	31.3.2024	31.3.2023	31.3.2024	31.3.2023			
Revenue	1 643 462	1 205 972	904 919	651 079	136 331	125 649	426 083	251 300	31 230	8 568	3 142 025			
Gross profit	506 938	333 173	119 023	156 510	14 654	23 496	101 276	60 412	2 517	2 809	744 409			
Operating profit	365 804	215 162	29 500	94 706	5 097	14 202	69 685	43 617	(6 116)	2 249	463 970			
											365 439			

Operating profit reconciles to net profit as follows:

	31 March 2024	31 March 2023
Operating profit	463 970	365 439
Other expenses	(14 430)	(11 603)
Foreign Exchange Gain/(Loss)	69 649	40 692
Finance cost	(37 111)	(23 830)
Finance income	43 830	52 975
Income tax	(119 905)	(96 494)
Net profit	406 003	327 179

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 31 March 2024 compared to the same period last year 31 March 2023.
- Increase in export sales during the period ended 31 March 2024 impacted by the change in USD exchange rate.

18. Expense by nature

	31 March 2024	31 March 2023
Cost of sales	2 397 616 373	1 671 015 627
Distribution cost	106 574 200	79 454 579
Administrative expenses	173 864 720	126 659 004
	2 678 055 293	1 877 129 210
Raw and packaging materials used	2 075 887 140	1 432 728 157
Salaries and wages	239 759 673	159 796 153
Advertising expense	91 802 164	71 614 074
Depreciation and Amortization	41 009 399	39 103 341
Miscellaneous and other expense	60 630 155	57 893 479
Fuel, oil, water and electricity	40 171 044	33 317 026
Employees benefits	38 461 205	28 284 350
Company's share in social insurance	14 789 667	9 081 261
Transportation expense	17 602 078	14 506 434
Maintenance	30 422 140	15 999 931
Consumables	22 465 908	13 532 793
Logistic expenses	3 127 220	--
Vehicle expense	1 927 500	1 272 211
Total cost of sales, distribution costs, and administrative expenses	2 678 055 293	1 877 129 210

19. 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 31 March 2024 amounted to EGP 278 012 735 (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 financial statements date no amounts withdrawn by Edita Food Industries from the said loan.

20. Commitments**Capital Commitments**

The Company has capital commitments as of 31 March 2024 of EGP 1.012 M (31 December 2023: EGP 832M) in respect of the capital expenditure.

21. 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 31 March 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.

22. 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.

23. Significant Subsequent events

- 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.