

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

**REVIEW REPORT AND
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED
31 March 2023**

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES
Notes to the Condensed consolidated interim financial statements –
For the three months period ended 31 March 2023
(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

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Saleh, Barsoum & Abdel Aziz

Grant Thornton

Saleh, Barsoum & Abdel Aziz

Nile City South Tower,
6th floor
2005A Cornish El Nil,
Ramlet Boulaq, Cairo, 11221
Egypt

Review Report

To: The Board of Directors of Edita Food Industries Company (S.A.E)

T +20 (0) 2 246 199 09

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Edita Food Industries (S.A.E) comprised of the condensed consolidated interim financial position as of March 31 ,2023, and the related condensed consolidated interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with the Egyptian Accounting Standard No. 30. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Egyptian Standards on Review Engagements No. 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these condensed consolidated interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements do not present fairly, in all material respects the condensed consolidated interim financial position of Edita Food Industries (S.A.E) as of March 31 ,2023; and of its condensed consolidated interim financial performance and its condensed consolidated interim cash flows for the three-months then ended in accordance with Egyptian Accounting Standard No. 30 "Interim Financial Reporting".

Cairo, May 29, 2023

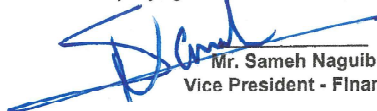
Kamel M. Saleh FCA
F.E.S.A.A. (R.A.A. 8510)



EDITA FOOD INDUSTRIES (S.A.E) AND ITS SUBSIDIARIES
Condensed consolidated interim Statement of Financial Position as of 31 March 2023

	Note	31 March 2023 EGP	31 December 2022 EGP
Assets			
Non-current assets			
Property, plant and equipment and projects under constructions	3	2 646 260 702	2 542 714 675
Right of use assets		111 119 101	102 879 883
Intangible assets		184 706 520	186 592 129
Goodwill	5	41 956 386	41 956 386
Total non-current assets		2 984 042 709	2 874 143 073
Current assets			
Inventories	4	1 314 225 487	981 499 151
Trade receivables		115 953 481	79 797 130
Debtors and Other Debit Balance		326 866 787	403 345 638
Due from related parties		80 874 998	62 072 443
Treasury Bills	8	1 194 779 566	894 641 441
Cash and bank balances	9	365 177 237	494 387 224
Total current assets		3 397 877 556	2 915 743 027
Total assets		6 381 920 265	5 789 886 100
Equity and liabilities			
Equity attributable to owners of the parent			
Paid up capital	10	144 611 688	144 611 688
Legal reserve	11	79 338 742	78 953 630
Cumulative translation reserve		(70 050 243)	(42 435 638)
Transactions with non-controlling interest		(32 132 098)	(32 132 098)
Treasury shares		(160 827 557)	(160 827 557)
Retained earnings	10	2 614 186 083	2 687 811 227
Total equity		2 575 126 615	2 675 981 252
Non-controlling interest		54 174 371	40 997 184
Total equity		2 629 300 986	2 716 978 436
Liabilities			
Non-current liabilities			
Borrowings	12	774 086 738	739 496 389
Deferred government grants	12	18 744 509	16 912 608
Employee benefit obligations		32 407 420	33 396 656
Deferred tax liabilities		187 688 959	194 670 330
Lease liabilities		116 544 067	105 015 892
Total non-current liabilities		1 129 471 693	1 089 491 875
Current liabilities			
Provisions	13	79 577 633	72 714 381
Bank overdraft	14	349 946 625	501 662 587
Trade and notes payables		693 964 249	632 225 898
Creditors and other credit balances		847 960 513	316 639 631
Current portion of borrowings	12	317 882 127	244 539 006
Deferred government grants	12	3 883 225	4 111 485
Current income tax liabilities		316 553 114	198 667 784
Lease liabilities		13 380 100	12 855 017
Total current liabilities		2 623 147 586	1 983 415 789
Total liabilities		3 752 619 279	3 072 907 664
Total equity and liabilities		6 381 920 265	5 789 886 100

- The accompanying notes form an integral part of these condensed consolidated interim financial statements.


Mr. Sameh Naguib
Vice President - Finance


Eng. Hamd Berzi
Chairman

- Auditor's review report attached

EDITA FOOD INDUSTRIES (S.A.E) AND ITS SUBSIDIARIES
Condensed consolidated interim statement of profit or loss
For the three months period ended 31 March 2023

	<u>Note</u>	<u>Three Months period ended</u>	
		<u>31-Mar-23</u>	<u>31-Mar-22</u>
		<u>EGP</u>	<u>EGP</u>
Revenue	16	2 779 712 789	1 558 959 966
Cost of sales	17	(1 888 712 984)	(996 201 782)
Gross profit		890 999 805	562 758 184
Other expenses - Net		(8 628 287)	(3 690 829)
Distribution cost	17	(240 013 747)	(214 784 343)
Administrative expenses	17	(163 201 996)	(90 377 387)
Inventory write-down provision	4	(1 250 000)	(975 000)
Provisions	13	(6 626 074)	(1 030 386)
Employee Benefit Obligations provision		(2 250 000)	(1 500 000)
Finance Income		53 442 216	23 618 738
Foreign Exchange Gain/(Loss)		47 081 025	(5 311 807)
Finance cost - Net		(42 343 533)	(21 892 523)
Fair value gain on investments at fair value through profit or loss		--	(22 172 000)
Share of net loss of joint ventures accounted for using the equity method		--	(3 266 394)
Profit before income tax		527 209 409	221 376 253
Income tax expense		(127 283 328)	(58 951 903)
Net profit for the period		399 926 081	162 424 350
Profit is attributable to			
Owners of the parent		398 659 968	162 319 150
Non-controlling interest		1 266 113	105 200
Net profit for the period		399 926 081	162 424 350
Basic and Diluted earnings per share	15	0.56	0.22

- The accompanying notes form an integral part of these condensed consolidated interim financial statements.

EDITA FOOD INDUSTRIES S.A.E.
Condensed consolidated interim statement of comprehensive income
For the three months ended 31 March 2023

	Three Months period ended	
	<u>31-Mar-23</u>	<u>31-Mar-22</u>
	<u>EGP</u>	<u>EGP</u>
Net profit for the period	399 926 081	162 424 350
Other comprehensive income		
Items that may be reclassified to profit or loss :-		
Exchange differences on translation of foreign operations	(15 703 531)	(12 481 737)
Total comprehensive income for the period	<u><u>384 222 550</u></u>	<u><u>149 942 613</u></u>
Attributable to		
Owners of the parent	382 956 437	149 837 413
Non-controlling interest	1 266 113	105 200
Total comprehensive income for the period	<u><u>384 222 550</u></u>	<u><u>149 942 613</u></u>

- The accompanying notes form an integral part of these condensed consolidated interim financial statements.

EDITA FOOD INDUSTRIES S.A.E.
Condensed consolidated interim statement of cash flows
For the three months ended 31 March 2023

	<u>Notes</u>	<u>31 March 2023</u> <u>EGP</u>	<u>31 March 2022</u> <u>EGP</u>
<u>Cash flows from operating activities</u>			
Profit for the period before income tax		527 209 409	221 376 119
Adjustments for:			
Provisions		6 646 075	1 030 386
Provisions no longer required		(20 000)	--
Employee benefit obligation		2 250 000	1 500 000
Interest expense		38 473 192	19 153 284
Interest expense - Leases assets		3 870 341	2 739 239
Amortization -Lease		5 868 015	4 337 195
Fair value gain on financial assets at fair value through profit or loss			22 172 000
Share of net loss of joint ventures accounted for using the equity method			3 266 394
Foreign Currencies Translation reserve		27 614 605	(12 481 737)
Government Grant		(1 171 104)	(1 857 997)
Interest income		(53 442 216)	(23 618 738)
Depreciation of Fixed Assets		59 141 290	48 104 171
Amortization of Intangible Assets		1 885 609	1 141 034
Provision of slow moving inventory	4	1 250 000	975 000
Gain from sale of property, plant and equipment		(342 684)	14 411
Foreign exchange gains		(47 081 025)	(10 176 924)
		<u>572 151 507</u>	<u>277 673 837</u>
Inventories		(333 976 336)	19 030 599
Trade receivables and other debit balances		32 960 782	(30 144 200)
Trade and other payables		119 951 930	49 492 299
Provision utilized		(75 173)	(188 537)
Inventory provision used	4	--	(42 155)
Payments of employee benefit obligations		(3 239 236)	
Cash generated from operating activities		<u>387 773 474</u>	<u>315 821 843</u>
Interest paid		(28 371 050)	(19 153 284)
Income tax paid		(11 440 837)	
Net cash flows generated from operating activities		<u>347 961 587</u>	<u>296 668 559</u>
<u>Cash flows from investing activities</u>			
Payment for purchase of property, plant and equipment and Intangible assets	3	(79 142 300)	(43 400 591)
Proceeds from sale of property, plant and equipment		357 649	656 669
Interest received		49 662 670	23 618 738
Payment for purchase of treasury bills		(1 605 312 660)	(316 453 970)
Proceeds from sale of Treasury Bills		1 352 000 000	240 248 735
Net cash flows used in investing activities		<u>(282 434 641)</u>	<u>(95 330 419)</u>
<u>Cash flows from financing activities</u>			
Lease Payments		(6 846 770)	(4 121 015)
Payments of borrowings		(67 043 511)	(1 193 082)
Proceeds from borrowings		30 869 310	48 626 754
Net cash flows used in financing activities		<u>(43 020 971)</u>	<u>43 312 657</u>
Net increase in cash and cash equivalents		<u>22 505 975</u>	<u>244 650 797</u>
Cash and cash equivalents at beginning of the period	9	(7 275 363)	(241 111 347)
Cash and cash equivalents at end of the period	9	<u>15 230 612</u>	<u>3 539 451</u>

* The effect of the dividends distribution amounted to EGP 471 900 000 had been eliminated.

- The accompanying notes form an integral part of these condensed consolidated interim financial statements.

EDITA FOOD INDUSTRIES S.A.E.
Condensed consolidated interim statement of changes in equity
For the three months ended 31 March 2023

Note	Paid up capital		Legal reserve		Cumulative translation reserve		Transactions with non-controlling interest		Treasury Shares		Retained earnings		Total Owners of the parent		Non-controlling interest		Total owners' equity	
	EGP		EGP		EGP		EGP		EGP		EGP		EGP		EGP		EGP	
Balance at 1 January 2022	144 611 688		78 953 630		1 562 479		(32 132 098)				1 917 983 230		2 110 978 929		689 847		2 111 668 776	
Other comprehensive income	-		-		-		-		-		162 319 150		162 319 150		105 200		162 424 35	
Net profit for the period	-		-		(12 481 737)		-		-		-		(12 481 737)		-		(12 481 737)	
other comprehensive income	-		-		-		-		-		-		-		-		-	
Total comprehensive income for the period	-		-		(12 481 737)		-		-		162 319 150		149 837 413		105 200		149 942 61	
Shareholders transactions																		
Treasury Shares write-off	-		-		-		-		-		-		-		-		-	
Dividends distribution for 2021	-		-		-		-		-		-		-		-		-	
Total shareholders transactions	-		-		-		-		-		-		-		-		-	
Balance at 31 March 2022	144 611 688		78 953 630		(10 919 258)		(32 132 098)		-		2 080 302 380		2 260 816 342		795 047		2 261 611 38	
Balance at 1 January 2023	144 611 688		78 953 630		(42 435 638)		(32 132 098)		(160 827 557)		2 687 811 227		2 675 981 252		40 997 184		2 716 978 43	
Transfer to legal reserve	-		385 112		-		-		-		(385 112)		-		-		-	
Other comprehensive income	-		-		-		-		-		398 659 968		398 659 968		1 266 113		399 926 08	
Net profit for the period	-		-		(27 614 605)		-		-		-		(27 614 605)		11 911 074		(15 703 53)	
Other comprehensive income for the period	-		-		(27 614 605)		-		-		398 659 968		371 045 363		13 177 187		384 222 55	
Total comprehensive income for the period	-		-		(27 614 605)		-		-		398 659 968		371 045 363		13 177 187		384 222 55	
Shareholders transactions																		
Dividends Distribution for 2022 *	-		-		-		-		-		(471 900 000)		(471 900 000)		-		(471 900 000)	
Total shareholders transactions	-		-		-		-		-		(471 900 000)		(471 900 000)		-		(471 900 000)	
Balance at 31 March 2023	144 611 688		79 338 742		(70 050 243)		(32 132 098)		(160 827 557)		2 614 186 083		2 575 126 615		54 174 371		2 629 300 98	

* The Dividends distribution includes an amount of EGP 71 900 000 represents the profit share of the Edita Food Industries and its subsidiaries' employees.

- The accompanying notes form an integral part of these condensed consolidated interim financial statements.

1. General information

Edita Food Industries S.A.E. was established on 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. The company's period is 25 years , and the company's period have been extended by 25 years ending July 7, 2046.

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's financial year start on 1 January and ends on 31 December each year.

These condensed consolidated financial statements have been approved by Board of Directors on 29 May 2023.

2. Accounting policies

The condensed consolidated interim financial statements have been prepared by following the same accounting policies that were applied and followed when preparing the financial statements for the financial year ending on December 31, 2022.

A. Basis of preparation

These condensed consolidated financial statements have been prepared in accordance with Egyptian Accounting Standard No. 30 "Interim Financial Reporting" and applicable related laws and regulations. The condensed consolidated financial statements have been prepared under the historical cost convention except for employees' post-employment defined benefit obligations that are measured at the present value of the obligation using the projected credit unit method.

The preparation of condensed consolidated financial statements in conformity with Egyptian Accounting Standard no. 30 "Interim Financial Reporting" requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

Egyptian Accounting Standards (EAS) requires referring to the International Financial Reporting Standards (IFRS) in treating certain balances and transactions, which have not been covered in any Egyptian Accounting Standards or legal requirements.

Percentage of ownership in subsidiaries

The group consists of the below companies as of 31 March 2023 and 31 December 2022 unless otherwise was noted and the percentage of the Group's share of the companies in is the direct ownership of the ordinary shares of the paid-up capital only.

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES
Notes to the Condensed consolidated interim financial statements –
For the three months period ended 31 March 2023
(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests	
		31 March 2023	31 December 2022	31 March 2023	31 December 2022
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	Morocco	77%	--	23%	--
Edita Holding for Investments	Egypt	100%	100%	--	--

B. Basis of consolidation

1) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully condensed consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

1.1 Acquisition method

The group applies the acquisition method to account for business combinations.

The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquire and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiring on an acquisition-by-acquisition basis, at the non-controlling interest's proportionate share of the recognized amounts of acquirer's identifiable net assets at the date of acquisition. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquire is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in the statement of profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered as an impairment indicator of the assets transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

1.2 Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

1.3 Disposal of subsidiaries

When the group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss for the parent company.

1.4 Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquire and the acquisition-date fair value of any previous equity interest in the acquire over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the statement of profit or loss. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

1.5 Measurement period:

The measurement period is the period after the acquisition date which provides the acquirer with a reasonable time to obtain the information necessary to identify and measure all items arisen from an acquisition of a subsidiary. The measurement period shall not exceed one year from the acquisition date, If the group has identified a new facts or circumstances regarding the acquisition during the measurement period, the acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date.

2) Investment in Joint Venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint venturers.

2.1 Equity accounting method

Investments in joint ventures are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition from the change of the group's share from the joint venture's net assets. The group's share of post-acquisition profit or loss is recognized in the statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. with the group's share of the changes in equity after acquisition date.

2.2 Changes in owner's equity

If an entity's ownership interest in an associate or a joint venture is reduced, but the investment continues to be classified either as an associate or a joint venture respectively, the entity shall reclassify to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

2.3 The losses of a joint venture

When the group's share of losses in an joint venture equals or exceeds its interest in the joint venture, the group does not recognise further losses, and after the group's share reduced to zero, any additional losses and liabilities are recognized only to the limit it has incurred legal or constructive obligations or made payments on behalf of the joint venture, When the joint venture start to generate profits in the upcoming periods, the group continues to recognize their share in these profits, only after their share of profits equals their share of unrecognized losses.

2.4 Transactions with joint venture

Profits and losses resulting from upstream and downstream transactions between the group (including the subsidiaries) and the joint venture are recognised in the group's financial statements only to the extent of other investor's interests in the joint venture.

2.5 Goodwill arisen from investments in joint venture

Goodwill represents the excess of the consideration transferred, of the group's share in the fair value of the net identifiable assets and liabilities acquired at the acquisition date

Goodwill arises from the investment in joint venture is included within the cost of the investment in joint venture after deduction of impairment losses in joint venture and it does not presented separately, and the goodwill impairment is not tested separately, In addition to the impairment test is performed on the carrying amount of total investments – as an individual asset, by comparing the carrying value with the recoverable amount of the asset, and the impairment losses recognized at this case are not allocated to any asset, therefore, any reversed settlement for the impairment losses are recognized to the extent that the recoverable amount will increase to the extent it will not exceed the amount of the impairment losses previously recognized.

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES
Notes to the Condensed consolidated interim financial statements –
For the three months period ended 31 March 2023
(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

	Land		Buildings		Machinery and Equipment		Vehicles		Tools & Equipment		Furniture and Office Equipment		Projects under construction*		Total	
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
3. Property, plant and equipment and projects under constructions																
Cost																
As of January 1, 2022	120 908 260	977 086 803	1 427 515 906	328 235 873	215 503 703	141 982 672	88 588 582	3 299 821 799								
Transferred from projects under constructions	-	21 153 462	225 366 788	-	35 400 690	6 750 205	(300 584 333)	(11 913 188)								
Morocco Additions	-	131 625 033	66 939 592	335,997	6 959 566	1 243 270	87 955	207 191 413								
Translation differences	-	(9 071 186)	85 962 308	-	251 803	80 555	(319 897)	76 903 583								
Additions	-	-	2 124 681	-	17 530 350	9 212 836	263 058 138	350 280 205								
Disposals	(14,194,132)	(827,195)	(18,262,325)	(18,596,784)	(2,854,194)	(128,416)	(11,424,715)	(66,287,761)								
As of December 31, 2022	106 714 128	1 119 966 917	1 789 646 950	368 329 286	272 791 918	159 141 122	39 405 730	3 855 996 051								
Accumulated depreciation																
As of January 1, 2022	-	(2 45 016 347)	(4 86 348 876)	(1 73 512 140)	(1 28 094 146)	(1 01 224 006)	-	(11 34 195 515)								
Depreciation for the period	-	(43 227 888)	(73 326 791)	(41 072 694)	(32 564 356)	(17 905 197)	-	(2 08 096 926)								
Accumulated depreciation of disposals	-	143,380	11 568 483	16 761 912	423 164	114 126	-	29 011 065								
As of December 31, 2022	-	(288 100 855)	(548 107 184)	(197 822 922)	(160 235 338)	(119 015 077)	-	(13 13 281 376)								
Net book value as of December 31, 2022	106 714 128	831 866 062	1 241 539 766	170 506 364	112 556 580	40 126 045	39 405 730	2 542 714 675								
Cost																
Cost as of January 1, 2023	106 714 128	1 119 966 917	1 789 646 950	368 329 286	272 791 918	159 141 122	39 405 730	3 855 996 051								
Transferred from projects under constructions	-	-	-	-	1 684 435	-	(1 684 435)	-								
Morocco Additions	-	-	-	-	-	-	-	-								
Translation differences	-	31 758 635	42 243 973	-	2 388 070	444 363	5 517 638	82 352 679								
Additions	-	-	4 441 234	27 125 570	1 840 061	2 497 665	44 445 073	80 349 603								
Disposals	-	-	-	(583 500)	-	(17 960)	-	(601 460)								
Cost as of March 31, 2023	106 714 128	1 151 725 552	1 836 332 157	394 871 356	278 704 484	162 065 190	87 684 006	4 018 096 873								
Accumulated depreciation																
Accumulated Depreciation as of January 1, 2023	-	(2 88 100 855)	(5 48 107 184)	(1 97 822 922)	(1 60 235 338)	(1 19 015 077)	-	(13 13 281 376)								
Depreciation for the year	-	(11 190 006)	(22 871 628)	(11 109 862)	(9 252 576)	(4 717 218)	-	(59 141 290)								
Accumulated depreciation of disposals	-	-	-	568 535	-	17 960	-	586 495								
Accumulated Depreciation as of March 31, 2023	-	(299 290 861)	(570 978 812)	(208 364 249)	(169 487 914)	(123 714 335)	-	(13 71 836 171)								
Net book value as of March 31, 2023	106 714 128	852 434 691	1 265 353 345	186 507 107	109 216 570	38 350 855	87 684 006	2 646 260 702								

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

	<u>31 March 2023</u>	<u>31 December 2022</u>
Cost of sales	41 250 994	141 532 318
Distribution costs	12 429 096	46 286 057
Administrative expenses	5 461 200	20 278 551
	<u>59 141 290</u>	<u>208 096 926</u>

* The project under construction represents the following Categories:

	<u>31 March 2023</u>	<u>31 December 2022</u>
Buildings	16 328 783	7 686 475
Machinery and equipment	48 967 140	19 400 187
Tools and equipment	10 086 720	8 474 704
Technical and other installations	6 783 725	3 844 364
	<u>82 166 368</u>	<u>39 405 730</u>

During the period, the group has capitalized borrowings costs amounting to EGP 2 000 520 on qualified assets. The capitalization rate used to determine the amount of borrowing cost to be capitalized is the interest rate applicable to the group's specific borrowings during the period was 6.5%

4. Inventories

	<u>31 March 2023</u>	<u>31 December 2022</u>
Raw and packaging materials	1 072 557 253	792 411 132
Finished goods	130 864 106	70 092 406
Spare parts	62 360 336	53 032 467
Work in process	30 150 559	25 050 325
Consumables	20 474 291	48 222 562
Goods on Consignments	6 969 003	--
Total	1 323 375 548	988 808 892
Less: write-down for slow moving and obsolete inventory	(9 150 061)	(7 309 741)
Net	1 314 225 487	981 499 151

Write-down for slow moving and obsolete inventory:

	<u>31 March 2023</u>	<u>31 December 2022</u>
Balance as of 1 January	7 309 741	4 228 565
Charged during the period / year	1 840 320	3 900 000
Utilized during the period / year	--	(818 824)
Ending Balance as of the period / year	9 150 061	7 309 741

5. Goodwill

On April 21, 2022, the group's management obtained control over Edita Food Industries Morocco. Where both parties signed an amendment agreement where reserved matters related to joint control has been removed following non-exercise of the call option by DISLOG. The group management completed the fair value study for identified assets and liabilities related to the acquisition of Edita Food Industries Morocco and revaluation of goodwill and intangible assets at date of step acquisition of Edita Food Industries Morocco. Please refer to Note No. (7).

	<u>31 March 2023</u>	<u>31 December 2022</u>
Goodwill resulting from acquisition of subsidiary	41 956 386	41 956 386
	<u>41 956 386</u>	<u>41 956 386</u>
		<u>30 April 2022</u>
		<u>EGP</u>
The net fair value of the assets and liabilities acquired		87 859 000
Deduct:		
Consideration paid to acquire the additional stake of 7.4%		12 611 623
Fair value of the previously held interest		96 996 193
Non-controlling interest shares at fair value of net identifiable assets		20 207 570
Goodwill		<u>41 956 386</u>

6. Investment in joint venture

Investment in joint venture represents the Group's investment in Edita Food Industries Morocco.

On April 2021, the group acquired additional 112 500 shares (25%) in Edita Food Industries Morocco from La Marocaine De Distribution De Logistiqu (Dislog S.A) against consideration of EGP 31 529 057, of which 7.4% was subject to a call option exercisable at any point until April 2022 by the Dislog.A.

Due to the terms of the call option, the 7.4% was not considered as a purchase as the Dislog.A retained the beneficial interest. The amount paid under the call option was considered a receivable from the minority interest and if not exercised will be accounted for as purchase of 7.4% at that date.

Immediately prior to the purchase, the carrying amount of the 17.6% of the net assets in Edita Food Industries Morocco was EGP 12 325 493, the receivable related to the 7.4% call option has been included in due from related parties, the excess of consideration paid over the acquired 17.6% share of the net assets has been allocated on a provisional basis.

On April 21, 2022, the call option lapsed, and the minority shareholder didn't exercise the option. Therefore, Edita Group Share in Edita Food Industries Morocco increased from 69.6% to 77%. At the date of the lapse of the option, Edita Participation Limited and the minority shareholder signed a new shareholder agreement which resulted in Edita Group obtained control over Edita Food Industries Morocco. At that date, the investment was derecognized from investments in joint venture and became an investment in subsidiary (Note No. 7).

7. Acquisition in stages of a subsidiary company

On April 21, 2022, the call option lapsed, and the minority shareholder in Edita Food Industries Morocco did not exercise the purchase option. Therefore, the group took the beneficial ownership of an additional stake of 7.4% in Edita Food Industries Morocco. at that date, the Group and the minority shareholders signed a new shareholder agreement which resulted in the Group obtaining control of Edita Food Industries Morocco and the investment was derecognized from investments in joint venture and became an investment in subsidiary. The goodwill recognized represents the excess of cash consideration paid to acquire the additional stake of 7.4%, acquisition-date fair value of previously held equity interest and the non-controlling interest share of the fair value of identifiable assets acquired and it's assumed liabilities over the fair value of the acquiree identifiable net assets.

The group management has applied the requirements of the Egyptian Accounting Standard (No. 29) with regard to the accounting for business combination carried out in stages and the group's management has re-measured the equity interest previously held in the invested company at fair value at the date of control and recognized the profits resulting from the remeasurement of the investment in the condensed consolidated statement of profit or loss of EGP 31 807 595.

The fair value of the identifiable assets and it's assumed liabilities arising from the acquisition of Edita Food Industries Morocco has been determined. The fair value at the acquisition date amounted to

EGP 87 859 000.

Net cash acquired from the acquisition of a subsidiary:

	<u>30 April 2022</u>
	<u>EGP</u>
Consideration paid to acquire the additional stake of 7.4%	(12 611 623)
Deduct: cash and cash equivalents of the acquired Company	11 296 933
	<u>(1 314 690)</u>

Profits from disposed investment in joint venture:

	<u>30 April 2022</u>
	<u>EGP</u>
The fair value of the investment at the date of disposal	96 996 193
Deduct:	
The book value of the investment at the date of disposal of the joint venture company	(65 188 598)
	<u>31 807 595</u>

During September 2022, La Marocaine De Distribution De Logistiquis (Dislog S.A) Company paid 14 986 994 under the capital increase account - Edita Morocco. Where the procedures regarding the increase was completed in the subsequent period

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8. Treasury bills

	<u>31 March 2023</u>	<u>31 December 2022</u>
Treasury bills par value		
0-31 Days maturity	554 0000 000	86 000 000
91 Days maturity	605 000 000	685 000 000
250- 364 Days maturity	50 000 000	150 000 000
Total	1 209 000 000	921 000 000
Total Unearned credit interest	(40 517 960)	(48 876 540)
Amount paid for treasury bills	1 168 482 040	872 123 460
Interest income recognized to profit or loss	26 297 526	22 517 981
Treasury bills balance	1 194 779 566	894 641 441

The average effective interest rate related to treasury bills is 18.5 %.

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

- It is issued and guaranteed by Government of Egypt.
- There is no history of default.
- Incorporating forward-looking information would not result in an increase in Expected default rate.

9. Cash and bank balances

	<u>31 March 2023</u>	<u>31 December 2022</u>
Cash at banks and on hand	132 900 160	277 974 979
Time deposit	232 277 077	216 412 245
Cash and bank balances	365 177 237	494 387 224

* The average rate on time deposit is 4.63% with maturity less than three months.

For the purpose of preparation of the interim consolidation cash flow statements, cash and cash equivalents consist of:

	<u>31 March 2023</u>	<u>31 December 2022</u>
Cash and bank balances	365 177 237	494 387 224
Bank overdraft (Note 14)	(349 946 625)	(501 662 587)
Total	15 230 612	(7 275 363)

10. Share capital

Authorized capital EGP 360 000 000 (1 800 000 000 share, par value EGP 0.2 per share).

Previously, the issued and paid-up capital amounted to EGP 72 536 290 after trading distributed on 362 681 450 shares (par value EGP 0.2 per share) were distributed as follow:

On 30 March 2016, an Extra Ordinary General Assembly meeting held in which the shareholders approved the increase of issued and paid-up capital from 72 536 290 EGP to be 145 072 580 EGP.

An increase amounted to 72 536 290 EGP distributed on 362 681 450 shares with a par value of LE 0.2 per share financed from the dividends of the year ended 31 December 2015 distributed as a free share for each original share which has been registered in the commercial register on 9 May 2016.

On April 2021, the extraordinary general assembly meeting approved to write off the treasury shares amounted 2 304 461 shares. Accordingly, the share capital has been reduced by the par value of the treasury shares And the issued and paid-up capital amounted to EGP 144 611 688 shares distributed among 723 058 440 shares(par value EGP 0.2 per share).

Treasury shares

According to Board of Director resolution on 2 August 2022 and 18 October 2022, the group purchased 15 814 199 shares from the stock market and held in treasury for a total consideration of EGP 160 826 557, the consideration paid has been accounted for as a reserve in the statement of shareholders' Equity.

11. Legal reserve

In accordance with Company Law No. 159 of 1981 and the Company's Articles of Association, 5% of annual net profit is transferred to the legal reserve. The Group may stop such transfers when the legal reserve reaches 50% of the issued capital. The reserve is not eligible for distribution to shareholders.

12. Loans

	31 March 2023			31 December 2022		
	Non-current			Non-current		
	Current portion	portion	Total	Current portion	portion	Total
Loans	317 882 127	774 086 738	1 091 968 865	244 539 006	739 496 389	984 035 395
	317 882 127	774 086 738	1 091 968 865	244 539 006	739 496 389	984 035 395

The due dates for current portion loans according to the following schedule:

	31 March 2023	31 December 2022
Balance due within 1 year	301 242 204	237 632 559
Accrued interest	16 639 923	6 906 447
	317 882 127	244 539 006

(1) IFC loan obtained by Edita food industries and EPL

	31 March 2023			31 December 2022		
	Non-current			Non-current		
	Current portion	portion	Total	Current portion	portion	Total
IFC loan	62 626 668	321 880 000	384 506 668	43 305 344	257 608 000	300 913 344
	62 626 668	321 880 000	384 506 668	43 305 344	257 608 000	300 913 344

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

	31 March 2023	31 December 2022
Balance due within 1 year	49 520 000	39 632 000
Accrued interest	13 106 668	3 673 344
	62 626 668	43 305 344

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

Terms of payments:

The group is obligated to pay USD 20 000 000 on 10 equal semi-annual instalments; each instalment amounts to USD 2 000 000. The first instalment is due in May 2021 and the last in November 2025.

Interest:

The interest rate is 4% above the USD Libor rate – 6 months.

Fair value:

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

(2) Edita Food Industries

	31 March 2023			31 December 2022		
	Current	Non-current	Total	Current	Non-current	Total
Second loan	--	--	--	--	--	--
Third loan	--	--	--	--	--	--
Fourth loan	40 672 778	--	40 672 778	40 000 000	20 000 000	60 000 000
Fifth loan	--	--	--	--	--	--
Seventh Loan	35 230 802	42 416 133	77 646 935	34 762 943	40 702 977	75 465 920
Eighth Loan	34 528 958	64 864 545	99 393 503	15 258 754	83 857 170	99 115 924
Ninth loan	18 007 066	41 984 390	59 991 456	14 122 163	75 209 377	89 331 540
Tenth loan	34 137 378	57 166 759	91 304 137	17 667 379	40 730 195	58 397 574
Total	162 576 982	206 431 827	369 008 809	121 811 239	260 499 719	382 310 958

The sixth loan had been disclosed separately in note 12.1

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

	31 March 2023	31 December 2022
Balance due within 1 year	162 576 982	121 811 239
Accrued interest	--	--
Total	162 576 982	121 811 239

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Borrower	Type of debt	Guaranties	Currency	Tenure	Interest rate
First loan	Loan	Cross corporate guarantee Digma Trading Company amounted to LE 185,000,000	EGP/USD	7 years with first instalment in Jan 2016	1% above mid corridor rate of Central Bank of Egypt and 2.5% above the Libor rate 3 months.
Second loan	Loan	Cross corporate guarantee Digma Trading Company amounted to LE 90,000,000	EGP	7 years with first installment in April 2017	1 % above lending rate of Central Bank of Egypt.
Third loan	Loan	Cross corporate guarantee Digma Trading Company amounted to LE 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.
Fourth loan	Loan	Cross corporate guarantee Digma Trading Company amounted to LE 220,000,000 and 6,000,000 Euro	EGP/USD	7 years with first installment in May 2017	0.5% above mid corridor rate of Central Bank of Egypt and average 4% above USD Libor rate 6 months.
Fifth loan	Loan		USD	4 years with the first installment in Sep 2018	3.85% above the USD Libor rate 3 months.
Sixth loan	Loan		USD		4% above the USD Libor rate 6 months.
Seventh loan	Loan	Cross corporate guarantee Digma Trading Company	EGP	7 years with first installment in Nov 2022	8 %
Eighth loan	Loan	Cross corporate guarantee Digma Trading Company	EGP	7 years with first installment in June 2022	8 %
Ninth loan	Loan	Cross corporate guarantee Digma Trading Company	EGP	7 years with first installment in Sep 2023	8 %
Tenth loan	Loan		EGP	7 years with first installment in July 2023	8%

(3) Digma For Trading

	31 March 2023			31 December 2022		
	Current portion	Non-current portion	Total	Current portion	Non-current portion	Total
First Loan	36 807 439	33 362 211	70 169 650	36 466 982	50 043 317	86 510 299
	36 807 439	33 362 211	70 169 650	36 466 982	50 043 317	86 510 299

The due current portion is according to the following schedule:

	31 March 2023	31 December 2022
Balance due within 1 year	33 362 211	33 362 211
Accrued interest	3 445 228	3 104 771
	36 807 439	36 466 982

The company obtained a loan from a financial institution based on a cross corporate guarantee issued from Edita Food Industries Company amounted to EGP 155 million. The loan outstanding balance at 31 March 2023 amounted to 37 million in addition to accrued interests.

Terms of payments:

Digma is obligated to pay the loan on 9 semi-annual instalments amounted to 16 681 106 and the first instalments is due on 27 August 2021 and the last instalments is due on 27 February 2025

Interest:

The rate is 1% above Central Bank of Egypt mid corridor rate.

Fair value:

Fair value is approximately equal to book value.

(4) Edita Confectionery Industries Company

	31 March 2023			31 December 2022		
	Current portion	Non-current portion	Total	Current portion	Non-current portion	Total
First Loan	4 088 027	--	4 088 027	4 128 333	--	4 128 333
	4 088 027	--	4 088 027	4 128 333	--	4 128 333

The due current portion is according to the following schedule:

	31 March 2023	31 December 2022
Balance due within 1 year	4 000 000	4 000 000
Accrued interest	88 027	128 333
	4 088 027	4 128 333

(5) Edita Food Industries Morocco:

	31 March 2023			31 December 2022		
	Current portion	Non-Current Portion	Total	Current Portion	Non-current Portion	Total
First loan	51 783 012	212 412 701	264 195 713	38 827 109	171 345 354	210 172 463
	51 783 012	212 412 701	264 195 713	38 827 109	171 345 354	210 172 463

The due current portion is according to the following schedule:

	31 March 2023	31 December 2022
Balance due within 1 year	51 783 012	38 827 109
Accrued interest	--	--
	51 783 012	38 827 109

Deferred government grant

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 recognized in the profit or loss over the year necessary to match them with the costs that they are intended to compensate.

The Deferred government grants is according to the following schedule:

	31 March 2023			31 December 2022		
	Current	Non-current	Total	Current	Non-current	Total
Seventh loan	2 165 632	3 634 826	5 800 458	2 281 071	4 057 431	6 338 502
Eighth loan	811 922	1 234 662	2 046 584	861 078	1 415 991	2 277 069
Ninth loan	565 510	1 048 586	1 614 096	588 420	1 200 392	1 788 812
Tenth loan	340 161	261 242	601 403	380 916	451 951	832 867
	3 833 225	6 179 316	10 062 541	4 111 485	7 125 765	11 237 250

	31 March 2023	31 December 2022
Government Grant – Investment subsidy – Edita Morocco – Non-Current	12 565 193	9 786 843
	12 565 193	9 786 843

13. Provisions

	31 March 2023	31 December 2022
Balance at 1 January	72 714 381	33 978 251
Morocco opening balance	--	91 308
Additions during the period / year	6 646 075	39 747 480
Utilized during the period / year	(75 173)	(739 577)
Provision no longer required	(20 000)	(398 669)
Morocco Translation	312 350	35 588
Ending Balance as of	79 577 633	72 714 381

Provisions related to claims expected to be made by a third party in connection with the Group's operations. These provisions are reviewed by management every period and the amount provided is adjusted based on latest development, discussions, and agreements with the third party.

14. Bank overdraft

	31 March 2023	31 December 2022
Bank overdraft	349 946 625	501 662 587
Total	349 946 625	501 662 587

Bank overdraft is an integral part of the Group's cash management to finance its working capital. The average interest rate for bank overdraft was 9.66% as of 31 March 2023 (31 December 2022: 8.23%).

15. Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the period.

Since there is no proposed distribution account, the net profit of the shareholders has been determined on the basis of the net profit for the period/year without deducting the employees' share and board members' remuneration in the dividends.

	<u>31 March 2023</u>	<u>Restated 31 March 2022</u>
Profit attributed to owners of the parent*	398 659 968	162 319 150
Weighted average number of ordinary shares in issue		
Ordinary shares	723 058 439	723 058 439
Treasury shares (Note 10)	(15 814 199)	--
	<u>707 244 240</u>	<u>723 058 439</u>
Basic earnings per share	<u>0.56</u>	<u>0.22</u>

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The group does not have any categories of dilutive potential ordinary shares, hence the diluted earnings per share is the same as the basic earnings per share.

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16. Segment reporting

Edita operates across six segments in Egyptian snack food market offering ten distinct brands:

Segment	Brand	Product
Cake	Tiger tail, Twinkies, Todo and HOHOS	Traditional rolled filled and layered cake as well as brownies and packaged donut
Croissants	Molto	Sweet and savoury croissants and strudels
Rusks	Bake Rolz, Bake Stix	Baked wheat salty snack
Wafer	Freska	Filled wafers
Candy	Mimix	Hard, soft and jelly candy and lollipops
Biscuits	Oniro	Lava Chocolate and Lava Vanilla

(Amounts presented to the nearest thousands EGP)

	Cake		Croissant		Rusks		Wafer		Candy		Biscuits		Other		Total	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Revenue	1 512 230	704 036	767 465	460 384	139 498	92 864	289 372	243 058	61 647	44 258	9 501	14 186	--	175	2 779 713	1 558 96
Gross profit	494 913	267 449	244 514	163 945	39 143	31 372	99 894	85 765	13 020	9 556	(485)	4 589	--	82	891 000	562 75
Profit from operations	284 251	173 680	125 117	49 357	18 762	16 291	57 623	30 906	5 003	2 472	(2 971)	(15 183)	--	74	487 874	257 55

Operating profit reconciles to net profit as follows:

	<u>31 March 2023</u>	<u>31 March 2022</u>
Operating profit	487 784	257 596
Foreign Exchange Gains/(Loss)	47 081	(5 312)
Finance cost	(42 344)	(21 893)
Finance income	53 442	1 447
The group's share of the results of joint arrangements	--	(3 266)
Other income/expense	(18 754)	(7 196)
Income tax	(127 283)	(58 952)
Net profit	<u><u>399 926</u></u>	<u><u>162 424</u></u>

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 EAS 41 for reportable segments, management has concluded that these segments should be reported as it is closely monitored by the chief operating decision makers as it is expected to materially contribute to the 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 made during the period.

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

17. Expenses by Nature

	<u>31 March 2023</u>	<u>31 March 2022</u>
Cost of sales	1 888 712 984	996 201 782
Distribution cost	240 013 747	214 784 343
Administrative expenses	163 201 996	90 377 387
	<u>2 291 928 727</u>	<u>1 301 363 512</u>
Raw and packaging materials used	1 606 898 785	804 280 837
Salaries and wages	251 569 702	173 285 660
Advertising expense	102 863 704	103 136 407
Depreciation and amortization	66 894 899	53 581 314
Employees benefits	39 350 291	28 734 728
Other expenses	70 207 273	23 817 477
Gas, water and electricity	39 881 108	25 240 587
Company share in social insurance	16 926 707	15 730 253
Logistics expense	23 174 329	18 012 464
Transportation expense	18 359 187	15 861 212
Vehicle expense	21 138 754	17 525 116
Maintenance	18 328 953	12 407 610
Consumable materials	16 335 036	9 749 847
Total cost of sales, distribution costs, and administrative expenses	<u>2 291 928 727</u>	<u>1 301 363 512</u>

18. Contingent liability

(1) Edita Food Industries Company

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

The Company had contingent liabilities in respect of letters of guarantee and letters of credit arising from ordinary course of business amounted to EGP 383 484 803 as of 31 March 2023, (31 December 2022: EGP 312 623 934).

(2) Digma for Trading Company

The Company guarantees Edita Food Industries against third parties in borrowing from Egyptian Banks.

The Company had contingent liabilities in respect of letters of guarantee and letters of credit as at 31 March 2023 EGP 1 500 000 (31 December 2022: EGP 1 500 000).

(3) Edita Confectionary Industries Company

On 31 March 2023, the Company had contingent liabilities in respect of letters of guarantee and letters of credit arising from ordinary course of business amounted to EGP 100 742 (31 December 2022: EGP 5 282 085).

19. Commitments

Capital commitments.

The Group has capital commitments as of 31 March 2023 of EGP 147 million (31 December 2022: EGP 97 M) in respect of capital expenditure.

20. Tax position

Due to the nature of the tax assessment process in Egypt, the final outcome of the assessment by the Tax Authority might not be realistically estimated. Therefore, additional liabilities are contingent upon the tax inspection and assessment of the Tax Authority. Below is a summary of the tax status of the group as of the date of the condensed consolidated interim financial statements date.

Edita Food Industries Company

a) Corporate tax

- The company is tax exempted for a period of 10 years ending 31 December 2007 in accordance with Law No. 230 of 1989 and Law No. 59 of 1979 related to New Urban Communities. The exemption period was determined to start from the fiscal year beginning on 1 January 1998. The company submits its tax returns on its legal period.
- The tax inspection was performed for the period from the company's inception till 31 December 2012 and all due tax amounts paid.
- For the years 2013-2016; the company finalized the tax inspection and all due tax amounts paid.
- For the years 2017 – 2019 the Company is under inspection.
- For the years 2020 – 2022 the Company submitted the tax return according to law No. 91 of 2005 in its legal period and has not been inspected yet.

b) Payroll tax

- The payroll tax inspection was performed till 31 December 2019 and company paid tax due.
- As for the years 2020 till 2022 the tax inspection has not been performed and the company is submitting the quarterly tax return on due time to the Tax Authority.

c) Value added tax

- The sales tax inspection was performed till 31 December 2019 and tax due was paid.
- As for the years 2020 till 2022 the tax inspection has not been performed and the company is submitting monthly tax returns on due time to the Tax Authority.

d) Stamp duty tax

- The stamp duty tax inspection was performed till 2019 and all due tax amounts paid.
- The years from 2020 to 2022 tax inspection has not been performed.

Digma for Trading Company

a) Corporate tax

- The company is subject to the corporate income tax according to tax law No, 91 of 2005 and amendments.
- The tax inspection was performed by the Tax Authority for the year from the Company's inception until year 2017 and the tax resulting from the tax inspection were settled and paid to the Tax Authority.
- The company hasn't been inspected for the years from 2018 to 2022 and the company submits its tax returns on due dates according to law No. 91 for the year 2005.

b) Payroll tax

- The tax inspection was performed until 31 December 2014 and the tax resulting from the tax inspection and assessment were settled and paid to the Tax Authority.
- For the years from 2015 to 2019 the company finalized the tax inspection, and it had been settled and paid
- As for the years 2020 till 2022 the tax inspection has not been performed and the company is submitting quarterly tax forms on due time to the Tax Authority.

c) Value added tax

- The tax inspection was performed until 31 December 2020 and the tax resulting from the tax inspection and assessment were settled and paid to the Tax Authority.
- The year 2021 the Company submits its monthly sales VAT return on due date.

d) Stamp tax

- The tax inspection was performed for the year from the Company's inception until 31 December 2020 and the tax resulting from the tax inspection and assessment were settled and paid to the Tax Authority.
- For the year 2021-2022 the Company paid the tax due.

Edita Confectionary Industries Company

a) Corporate tax

- The Company is subject to the corporate income tax according to tax Law No. 91 of 2005 and adjustments.
- The corporate tax inspection was performed for the years from 2010 to 2016 and the difference was transferred to an internal committee.
- The company hasn't been inspected for the years from 2017 to 2022 and the Company submitted its tax returns to Tax Authority on due dates.

b) Payroll Tax

- The payroll tax inspection was performed for the years from 2009 to 2019 and the tax due was paid to the Tax Authority.
- The company hasn't been inspected for the year from 2020 to 2022.

c) Value added tax

- The tax inspection was performed for the year from the Company's inception until 2020 and the tax resulting from the tax inspection and assessment were settled and paid to the Tax Authority.
- The company hasn't been inspected for the years from 2021 -2022 and the Company submits its monthly VAT tax return on due date.

d) Stamp Tax

- The stamp tax inspection was performed from 2009 to 2020 and the tax due was paid to the Tax Authority.
- The Company has not been inspected for the year from 2021 and 2022.

21. Significant events during the period:

- The Board of Directors agreed, in its session on February 26, 2023, to submit a purchase offer after completing the legal procedures and government approvals, including punitive terms for both parties, to acquire a 100% stake in a company that is not listed on the stock exchange operating in food industry sector.
- On March 28, 2023, the ordinary general assembly of the company's shareholders was held, and it approved the financial statements for the year ended December 31, 2022 and approved the dividends distribution to shareholders of EGP 400 million along with employee dividends amounted to EGP 71.9 Million for Edita Food Industries and its subsidiaries employees.
- The Monetary Policy Committee of the Central Bank of Egypt decided, in its meeting on Thursday, March 30, 2023, to raise the overnight deposit and lending yield and the price of the main operation of the Central Bank by 200 basis points, to reach 18.25, 19.25 and 18.75%, respectively. The credit and discount rate was also raised by 200 basis points to reach my rate 18.75%

22. Significant events during the subsequent period:

- The Board of Directors agreed, in its session on May 29, 2023, the purchase of all the shares of Fancy Foods Company for Food Industries S.A.E. (Subject of acquisition) through Edita Food Industries and/or its subsidiaries, with a total amount of EGP 380,000,000. The Board of Directors also authorized Eng. Hani Nabih Aziz Berzi, Chairman of the Board of Directors, to sign on behalf of the company the contracts to complete the acquisition.