

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

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

EDITA Food Industries (S.A.E.) and its subsidiaries
Condensed Consolidated Interim Financial Information
For the period ended September 30, 2022

Table of contents

	Page(s)
Report on review of condensed consolidated interim financial information	1
Condensed consolidated statement of financial position	2
Condensed consolidated statement of profit or loss	3
Condensed consolidated statement of comprehensive income	4
Condensed consolidated statement of changes in equity	5 – 6
Condensed consolidated statement of cash flows	7
Notes to the condensed consolidated interim financial information	8 – 21

**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 September 30, 2022, and the related condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income for the three months and nine months periods then ended and the related condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the nine months period then ended, and explanatory notes.

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

Scope of Review

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

Conclusion

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

Other Matter

The consolidated interim financial statements of the Group for the period ended September 30, 2021 were reviewed by another auditor whose review report dated November 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

November 14, 2022



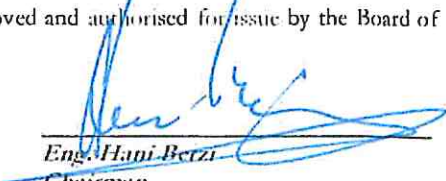
Edita Food Industries (S.A.E.) and its subsidiaries
Condensed Consolidated Interim Financial Information

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

	Notes	September 30, 2022 (Unaudited) EGP	December 31, 2021 (Audited) EGP
ASSETS			
Non-current assets			
Property, plant and equipment	4	2,470,518,572	2,165,626,284
Right-of-use assets		81,712,986	47,149,933
Intangible assets		231,112,173	180,713,178
Investment in a joint venture	5	-	69,445,134
		<u>2,783,343,731</u>	<u>2,462,934,529</u>
Current assets			
Inventories		825,856,111	526,494,168
Trade and other receivables		352,281,334	218,916,999
Financial assets at amortized cost	6	753,680,638	769,965,310
Financial assets at fair value through profit or loss	7	-	76,403,685
Cash and cash equivalents	8	524,192,529	163,455,483
		<u>2,456,010,612</u>	<u>1,755,235,645</u>
TOTAL ASSETS		<u>5,239,354,343</u>	<u>4,218,170,174</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		144,611,688	144,611,688
Legal reserve		78,953,630	78,953,630
Cumulative translation reserve		(28,555,699)	1,190,318
Transactions with non-controlling interests		(32,132,098)	(32,132,098)
Treasury shares	10	(58,891,581)	-
Retained earnings		2,298,517,553	1,866,823,044
Equity attributed to the Owners of the Parent		<u>2,402,503,493</u>	<u>2,059,446,582</u>
Non-controlling interests		32,989,334	590,046
Total equity		<u>2,435,492,827</u>	<u>2,060,036,628</u>
Non-current liabilities			
Borrowings	11	664,167,702	587,634,700
Deferred government grants		8,126,550	9,897,288
Employee benefit obligations		27,737,850	24,103,494
Deferred tax liabilities		206,560,974	204,828,607
Lease liabilities		87,249,411	51,734,242
		<u>993,842,487</u>	<u>878,198,331</u>
Current liabilities			
Provisions		36,793,356	33,978,251
Bank overdraft		373,050,099	404,566,831
Trade and other payables		911,521,896	605,949,105
Current portion of borrowings	11	299,317,615	197,005,385
Current income tax liabilities		176,999,679	30,584,092
Lease liabilities		12,336,384	7,851,551
		<u>1,810,019,029</u>	<u>1,279,935,215</u>
Total liabilities		<u>2,803,861,516</u>	<u>2,158,133,546</u>
TOTAL EQUITY AND LIABILITIES		<u>5,239,354,343</u>	<u>4,218,170,174</u>

This condensed consolidated interim financial information was approved and authorised for issue by the Board of Directors on November 14, 2022 and were signed on their behalf by:


Mr. Saïeb Naguib
Vice President - Finance


Eng. Hani Betzi
Chairman

The accompanying notes from 1 to 17 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 September 30, 2022

	Note	Three-month period ended September 30, 2022 (Unaudited) EGP	Three-month period ended September 30, 2021 Restated (Unaudited) EGP	Nine-month period ended September 30, 2022 (Unaudited) EGP	Nine-month period ended September 30, 2021 Restated (Unaudited) EGP
Revenue	12	2,015,568,078	1,394,672,046	5,147,710,451	3,711,805,958
Cost of sales	12	(1,334,080,177)	(981,774,699)	(3,390,870,107)	(2,559,352,315)
GROSS PROFIT		681,487,901	412,897,347	1,756,840,344	1,152,453,643
Distribution cost		(193,725,528)	(181,520,420)	(606,118,395)	(538,859,272)
Administrative expenses		(115,374,078)	(78,377,701)	(316,723,464)	(249,457,176)
Inventory write-down provision		(975,000)	(1,000,000)	(2,925,000)	(2,000,000)
Provisions		(1,035,460)	(1,797,454)	(2,884,057)	(5,230,878)
Provision for employee benefit obligations		(1,500,000)	(1,500,000)	(4,500,000)	(4,500,000)
Finance income		29,453,923	24,507,682	74,552,581	62,266,980
Finance cost		(26,612,675)	(23,357,561)	(78,862,119)	(65,498,543)
Other income		3,207,640	2,603,960	8,375,463	32,255,602
Loss on financial assets measured at fair value through profit or loss		-	-	(22,172,000)	-
Share of (net losses)/profit of a joint venture accounted for using the equity method		-	(986,149)	27,625,410	(2,859,283)
PROFIT BEFORE INCOME TAX		374,926,723	151,469,704	833,208,763	378,571,073
Income tax expenses		(88,865,289)	(38,602,342)	(203,030,733)	(101,155,992)
PROFIT FOR THE PERIOD		286,061,434	112,867,362	630,178,030	277,415,081
Profit attributable to:					
Owners of the Parent		286,970,365	112,841,384	631,694,509	277,404,540
Non-controlling interest		(908,931)	25,978	(1,516,479)	10,541
Net profit for the period		286,061,434	112,867,362	630,178,030	277,415,081
Earnings per share (expressed in EGP per share)					
Basic and diluted	13	0.40	0.16	0.88	0.38

The accompanying notes from 1 to 17 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 September 30, 2022

	Three-month period ended September 30, 2022 (Unaudited) EGP	Three-month period ended September 30, 2021 Restated (Unaudited) EGP	Nine-month period ended September 30, 2022 (Unaudited) EGP	Nine-month period ended September 30, 2021 Restated (Unaudited) EGP
Profit for the period	286,061,434	112,867,362	630,178,030	277,415,081
Other comprehensive income: <i>Items that will never be subsequently reclassified to profit or loss:</i>				
Exchange differences on translation of foreign operations	(11,782,979)	-	(30,742,865)	1,780,935
Total comprehensive income for the period	274,278,455	112,867,362	599,435,165	279,196,016
Total comprehensive income attributable to:				
Owners of the Parent	276,174,386	112,841,384	601,948,492	279,185,475
Non-controlling interest	(1,895,931)	25,978	(2,513,327)	10,541
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	274,278,455	112,867,362	599,435,165	279,196,016

The accompanying notes from 1 to 17 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 September 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, 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	-	-	-	-	-	631,694,509	631,694,509	(1,516,479)	630,178,030
Other comprehensive loss for the period	-	-	(29,746,017)	-	-	-	(29,746,017)	(996,848)	(30,742,865)
Total comprehensive income for the period	-	-	(29,746,017)	-	-	631,694,509	601,948,492	(2,513,327)	599,435,165
<i>Transactions with owners, recorded directly in equity</i>									
Acquisition of control over an investee	-	-	-	-	-	-	-	20,005,036	20,005,036
Dividends declared (Note 16)	-	-	-	-	-	(200,000,000)	(200,000,000)	-	(200,000,000)
Acquisition of treasury shares (Note 10)	-	-	-	-	(58,891,581)	-	(58,891,581)	-	(58,891,581)
Capital contribution	-	-	-	-	-	-	-	14,986,994	14,986,994
Other adjustments	-	-	-	-	-	-	-	(79,415)	(79,415)
As at September 30, 2022 (unaudited)	144,611,688	78,953,630	(28,555,699)	(32,132,098)	(58,891,581)	2,298,517,553	2,402,503,493	32,989,334	2,435,492,827

The accompanying notes from 1 to 17 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 September 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	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
(restated)	-	-	-	-	-	277,404,540	277,404,540	10,541	277,415,081
Profit for the period	-	-	1,780,935	-	-	-	1,780,935	-	1,780,935
(restated)	-	-	1,780,935	-	-	-	1,780,935	-	1,780,935
Other comprehensive loss for the period	-	-	-	-	-	277,404,540	279,185,475	10,541	279,196,016
(restated)	-	-	-	-	-	277,404,540	279,185,475	10,541	279,196,016
Total comprehensive income for the period	-	-	-	-	-	277,404,540	279,185,475	10,541	279,196,016
(restated)	-	-	-	-	-	277,404,540	279,185,475	10,541	279,196,016
<i>Transactions with owners, recorded directly in equity</i>									
Acquisition of treasury shares	(460,892)	-	-	-	22,556,296	(22,095,404)	-	-	-
Dividends declared (Note 16)	-	-	-	-	-	(150,000,000)	(150,000,000)	(2,354)	(150,000,000)
Other adjustments	-	-	-	-	-	-	-	-	(2,354)
As at September 30, 2021 (restated)	144,611,688	78,629,880	2,556,028	(32,132,098)	-	1,675,290,170	1,868,955,668	432,455	1,869,388,123
(unaudited)	144,611,688	78,629,880	2,556,028	(32,132,098)	-	1,675,290,170	1,868,955,668	432,455	1,869,388,123

The accompanying notes from 1 to 17 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 September 30, 2022

	Nine-month period ended September 30, 2022 (Unaudited) EGP	Nine-month period ended September 30, 2021 (Restated) (Unaudited) EGP
OPERATING ACTIVITIES		
Profit for the period	833,208,763	378,571,073
<i>Adjustments to reconcile profit to net cash flows:</i>		
Provisions	2,884,057	5,230,878
Provision for employee benefit obligation	4,500,000	4,500,000
Interest expense	70,859,939	57,445,443
Interest expenses on lease	8,002,180	8,053,100
Interest income	(73,397,995)	(56,435,112)
Fair value loss 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	5,063,987	2,859,283
Gain on disposal of a joint venture	(32,689,397)	-
Depreciation of property, plant and equipment and right-of-use assets	160,608,060	155,388,226
Amortisation of intangible assets	4,148,630	2,002,488
Provision for slow moving inventory	2,925,000	2,000,000
Gain on sale of property, plant and equipment	(7,800,407)	(17,825,853)
Government grant	(3,601,372)	(3,144,278)
Foreign exchange gain	(1,154,586)	(4,050,933)
Grant income	(20,805,217)	(22,917,146)
<i>Operating cash flows before changes in working capital</i>	974,923,642	511,677,169
<i>Changes in working capital</i>		
Inventories	(301,618,563)	(108,635,791)
Trade and other receivables	(133,364,335)	(50,056,607)
Trade and other payables	305,572,791	129,220,503
Provision utilised	(68,952)	(2,893,774)
Inventory provision used	(668,380)	-
Interest paid	(73,134,731)	(71,033,602)
Income tax paid	(42,184,209)	(105,170,592)
Cash from operations	729,457,263	303,107,306
Staff terminal benefits paid	(865,644)	(1,957,412)
Net cash flow from operating activities	728,591,619	301,149,894
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(299,502,596)	(191,853,888)
Proceeds from sale of property plant and equipment	36,096,726	19,971,345
Finance income received	78,521,670	41,708,209
Payment for purchase of treasury bills	(1,428,957,504)	(516,076,516)
Proceeds from sale of treasury bills	1,435,628,330	287,526,296
Proceeds from sale of financial assets at fair value through profit or loss	67,219,121	-
Payment for purchase of financial assets at fair value through profit or loss	-	(71,583,730)
Net cash flow used in investing activities	(110,994,253)	(430,308,284)
FINANCING ACTIVITIES		
Dividends paid to the shareholders	(200,000,000)	(156,145,803)
Acquisition of a subsidiary	-	(31,529,057)
Advance against shares to be issued to non-controlling interest	14,986,994	-
Lease payment	(12,721,469)	(4,885,699)
Acquisition of treasury shares	(58,891,581)	-
Repayment of borrowings	(138,141,063)	(166,347,667)
Proceeds from borrowings	169,423,531	141,007,975
Net cash flow used in financing activities	(225,343,588)	(217,900,251)
Net change in cash and cash equivalents	392,253,778	(347,058,641)
Cash and cash equivalents at the beginning of the period	(241,111,348)	134,631,265
Cash and cash equivalents at the end of the period (Note 8)	151,142,430	(212,427,376)

The accompanying notes from 1 to 17 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 September 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 follows:

Name	Place of business/ country of incorporation	Ownership interest		Ownership interest held by non-controlling interests	
		2022	2021	September 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)		77%	-	23%	-
Joint venture					
Edita Food Industries Morocco (Note 5)	Morocco	-	69.6%	-	-

This condensed consolidated interim financial information as at September 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 nine months' period ended September 30, 2022, which does not constitute part of this condensed consolidated interim financial information.

2 Basis of preparation and summary of significant accounting policies

a) Basis of preparation

The condensed consolidated interim financial information of the Group has been prepared in accordance with International Accounting Standard (IAS) 34, *Interim Financial Reporting*. The condensed consolidated interim financial information does not include all of the information required for full annual consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) and should be read in conjunction with the consolidated financial statements of the Group for the year ended December 31, 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 September 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 September 30, 2022, the Group acquired various property, plant and equipment amounting to EGP 299,502,596 (period ended September 30, 2021- Restated: EGP 191,853,888).

Depreciation charge on property and equipment for the period ended September 30, 2022 amounted to EGP 151,487,645 (period ended September 30, 2021 - Restated: EGP 144,427,415).

5 Investment in a joint venture

	September 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 September 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 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 December 31, 2021 and September 30, 2021 was 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 the year	69,445,134
	September 30, 2021 Restated (Unaudited) EGP
Share of net losses during the period	<u>(2,859,283)</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
Loss for the year	(8,395,808)
Net assets as at end of the year	89,969,464
Group's share in %	69.6%
Net assets as at end of the 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 September 30, 2022

5 Investment in a joint venture (continued)

Acquisition of control during the period ended September 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

	September 30, 2022 (Unaudited) EGP	December 31, 2021 (Audited) EGP
91 days maturity	675,000,000	233,250,000
266-364 days maturity	100,000,000	572,400,000
	<u>775,000,000</u>	<u>805,650,000</u>
Unearned interest	(21,319,362)	(35,684,690)
	<u>753,680,638</u>	<u>769,965,310</u>

The average effective interest rate related to Treasury Bills is 13.1% (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 ended September 30, 2022 (period ended September 30, 2021: EGP Nil). As at September 30, 2022, the Group has sold the entire investment for a consideration amounting to EGP 67,219,121. The transaction resulted in a loss of EGP 22,172,000 (period ended September 30, 2021: EGP Nil).

	September 30, 2022 (Unaudited) EGP	December 31, 2021 (Audited) EGP
Significant other observable inputs (Level 2)		
Investment solution	-	76,403,685

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 September 30, 2022

8 Cash and cash equivalents

	September 30, 2022 (Unaudited) EGP	December 31, 2021 (Audited) EGP
Cash at banks and in hand	301,065,429	86,335,423
Time deposit - Foreign currency	223,127,100	77,120,060
Cash and cash equivalents (excluding bank overdrafts)	524,192,529	163,455,483

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

	September 30, 2022 (Unaudited) EGP	December 31, 2021 Restated (Audited) EGP
Cash and bank balances	524,192,529	163,455,483
Bank overdraft	(373,050,099)	(404,566,831)
Total	151,142,430	(241,111,348)

9 Related Parties

	September 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
	-	16,472,067

During the period ended September 30, 2022, the Group incurred an amount of EGP 98,712,703 as benefits to the key management members (September 30, 2021: EGP 75,339,888).

	<u>September 30, 2022 (Unaudited)</u>		<u>September 30, 2021 (Unaudited)</u>	
	<u>Non-executive / independent board members</u>	<u>Key management personnel</u>	<u>Non-executive / independent board members</u>	<u>Key management personnel</u>
Salaries and compensation	3,675,000	93,769,858	2,450,000	71,640,291
Allowances	-	1,081,800	-	1,081,800
Other benefit	-	186,045	-	167,797

10 Acquisition of treasury shares

According to the Board of Directors' resolution dated August 2, 2022, the Group purchased 6,152,811 shares from stock market and held in treasury for a total consideration of EGP 58,891,581, the consideration paid has been accounted for as a reserve in the condensed consolidated statement of changes in equity.

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 September 30, 2022

11 Borrowings

	September 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	
Borrowings	299,317,615	664,167,702	963,485,317	197,005,385	587,634,700	784,640,085

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

	September 30, 2022 (Unaudited) EGP	December 31, 2021 (Audited) EGP
Balance due within 1 year	289,759,694	191,696,201
Accrued interest	9,557,921	5,309,184
	<u>299,317,615</u>	<u>197,005,385</u>

11.1 Edita Food Industries Group

	September 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	
IFC loan	76,726,521	203,424,000	280,150,521	64,589,305	189,120,000	253,709,305

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

	September 30, 2022 (Unaudited) EGP	December 31, 2021 (Audited) EGP
Balance due within 1 year	70,416,000	63,040,000
Accrued interest	6,310,521	1,549,305
	<u>76,726,521</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.

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 September 30, 2022

11 Borrowings (continued)

11.2 Edita Food Industries Company

	September 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	20,000,000	60,000,000	40,050,000	60,000,000	100,050,000
Fourth loan	25,809,838	60,940,773	86,750,611	9,567,069	78,616,366	88,183,435
Fifth loan	10,957,168	55,241,121	66,198,289	12,935,925	57,904,510	70,840,435
Sixth loan	13,025,970	64,523,396	77,549,366	75,198	61,763,341	61,838,539
Seventh loan	16,962,205	81,789,188	98,751,393	26,754	52,824,954	52,851,708
Total	114,789,231	282,494,478	397,283,709	87,921,216	311,109,171	399,030,387

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

	September 30, 2022 (Unaudited) EGP	December 31, 2021 (Audited) EGP
Balance due within 1 year	114,704,767	87,293,990
Accrued interest	84,464	627,226
	114,789,231	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	0.5% over mid corridor rate of Central Bank of Egypt.
Fourth loan	Cross corporate guarantee Digma Trading Company	EGP	7 years with first installment in November 2022	8%
Fifth loan	Cross corporate guarantee Digma Trading Company	EGP	7 years with first installment in June 2022	8 %
Sixth loan	Cross corporate guarantee Digma Trading Company	EGP	7 years with first installment in September 2023	8 %

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 September 30, 2022

11 Borrowings (continued)

11.2 Edita Food Industries Company (continued)

Type	Guarantees	Currency	Tenure	Interest rate
Seventh loan	None	EGP	7 years with first installment in July 2023	8 %

11.3 Digma for Trading

	September 30, 2022 (Unaudited)			December 31, 2021 (Audited)		
	Short-term portion	Long-term portion	Total	Short-term portion	Long-term portion	Total
	EGP	EGP	EGP	EGP	EGP	EGP
First loan	36,416,591	50,043,316	86,459,907	36,330,058	83,405,529	119,735,587

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

	September 30, 2022 (Unaudited) EGP	December 31, 2021 (Audited) EGP
Balance due within 1 year	33,362,211	33,362,211
Accrued interest	3,054,380	2,967,847
	<u>36,416,591</u>	<u>36,330,058</u>

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

Terms of payment

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

Interest rate

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

Fair value

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

11.4 Edita Confectionery Industries Company

	September 30, 2022 (Unaudited)			December 31, 2021 (Audited)		
	Short-term portion	Long-term portion	Total	Short-term portion	Long-term portion	Total
	EGP	EGP	EGP	EGP	EGP	EGP
First loan	8,108,556	-	8,108,556	8,164,806	4,000,000	12,164,806

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 September 30, 2022

11 Borrowings (continued)

11.4 Edita Confectionery Industries Company (continued)

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

	September 30, 2022 (Unaudited) EGP	December 31, 2021 (Audited) EGP
Balance due within 1 year	8,000,000	8,000,000
Accrued interest	108,556	164,806
	<u>8,108,556</u>	<u>8,164,806</u>

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

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.

11.5 Edita Food Industries Morocco

	September 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
First loan	7,063,600	128,205,908	135,269,508	-	-	-
Second loan	17,659,000	-	17,659,000	-	-	-
Third loan	12,065,616	-	12,065,616	-	-	-
Fourth loan	26,488,500	-	26,488,500	-	-	-
Total	<u>63,276,716</u>	<u>128,205,908</u>	<u>191,482,624</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

	September 30, 2022 (Unaudited) EGP	December 31, 2021 (Audited) EGP
Balance due within 1 year	63,276,716	-
Accrued interest	-	-
	<u>63,276,716</u>	<u>-</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 September 30, 2022

11 Borrowings (continued)

11.5 Edita Food Industries Morocco (continued)

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

11.6 Deferred government grants

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

The deferred government grants are according to the following schedule:

	September 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	2,395,183	4,496,077	6,891,260	2,517,521	4,931,993	7,449,514
Fifth loan	910,358	1,615,867	2,526,225	1,055,416	2,277,069	3,332,485
Sixth loan	606,906	1,346,230	1,953,136	497,621	1,476,828	1,974,449
Seventh loan	399,818	668,376	1,068,194	394,988	1,211,398	1,606,386
Total	4,312,265	8,126,550	12,438,815	4,465,546	9,897,288	14,362,834

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 September 30, 2022

12 Segment reporting

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

Segment	Brand	Product	Revenue		Gross profit / (loss)		Operating profit / (loss)		
			September 30, 2022 (Unaudited) EGP '000	September 30, 2021 Restated (Unaudited) EGP '000	September 30, 2022 (Unaudited) EGP '000	September 30, 2021 Restated (Unaudited) EGP '000	September 30, 2022 (Unaudited) EGP '000	September 30, 2021 Restated (Unaudited) EGP '000	
Cake	Tiger tail, Twinkies, Todo and Hohos	Traditional rolled filled and layered cake as well as brownies and packaged donut							
Croissants	Molto	Sweet and savoury croissants and strudels							
Rusks	Bake Rolz, Bake Stix	Baked wheat salty snack							
Wafer	Freska	Filled wafers							
Candy	Mimix	Hard, soft and jelly candy and lollipops							
Biscuits	Oniro	Lava chocolate and Lava vanilla							
Segment									
Cake			2,507,679	1,589,796	847,293	544,172	445,308	246,653	
Croissants			1,677,649	1,369,779	616,456	413,498	299,096	103,197	
Rusks			275,923	201,267	81,651	56,884	35,419	16,663	
Wafer			527,488	422,767	177,955	118,331	72,808	4,047	
Candy			126,770	113,409	26,750	17,722	7,073	(4,718)	
Biscuits			32,180	13,819	6,813	1,243	(35,937)	(13,936)	
Others			21	969	(78)	604	(78)	500	
Total			5,147,710	3,711,806	1,756,840	1,152,454	823,689	352,406	

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 September 30, 2022

12 Segment reporting (continued)

Operating profit is reconciled to net profit as follows:

	September 30, 2022 (Unaudited) EGP '000	September 30, 2021 Restated (Unaudited) EGP '000
Operating profit	823,689	352,406
Finance income	74,553	62,267
Finance cost	(78,862)	(65,499)
Other income - net	8,376	32,256
Loss on financial assets measured at fair value through profit or loss	(22,172)	-
Share of net gain/(loss) of a joint venture accounted for using the equity method	27,625	(2,859)
Income tax expense	(203,031)	(101,156)
Net profit	630,178	277,415

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.

13 Basic and diluted earnings per share

	Three-month period ended September 30, 2022 (Unaudited)	Three-month period ended September 30, 2021 (Unaudited)	Nine-month period ended September 30, 2022 (Unaudited)	Nine-month period ended September 30, 2021 (Unaudited)
Profit attributable to the owners of the Company (EGP)	286,970,365	112,841,384	631,694,509	277,404,540
Weighted average number of shares	716,905,628	723,058,439	716,905,628	723,058,439
Basic and diluted earnings per share (EGP)	0.40	0.16	0.88	0.38

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 September 30, 2022

14 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 260,909,097 as at September 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 September 30, 2022 of EGP 1,250,000 (December 31, 2021: EGP 250,000).

Edita Confectionary Industries Company

As at September 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 7,321,254 (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.

15 Capital commitments

The Group has capital commitments of EGP 81,806,671 as at September 30, 2022 (December 31, 2021: EGP 79,000,000) in respect of capital expenditure.

16 Dividends

At the Annual General Meeting held on April 15, 2022, the 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, the 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).

17 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.

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 September 30, 2022

17 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 this condensed consolidated interim financial information. This restatement has resulted in the following changes:

Extract from the statement of profit or loss and other comprehensive income for the period ended September 30, 2021	As previously presented EGP	Profit increase / (decrease) EGP	As currently presented EGP
Cost of sales	(2,564,659,383)	5,307,068	(2,559,352,315)
Distribution cost	(538,158,200)	(701,072)	(538,859,272)
Administrative expenses	(251,487,920)	2,030,744	(249,457,176)
Finance income	62,501,426	(234,446)	62,266,980
Share of net loss of joint ventures accounted for			
using the equity method	-	(2,859,283)	(2,859,283)
Income tax expense	(98,861,863)	(2,294,129)	(101,155,992)
Other comprehensive income	(1,785,384)	3,566,319	1,780,935
Extract from the statement of cash flow for the period ended September 30, 2021	As previously presented EGP	Cash increase / (decrease) EGP	As currently presented EGP
Net cash flows generated from operating activities	294,714,155	6,435,739	301,149,894
Net cash flows used in investing activities	(451,365,550)	21,057,266	(430,308,284)
Net cash flows used in financing activities	(212,644,251)	(5,256,000)	(217,900,251)

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 September 30, 2021.