

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

Condensed Consolidated Interim
Financial Information
For the period ended June 30, 2022

EDITA Food Industries (S.A.E.) and its subsidiaries
Condensed Consolidated Interim Financial Information
For the period ended June 30, 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 June 30, 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 June 30, 2021 were reviewed by another auditor whose review report dated August 2, 2021 expressed an unmodified conclusion on those consolidated interim financial statements.

GRANT THORNTON

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

15 AUG 2022

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

Condensed consolidated statement of financial position
As at June 30, 2022

	Notes	June 30, 2022 (Unaudited) EGP	December 31, 2021 (Audited) EGP
ASSETS			
Non-current assets			
Property, plant and equipment	4	2,362,536,619	2,165,626,284
Right-of-use assets		58,868,257	47,149,933
Intangible assets		232,673,969	180,713,178
Investment in a joint venture	5	-	69,445,134
		<u>2,654,078,845</u>	<u>2,462,934,529</u>
Current assets			
Inventories		648,994,733	526,494,168
Trade and other receivables		360,122,584	218,916,999
Financial assets at amortized cost – Treasury Bills	6	682,827,983	769,965,310
Financial assets at fair value through profit or loss	7	-	76,403,685
Cash and cash equivalents	8	368,908,371	163,455,483
		<u>2,060,853,671</u>	<u>1,755,235,645</u>
		<u>4,714,932,516</u>	<u>4,218,170,174</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Equity			
Share capital		144,611,688	144,611,688
Legal reserve		78,953,630	78,953,630
Cumulative translation reserve		(17,759,720)	1,190,318
Transactions with non-controlling interests		(32,132,098)	(32,132,098)
Retained earnings		2,011,547,188	1,866,823,044
Equity attributed to the Owners of the Parent		<u>2,185,220,688</u>	<u>2,059,446,582</u>
Non-controlling interests		19,898,273	590,046
Total equity		<u>2,205,118,961</u>	<u>2,060,036,628</u>
Non-current liabilities			
Borrowings	10	724,394,978	587,634,700
Deferred government grants		9,145,091	9,897,288
Employee benefit obligations		26,959,775	24,103,494
Deferred tax liabilities		193,048,743	204,828,607
Lease liabilities		67,398,027	51,734,242
		<u>1,020,946,614</u>	<u>878,198,331</u>
Current liabilities			
Provisions		36,017,119	33,978,251
Bank overdraft	8	430,365,827	404,566,831
Trade and other payables		684,257,684	605,949,105
Current portion of borrowings	10	222,509,173	197,005,385
Current income tax liabilities		106,612,205	30,584,092
Lease liabilities		9,104,933	7,851,551
		<u>1,488,866,941</u>	<u>1,279,935,215</u>
Total liabilities		<u>2,509,813,555</u>	<u>2,158,133,546</u>
		<u>4,714,932,516</u>	<u>4,218,170,174</u>
TOTAL EQUITY AND LIABILITIES			

This condensed consolidated interim financial information was approved and authorised for issue by the Board of Directors on August 15, 2022 and were signed on their behalf by:


Mr. Sameh 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 June 30, 2022

		Three-month period ended June 30, 2022 (Unaudited)	Three-month period ended June 30, 2021 (Unaudited) (Restated)	Six-month period ended June 30, 2022 (Unaudited)	Six-month period ended June 30, 2021 (Unaudited) (Restated)
	Notes	EGP	EGP	EGP	EGP
Revenue	11	1,573,182,407	1,150,796,202	3,132,142,373	2,317,133,912
Cost of sales	11	<u>(1,054,444,964)</u>	<u>(810,393,376)</u>	<u>(2,056,789,930)</u>	<u>(1,577,577,616)</u>
GROSS PROFIT		518,737,443	340,402,826	1,075,352,443	739,556,296
Distribution cost		(192,858,313)	(164,900,775)	(412,392,867)	(357,338,852)
Administrative expenses		(107,892,361)	(84,918,555)	(201,349,386)	(171,079,475)
Inventory write-down provision		(975,000)	(500,000)	(1,950,000)	(1,000,000)
Provisions		(818,212)	(2,028,665)	(1,848,597)	(3,433,424)
Provision for employee benefit obligations		(1,500,000)	(1,500,000)	(3,000,000)	(3,000,000)
Finance income		21,479,920	21,257,565	45,098,658	37,759,298
Finance cost		(24,696,142)	(27,724,400)	(52,249,444)	(42,140,982)
Other income		8,858,652	32,507,281	5,167,823	29,651,642
Fair value loss on financial assets measured at fair value through profit or loss		-	-	(22,172,000)	-
Share of net gain/(loss) of a joint venture accounted for using the equity method		<u>30,888,746</u>	<u>(856,116)</u>	<u>27,625,410</u>	<u>(1,873,134)</u>
PROFIT BEFORE INCOME TAX		251,224,733	111,739,161	458,282,040	227,101,369
Income tax expenses		<u>(55,213,541)</u>	<u>(28,867,863)</u>	<u>(114,165,444)</u>	<u>(62,553,650)</u>
NET PROFIT FOR THE PERIOD		<u>196,011,192</u>	<u>82,871,298</u>	<u>344,116,596</u>	<u>164,547,719</u>
Profit is attributable to					
Owners of the Parent		196,653,063	82,868,450	344,724,144	164,563,156
Non-controlling interest		<u>(641,871)</u>	<u>2,848</u>	<u>(607,548)</u>	<u>(15,437)</u>
Net profit for the period		196,011,192	82,871,298	344,116,596	164,547,719
Earnings per share (expressed in EGP per share)					
Basic and diluted earnings per share	12	<u>0.27</u>	<u>0.11</u>	<u>0.48</u>	<u>0.23</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

Condensed consolidated statement of comprehensive income
For the period ended June 30, 2022

	Three-month period ended June 30, 2022 (Unaudited) EGP	Three-month period ended June 30, 2021 (Unaudited) (Restated) EGP	Six-month period ended June 30, 2022 (Unaudited) EGP	Six-month period ended June 30, 2021 (Unaudited) (Restated) EGP
Profit for the period	196,011,192	82,871,298	344,116,596	164,547,719
Other comprehensive income: <i>Items that will never be subsequently reclassified to profit or loss:</i>				
Exchange differences on translation of foreign operations	(31,278,386)	2,302,335	(18,959,886)	1,082,882
Total other comprehensive (loss)/income for the period	(31,278,386)	2,302,335	(18,959,886)	1,082,882
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	164,732,806	85,173,633	325,156,710	165,630,601
Total comprehensive income is attributable to:				
Owners of the Parent	165,384,525	85,170,785	325,774,106	165,646,038
Non-controlling interest	(651,719)	2,848	(617,396)	(15,437)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	164,732,806	85,173,633	325,156,710	165,630,601

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 June 30, 2022

	Share capital EGP	Legal reserve EGP	Cumulative translation reserve EGP	Transactions with non-controlling interest 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
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 owners, recorded directly in equity</i>								
Acquisition of control over an investee	-	-	-	-	-	-	20,005,037	20,005,037
Dividends declared (Note 15)	-	-	-	-	(200,000,000)	(200,000,000)	-	(200,000,000)
Other adjustments	-	-	-	-	-	-	(79,414)	(79,414)
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

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 June 30, 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)	1,569,981,034	1,739,770,193	424,268	1,740,194,461
Profit for the period	-	-	-	-	-	164,563,156	164,563,156	(15,437)	164,547,719
Other comprehensive income for the period	-	-	1,082,882	-	-	-	1,082,882	-	1,082,882
Total comprehensive income for the period	-	-	1,082,882	-	-	164,563,156	165,646,038	(15,437)	165,630,601
<i>Transactions with owners, recorded directly in equity</i>									
Acquisition of treasury shares	(460,892)	-	-	-	22,556,296	(22,095,404)	-	-	-
Dividends declared (Note 15)	-	-	-	-	-	(150,000,000)	(150,000,000)	-	(150,000,000)
Other adjustments	-	-	-	-	-	-	-	(2,359)	(2,359)
As at June 30, 2021 (unaudited)	144,611,688	78,629,880	1,857,975	(32,132,098)	-	1,562,448,786	1,755,416,231	406,472	1,755,822,703

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 June 30, 2022

	Note	Six-month period ended June 30, 2022	Six-month period ended June 30, 2021 (Restated) (Unaudited) EGP
OPERATING ACTIVITIES			
Profit before income tax for the period		458,282,040	227,101,369
<i>Adjustments to reconcile profit to net cash flows:</i>			
Provision		1,848,597	3,433,424
Provision for employee benefit obligation		3,000,000	3,000,000
Interest expense		44,713,285	36,555,713
Interest expenses on lease		4,944,550	5,585,269
Interest income		(45,098,658)	(33,533,254)
Fair value loss on financial assets at fair value through profit or loss		22,172,000	-
Share of net loss of joint venture accounted for using the equity method		5,063,987	1,873,134
Gain from disposal of a joint venture		(32,689,397)	-
Depreciation of property, plant and equipment and right-of-use assets		104,217,729	103,484,839
Amortisation of intangible assets		2,282,069	1,329,022
Provision for slow moving inventory		1,950,000	1,000,000
Gain on sale of property, plant and equipment		(7,441,498)	(17,702,604)
Government grant		(2,385,232)	(1,536,227)
Foreign exchange loss/(gain)		2,591,609	(4,226,044)
Grant income		(4,496,906)	(17,917,146)
<i>Operating cash flows before changes in working capital</i>		<u>558,954,175</u>	<u>308,447,495</u>
<i>Changes in working capital</i>			
Inventories		(124,450,565)	(38,759,911)
Trade and other receivables		(141,205,585)	9,764,454
Trade and other payables		78,308,579	22,213,171
Provision utilised		(279,809)	(2,084,613)
Inventory provision used		(183,460)	-
Interest paid		(47,366,564)	(38,758,170)
Income tax paid		(42,184,209)	(75,215,160)
Cash from operations		<u>281,592,562</u>	<u>185,607,266</u>
Staff terminal benefits paid		(143,719)	(1,950,711)
Net cash flow from operating activities		<u>281,448,843</u>	<u>183,656,555</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(109,275,173)	(114,039,883)
Proceeds from sale of property plant and equipment		17,745,080	19,636,059
Finance income received		46,121,954	12,596,371
Payment for purchase of treasury bills		(779,267,304)	(320,607,028)
Proceeds from sale of treasury bills		871,851,901	445,109,432
Proceeds from sale of financial assets at fair value through profit of loss		67,219,121	-
Payment for purchase of financial assets at fair value through profit of loss		-	(71,583,730)
Net cash flow from/(used in) investing activities		<u>114,395,579</u>	<u>(28,888,779)</u>
FINANCING ACTIVITIES			
Dividends paid to the shareholders		(200,000,000)	(156,145,803)
Acquisition of a subsidiary		-	(31,529,057)
Lease payments		(5,543,115)	(3,794,634)
Repayment of borrowings		(94,690,691)	(101,414,369)
Proceeds from borrowings		84,043,276	28,328,925
Net cash flow used in financing activities		<u>(216,190,530)</u>	<u>(264,554,938)</u>
Net change in cash and cash equivalents		<u>179,653,892</u>	<u>(109,787,162)</u>
Cash and cash equivalents at the beginning of the period		<u>(241,111,348)</u>	<u>134,631,265</u>
Cash and cash equivalents at the end of the period	8	<u>(61,457,456)</u>	<u>24,844,103</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 June 30, 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	June 30, 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%	-	-
Edita Food Industries Morocco (Note 5)	Morocco	77%	-	23%	-
Joint venture					
Edita Food Industries Morocco (Note 5)	Morocco	-	69.6%	-	-

These condensed consolidated interim financial information as at June 30, 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 June 30, 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 June 30, 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 and Edita Food Industries Morocco for which Euro and Moroccan Dirham are their functional currencies, respectively.

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 June 30, 2022, the Group acquired various property, plant and equipment amounting to EGP 109,275,173 (the period ended June 30, 2021: EGP 112,011,240).

Depreciation charge on property and equipment for the period ended June 30, 2022 amounted to EGP 98,373,135 (the period ended June 30, 2021: EGP 97,164,062).

5 Investment in a joint venture

	June 30, 2022 (Unaudited)		December 31, 2021 (Audited)	
	Ownership %	EGP	Ownership %	EGP
Edita Food Industries Morocco	-	-	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 June 30, 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.

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 June 30, 2022 and December 31, 2021 are as follows:

	December 31, 2021 (Audited) EGP
Group's share in Edita Food Industries Morocco (A)	61,629,083
Goodwill	6,591,941
Adjustments	1,224,110
Carrying amount as at end of year	69,445,134
	June 30, 2021 (Restated) EGP
Share of net losses during the period	<u>(1,873,134)</u>

A. Group's share in Edita Food Industries Morocco

	December 31, 2021 (Audited) EGP
Reconciliation to carrying amounts	
Net assets as at January 1,	72,100,752
Amount paid under capital increase	26,264,520
Revaluation of investment at period end exchange rate	
Total comprehensive loss for the year	<u>(8,395,808)</u>
Net assets as at end of year	89,969,464
Group's share in %	69.6%
Net assets as at end of year	89,969,464
Group's share of net assets	<u>61,629,083</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, 2022

5 Investment in a joint venture (continued)

Acquisition of control during the period ended June 30, 2022:

As at April 30, 2022, the minority shareholder of Edita Food Industries Morocco did not exercise the call option with respect to 7.4% equity interest in Edita Food Industries Morocco. Consequently, the Group obtained total ownership interest of 77% of the total share capital of Edita Food Industries Morocco.

As at June 30, 2022, the shareholders of Edita Food Industries Morocco executed an amendment to the Joint Venture Agreement whereby the reserved matters with the minority shareholder was amended in its entirety. The management had assessed that based on the amendment to reserved matters the minority shareholders no more possess substantive veto rights related to the relevant activities and hence the Group has obtained control over Edita Food Industries Morocco. Accordingly, Edita Food Industries Morocco is recognised as a subsidiary of the Group and is consolidated in this condensed consolidated interim financial information with effect from May 1, 2022 as per the relevant requirements of IFRSs.

6 Financial assets at amortised cost - Treasury Bills

	June 30, 2022 (Unaudited) EGP	December 31, 2021 (Audited) EGP
91 days maturity	344,800,000	233,250,000
266-364 days maturity	360,000,000	572,400,000
	<u>704,800,000</u>	<u>805,650,000</u>
Unearned interest	(21,972,017)	(35,684,690)
	<u>682,827,983</u>	<u>769,965,310</u>

The average effective interest rate related to Treasury Bills is 13% (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 (June 30, 2021: EGP Nil). As at June 30, 2022 the Group has sold entire investments for an amount of EGP 67,219,121.

	June 30, 2022 EGP	December 31, 2021 EGP
Significant other observable inputs (Level 2)		
Investment Solution	-	76,403,685

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For the period ended June 30, 2022

8 Cash and cash equivalents

	June 30, 2022 (Unaudited) EGP	December 31, 2021 (Audited) EGP
Cash at banks and in hand	212,086,151	86,335,423
Time deposit - Foreign currency	156,822,220	77,120,060
Cash and cash equivalents (excluding bank overdrafts)	368,908,371	163,455,483

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

	June 30, 2022 (Unaudited) EGP	December 31, 2021 (Audited) EGP
Cash and bank balances	368,908,371	163,455,483
Bank overdraft	(430,365,827)	(404,566,831)
Total	(61,457,456)	(241,111,348)

9 Related Parties

	June 30, 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
Receivable from a joint venture	-	3,860,444
	-	<u>16,472,067</u>

During the period ended June 30, 2022, the Group incurred an amount of EGP 59,343,049 as benefits to the key management members (June 30, 2021: EGP 51,875,844).

	30 June 2022 (Unaudited)		30 June 2021 (Audited)	
	Non-executive/ independent board members	Key management personnel	Non-executive/ independent board members	Key management personnel
Salaries and compensation	2,450,000	56,050,351	2,450,000	48,595,932
Allowances	-	721,200	-	721,200
Other benefit	-	121,498	-	108,712

10 Borrowings

	June 30, 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	222,509,173	724,394,978	946,904,151	197,005,385	587,634,700	784,640,085

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

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

	June 30, 2022 (Unaudited) EGP	December 31, 2021 (Audited) EGP
Balance due within 1 year	217,304,732	191,696,203
Accrued interest	5,204,441	5,309,182
	<u>222,509,173</u>	<u>197,005,385</u>

10.1 Edita Food Industries Group

	June 30, 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
IFC loan	69,744,208	195,624,000	265,368,208	64,589,305	189,120,000	253,709,305

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

	June 30, 2022 (Unaudited) EGP	December 31, 2021 (Audited) EGP
Balance due within 1 year	67,716,000	63,040,000
Accrued interest	2,028,208	1,549,305
	<u>69,744,208</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.

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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

	June 30, 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	-	-	-	9,221,688	-	9,221,688
Second loan	8,034,050	-	8,034,050	16,044,582	-	16,044,582
Third loan	40,000,000	40,000,000	80,000,000	40,050,000	60,000,000	100,050,000
Fourth loan	23,430,408	58,992,001	82,422,409	9,567,069	78,616,366	88,183,435
Fifth loan	10,620,823	60,584,920	71,205,743	12,935,925	57,904,510	70,840,435
Sixth loan	-	81,355,201	81,355,201	75,198	61,763,341	61,838,539
Seventh loan	168,905	92,611,125	92,780,030	26,754	52,824,954	52,851,708
Total	82,254,186	333,543,247	415,797,433	87,921,216	311,109,171	399,030,387

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

	June 30, 2022 (Unaudited) EGP	December 31, 2021 (Audited) EGP
Balance due within 1 year	82,169,722	87,293,990
Accrued interest	84,464	627,226
	82,254,186	87,921,216

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	3.85% above the Libor rate (3 month).
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 %

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

10.3 Digma for Trading

	June 30, 2022			December 31, 2021		
	Short-term	Long-term	Total	Short-term	Long-term	Total
	portion	portion		portion	portion	
EGP	EGP	EGP	EGP	EGP	EGP	
First loan	36,304,341	66,724,423	105,046,044	36,330,058	83,405,529	119,735,587

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

	June 30, 2022 (Unaudited) EGP	December 31, 2021 (Audited) EGP
Balance due within 1 year	33,362,211	33,362,211
Accrued interest	2,942,130	2,967,847
	<u>36,304,341</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. The balance of the outstanding loan on 30th June 2022 amounted to EGP 100 million in addition to it accrued interest.

Terms of payment

The Group is obligated to pay the loan in 9 semi-annual equal instalments amounting to EGP 16,681,106 where the next instalment is due on 27 August 202 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

	June 30, 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	8,149,639	-	8,149,639	8,164,806	4,000,000	12,164,806

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

	June 30, 2022 (Unaudited) EGP	December 31, 2021 (Audited) EGP
Balance due within 1 year	8,000,000	8,000,000
Accrued interest	149,639	164,806
	<u>8,149,639</u>	<u>8,164,806</u>

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Notes to the condensed consolidated interim financial information (continued)
For the period ended June 30, 2022

10 Borrowings (continued)

10.4 Edita Confectionery Industries Company (continued)

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

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 Edita Food Industries, Morocco

	June 30, 2022 (Unaudited)		Total EGP
	Short-term portion EGP	Long-term portion EGP	
First loan	13,445,736	122,233,966	135,679,702
Second loan	12,611,063	6,269,342	18,880,405
	<u>26,056,799</u>	<u>128,503,308</u>	<u>154,560,107</u>

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

	June 30, 2022 (Unaudited) EGP
Balance due within 1 year	22,337,451
Accrued interest	3,719,348
	<u>26,056,799</u>

The Group obtained a loan facility of EGP 167.5 million (equivalent of MAD 90 million) from one of the commercial banks. The Group utilised the loan amounting to EGP 154.56 (equivalent of MAD 83 million) as at June 30, 2022.

Terms of payment

The Group is obligated to pay the first loan amounting to EGP 135.68 (equivalent of MAD 73 million) in quarterly instalments, with the first instalment to be paid in August 2022 and last instalment due on November 2027.

The Group is obligated to pay the second loan amounting to EGP 18.88 (equivalent of MAD 10 million) in six monthly instalments, with the first instalment to be paid in February 2023.

Interest rate

The first loan carry an interest rate of 5.31% per annum and the second loan carry an interest rate of 5.75% per annum.

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Notes to the condensed consolidated interim financial information (continued)
For the period ended June 30, 2022

10 Borrowings (continued)

10.6 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 during the period and until 30th June 2022. 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 according to the following schedule:

	June 30, 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	2,182,031	4,045,913	6,227,944	2,517,521	4,931,993	7,449,514
Fifth loan	959,039	1,821,978	2,781,017	1,055,416	2,277,069	3,332,485
Sixth loan	610,484	1,495,805	2,106,289	497,621	1,476,828	1,974,449
Seventh loan	739,330	1,781,395	2,520,725	394,988	1,211,398	1,606,386
Total	4,490,884	9,145,091	13,635,975	4,465,546	9,897,288	14,362,834

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Notes to the condensed consolidated interim financial information (continued)
For the period ended June 30, 2022

11 Segment reporting (continued)

Operating profit is reconciled to net profit as follows:

EGP in '000	June 30, 2022 (Unaudited) EGP	June 30, 2021 (Restated) EGP
Operating profit	454,811	203,705
Finance income	45,099	37,759
Finance cost	(52,249)	(42,141)
Other income/expenses	5,168	29,652
Fair value loss on financial assets measured at fair value through profit or loss	(22,172)	-
Share of net gain from a joint venture accounted for using the equity method	27,625	(1,873)
Income tax expense	(114,165)	(62,554)
Net profit	344,117	164,548

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.

12 Basic and diluted earnings per share

	Three-month period ended June 30, 2022 (Unaudited) EGP	Three-month period ended June 30, 2021 (Restated) EGP	Six-month period ended June 30, 2022 (Unaudited) EGP	Six-month period ended June 30, 2021 (Restated) EGP
Profit attributable to the owners of the Company	196,011,192	82,871,298	344,116,596	164,547,719
Weighted average number of shares	723,058,439	723,058,439	723,058,439	723,058,439
Basic and diluted earnings per share (EGP)	0.27	0.11	0.48	0.23

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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 164,784,725 as at June 30, 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 June 30, 2022 of EGP 1,500,000 (December 31, 2021: EGP 250,000).

Edita Confectionary Industries Company

As at June 30, 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 7,649,143 (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 119.5 million as at June 30, 2022 (December 31, 2021: EGP 79 million) in respect of capital expenditure.

15 Dividends

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 (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).

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.

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16 Restatement (continued)

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 June 30, 2021	EGP	EGP	EGP
Revenue	2,317,133,912	-	2,317,133,912
Cost of sales	(1,580,664,336)	3,086,720	(1,577,577,616)
Distribution cost	(357,338,832)	(20)	(357,338,852)
Administrative expenses	(171,911,788)	832,313	(171,079,475)
Inventory write-down provision	-	(1,000,000)	(1,000,000)
Provisions	-	(3,433,424)	(3,433,424)
Provision for employee benefit obligations	-	(3,000,000)	(3,000,000)
Finance income	37,759,298	-	37,759,298
Finance cost	(42,441,972)	300,990	(42,140,982)
Other income	40,083,031	(10,431,389)	29,651,642
Other losses	(17,864,813)	17,864,813	-
Share of net loss of joint ventures accounted for using the equity method	-	(1,873,134)	(1,873,134)
Income tax expense	(61,024,929)	(1,528,721)	(62,553,650)

Extract from the statement of cash flow	As previously presented	Cash increase / (decrease)	As currently presented
For the period ended June 30, 2021	EGP	EGP	2021 EGP
Net cash flows generated from operating activities	188,589,611	(4,933,056)	183,656,555
Net cash flows used in investing activities	(216,459,568)	26,730,485	(189,729,083)
Net cash flows used in financing activities	(244,801,281)	(19,753,657)	(264,554,938)

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 June 30, 2022.