

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

Condensed Consolidated Interim
Financial Information
For the period ended March 31, 2022

EDITA Food Industries (S.A.E.) and its subsidiaries
Condensed Consolidated Interim Financial Information
For the period ended March 31, 2022

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

We have reviewed the accompanying condensed consolidated statement of financial position of Edita Food Industries (S.A.E.) (“the Company”) and its subsidiaries (collectively referred to as “the Group”) as at March 31, 2022, and the related condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the three month period then ended, and explanatory notes.

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

Scope of Review

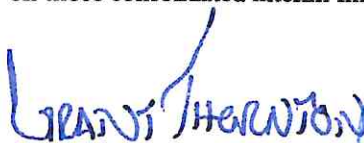
We conducted our review in accordance with International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”. A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Other Matter

The consolidated interim financial statements of the Group for the period ended March 31, 2021 were reviewed by another auditor whose review report dated May 10, 2021 expressed an unmodified conclusion on those consolidated interim financial statements.


**GRANT THORNTON****Dr. Osama El Bakry
Registration No. 935
Dubai, United Arab Emirates
24 JUN 2022**

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

Condensed consolidated statement of financial position
As at March 31, 2022

| | Notes | March 31, 2022 (Unaudited) EGP | December 31, 2021 (Audited) EGP |
|---|-------|---|--|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 4 | 2,160,251,623 | 2,165,626,284 |
| Right-of-use assets | | 43,697,475 | 47,149,933 |
| Intangible assets | | 179,572,144 | 180,713,178 |
| Investment in a joint venture | 5 | 69,361,875 | 69,445,134 |
| | | <u>2,452,883,117</u> | <u>2,462,934,529</u> |
| Current assets | | | |
| Inventories | | 506,530,723 | 526,494,168 |
| Trade and other receivables | | 244,082,295 | 218,916,999 |
| Financial assets at amortized cost | 6 | 846,170,545 | 769,965,310 |
| Financial assets at fair value through profit or loss | 7 | 66,125,663 | 76,403,685 |
| Cash and cash equivalents | 8 | 216,567,822 | 159,565,557 |
| | | <u>1,879,477,048</u> | <u>1,751,345,719</u> |
| TOTAL ASSETS | | <u>4,332,360,165</u> | <u>4,214,280,248</u> |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | | 144,611,688 | 144,611,688 |
| Legal reserve | | 78,953,630 | 78,953,630 |
| Cumulative translation reserve | | (11,128,183) | 1,190,318 |
| Transactions with non-controlling interests | | (32,132,098) | (32,132,098) |
| Retained earnings | | 2,014,894,125 | 1,866,823,044 |
| Equity attributed to the Owners of the Parent | | <u>2,195,199,162</u> | <u>2,059,446,582</u> |
| Non-controlling interests | | 544,955 | 590,046 |
| Total equity | | <u>2,195,744,117</u> | <u>2,060,036,628</u> |
| Non-current liabilities | | | |
| Borrowings | 10 | 624,800,696 | 587,634,700 |
| Deferred government grants | | 9,145,593 | 9,897,288 |
| Employee benefit obligations | | 25,603,494 | 24,103,494 |
| Deferred tax liabilities | | 203,035,164 | 204,828,607 |
| Lease liabilities | | 49,815,740 | 51,734,242 |
| | | <u>912,400,687</u> | <u>878,198,331</u> |
| Current liabilities | | | |
| Provisions | | 34,820,100 | 33,978,251 |
| Bank overdraft | | 213,028,371 | 400,676,905 |
| Trade and other payables | | 666,027,733 | 605,949,105 |
| Current portion of borrowings | 10 | 211,734,212 | 197,005,385 |
| Current income tax liabilities | | 89,867,694 | 30,584,092 |
| Lease liabilities | | 8,737,251 | 7,851,551 |
| | | <u>1,224,215,361</u> | <u>1,276,045,289</u> |
| Total liabilities | | <u>2,136,616,048</u> | <u>2,154,243,620</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>4,332,360,165</u> | <u>4,214,280,248</u> |

This condensed consolidated interim financial information was approved and authorised for issue on June 24, 2022 by:


Mr. Samih Naguib
Vice President - Finance


Eng. Hani Berzi
Chairman

The accompanying notes from 1 to 16 form an integral part of this condensed consolidated interim financial information.

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

Condensed consolidated statement of profit or loss
For the period ended March 31, 2022

| | Note | Three-month period ended March 31, 2022 (Unaudited) EGP | Three-month period ended March 31, 2021 (Unaudited) (Restated) EGP |
|---|------|---|---|
| Revenue | 11 | 1,558,959,966 | 1,166,337,710 |
| Cost of sales | 11 | (1,002,344,966) | (767,184,240) |
| Gross profit | | 556,615,000 | 399,153,470 |
| Distribution cost | | (219,534,554) | (192,438,077) |
| Administrative expenses | | (93,457,025) | (86,160,920) |
| Inventory write-down provision | | (975,000) | (500,000) |
| Provisions | | (1,030,385) | (1,404,759) |
| Provision for employee benefit obligations | | (1,500,000) | (1,500,000) |
| Finance income | | 23,618,738 | 16,501,733 |
| Finance cost | | (27,553,302) | (14,416,582) |
| Other income | | 3,360,216 | 2,417,675 |
| Other losses | | (7,051,045) | (5,273,314) |
| Loss on financial assets measured at fair value through profit or loss | | (22,172,000) | - |
| Share of net losses of a joint venture accounted for using the equity method | | (3,263,336) | (1,017,018) |
| PROFIT BEFORE INCOME TAX | | 207,057,307 | 115,362,208 |
| Income tax expenses | | (58,951,903) | (33,685,787) |
| NET PROFIT FOR THR PERIOD | | 148,105,404 | 81,676,421 |
| Profit is attributable to | | | |
| Owners of the Parent | | 148,071,081 | 81,694,706 |
| Non-controlling interest | | 34,323 | (18,285) |
| Net profit for the period | | 148,105,404 | 81,676,421 |
| Earnings per share (expressed in EGP per share) | | | |
| Basic and diluted earnings per share | 12 | 0.20 | 0.11 |

The accompanying notes from 1 to 16 form an integral part of this condensed consolidated interim financial information.

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

Condensed consolidated statement of comprehensive income
For the period ended March 31, 2022

| | Three-month period ended March 31, 2022 (Unaudited) EGP | Three-month period ended March 31, 2021 (Unaudited) (Restated) EGP |
|--|---|---|
| Profit for the period | <u>148,105,404</u> | 81,676,421 |
| Other comprehensive income: | | |
| <i>Items that will never be subsequently reclassified to profit or loss:</i> | | |
| Exchange differences on translation of foreign operations | 12,318,501 | (1,219,452) |
| Total other comprehensive income/(loss) for the period | <u>12,318,501</u> | (1,219,452) |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | <u>160,423,905</u> | 80,456,969 |
| Total comprehensive income is attributable to: | | |
| Owners of the Parent | 160,389,582 | 80,475,254 |
| Non-controlling interest | 34,323 | (18,285) |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | <u>160,423,905</u> | 80,456,969 |

The accompanying notes from 1 to 16 form an integral part of this condensed consolidated interim financial information.

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

Condensed consolidated statement of changes in equity
For the period ended March 31, 2022

| | Share capital EGP | Legal reserve EGP | Cumulative translation reserve EGP | Transactions with non- controlling interest EGP | Treasury shares EGP | Retained earnings EGP | Total equity attributable to owners of the parent EGP | Non- controlling interest EGP | Total equity EGP |
|--|----------------------|-------------------------|---|---|---------------------------|-----------------------------|---|--|------------------------|
| As at January 1, 2022 (audited) | 144,611,688 | 78,953,630 | 1,190,318 | (32,132,098) | - | 1,866,823,044 | 2,059,446,582 | 590,046 | 2,060,036,628 |
| Other adjustment | - | - | - | - | - | - | - | (79,414) | (79,414) |
| Profit for the period | - | - | - | - | - | 148,071,081 | 148,071,081 | 34,323 | 148,105,404 |
| Other comprehensive loss for the period | - | - | (12,318,501) | - | - | - | (12,318,501) | - | (12,318,501) |
| Total comprehensive income for the period | - | - | (12,318,501) | - | - | 148,071,081 | 135,752,580 | (45,091) | 135,707,489 |
| As at March 31, 2022 (unaudited) | 144,611,688 | 78,953,630 | (11,128,183) | (32,132,098) | - | 2,014,894,125 | 2,195,199,162 | 544,955 | 2,195,744,117 |

The accompanying notes from 1 to 16 form an integral part of this condensed consolidated interim financial information.

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

Condensed consolidated statement of changes in equity (continued)

For the period ended March 31, 2022

| | Share capital EGP | Legal reserve EGP | Cumulative translation reserve EGP | Transactions with non-controlling interest EGP | Treasury shares EGP | Retained earnings EGP | Total equity attributable to owners of the parent EGP | Non-controlling interest EGP | Total equity EGP |
|---|----------------------|----------------------|---------------------------------------|---|------------------------|--------------------------|--|---------------------------------|---------------------|
| As at January 1, 2021 – Restated | 145,072,580 | 78,629,880 | 775,093 | (32,132,098) | (22,556,296) | 1,569,981,035 | 1,739,770,194 | 424,267 | 1,740,194,461 |
| Profit for the period | - | - | - | - | - | 81,694,706 | 81,694,706 | (18,285) | 81,676,421 |
| Other comprehensive loss for the period | - | - | (1,219,452) | - | - | - | (1,219,452) | - | (1,219,452) |
| Total comprehensive income for the period | - | - | (1,219,452) | - | - | 81,694,706 | 80,475,254 | (18,285) | 80,456,969 |
| Acquisition of transfer shares | - | - | - | - | 22,556,296 | - | 22,556,296 | - | 22,556,296 |
| As at March 31, 2021 (un-audited) | 145,072,580 | 78,629,880 | (444,359) | (32,132,098) | - | 1,651,675,741 | 1,842,801,744 | 405,982 | 1,843,207,726 |

The accompanying notes from 1 to 16 form an integral part of this condensed consolidated interim financial information.

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

Condensed consolidated statement of cash flows
For the period ended March 31, 2022

| | Three-month period ended March 31, 2022 (Unaudited) EGP | Three-month period ended March 31, 2021 (Restated) (Unaudited) EGP |
|--|---|---|
| OPERATING ACTIVITIES | | |
| Profit for the period | 207,057,307 | 115,362,208 |
| <i>Adjustments to reconcile profit to net cash flows:</i> | | |
| Provision | 1,030,386 | 1,404,759 |
| Depreciation of property, plant and equipment | 48,104,171 | 47,868,268 |
| Amortisation of intangible assets | 1,141,034 | 664,511 |
| Provision for employee benefit obligation | 1,500,000 | 1,500,000 |
| Interest expense | 19,153,284 | 16,757,915 |
| Interest expenses on lease | 3,088,211 | 3,050,138 |
| Depreciation of right-of-use asset | 3,452,458 | 3,657,064 |
| Interest income | (23,618,738) | (16,501,733) |
| Fair value loss on financial assets at fair value through profit or loss | 22,172,000 | - |
| Share of net loss/(profit) of joint ventures accounted for using the equity method | 3,266,394 | 1,017,018 |
| Provision for slow moving inventory | 975,000 | 500,000 |
| Loss/(gain) on sale of property, plant and equipment | 14,411 | (188,278) |
| Foreign exchange (gain)/loss | (11,050,814) | 5,789,685 |
| Translation reserve | (12,318,501) | 1,004,173 |
| Grant income | (1,101,909) | (744,102) |
| <i>Operating cash flows before changes in working capital</i> | <u>262,864,694</u> | <u>181,141,626</u> |
| <i>Changes in working capital</i> | | |
| Trade and other receivables | (25,165,296) | (38,265,460) |
| Inventories | 19,030,599 | (2,252,884) |
| Trade and other payables | 59,322,540 | 38,718,445 |
| Provision utilised | (188,537) | (596,000) |
| Inventory provision used | (42,155) | - |
| Interest paid | (19,153,284) | (16,757,915) |
| Income tax paid | - | (2,363,054) |
| Cash from operations | <u>296,668,561</u> | |
| Staff terminal benefits paid | - | (1,825,378) |
| Net cash flow from operating activities | <u>296,668,561</u> | <u>157,799,380</u> |
| INVESTING ACTIVITIES | | |
| Acquisition of property, plant and equipment | (43,400,591) | (45,555,513) |
| Proceeds from sale of property plant and equipment | 656,669 | 198,470 |
| Finance income received | 23,618,738 | 16,501,733 |
| Payment for purchase of treasury bills | (316,453,970) | (36,474,400) |
| Proceeds from sale of treasury bills | 240,248,735 | 34,651,317 |
| Net cash flow used in investing activities | <u>(95,330,419)</u> | <u>(30,678,393)</u> |
| FINANCING ACTIVITIES | | |
| Acquisition of Treasury shares | - | 22,556,296 |
| Proceeds from borrowings | 48,626,754 | 44,846,673 |
| Lease payment | (4,121,015) | (4,134,143) |
| Repayment of borrowings | (1,193,082) | (1,116,496) |
| Net cash flow from/(used in) financing activities | <u>43,312,657</u> | <u>62,152,330</u> |
| Net change in cash and cash equivalents | <u>244,650,799</u> | <u>189,273,317</u> |
| Cash and cash equivalents at the beginning of the period | <u>(241,111,348)</u> | <u>134,631,267</u> |
| Cash and cash equivalents at the end of the period | <u>3,539,451</u> | <u>323,904,584</u> |

The accompanying notes from 1 to 16 form an integral part of this condensed consolidated interim financial information.

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

Notes to the condensed consolidated interim financial information For the period ended March 31, 2022

1 Legal status and principal activities

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

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

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

The details of Group's ownership in its various subsidiaries and joint venture and their principal activities are as follow:

| Name | Place of business/ country of incorporation | Ownership interest | | Ownership interest held by non-controlling interests | |
|--------------------------------|---|--------------------|--------|--|----------------------|
| | | 2022 | 2021 | March 31, 2022 | December 31, 2021 |
| Subsidiaries | | | | | |
| Digma for Trading | Egypt | 99.8% | 99.8% | 0.2% | 0.2% |
| Edita Confectionery Industries | Egypt | 99.98% | 99.98% | 0.02% | 0.02% |
| Edita Participation Limited | Cyprus | 100% | 100% | - | - |
| Joint venture | | | | | |
| Edita Food Industries Morocco | Morocco | 69.6% | 69.6% | - | - |

These condensed consolidated interim financial information as at March 31, 2022 includes the consolidated financial performance and position of the Company and its subsidiaries (collectively referred to as "the Group") and the Group's interest in its joint venture.

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

The Group has prepared and published a separate set of consolidated interim financial statements in accordance with Egyptian Accounting Standards for the three months' period ended March 31, 2022, which does not constitute part of these condensed consolidated interim financial information.

2 Basis of preparation and summary of significant accounting policies

a) Basis of preparation

The condensed consolidated interim financial information of the Group has been prepared in accordance with International Accounting Standard (IAS) 34, *Interim Financial Reporting*. The condensed consolidated interim financial information does not include all of the information required for full annual consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) and should be read in conjunction with the consolidated financial statements of the Group for the year ended December 31, 2021.

Accounting policies, related adjustments, estimates and assumptions adopted for the preparation of this condensed consolidated interim financial information are same as those applied in the preparation of the audited consolidated financial statements for the year ended December 31, 2021.

The condensed consolidated interim financial information has been prepared on the historical cost basis except for defined benefit obligations and financial assets measured at fair value through profit or loss (FVTPL), which are measured at their fair values.

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

Notes to the condensed consolidated interim financial information (continued)
For the period ended March 31, 2022

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

b) Functional and presentation currency

The condensed consolidated interim financial information is presented in Egyptian Pounds ("EGP"), which is the Group's functional currency except for Edita Participation Limited for which Euro is its functional currency.

c) Basis of consolidation

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

d) Significant accounting estimates and judgments

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

The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied in preparation of the consolidated financial statements of the Group as at and for the year ended December 31, 2021.

2.1 New Standards, Interpretations and Amendments adopted as at January 1, 2022

Certain accounting pronouncements which have become effective from January 1, 2022 and have therefore been adopted, do not have significant impact on the Group's financial results or position.

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

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

3 Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements of the Group as at and for the year ended December 31, 2021.

4 Property and equipment

During the period ended March 31, 2022, the Group acquired various property, plant and equipment amounting to EGP 43,400,591 (the period ended March 31, 2021: EGP 34,374,793).

Depreciation charge on property and equipment for the period ended March 31, 2022 amounted to EGP 48,104,171 (the period ended March 31, 2021: EGP 47,868,268).

5 Investment in a joint venture

| | March 31, 2022 (Unaudited) | | December 31, 2021 (Audited) | |
|-------------------------------|----------------------------|------------|-----------------------------|------------|
| | Ownership % | EGP | Ownership % | EGP |
| Edita Food Industries Morocco | 69.6% | 69,361,875 | 69.6% | 69,445,134 |

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

Notes to the condensed consolidated interim financial information (continued)
For the period ended March 31, 2022

5 Investment in a joint venture (continued)

In prior periods, the investment in Edita Food Industries Morocco was accounted for as an investment in a subsidiary and was consolidated on the basis that the Group held control of Edita Food Industries Morocco through its ownership interest of 51% of the total share capital. One of the minority shareholders of Edita Food Industries Morocco held 45% interest and was afforded certain veto rights. In April 2021, the Group acquired an additional interest of 25% from this minority shareholder, of which, 7.4% was subject to a call option exercisable at any point until April 2022 by the minority shareholder.

As a result of assessing the accounting implications of the acquisition and the call option, it was noted that the minority interest had substantive veto rights on certain reserved matters, even subsequent to the acquisition of the additional interest, the reserved matters would continue to prevent the Group from having the current ability to direct the relevant activities of Edita Food Industries Morocco. Subsequent to the period end, no call option was exercised by the minority shareholder and consequently, the same has lapsed.

In the process of reviewing the reserved matters with the minority shareholder, the management had assessed that based on the substantive nature of the veto rights, the Group has joint control according to the relevant requirements of IFRSs. As a consequence, the Group has accounted for the investment in Edita Food Industries Morocco as investment in a joint venture using the equity method. The Group's shareholding in Edita Food Industries Morocco and the carrying value of the investment in a joint venture as at March 31, 2022 and December 31, 2021 are as follows:

| | March 31, 2022 (Unaudited) EGP | December 31, 2021 (Audited) EGP |
|--|---|--|
| Group's share in Edita Food Industries Morocco (A) | 61,667,740 | 61,629,083 |
| Goodwill (B) | 6,591,941 | 6,591,941 |
| Adjustments | 1,102,194 | 1,224,110 |
| Carrying amount as at end of period/year | 69,361,875 | 69,445,134 |

| | March 31, 2022 (Unaudited) EGP | March 31, 2021 (Restated) EGP |
|---------------------------------------|---|--|
| Share of net losses during the period | (3,263,336) | (1,017,018) |

A. Group's share in Edita Food Industries Morocco

| | March 31, 2022 (Unaudited) EGP | December 31, 2021 (Audited) EGP |
|---|---|--|
| Reconciliation to carrying amounts | | |
| Net assets as at January 1, | 89,969,464 | 72,100,752 |
| Amount paid under capital increase | - | 26,264,520 |
| Revaluation of investment at period end exchange rate | 3,319,770 | |
| Total comprehensive income/(loss) for the period/year | (3,263,336) | (8,395,808) |
| Net assets as at end of period/year | 90,025,898 | 89,969,464 |
| Group's share in % | 69.6% | 69.6% |
| Net assets as at end of period/year | 90,025,898 | 89,969,464 |
| Group's share of net assets | 61,667,740 | 61,629,083 |

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

Notes to the condensed consolidated interim financial information (continued)
For the period ended March 31, 2022

6 Financial assets at amortised cost - Treasury Bills

| | March 31, 2022 (Unaudited) EGP | December 31, 2021 (Audited) EGP |
|-----------------------|---|--|
| 91 days maturity | 90,000,000 | 233,250,000 |
| 266-364 days maturity | 784,900,000 | 572,400,000 |
| | <u>874,900,000</u> | <u>805,650,000</u> |
| Unearned interest | (28,729,455) | (35,684,690) |
| | <u>846,170,545</u> | <u>769,965,310</u> |

The average effective interest rate related to Treasury Bills is 13.00% (December 31, 2021: 12.88%).

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

- They are issued and guaranteed by the Government of Egypt;
- There is no history of default; and
- Incorporating forward-looking information would not result in any significant increase in expected default rate.

7 Financial assets at fair value through profit or loss

The Group has signed an Investment Solution Agreement with EFG Hermes with a leverage feature and the investment value will be calculated by EFG Hermes at market - to market. The contractual terms of the instrument would not give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, therefore it has been classified as Investment at fair value through profit or loss.

Fair value losses of EGP 22,172,000 were recognized in the condensed consolidated interim statement of profit or loss during the period (December 31, 2021: EGP 76,403,685).

| | Significant other observable inputs (Level 2) EGP |
|---------------------|--|
| Investment Solution | <u>66,125,663</u> |

8 Cash and cash equivalents

| | March 31, 2022 (Unaudited) EGP | December 31, 2021 (Audited) EGP |
|---|---|--|
| Cash at banks and in hand | 79,772,382 | 82,445,497 |
| Time deposit - Foreign currency | 136,795,440 | 77,120,060 |
| Cash and cash equivalents (excluding bank overdrafts) | <u>216,567,822</u> | <u>159,565,557</u> |

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

Notes to the condensed consolidated interim financial information (continued)
For the period ended March 31, 2022

8 Cash and cash equivalents (continued)

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

| | March 31, 2022 (Unaudited) EGP | December 31, 2021 (Audited) EGP |
|------------------------|---|--|
| Cash and bank balances | 216,567,822 | 159,565,557 |
| Bank overdraft | (213,028,371) | (400,676,905) |
| Total | 3,539,451 | (241,111,348) |

9. Related Parties

| | March 31, 2022 (Unaudited) EGP | December 31, 2021 (Audited) EGP |
|--|---|--|
| Amount due from related parties | | |
| <i>Included in trade and other receivables</i> | | |
| Other related parties | 12,611,623 | 12,611,623 |
| Receivable from a joint venture | - | 3,860,444 |
| | 12,611,623 | 16,472,067 |

During the period ended March 31, 2022, the Group incurred an amount of EGP 27,827,177 as benefits to the key management members (March 31, 2021: EGP 26,617,643).

| | 31 March 2022 (Unaudited) | | 31 March 2021 (Audited) | |
|---------------------------|---|--------------------------------|---|--------------------------------|
| | Non-executive / independent board members | Key management personnel | Non-executive / independent board members | Key management personnel |
| Salaries and compensation | - | 26,182,094 | 600,000 | 24,902,687 |
| Allowances | - | 360,600 | 700,000 | 360,600 |
| Other benefit | 1,225,000 | 59,483 | - | 54,356 |

10. Borrowings

| | March 31, 2022 (Unaudited) | | | December 31, 2021 (Audited) | | |
|------------|------------------------------|-----------------------------|--------------|------------------------------|-----------------------------|--------------|
| | Short-term portion EGP | Long-term portion EGP | Total EGP | Short-term portion EGP | Long-term portion EGP | Total EGP |
| Borrowings | 211,734,212 | 624,800,696 | 836,534,908 | 197,005,385 | 587,634,700 | 784,640,085 |

The due dates for short-term portion borrowings are according to the following schedule:

| | March 31, 2022 (Unaudited) EGP | December 31, 2021 (Audited) EGP |
|---------------------------|---|--|
| Balance due within 1 year | 206,944,558 | 191,696,203 |
| Accrued interest | 4,789,654 | 5,309,182 |
| | 211,734,212 | 197,005,385 |

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Notes to the condensed consolidated interim financial information (continued)
For the period ended March 31, 2022

10 Borrowings (continued)

10.1 Edita Food Industries Group

| | March 31, 2022 (Unaudited) | | | December 31, 2021 (Audited) | | |
|----------|----------------------------|-------------|-------------|-----------------------------|-------------|-------------|
| | Short-term | Long-term | Total | Short-term | Long-term | Total |
| | portion | portion | | portion | portion | |
| EGP | EGP | EGP | EGP | EGP | EGP | |
| IFC loan | 77,595,151 | 219,840,000 | 297,435,151 | 64,589,305 | 189,120,000 | 253,709,305 |

The due dates for short-term portion borrowings are according to the following schedule:

| | March 31, 2022 (Unaudited) EGP | December 31, 2021 (Audited) EGP |
|---------------------------|---|--|
| Balance due within 1 year | 73,280,000 | 63,040,000 |
| Accrued interest | 4,315,151 | 1,549,305 |
| | <u>77,595,151</u> | <u>64,589,305</u> |

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

Terms of payment

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

Interest rate

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

Fair value

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

10.2 Edita Food Industries Company

| | March 31, 2022 (Unaudited) | | | December 31, 2021 (Audited) | | |
|--------------|----------------------------|--------------------|--------------------|-----------------------------|--------------------|--------------------|
| | Short-term | Long-term | Total | Short-term | Long-term | Total |
| | portion | portion | | portion | portion | |
| EGP | EGP | EGP | EGP | EGP | EGP | |
| First loan | 9,447,813 | - | 9,447,813 | 9,221,688 | - | 9,221,688 |
| Second loan | 16,045,466 | - | 16,045,466 | 16,044,582 | - | 16,044,582 |
| Third loan | 40,050,000 | 40,000,000 | 80,050,000 | 40,050,000 | 60,000,000 | 100,050,000 |
| Fourth loan | 9,726,169 | 80,797,379 | 90,523,548 | 9,567,069 | 78,616,366 | 88,183,435 |
| Fifth loan | 10,158,307 | 59,498,392 | 69,656,699 | 12,935,925 | 57,904,510 | 70,840,435 |
| Sixth loan | 72,295 | 73,943,648 | 74,015,943 | 75,198 | 61,763,341 | 61,838,539 |
| Seventh loan | - | 79,996,856 | 79,996,856 | 26,754 | 52,824,954 | 52,851,708 |
| Total | <u>85,500,050</u> | <u>334,236,275</u> | <u>419,736,325</u> | <u>87,921,216</u> | <u>311,109,171</u> | <u>399,030,387</u> |

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

10.2 Edita Food Industries Company (continued)

The due dates for short-term portion borrowings are according to the following schedule:

| | March 31, 2022 (Unaudited) EGP | December 31, 2021 (Audited) EGP |
|---------------------------|---|--|
| Balance due within 1 year | 84,789,239 | 87,293,990 |
| Accrued interest | 710,811 | 627,226 |
| | <u>85,500,050</u> | <u>87,921,216</u> |

| Type | Guarantees | Currency | Tenure | Interest rate |
|--------------|---|----------|--|--|
| First loan | Cross corporate guarantee Digma Trading Company amounted to EGP 90,000,000 | EGP | 7 years with first installment in April 2017 | 1 % above lending rate of Central Bank of Egypt. |
| Second loan | Cross corporate guarantee Digma Trading Company amounted to EGP 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). |
| Third loan | None | USD | 4 years with first installment in September 2018 | 0.5% over mid corridor rate of Central Bank of Egypt. |
| Fourth loan | Cross corporate guarantee Digma Trading Company | EGP | 7 years with first installment in November 2022 | 8% |
| Fifth loan | Cross corporate guarantee Digma Trading Company | EGP | 7 years with first installment in June 2022 | 8 % |
| Sixth loan | Cross corporate guarantee Digma Trading Company | EGP | 7 years with first installment in September 2023 | 8 % |
| Seventh loan | None | EGP | 7 years with first installment in July 2023 | 8 % |

10.3 Digma for Trading

| | March 31, 2022 | | | December 31, 2021 | | |
|------------|------------------------------|-----------------------------|--------------|------------------------------|-----------------------------|--------------|
| | Short-term portion EGP | Long-term portion EGP | Total EGP | Short-term portion EGP | Long-term portion EGP | Total EGP |
| First loan | 36,148,301 | 66,724,421 | 102,872,722 | 36,330,058 | 83,405,529 | 119,735,587 |

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Notes to the condensed consolidated interim financial information (continued)
For the period ended March 31, 2022

10 Borrowings (continued)

10.3 Digma for Trading (continued)

The due dates for short-term portion borrowings are according to the following schedule:

| | March 31, 2022 (Unaudited) EGP | December 31, 2021 (Audited) EGP |
|---------------------------|---|--|
| Balance due within 1 year | 33,362,211 | 33,362,211 |
| Accrued interest | 2,786,090 | 2,967,847 |
| | <u>36,148,301</u> | <u>36,330,058</u> |

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

Terms of payment

The Group is obligated to pay the loan in 7 semi-annual instalments with the first instalment is due on February 27, 2022 and last instalment due on February 27, 2025.

Interest rate

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

Fair value

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

10.4 Edita Confectionery Industries Company

| | <u>March 31, 2022 (Unaudited)</u> | | | <u>December 31, 2021 (Audited)</u> | | |
|------------|-----------------------------------|-----------------------------|--------------|------------------------------------|-----------------------------|--------------|
| | Short-term portion EGP | Long-term portion EGP | Total EGP | Short-term portion EGP | Long-term portion EGP | Total EGP |
| First loan | 8,029,556 | 4,000,000 | 12,029,556 | 8,164,806 | 4,000,000 | 12,164,806 |

The due dates for short-term portion borrowings are according to the following schedule:

| | March 31, 2022 (Unaudited) EGP | December 31, 2021 (Audited) EGP |
|---------------------------|---|--|
| Balance due within 1 year | 8,000,000 | 8,000,000 |
| Accrued interest | 29,556 | 164,806 |
| | <u>8,029,556</u> | <u>8,164,806</u> |

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

Edita Food Industries (S.A.E.) and its subsidiaries
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Notes to the condensed consolidated interim financial information (continued)
For the period ended March 31, 2022

10 Borrowings (continued)

10.4 Edita Confectionery Industries Company (continued)

Terms of payment

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

Interest rate

The interest rate is 0.5% plus the lending rate.

Fair value

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

10.5 Deferred government grants

The Group obtained a loan facility of EGP 441 million from commercial banks under the Central Bank of Egypt initiative to support the Egyptian manufacturing companies. According to the initiative, the loan was obtained at interest rate of 8% that is lower than the prevailing market rate of similar loans by average 2% and recognised in profit or loss over the years necessary to match them with the costs that they are intended to compensate.

The deferred government grants are according to the following schedule:

| | March 31, 2022 (Unaudited) | | | December 31, 2021 (Audited) | | |
|--------------|------------------------------|-----------------------------|-------------------|------------------------------|-----------------------------|-------------------|
| | Short-term portion EGP | Long-term portion EGP | Total EGP | Short-term portion EGP | Long-term portion EGP | Total EGP |
| Fourth loan | 2,138,736 | 3,463,047 | 5,601,783 | 2,517,521 | 4,931,993 | 7,449,514 |
| Fifth loan | 1,007,585 | 2,046,584 | 3,054,169 | 1,055,416 | 2,277,069 | 3,332,485 |
| Sixth loan | 586,361 | 1,587,592 | 2,173,953 | 497,621 | 1,476,828 | 1,974,449 |
| Seventh loan | 728,471 | 2,048,370 | 2,776,841 | 394,988 | 1,211,398 | 1,606,386 |
| Total | 4,461,153 | 9,145,593 | 13,606,746 | 4,465,546 | 9,897,288 | 14,362,834 |

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

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

| Segment | Brand | | Product | | | | | | | | | | | |
|--------------------|--------------------------------------|---|----------------|----------------|----------------|----------------|---------|---------|--------|---------|---------|---------|-----------|-----------|
| | Brand | Product | 2021 | 2022 | | | | | | | | | | |
| Cake | Tiger tail, Twinkies, Todo and Hohos | Traditional rolled filled and layered cake as well as brownies and packaged donut | | | | | | | | | | | | |
| Croissants | Molto | Sweet and savoury croissants and strudels | | | | | | | | | | | | |
| Rusks | Bake Rolz, Bake Stix | Baked wheat salty snack | | | | | | | | | | | | |
| Wafer | Freska | Filled wafers | | | | | | | | | | | | |
| Candy | Mimix | Hard, soft and jelly candy and lollipops | | | | | | | | | | | | |
| EGP in '000 | | | | | | | | | | | | | | |
| | Cake | Rusks | Wafer | Candy | Other | Total | | | | | | | | |
| | (Restated) | (Restated) | (Restated) | (Restated) | (Restated) | Restated | | | | | | | | |
| | March 31, 2021 | March 31, 2021 | March 31, 2021 | March 31, 2021 | March 31, 2021 | March 31, 2021 | | | | | | | | |
| | 31, 2022 | 31, 2022 | 31, 2022 | 31, 2022 | 31, 2022 | 2022 | | | | | | | | |
| Revenue | 704,036 | 501,180 | 460,384 | 403,874 | 92,864 | 61,329 | 243,058 | 151,290 | 44,258 | 39,618 | 14,360 | 9,047 | 1,558,960 | 1,166,338 |
| Gross profit | 264,530 | 186,396 | 162,155 | 136,228 | 31,030 | 18,544 | 84,828 | 49,954 | 9,451 | 6,204 | 4,621 | 1,827 | 556,615 | 399,153 |
| Operating Profit | 153,819 | 89,409 | 46,668 | 38,592 | 15,403 | 1,039 | 29,223 | (4,805) | 2,337 | (2,201) | (7,332) | (4,885) | 240,118 | 117,149 |

Edita Food Industries (S.A.E.) and its subsidiaries
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Notes to the condensed consolidated interim financial information (continued)
For the period ended March 31, 2022

11 Segment reporting (continued)

Operating profit is reconciled to net profit as follows:

| EGP in '000 | March 31, 2022 (Unaudited) EGP | March 31, 2021 (Restated) EGP |
|---|---|--|
| Operating profit | 240,118 | 117,149 |
| Finance income | 23,619 | 16,502 |
| Finance cost | (27,553) | (14,413) |
| Other income/expenses | (3,692) | (2,856) |
| Loss on financial assets measured at fair value through profit or loss | (22,172) | - |
| Share of net losses of a joint venture accounted for using the equity method | (3,263) | (1,020) |
| Income tax expense | (58,952) | (33,686) |
| Net profit | 148,105 | 81,676 |

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

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

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

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

There were no inter-segment sales during the period.

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

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Notes to the condensed consolidated interim financial information (continued)
For the period ended March 31, 2022

12 Basic and diluted earnings per share

| | March 31, 2022 (Unaudited) EGP | March 31, 2021 (Restated) EGP |
|--|---|--|
| Profit attributable to the owners of the Company | <u>148,105,404</u> | <u>81,676,421</u> |
| Weighted average number of shares | <u>723,058,439</u> | <u>725,362,900</u> |
| Basic and diluted earnings per share (EGP) | <u>0.20</u> | <u>0.11</u> |

13 Contingent liabilities

Edita Food Industries Company

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

Edita Food Industries Company had contingent liabilities in respect of letters of guarantee and letters of credit arising from ordinary course of business amounting to EGP 157,887,483 as at March 31, 2022 (December 31, 2021: EGP 39,835,555).

Digma for Trading Company

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

Digma for Trading Company had contingent liabilities in respect of letters of guarantee and letters of credit as at March 31, 2022 of EGP 250,000 (December 31, 2021: EGP 250,000).

Edita Confectionary Industries Company

As at March 31, 2022, Edita Confectionary Industries Company had contingent liabilities in respect of letters of guarantee and letters of credit arising from ordinary course of business amounting to EGP 4,698,022 (December 31, 2021: EGP 1,340,572).

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

14 Capital commitments

The Group has capital commitments of EGP 168.7 million as at March 31, 2022 (December 31, 2021: EGP 79 million) in respect of capital expenditure.

15 Dividends

The Group had not declared any dividend during the period ended March 31, 2022 for the year ended December 31, 2021 (at the Annual General Meeting held on March 30, 2021, Board of Directors proposed, and the shareholders approved a cash dividend of EGP 150,000,000 at EGP 0.21 per share for the year ended December 31, 2020).

Subsequent to period end, at the Annual General Meeting held on April 15, 2022, Board of Directors proposed, and the shareholders approved a cash dividend of EGP 200,000,000 at EGP 0.277 per share for the year ended December 31, 2021.

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16 Restatement

In 2019 and 2020, the investment in Edita Food Industries Morocco “Edita Morocco” was accounted for as an investment in a subsidiary and consolidated on the basis that the Group held 51% and provided the Group with control. One of the minority shareholders held a 45% interest in Edita Morocco and was afforded certain veto rights. In April 2021, the Group acquired an additional interest of 25% from this minority shareholder in the Edita Food Industries Morocco, of which 7.4% was subject to a call option exercisable at any point until April 2022 by the minority shareholder. As a result of assessing the accounting implications of the acquisition and the call option, it was noted that the minority interest had substantive veto rights on certain reserved matters, even subsequent to the acquisition of the additional interest, the reserved matters would continue to prevent the Group from having the current ability to direct the relevant activities of Edita Morocco.

Based on the substantive nature of the veto rights, the Company has joint control according to the requirements of IFRS 3, ‘Consolidated Financial Statements’ and IFRS 11 ‘Joint Arrangements’. As a consequence, the Company has accounted for the investment in Edita Food Industries Morocco as investment in joint ventures using the equity method and, accordingly, has restated the comparative financial information in these consolidated interim financial statements. This restatement has resulted in the following changes:

| Extract from the statement of profit or loss | As previously presented | Profit increase / (decrease) | As currently presented |
|---|--------------------------------|-------------------------------------|-------------------------------|
| For the period ended March 31, 2021 | EGP | EGP | EGP |
| Cost of sales | (768,440,654) | 1,256,414 | (767,184,240) |
| Distribution cost | (191,997,484) | (440,593) | (192,438,077) |
| Administrative expenses | (87,015,114) | 854,194 | (86,160,920) |
| Inventory write-down provision | - | (500,000) | (500,000) |
| Provisions | - | (1,404,759) | (1,404,759) |
| Provision for employee benefit obligations | - | (1,500,000) | (1,500,000) |
| Finance income | 22,291,418 | (5,789,685) | 16,501,733 |
| Finance cost | (20,206,267) | 5,789,685 | (14,416,582) |
| Other income | 2,229,398 | 188,277 | 2,417,675 |
| Other losses | (8,489,796) | 3,216,482 | (5,273,314) |
| Share of net loss of joint ventures accounted for using the equity method | - | (1,017,018) | (1,017,018) |
| Income tax expense | (34,009,923) | 324,136 | (33,685,787) |

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Notes to the condensed consolidated interim financial information (continued)
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16 Restatement (continued)

| Extract from the statement of cash flow For the period ended March 31, 2021 | As previously presented EGP | Cash increase / (decrease) EGP | As currently presented 2021 EGP |
|--|-----------------------------------|---|--|
| Net cash flows generated from operating activities | 147,254,568 | 10,544,812 | 157,799,380 |
| Net cash flows used in investing activities | (76,869,847) | 46,191,454 | (30,678,393) |
| Net cash flows used in financing activities | (34,298,880) | 96,451,210 | 62,152,330 |

Basic and diluted earnings per share:

Basic and diluted earnings per share for the prior period have not been restated. Since there was no significant effect on the net profit attributable to the owners of the parent company for the period ended March 31, 2021.