

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

Condensed Consolidated Interim
Financial Information
For the period ended June 30, 2023

EDITA Food Industries (S.A.E.) and its subsidiaries
Condensed Consolidated Interim Financial Information
For the period ended June 30, 2023

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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 June 30, 2023, 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 six months’ 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.


GRANT THORNTON

Dr. Osama El Bakry
Registration No. 935
Dubai, United Arab Emirates



August 14, 2023

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

Condensed consolidated statement of financial position
As at June 30, 2023

	Notes	June 30, 2023 (Unaudited) EGP	December 31, 2022 (Audited) EGP
ASSETS			
Non-current assets			
Property, plant and equipment	4	3,074,547,128	2,542,701,504
Right-of-use assets		127,820,002	96,235,414
Intangible assets and goodwill		225,710,973	229,226,565
		<u>3,428,078,103</u>	<u>2,868,163,483</u>
Current assets			
Inventories		1,386,508,882	981,499,151
Trade and other receivables		618,080,934	545,215,216
Financial assets at amortized cost – treasury bills	6	860,439,291	894,641,441
Cash and cash equivalents	7	477,116,838	494,387,411
		<u>3,342,145,945</u>	<u>2,915,743,219</u>
TOTAL ASSETS		<u>6,770,224,048</u>	<u>5,783,906,702</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		144,611,688	144,611,688
Legal reserve		72,536,290	78,953,630
Cumulative translation reserve		(69,622,927)	(42,273,721)
Transactions with non-controlling interests		(32,132,098)	(32,132,098)
Treasury shares		(266,012,536)	(160,827,557)
Retained earnings		2,999,698,207	2,633,270,813
Equity attributed to the Owners of the Parent		<u>2,849,078,624</u>	<u>2,621,602,755</u>
Non-controlling interests		51,478,618	40,579,768
Total equity		<u>2,900,557,242</u>	<u>2,662,182,523</u>
Non-current liabilities			
Borrowings	9	669,070,263	739,496,389
Deferred government grants		18,141,130	16,912,608
Employee benefit obligations		34,573,630	33,396,656
Deferred tax liabilities – net		206,715,826	194,682,549
Lease liabilities		136,156,743	102,209,569
		<u>1,064,657,592</u>	<u>1,086,697,771</u>
Current liabilities			
Provisions		91,728,516	72,714,382
Bank overdraft		964,918,669	501,662,588
Trade and other payables		1,175,705,669	1,006,229,685
Current portion of borrowings	9	354,061,456	244,539,007
Current income tax liabilities		204,875,393	197,610,283
Lease liabilities		13,719,511	12,270,463
		<u>2,805,009,214</u>	<u>2,035,026,408</u>
Total liabilities		<u>3,869,666,806</u>	<u>3,121,724,179</u>
TOTAL EQUITY AND LIABILITIES		<u>6,770,224,048</u>	<u>5,783,906,702</u>

This condensed consolidated interim financial information was approved and authorised for issue by the Board of Directors on August 14, 2023 and were signed on their behalf by:


Mr. Sameh Naguib
Vice President - Finance


Eng. Hani Berzi
Chairman

The accompanying notes from 1 to 15 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 June 30, 2023

	Note	Three-month period ended June 30, 2023 (Unaudited) EGP	Three-month period ended June 30, 2022 (Unaudited) EGP	Six-month period ended June 30, 2023 (Unaudited) EGP	Six-month period ended June 30, 2022 (Unaudited) EGP
Revenue	10	2,858,073,110	1,573,182,407	5,637,785,899	3,132,142,373
Cost of sales		(1,944,563,261)	(1,054,444,964)	(3,844,625,976)	(2,056,789,930)
Gross profit		913,509,849	518,737,443	1,793,159,923	1,075,352,443
Distribution cost		(257,345,369)	(192,858,313)	(504,266,955)	(412,392,867)
Administrative expenses		(184,917,558)	(107,892,361)	(354,125,503)	(201,349,386)
Provision for employee benefit obligations		(2,250,000)	(1,500,000)	(4,500,000)	(3,000,000)
Inventory write-down Provision		(3,683,520)	(975,000)	(4,933,520)	(1,950,000)
Other income		50,674,280	15,724,464	57,583,296	19,084,680
Other losses		(16,090,361)	(7,684,024)	(38,253,738)	(15,765,454)
Finance income		54,755,400	21,479,920	108,197,616	45,098,658
Finance cost		(45,162,460)	(27,416,340)	(87,774,078)	(49,657,835)
Foreign exchange gains/ (losses)		(4,161,421)	2,720,198	42,919,604	(2,591,609)
Share of net gains of a joint venture accounted for using the equity method		-	30,888,746	-	27,625,410
Loss on financial assets measured at fair value through profit or loss		-	-	-	(22,172,000)
PROFIT BEFORE INCOME TAX		505,328,840	251,224,733	1,008,006,645	458,282,040
Income tax expense		(123,190,557)	(55,213,541)	(250,473,885)	(114,165,444)
NET PROFIT FOR THE PERIOD		382,138,283	196,011,192	757,532,760	344,116,596
<i>Profit attributable to:</i>					
Owners of the Parent		385,867,086	196,653,063	760,010,054	344,724,144
Non-controlling interest		(3,728,803)	(641,871)	(2,477,294)	(607,548)
Net profit for the period		382,138,283	196,011,192	757,532,760	344,116,596
Earnings per share (EGP per share)					
Basic and diluted earnings per share	11	0.55	0.27	1.09	0.48

The accompanying notes from 1 to 15 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 June 30, 2023

	Three-month period ended June 30, 2023 (Unaudited) EGP	Three-month period ended June 30, 2022 (Unaudited) EGP	Six-month period ended June 30, 2023 (Unaudited) EGP	Six-month period ended June 30, 2022 (Unaudited) EGP
Profit for the period	382,138,283	196,011,192	757,532,760	344,116,596
Other comprehensive income/ (loss):				
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations	1,699,890	(31,278,386)	(13,973,062)	(18,959,886)
Total other comprehensive income/(loss) for the period	1,699,890	(31,278,386)	(13,973,062)	(18,959,886)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	383,838,173	164,732,806	743,559,698	325,156,710
Total comprehensive income attributable to:				
Owners of the Parent	386,064,301	165,384,525	732,660,848	325,774,106
Non-controlling interest	(2,226,128)	(651,719)	10,898,850	(617,396)
	383,838,173	164,732,806	743,559,698	325,156,710

The accompanying notes from 1 to 15 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 June 30, 2023**

	Equity attributable to the owners of the Parent							Total equity EGP	
	Share capital EGP	Legal reserve EGP	Cumulative translation reserve EGP	Transactions with non-controlling interest EGP	Treasury shares EGP	Retained earnings EGP	Total EGP		Non-controlling interest EGP
Balance 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
<i>Total comprehensive income:</i>									
Net profit for the period	-	-	-	-	-	344,724,144	344,724,144	(607,548)	344,116,596
Other comprehensive loss for the period	-	(18,950,038)	-	-	-	-	(18,950,038)	(9,848)	(18,959,886)
Total comprehensive income for the period	-	(18,950,038)	-	-	-	344,724,144	325,774,106	(617,396)	325,156,710
<i>Transactions with shareholders:</i>									
Acquisition of new subsidiary with non-controlling interest	-	-	-	-	-	-	-	20,005,037	20,005,037
Dividend distributed during the period (Note 14)	-	-	-	-	-	(200,000,000)	(200,000,000)	-	(200,000,000)
Other adjustments	-	-	-	-	-	-	-	(79,414)	(79,414)
Total transactions with shareholders	-	-	-	-	-	(200,000,000)	(200,000,000)	19,925,623	(180,074,377)
Balance as at June 30, 2022 (Unaudited)	144,611,688	78,953,630	(17,759,720)	(32,132,098)	-	2,011,547,188	2,185,220,688	19,898,273	2,205,118,961
Balance as at January 1, 2023 (audited)	144,611,688	78,953,630	(42,273,721)	(32,132,098)	(160,827,557)	2,633,270,813	2,621,602,755	40,579,768	2,662,182,523
<i>Total comprehensive income:</i>									
Net profit for the period	-	-	-	-	-	760,010,054	760,010,054	(2,477,294)	757,532,760
Other comprehensive loss for the period	-	(27,349,206)	-	-	-	-	(27,349,206)	13,376,144	(13,973,062)
Total comprehensive income for the period	-	(27,349,206)	-	-	-	760,010,054	732,660,848	10,898,850	743,559,698
<i>Transactions with shareholders:</i>									
Acquisition of treasury shares	-	-	-	-	(105,184,979)	-	(105,184,979)	-	(105,184,979)
Dividend distributed during the period (Note 14)	-	-	-	-	-	(400,000,000)	(400,000,000)	-	(400,000,000)
Reclassifications	-	(6,802,452)	-	-	-	6,802,452	-	-	-
Transfer to legal reserve	-	385,112	-	-	-	(385,112)	-	-	-
Total transactions with shareholders	-	(6,417,340)	-	-	(105,184,979)	(393,582,660)	(505,184,979)	-	(505,184,979)
Balance as at June 30, 2023 (Unaudited)	144,611,688	72,536,290	(69,622,927)	(32,132,098)	(266,012,536)	2,999,698,207	2,849,078,624	51,478,618	2,900,557,242

The accompanying notes from 1 to 15 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 June 30, 2023

	Six-month period ended June 30, 2023 (Unaudited) EGP	Six-month period ended June 30, 2022 (Unaudited) EGP
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period before income tax	1,008,006,645	458,282,040
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	120,588,721	98,373,135
Depreciation of right-of-use asset	9,175,278	5,844,594
Amortisation of intangible assets	3,771,218	2,282,069
Share of net gains of joint venture accounted for using the equity method	-	(27,625,410)
Fair value loss on financial assets at fair value through profit or loss	-	22,172,000
Gain on sale of property, plant and equipment	(2,290,433)	(7,441,498)
Grant income	(2,299,099)	(2,385,232)
Provision for employee benefit obligation	4,500,000	3,000,000
Provision for slow moving inventory	4,933,520	1,950,000
Other provisions	14,189,783	1,848,597
Interest income	(108,197,616)	(45,098,658)
Interest expense	80,339,317	44,713,285
Interest expenses on lease	7,434,761	4,944,550
Foreign exchange gain	(42,919,604)	2,591,609
Translation reserve	27,349,206	(4,496,906)
Operating cash flows before changes in working capital	1,124,581,697	558,954,175
<i>Changes in working capital</i>		
Inventories	(412,195,731)	(124,450,565)
Trade and other receivables	(83,699,438)	(141,205,585)
Trade and other payables	172,537,883	78,308,579
Provision utilised	(336,042)	(463,269)
Staff terminal benefits paid	(3,323,026)	(143,719)
Cash flows from operations	797,565,343	370,999,616
Interest paid	(67,395,806)	(47,366,564)
Income tax paid	(232,198,247)	(42,184,209)
Net cash flow from operating activities	497,971,290	281,448,843
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(163,435,773)	(109,275,173)
Acquisition of intangible assets	(255,626)	-
Proceeds from sale of property plant and equipment	2,376,635	17,745,080
Finance income received	100,115,712	46,121,954
Payment for purchase of treasury bills	(3,198,494,113)	(779,267,304)
Proceeds from sale of treasury bills	3,240,834,183	871,851,901
Consideration paid for acquisition of subsidiary - net of cash acquired	(256,766,966)	-
Proceeds from sale of financial assets at fair value through profit or loss	-	67,219,121
Net cash flow (used in)/from investing activities	(275,625,948)	114,395,579
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to the shareholders	(400,000,000)	(200,000,000)
Lease payment	(14,482,720)	(5,543,115)
Acquisition of treasury shares	(105,184,979)	-
Proceeds from borrowings	117,775,123	84,043,276
Repayment of borrowings	(300,979,420)	(94,690,691)
Net cash flow used in financing activities	(702,871,996)	(216,190,530)
Net change in cash and cash equivalents	(480,526,654)	179,653,892
Cash and cash equivalents at the beginning of the period	(7,275,177)	(241,111,348)
Cash and cash equivalents at the end of the period (Note 7)	(487,801,831)	(61,457,456)

The accompanying notes from 1 to 15 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 June 30, 2023

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 Company’s principal subsidiaries, as at June 30, are set out below:

Subsidiaries	Place of business/ country of incorporation	Ownership interest		Ownership interest held by non-controlling interest	
		June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Edita Participation Limited	Cyprus	100%	100%	-	-
Edita Holding for Investment	Egypt	100%	100%	-	-
Fancy Foods S.A.E. (Note 5)	Egypt	100%	-	-	-
Edita for Trading and Distribution (Formerly ‘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 Food Industries Morocco	Morocco	77%	77%	23%	23%

This condensed consolidated interim financial information as at June 30, 2023 includes the consolidated financial performance and position of the Company and its subsidiaries (collectively referred to as “the Group”).

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 six-months period ended June 30, 2023, which does not constitute part of this 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, 2022. 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, 2022.

The condensed consolidated interim financial information has been prepared on the historical cost basis except for defined benefit obligations.

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 June 30, 2023

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

b 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.

c Functional and presentation currency

The condensed consolidated interim financial information is presented in Egyptian Pounds ("EGP"), which is the Group's functional and presentation currency except for Edita Participation Limited and Edita Food Industries Morocco, the functional currencies of which are Euro and Moroccan Dirhams, respectively.

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, 2022.

2.1 New Standards, Interpretations and Amendments adopted as at January 1, 2023

Certain accounting pronouncements which have become effective from January 1, 2023 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, 2022.

4 Property, plant and equipment

During the period ended June 30, 2023, the Group acquired various property, plant and equipment amounting to EGP 163,435,773 (the period ended June 30, 2022: EGP 109,275,173).

Depreciation charge on property and equipment for the period ended June 30, 2023, amounted to EGP 120,588,721 (the period ended June 30, 2022: EGP 98,373,135).

5 Investment in Fancy Foods S.A.E.

During the period ended June 30, 2023, the Group acquired 100% ownership interest in Fancy Foods S.A.E. ("Fancy Foods"), a non-listed company based in Egypt and specialising in manufacturing of food products, in exchange for cash. The acquisition was mainly made as part of the Group's strategy for expansion of operations in Egypt. The acquisition is also expected to provide the Group with synergies benefits such as reduced costs through economies of scale, increased productivity, increase in capacity etc.

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 June 30, 2023

5 Investment in Fancy Foods S.A.E. (continued)

Details of the fair value of net assets acquired and goodwill arising on acquisition, are as follows:

	EGP
Fair value of net assets acquired (A)	257,206,978
Consideration paid - cash	257,206,978
Goodwill arising on acquisition	-

A. Fair value of net assets acquired as at the date of acquisition

	Book values EGP	Adjustments EGP	Fair values EGP
Assets acquired			
Property, plant and equipment	205,253,176	189,661,804	394,914,980
Right-of-use assets	2,318,978	-	2,318,978
Inventories	2,513,350	-	2,513,350
Trade and other receivables	10,833,971	-	10,833,971
Cash and cash equivalents	440,012	-	440,012
Total assets acquired	221,359,487	189,661,804	411,021,291
Liabilities assumed			
Borrowings and bank overdrafts	(96,985,258)	-	(96,985,258)
Lease liabilities	(1,570,288)	-	(1,570,288)
Deferred tax liabilities	(7,937,479)	(19,153,700)	(27,091,179)
Amounts due to related parties	(136,417,857)	136,280,072	(137,785)
Trade and other payables	(25,072,313)	-	(25,072,313)
Provisions	(2,957,490)	-	(2,957,490)
Total liabilities assumed	(270,940,685)	117,126,372	(153,814,313)
Net assets/(liabilities) acquired	(49,581,198)	306,788,176	257,206,978

As the transaction has been conducted near the period end, the Group is in process of identification of identifiable assets and liabilities and determining the fair values thereof. Therefore, the amount of goodwill and fair values of the net assets acquired, as disclosed above, have been reported in this condensed interim financial information on a provisional basis and may change substantially pursuant to completion of the initial accounting for the acquisition of the Fancy Foods.

6 Financial assets at amortised cost - Treasury Bills

	June 30, 2023 (Unaudited) EGP	December 31, 2022 (Audited) EGP
Upto 91 days maturity	632,500,000	771,000,000
266-364 days maturity	260,000,000	150,000,000
	892,500,000	921,000,000
Unearned interest	(62,716,610)	(48,876,540)
Amount of Treasury Bills paid	829,783,390	872,123,460
Interest income recognised in profit or loss	30,655,901	22,517,981
	860,439,291	894,641,441

The average effective interest rate related to Treasury Bills is 19.53% (December 31, 2022: 14.07%).

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 June 30, 2023

6 Financial assets at amortised cost - Treasury Bills (continued)

The Group has adopted 12-month ECL model, based on management assessment, there is an immaterial impact on treasury bills as 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 Cash and cash equivalents

	June 30, 2023 (Unaudited) EGP	December 31, 2022 (Audited) EGP
Cash at banks and in hand	243,180,445	277,975,166
Time deposit - Foreign currency	233,936,393	216,412,245
Cash and cash equivalents (excluding bank overdrafts)	477,116,838	494,387,411

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

	June 30, 2023 (Unaudited) EGP	June 30, 2022 (Unaudited) EGP
Cash and bank balances	477,116,838	368,908,371
Bank overdraft	(964,918,669)	(430,365,827)
Total	(487,801,831)	(61,457,456)

8 Related Parties

	June 30, 2023 (Unaudited) EGP	December 31, 2022 (Audited) EGP
Amount due from a related party		
La Marocaine De Distribution De Logistiques (other related party)	46,823,079	62,072,443

During the period ended June 30, 2023, the Group incurred an amount of EGP 99,562,771 as benefits to the key management members (June 30, 2022: EGP 59,343,049).

	<u>June 30, 2023 (Unaudited)</u>		<u>June 30, 2022 (Unaudited)</u>	
	Non-executive / independent board members	Key management personnel	Non-executive / independent board members	Key management personnel
Salaries and compensation	-	94,825,767	-	56,051,351
Allowances	-	1,097,400	-	721,200
Other benefit	3,500,000	139,604	2,450,000	121,498

The nature of transactions with related party during the period ended June 30, 2023 and June 30, 2022 are represented as follows:

	June 30, 2023 (Unaudited) EGP	June 30, 2022 (Unaudited) EGP
Sale of finished goods	223,616,552	52,050,702

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 June 30, 2023

9 Borrowings

	June 30, 2023 (Unaudited)			December 31, 2022 (Audited)		
	Short-term portion	Long-term portion	Total	Short-term portion	Long-term portion	Total
	EGP	EGP	EGP	EGP	EGP	EGP
Borrowings	354,061,456	669,070,263	1,023,131,719	244,539,007	739,496,389	984,035,396

The break-up of the short-term borrowings is as follows:

	June 30, 2023 (Unaudited) EGP	December 31, 2022 (Audited) EGP
Balance due within 1 year	345,736,673	237,632,559
Accrued interest	8,324,783	6,906,448
	<u>354,061,456</u>	<u>244,539,007</u>

9.1 Loan obtained from International Finance Corporation ("IFC") by Edita Food Industries S.A.E. and Edita Participation Limited

	June 30, 2023 (Unaudited)			December 31, 2022 (Audited)		
	Short-term portion	Long-term portion	Total	Short-term portion	Long-term portion	Total
	EGP	EGP	EGP	EGP	EGP	EGP
IFC loan	115,462,486	198,080,000	313,542,486	43,305,344	257,608,000	300,913,344

The break-up of the short-term borrowings is as follows:

	June 30, 2023 (Unaudited) EGP	December 31, 2022 (Audited) EGP
Balance due within 1 year	111,420,000	39,632,000
Accrued interest	4,042,486	3,673,344
	<u>115,462,486</u>	<u>43,305,344</u>

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

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.

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

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

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Condensed Consolidated Interim Financial Information

Notes to the condensed consolidated interim financial information (continued)
For the period ended June 30, 2023

9 Borrowings (continued)

9.2 Loans obtained by Edita Food Industries S.A.E.

	June 30, 2023 (Unaudited)			December 31, 2022 (Audited)		
	Short-term	Long-term	Total	Short-term	Long-term	Total
	portion	portion		portion	portion	
EGP	EGP	EGP	EGP	EGP	EGP	
Fourth loan	40,658,333	-	40,658,333	40,000,000	20,000,000	60,000,000
Seventh loan	45,115,571	22,362,745	67,478,316	34,762,943	40,702,977	75,465,920
Eighth loan	40,647,022	106,903,237	147,550,259	15,258,754	83,857,170	99,115,924
Ninth loan	33,130,013	58,785,175	91,915,188	14,122,163	75,209,377	89,331,540
Tenth loan	18,125,833	33,904,619	52,030,452	17,667,379	40,730,195	58,397,574
Total	177,676,772	221,955,776	399,632,548	121,811,239	260,499,719	382,310,958

The sixth loan is the IFC loan which is separately disclosed in Note 9.1.

The break-up of the short-term borrowings is as follows:

	June 30, 2023 (Unaudited) EGP	December 31, 2022 (Audited) EGP
Balance due within 1 year	176,882,485	121,811,239
Accrued interest	794,287	-
	177,676,772	121,811,239

Type	Guarantees	Currency	Tenure	Interest rate
Fourth loan	Cross corporate guarantee Digma Trading Company amounted to EGP 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	Cross corporate guarantee Digma Trading Company	EGP	7 years with first installment in November 2022	8%
Eighth loan	Cross corporate guarantee Digma Trading Company	EGP	7 years with first installment in June 2022	8%
Ninth loan	Cross corporate guarantee Digma Trading Company	EGP	7 years with first installment in September 2023	8%
Tenth loan	None	EGP	7 years with first installment in July 2023	8%

9.3 Loans obtained by Digma for Trading

	June 30, 2023 (Unaudited)			December 31, 2022 (Audited)		
	Short-term	Long-term	Total	Short-term	Long-term	Total
	portion	portion		portion	portion	
EGP	EGP	EGP	EGP	EGP	EGP	
First loan	36,693,335	33,362,211	70,055,546	36,466,982	50,043,317	86,510,299

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 June 30, 2023

9 Borrowings (continued)

9.3 Loans obtained by Digma for Trading (continued)

The break-up of the short-term borrowings is as follows:

	June 30, 2023 (Unaudited) EGP	December 31, 2022 (Audited) EGP
Balance due within 1 year	33,362,211	33,362,211
Accrued interest	3,331,124	3,104,771
	<u>36,693,335</u>	<u>36,466,982</u>

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

The Group is obligated to pay the loan in 9 semi-annual instalments amounting to EGP 16,681,106 and the first instalment is due on August 27, 2021 and the last instalment is due on February 27, 2025.

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

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

9.4 Loan obtained by Edita Confectionery Industries Company

	June 30, 2023 (Unaudited)			December 31, 2022 (Audited)		
	Short-term portion EGP	Long-term portion EGP	Total EGP	Short-term portion EGP	Long-term portion EGP	Total EGP
First loan	-	-	-	4,128,333	-	4,128,333

The break-up of the short-term borrowings is as follows:

	June 30, 2023 (Unaudited) EGP	December 31, 2022 (Audited) EGP
Balance due within 1 year	-	4,000,000
Accrued interest	-	128,333
	-	<u>4,128,333</u>

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

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. The interest rate is 0.5% plus the lending rate.

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

9.5 Loan obtained by Edita Food Industries Morocco

	June 30, 2023 (Unaudited)			December 31, 2022 (Audited)		
	Short-term portion EGP	Long-term portion EGP	Total EGP	Short-term portion EGP	Long-term portion EGP	Total EGP
First loan	24,228,863	215,672,276	239,901,139	38,827,109	171,345,353	210,172,462

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Notes to the condensed consolidated interim financial information (continued)
For the period ended June 30, 2023

9 Borrowings (continued)

9.5 Loan obtained by Edita Food Industries Morocco (continued)

The break-up of the short-term borrowings is as follows:

	June 30, 2023 (Unaudited) EGP	December 31, 2022 (Audited) EGP
Balance due within 1 year	24,071,977	38,827,109
Accrued interest	156,886	-
	<u>24,228,863</u>	<u>38,827,109</u>

Type	Guarantees	Currency	Tenure	Interest rate
First loan	Assets Pledge	MAD	7 years over 20 quarterly Instalments starting Aug 22	6.00%
Second loan	Sales Proceeds	MAD	21 months over 6 Instalments starting after 16 Month from 1 st withdrawal	5.75%
Third loan	Sales Proceeds	MAD	270 Days, Revolving	5.75%
Fourth loan	Backed by capital increase amount	MAD	3 months paid in full following capital increase	5.75%

The fair value of the loan approximately equals its carrying amount since the loan bears 5.75% interest rate that approximates the prevailing market rates.

9.6 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 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 recognised according to the following schedule:

	June 30, 2023 (Unaudited) EGP	December 31, 2022 (Audited) EGP
Edita Food Industries S.A.E. (A)	8,934,546	11,237,250
Edita Food Industries Morocco (investment subsidy)	12,849,663	9,786,843
	<u>21,784,209</u>	<u>21,024,093</u>

A. Edita Food Industries S.A.E.

	June 30, 2023 (Unaudited)			December 31, 2022 (Audited)		
	Short-term portion EGP	Long-term portion EGP	Total EGP	Short-term portion EGP	Long-term portion EGP	Total EGP
Seventh loan	2,050,438	3,254,029	5,304,467	2,281,071	4,057,431	6,338,502
Eighth loan	778,571	1,029,911	1,808,482	861,078	1,415,991	2,277,069
Ninth loan	532,105	911,717	1,443,822	588,420	1,200,392	1,788,812
Tenth loan	281,965	95,810	377,775	380,916	451,951	832,867
Total	<u>3,643,079</u>	<u>5,291,467</u>	<u>8,934,546</u>	<u>4,111,485</u>	<u>7,125,765</u>	<u>11,237,250</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 June 30, 2023

10 Segment reporting

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

Segment	Brand	Product	Revenue		Gross profit		Operating profit		
			June 30, 2023 (Unaudited) EGP '000	June 30, 2022 (Unaudited) EGP '000	June 30, 2023 (Unaudited) EGP '000	June 30, 2022 (Unaudited) EGP '000	June 30, 2023 (Unaudited) EGP '000	June 30, 2022 (Unaudited) EGP '000	
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							
Biscuits	Oniro	Lava chocolate and Lava vanilla							
			2,964,849	1,493,472	978,925	510,537	534,171	296,795	
			1,702,015	967,641	531,585	351,993	262,585	136,652	
			251,471	178,270	70,530	53,605	32,803	22,026	
			548,028	386,814	177,744	135,703	101,688	51,413	
			128,617	82,363	31,018	17,478	11,269	4,144	
			42,715	23,558	6,256	6,062	(3,662)	(28,935)	
			91	24	(2,898)	(26)	(13,520)	(25,435)	
Total			5,637,786	3,132,142	1,793,160	1,075,352	925,334	456,660	

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 June 30, 2023

10 Segment reporting (continued)

Operating profit is reconciled to net profit as follows:

	June 30, 2023 (Unaudited) EGP '000	June 30, 2022 (Unaudited) EGP '000
Operating profit	925,334	456,660
Other income	57,583	19,085
Other losses	(38,254)	(15,765)
Finance income	108,198	45,099
Finance cost	(87,774)	(49,659)
Foreign exchange gains/(losses)	42,920	(2,592)
Share of net losses of a joint venture accounted for using the equity method	-	27,625
Loss on financial assets measured at fair value through profit or loss	-	(22,172)
Income tax expense	(250,474)	(114,165)
Net profit	757,533	344,116

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.

11 Basic and diluted earnings per share

	June 30, 2023 (Unaudited)	June 30, 2022 (Unaudited)
Profit attributable to owners of the Parent (EGP)	760,010,054	344,724,144
Weighted average number of ordinary shares in issue		
Ordinary shares	723,058,439	723,058,439
Treasury shares	(23,044,783)	-
Weighted average number of ordinary shares in issue	700,013,656	723,058,439
Basic and diluted earnings per share (EGP)	1.09	0.48

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 June 30, 2023**

12 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 383,984,773 as at June 30, 2023 (December 31, 2022: EGP 320,653,365).

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 June 30, 2023 of EGP 1,500,000 (December 31, 2022: EGP 1,500,000).

Edita Confectionary Industries Company

As at June 30, 2023, 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 6,856,294 (December 31, 2022: EGP 5,837,326).

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.

13 Capital commitments

The Group has capital commitments of EGP 371,008,691 as at June 30, 2023 (December 31, 2022: EGP 96,587,976) in respect of capital expenditure.

14 Dividends

At the Annual General Meeting held on March 28, 2023, the Board of Directors proposed, and the shareholders of the Company approved a cash dividend of EGP 400,000,000 at EGP 0.566 per share for the year ended December 31, 2022 (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).

15 Reclassification of figures in condensed consolidated statement of profit or loss

The following prior period amounts have been reclassified for consistency with the current period presentation and improve the quality of information presented.

- Provisions, earlier disclosed as a separate line item in the condensed consolidated statement of profit or loss, have been reclassified to other losses.
- Foreign exchange gains/(losses), earlier included in finance cost, have been reclassified as a separate line item in the condensed consolidated statement of profit or loss.

As the result of these reclassifications, the comparative figures for operating segment note (Refer Note 10) have also been changed accordingly.