

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

**REVIEW REPORT AND
Condensed Consolidated Interim Financial Statements
FOR THE SIX MONTHS PERIOD ENDED
30 JUNE 2023**

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

Condensed Consolidated interim financial statements - For the six months period ended 30 June 2023

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Review Report

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

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 June 30 ,2023, and the related condensed consolidated interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the Six-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 June 30 ,2023; and of its condensed consolidated interim financial performance and its condensed consolidated interim cash flows for the Six-months then ended in accordance with Egyptian Accounting Standard No. 30 "Interim Financial Reporting".

Cairo, August 14, 2023

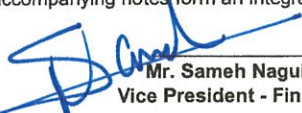
Kamel M. Saleh FCA
F.E.S.A.A. (R.A.A. 8510)



EDITA FOOD INDUSTRIES (S.A.E) AND ITS SUBSIDIARIES
Condensed Consolidated Interim Statement of Financial Position as of 30 June 2023

	Note	30 June 2023 EGP	31 December 2022 EGP
Assets			
Non-current assets			
Property, plant and equipment and projects under constructions	3	3 074 635 949	2 542 714 675
Right of use assets		133 546 853	102 879 883
Intangible assets		183 076 538	186 592 129
Goodwill	5	41 956 386	41 956 386
Total non-current assets		3 433 215 726	2 874 143 073
Current assets			
Inventories	4	1 386 508 880	981 499 151
Trade receivables		87 295 949	79 797 130
Debtors and Other Debit Balance		483 962 218	403 345 638
Due from related parties		46 823 079	62 072 443
Treasury Bills	9	860 439 291	894 641 441
Cash and bank balances	10	477 116 652	494 387 224
Total current assets		3 342 146 069	2 915 743 027
Total assets		6 775 361 795	5 789 886 100
Equity and liabilities			
Equity attributable to owners of the parent			
Paid up capital	11	144 611 688	144 611 688
Legal reserve	12	72 536 290	78 953 630
Cumulative translation reserve		(69 671 597)	(42 435 638)
Transactions with non-controlling interest		(32 132 098)	(32 132 098)
Treasury Shares	11	(266 012 536)	(160 827 557)
Retained earnings		3 034 572 370	2 687 811 227
Total equity		2 883 904 117	2 675 981 252
Non-controlling interest		51 960 707	40 997 184
Total equity		2 935 864 824	2 716 978 436
Liabilities			
Non-current liabilities			
Borrowings	13	669 070 263	739 496 389
Deferred government grants	13	18 141 130	16 912 608
Employee benefit obligations		34 573 630	33 396 656
Deferred tax liabilities		206 699 782	194 670 330
Lease liabilities		138 704 884	105 015 892
Total non-current liabilities		1 067 189 689	1 089 491 875
Current liabilities			
Provisions	14	91 728 516	72 714 381
Bank overdraft	15	964 918 669	501 662 587
Trade and notes payables	16	801 472 908	632 225 898
Creditors and other credit balances	17	336 369 840	316 639 631
Current portion of borrowings	13	354 061 457	244 539 006
Deferred government grants	13	3 643 079	4 111 485
Current income tax liabilities		205 932 893	198 667 784
Lease liabilities		14 179 920	12 855 017
Total current liabilities		2 772 307 282	1 983 415 789
Total liabilities		3 839 496 971	3 072 907 664
Total equity and liabilities		6 775 361 795	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. Hani 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 Six months period ended 30 June 2023

	Note	Six Months period ended 30 June 2023 EGP	30 June 2022 EGP	Three Months period ended 30 June 2023 EGP	30 June 2022 EGP
Revenue	18	5 637 785 899	3 132 142 372	2 858 073 110	1 573 182 407
Cost of sales	22	(3 820 560 323)	(2 042 942 343)	(1 931 847 339)	(1 046 740 561)
Gross profit		1 817 225 576	1 089 200 029	926 225 771	526 441 846
Other expenses - Net	19	32 756 561	5 167 824	41 384 848	8 858 653
Distribution cost	22	(489 182 874)	(403 006 208)	(249 169 127)	(188 221 865)
Administrative expenses	22	(340 630 112)	(193 367 073)	(177 428 116)	(102 989 686)
Inventory write-down provision	4	(4 933 520)	(1 950 000)	(3 683 520)	(975 000)
Provisions	14	(14 189 783)	(1 848 596)	(7 563 709)	(818 210)
Employee Benefit Obligations provision		(4 500 000)	(3 000 000)	(2 250 000)	(1 500 000)
Finance Income		108 197 616	45 098 657	54 755 400	21 479 919
Foreign Exchnage Gain/(Loss)		42 919 603	(2 591 795)	(4 161 422)	2 720 012
Finance cost - Net		(87 391 750)	(49 128 554)	(45 048 217)	(27 236 031)
Fair value gain on investments at fair value throught profit or loss		-	(22 172 000)	-	-
Profits from disposal of Joint venture		-	31 807 595	-	-
Share of net loss of joint ventures accounted for using the equity method		-	(5 005 095)	-	(1 738 701)
Profit before income tax		1 060 271 317	489 204 784	533 061 908	236 020 937
Income tax expense		(250 473 885)	(114 294 527)	(123 190 557)	(55 342 624)
Net profit for the period		809 797 432	374 910 257	409 871 351	180 678 313
Profit is attributable to					
Owners of the parent		812 243 803	375 524 031	413 583 835	181 397 287
Non-controlling interest		(2 446 371)	(613 774)	(3 712 484)	(718 974)
Net profit for the period		809 797 432	374 910 257	409 871 351	180 678 313
Basic and Diluted earnings per share	20	1.16	0.52	0.59	0.25

- 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 six months ended 30 June 2023

	Six Months period ended		Three Months period ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Net profit for the period	809 797 432	374 910 257	409 871 351	180 678 313
Other comprehensive income				
Items that may be reclassified to profit or loss :-				
Exchange differences on translation of foreign operations	<u>(13 826 065)</u>	<u>(19 665 058)</u>	<u>1 877 466</u>	<u>(7 183 321)</u>
Total comprehensive income for the period	<u><u>795 971 367</u></u>	<u><u>355 245 199</u></u>	<u><u>411 748 817</u></u>	<u><u>173 494 992</u></u>
Attributable to				
Owners of the parent	798 417 738	355 858 973	415 461 301	174 213 966
Non-controlling interest	<u>(2 446 371)</u>	<u>(613 774)</u>	<u>(3 712 484)</u>	<u>(718 974)</u>
Total comprehensive income for the period	<u><u>795 971 367</u></u>	<u><u>355 245 199</u></u>	<u><u>411 748 817</u></u>	<u><u>173 494 992</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 changes in equity
For the six months ended 30 June 2023

	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	(31 132 098)	-	1 917 983 230	2 111 978 929	689 847	2 112 668 776
Net profit for the period	-	-	-	-	-	375 465 302	375 465 302	(554 952)	374 910 350
other comprehensive income	-	-	(19 578 616)	-	-	-	(19 578 616)	(86,442)	(19 665 058)
Total comprehensive income for the period	-	-	(19 578 616)	-	-	375 465 302	355 886 686	(641 394)	355 245 292
Shareholders transactions									
Joint venture adjustment	-	-	-	-	-	-	-	20 207 570	20,207,570
Dividends distribution for 2021	-	-	-	-	-	(257 450 000)	(257 450 000)	-	(257 450 000)
Total shareholders transactions	144 611 688	78 953 630	(18 016 137)	(31 132 098)	-	(257 450 000)	(257 450 000)	20,207,570	(237 242 430)
Balance at 30 June 2022	144 611 688	78 953 630	(42 435 638)	(32 132 098)	(160 827 557)	2 687 811 227	2 210 415 615	20 256 023	2 230 671 638
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	2 716 978 436
Transfer from Legal reserve	-	(6 417 340)	-	-	-	6 417 340	-	-	-
Net profit for the period	-	-	-	-	-	812 243 803	812 243 803	(2 446 371)	809 797 432
Other comprehensive income for the period	-	-	(27 235 959)	-	-	-	(27 235 959)	13 409 894	(13 826 065)
Total comprehensive income for the period	-	(6 417 340)	(27 235 959)	-	-	818 661 143	795 007 844	10 963 523	795 971 367
Shareholders transactions									
Acquisition of Treasury Shares	-	-	-	-	(105,184,979)	-	(105 184 979)	-	(105 184 979)
Dividends Distribution for 2022	-	-	-	-	-	(471 900 000)	(471 900 000)	-	(471 900 000)
Total shareholders transactions	-	-	-	-	(105 184 979)	(471 900 000)	(577 084 979)	-	(577 084 979)
Balance at 30 June 2023	144 611 688	72 536 290	(69 671 597)	(32 132 098)	(266 012 536)	3 034 572 370	2 883 904 117	51 960 707	2 935 864 824

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

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

Notes to the condensed consolidated interim financial statements For the six months period ended 30 June 2023

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

1. General information

Edita Food Industries S.A.E. 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. 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 consolidated financial statements have been approved by Chairman on 14 August 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.

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

Notes to the condensed consolidated interim financial statements For the six months period ended 30 June 2023

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Percentage of ownership in subsidiaries

The group consists of the below companies as of 30 June 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.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group		Ownership interest held by non- controlling interests	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
Edita for Trade and Distribution (previously 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%	--	--
Fancy Foods S.A.E	Egypt	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.

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

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.

Notes to the condensed consolidated interim financial statements For the six months period ended 30 June 2023

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

3. Property, plant and equipment and projects under constructions

	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
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	88 585 582	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	335 987	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	58 354 200	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	-	(245 016 347)	(486 348 876)	(173 512 140)	(128 094 146)	(101 224 006)	-	(1 134 195 515)								
Depreciation for the period	-	(43 227 886)	(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)	-	(1 313 281 376)								
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																
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	-	4 066 558	10 799 496	-	1 684 435	-	(16 550 489)	-								
Acquisition through business combinations	42 436 000	64 223 152	191 963 835	4 100 000	5 500 000	200 000	86 491 987	394 914 984								
Translation differences	-	38 978 650	51 847 726	-	2 930 974	412 442	-	94 169 792								
Additions	-	-	4 441 234	57 012 178	8 259 614	11 073 417	82 649 329	163 435 772								
Disposals	-	-	-	(2 523 500)	(3 000)	(384 467)	-	(2 910 967)								
Cost as of June 30, 2023	149 150 128	1 227 235 277	2 048 699 241	426 917 964	291 163 941	170 442 514	191 996 567	4 505 605 632								
Accumulated depreciation																
As of January 1, 2023	-	(288 100 855)	(548 107 184)	(197 822 922)	(160 235 338)	(119 015 077)	-	(1 313 281 376)								
Depreciation for the period	-	(26 338 848)	(42 181 226)	(23 444 941)	(18 821 284)	(9 726 770)	-	(120 513 071)								
Accumulated depreciation of disposals	-	-	-	2 441 928	(3 000)	385 836	-	2 824 764								
As of June 30, 2023	-	(314 439 703)	(590 288 412)	(218 825 935)	(179 059 622)	(128 356 011)	-	(1 430 969 683)								
Net book value as of June 30, 2023	149 150 128	912 795 574	1 458 410 829	208 092 029	112 104 319	42 086 503	191 996 567	3 074 635 949								

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

Notes to the condensed consolidated interim financial statements For the six months period ended 30 June 2023

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

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

	<u>30 June 2023</u>	<u>31 December 2022</u>
Cost of sales	83 565 581	141 532 318
Distribution costs	25 655 587	46 286 057
Administrative expenses	11 291 903	20 278 551
	<u>120 513 071</u>	<u>208 096 926</u>

The project under construction represents the following Categories:

	<u>30 June 2023</u>	<u>31 December 2022</u>
Buildings	102 675 887	7 686 475
Machinery and equipment	64 712 697	19 400 187
Tools and equipment	12 307 964	8 474 704
Technical and other installations	12 300 019	3 844 364
	<u>191 996 567</u>	<u>39 405 730</u>

4. Inventories

	<u>30 June 2023</u>	<u>31 December 2022</u>
Raw and packaging materials	1 181 235 556	792 411 132
Finished goods	92 520 612	70 092 406
Spare parts	65 671 020	53 032 467
Work in process	40 283 858	25 050 325
Consumables	18 780 227	48 222 562
Total	1 398 491 273	988 808 892
Less: write-down for slow moving and obsolete inventory	(11 982 393)	(7 309 741)
Net	1 386 508 880	981 499 151

Write-down for slow moving and obsolete inventory:

	<u>30 June 2023</u>	<u>31 December 2022</u>
Balance as of 1 January	7 309 741	4 228 565
Charged during the period / year	4 933 520	3 900 000
Utilized during the period / year	(260 868)	(818 824)
Ending Balance as of the period / year	11 982 393	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).

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

	<u>30 June 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		<u>20 207 570</u>
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 Logistiquis (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.

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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	<u>11 296 933</u>
	<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	<u>(65 188 598)</u>
	<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

8. Business Combinations

During the second quarter of 2023 Edita Food Industries S.A.E acquired 100% of Fancy foods S.A.E.

The group's management has applied the requirements of The Egyptian Standard (No.29) with regard to accounting for business combination and the group's management has measured the Net assets at fair value at the date of control.

According to article No. 45 of the Egyptian Accounting Standard No. (29), the initial accounting for the business combination was not completed until the end of the reporting period, as the group's management is still preparing a study for the purchase price allocation at the date of the combination for the purpose of allocating the consideration paid over the fair values of the acquired assets, assumed liabilities and goodwill.

The company will perform during the measurement period, which is the period post the acquisition date, where there will be a reasonable time for the company to determine and measure the fair values of the following at the acquisition date:

- a) Identifiable acquired assets, contingent liabilities, and any non-controlling interests in the acquired subsidiary.
- b) The consideration transferred to acquire the subsidiary
- c) Previously owned equity interest in the acquired subsidiary.

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The fair value of identifiable assets acquired, liabilities and potential liabilities assumed resulting from the acquisition of Fancy foods S.A.E. has been provisionally determined, and the provisional fair value of the net assets acquired at the date of the acquisition was EGP 257 206 976 represented below: -

Non-current assets	
Property, plant and equipment	394 914 980
Right of use assets	2 318 978
Total non-current assets	397 233 958
Current assets	
Inventories	2 513 350
Cash and Cash Equivalents	440 012
Trade and other receivables	10 833 971
Total current assets	13 787 333
Total assets	411 021 291
Non-current liabilities	
Deferred tax liabilities	27 091 179
Borrowing	95 055 818
Lease liabilities	1 570 288
Total non-current liabilities	123 717 285
Current liabilities	
Trade and other payables	25 210 099
Bank overdraft	1 929 441
Provisions	2 957 490
Total current liabilities	30 097 030
Total Liabilities	153 814 315
Fair Value for Net Identifiable Assets	257 206 976

Non-Cash Transactions

The impact of non-cash transactions resulting from the signing of the acquisition contract for Fancy Foods related to the balances of net assets of Fancy Foods As of June 1, 2023, on the balances of the Edita Food Industries Group has been excluded from the statement of cash flows, shown in the following table:

	EGP
Property, Plant and Equipment and Projects under constructions	394 914 980
Right of Use Assets	2 318 978
Inventory	2 513 350
Trade Receivables and Other Debit Balances	10 833 971
Loans	(95 055 818)
Lease Liability	(1 570 288)
Bank overdraft	(1 929 441)
Provisions	(2 957 490)
Deferred Tax	(27 091 179)
Trade Payable	(25 210 099)

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

9. Treasury bills

	<u>30 June 2023</u>	<u>31 December 2022</u>
Treasury bills par value		
0-31 Days maturity	--	86 000 000
91 Days maturity	632 500 000	685 000 000
182 Days maturity	210 000 000	--
364 Days maturity	50 000 000	150 000 000
Total	892 500 000	921 000 000
Total Unearned credit interest	(62 716 610)	(48 876 540)
Amount paid for treasury bills	829 783 390	872 123 460
Interest income recognized to profit or loss	30 655 901	22 517 981
Treasury bills balance	860 439 291	894 641 441

The average effective interest rate related to treasury bills is 19.53%.

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.

10. Cash and bank balances

	<u>30 June 2023</u>	<u>31 December 2022</u>
Cash at banks and on hand	243 180 259	277 974 979
Time deposit – Foreign currency	233 936 393	216 412 245
Cash and bank balances	477 116 652	494 387 224

* The average rate on time deposit is 4.77% 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>30 June 2023</u>	<u>30 June 2022</u>
Cash and bank balances	477 116 652	368 908 186
Bank overdraft (Note 14)	(964 918 669)	(430 365 827)
Total	(487 802 017)	(61 457 641)

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

11. Share capital

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

On 30 March 2016 an extra ordinary general assembly meeting was held in which the shareholders approved the increase of issued and paid-up capital from EGP 72 536 290 to be EGP 145 072 580.

An increase amounted to EGP 72 536 290 distributed over 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 commercial register on 9 May 2016.

On 4 April 2021, the extraordinary general assembly meeting approved to write off the treasury shares amounted 2 304 461. Accordingly, the share capital has been reduced by the par value of the treasury shares to be EGP 144 611 688 and the difference between the par value and the consideration paid to acquire those shares was absorbed in retained earnings.

Treasury shares

According to Board of Director resolution on August 2, 2022 and October 18, 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 part of the statement of shareholders' Equity.

According to Board of Director resolution on March 16, 2023, the group purchased 7 230 584 shares from the stock market and held in treasury for a total consideration of EGP 105 184 979, the consideration paid has been accounted for as part of the statement of shareholders' Equity.

12. 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.

13. Loans

	30 June 2023			31 December 2022		
	Current portion	Non-current portion	Total	Current portion	Non-current portion	Total
Loans	354 061 457	669 070 263	1 023 131 720	244 539 006	739 496 389	984 035 395
	<u>354 061 457</u>	<u>669 070 263</u>	<u>1 023 131 720</u>	<u>244 539 006</u>	<u>739 496 389</u>	<u>984 035 395</u>

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

	30 June 2023	31 December 2022
Balance due within 1 year	345 736 673	237 632 559
Accrued interest	8 324 784	6 906 447
	<u>354 061 457</u>	<u>244 539 006</u>

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

	2023			2022		
	Current portion	Non-current portion	Total	Current portion	Non-current portion	Total
IFC loan	115 462 486	198 080 000	313 542 486	43 305 344	257 608 000	300 913 344
	<u>115 462 486</u>	<u>198 080 000</u>	<u>313 542 486</u>	<u>43 305 344</u>	<u>257 608 000</u>	<u>300 913 344</u>

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

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

	<u>2023</u>	<u>2022</u>
Balance due within 1 year	111 420 000	39 632 000
Accrued interest	4 042 486	3 673 344
	<u>115 462 486</u>	<u>43 305 344</u>

On 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

	<u>30 June 2023</u>			<u>31 December 2022</u>		
	Current	Non-current	Total	Current	Non-current	Total
Second loan	--	--	--	--	--	--
Third loan	--	--	--	--	--	--
Fourth loan	40 658 333	-	40 658 333	40 000 000	20 000 000	60 000 000
Fifth loan	--	--	--	--	--	--
Seventh Loan	45 115 571	22 362 745	67 478 316	34 762 943	40 702 977	75 465 920
Eighth Loan	40 647 022	106 903 237	147 550 259	15 258 754	83 857 170	99 115 924
Ninth loan	33 130 013	58 785 179	91 915 192	14 122 163	75 209 377	89 331 540
Tenth loan	18 125 833	33 904 619	52 030 452	17 667 379	40 730 195	58 397 574
Total	<u>177 676 772</u>	<u>221 955 780</u>	<u>399 632 552</u>	<u>121 811 239</u>	<u>260 499 719</u>	<u>382 310 958</u>

The sixth loan had been disclosed separately in note 13.1

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

	<u>30 June 2023</u>	<u>31 December 2022</u>
Balance due within 1 year	176 882 485	121 811 239
Accrued interest	794 287	--
Total	<u>177 676 772</u>	<u>121 811 239</u>

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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 instalment 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 instalment 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 instalment 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	None	USD	4 years with the first instalment in Sep 2018	3.85% above the USD Libor rate 3 months.
Sixth loan	Loan	None	USD	3 years with the first instalment in May 2021	4% above the USD Libor rate 6 months.
Seventh loan	Loan	Cross corporate guarantee Digma Trading Company	EGP	7 years with first instalment in Nov 2022	8 %
Eighth loan	Loan	Cross corporate guarantee Digma Trading Company	EGP	7 years with first instalment in June 2022	8 %
Ninth loan	Loan	Cross corporate guarantee Digma Trading Company	EGP	7 years with first instalment in Sep 2023	8 %
Tenth loan	Loan	None	EGP	7 years with first instalment in July 2023	8%

(3) Edita for Trade and Distribution

	30 June 2023			31 December 2022		
	Current portion	Non-current portion	Total	Current portion	Non-current portion	Total
First Loan	36 693 336	33 362 210	70 055 546	36 466 982	50 043 317	86 510 299
	36 693 336	33 362 210	70 055 546	36 466 982	50 043 317	86 510 299

The due current portion is according to the following schedule:

	30 June 2023	31 December 2022
Balance due within 1 year	33 362 210	33 362 211
Accrued interest	3 331 126	3 104 771
	36 693 336	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 30 June amounted to 100 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.

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

(4) Edita Confectionery Industries Company

	30 June 2023			31 December 2022		
	Current portion	Non-current portion	Total	Current portion	Non-current portion	Total
First Loan	-	-	-	4 128 333	--	4 128 333
	-	-	-	4 128 333	--	4 128 333

The due current portion is according to the following schedule:

	30 June 2023	31 December 2022
Balance due within 1 year	-	4 000 000
Accrued interest	-	128 333
	-	4 128 333

(5) Edita Food Industries Morocco:

	30 June 2023			31 December 2022		
	Current portion	Non-Current Portion	Total	Current Portion	Non-current Portion	Total
First loan	24 228 863	215 672 273	239 901 136	38 827 109	171 345 354	210 172 463
	24 228 863	215 672 273	239 901 136	38 827 109	171 345 354	210 172 463

The due current portion is according to the following schedule:

	30 June 2023	31 December 2022
Balance due within 1 year	24 071 978	38 827 109
Accrued interest	156 885	--
	24 228 863	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:

	30 June 2023			31 December 2022		
	Current	Non-current	Total	Current	Non-current	Total
Fourth loan	2 050 438	3 254 029	5 304 467	2 281 071	4 057 431	6 338 502
Fifth loan	778 571	1 029 911	1 808 482	861 078	1 415 991	2 277 069
Sixth loan	532 105	911 717	1 443 822	588 420	1 200 392	1 788 812
Seventh loan	281 965	95 810	377 775	380 916	451 951	832 867
	3 643 079	5 291 467	8 934 546	4 111 485	7 125 765	11 237 250

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	<u>30 June 2023</u>	<u>31 December 2022</u>
Government Grant – Investment subsidy – Edita Morocco – Non-Current	12 849 663	9 786 843
	<u>12 849 663</u>	<u>9 786 843</u>

14. Provisions

	<u>30 June 2023</u>	<u>31 December 2022</u>
Balance at 1 January	72 714 381	33 978 251
Morocco opening balance	--	91 308
Fancy Foods opening balance	4 555 195	
Additions during the period / year	14 209 782	39 747 480
Utilized during the period / year	(75 173)	(739 577)
Provision no longer required	(20 000)	(398 669)
Morocco Translation	344 331	35 588
Ending Balance as of	<u>91 728 516</u>	<u>72 714 381</u>

Provisions related to claims expected to be made by a third party in connection with the Group's operations. The information usually required by Egyptian Accounting Standards is not disclosed because the management believes that to do so would seriously prejudice the outcome of the negotiation with that party. These provisions are reviewed by management every year and the amount provided is adjusted based on latest development, discussions, and agreements with the third party.

15. Bank overdraft

	<u>30 June 2023</u>	<u>31 December 2022</u>
Bank overdraft	964 918 669	501 662 587
Total	<u>964 918 669</u>	<u>501 662 587</u>

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 11.26% as of 30 June 2023 (31 December 2022: 8.23%).

16. Trade and notes payables

	<u>30 June 2023</u>	<u>31 December 2022</u>
Trade payables	650 136 381	527 630 461
Fixed assets payables	28 720 982	40 319 469
Notes payable	122 615 545	64 275 968
Total	<u>801 472 908</u>	<u>632 225 898</u>

Trade payables are unsecured and are usually paid within an average of 45 days of recognition.

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17. Creditors and other credit balances

	<u>30 June 2023</u>	<u>31 December 2022</u>
Other credit balances	47 148 134	64 088 844
Accrued expenses	202 133 260	144 284 835
Taxes payable	60 573 129	48 693 231
Social insurance	11 365 371	9 165 163
Dividends payable	1 760 069	1 331 373
Deposits from others	4 379 256	6 081 555
Contract liabilities – accrued customer rebates	2 868 185	15 066 090
Advances from customers	6 142 436	27 928 540
Total	<u>336 369 840</u>	<u>316 639 631</u>

18. Sales Revenues

Increase in Sales is due to:

- Price increase of Company's products in Cake, Croissants, and Rusks segments during last year and the period ended 30 June 2023 compared to the same period last year.
- Increase in export sales during the period ended 30 June 2023 impacted by the change in USD exchange rate.

19. Other income / expense

	<u>30 June 2023</u>	<u>30 June 2022</u>
Export subsidies	48 112 488	4 496 906
Gain / Loss from disposal of property plant and Equipment	2 290 433	7 441 500
Income from government grant	2 299 099	2 385 232
Other income	4 118 495	4 761 044
	<u>56 820 515</u>	<u>19 084 682</u>
Other Expenses		
Solidarity contribution	(24 063 954)	(13 916 858)
	<u>(24 063 954)</u>	<u>(13 916 858)</u>
Net	<u>32 756 561</u>	<u>5 167 824</u>

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

20. 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.

	<u>30 June 2023</u>	<u>30 June 2022</u>
Profit attributed to owners of the parent*	812 243 803	375 524 031
Weighted average number of ordinary shares in issue		
Ordinary shares	723 058 439	723 058 439
Treasury shares (Note 11)	<u>(23 044 783)</u>	
	<u>700 013 656</u>	<u>723 058 439</u>
Basic earnings per share	<u>1.16</u>	<u>0.52</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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Operating profit reconciles to net profit as follows:

	<u>30 June 2023</u>	<u>30 June 2022</u>
Operating profit	987 413	492,827
Foreign Exchange Gain/Losses	42 920	(2 592)
Finance cost	(87 392)	(49 129)
Finance Income	108 198	22 927
Fair value gain/(loss) on investments at fair value through profit or loss	-	(5 005)
loss / Gain from joint ventures	-	31 808
Other income/expenses	9 132	(1 631)
Income tax	(250 474)	(114 295)
Net profit	<u>809 797</u>	<u>374 910</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.

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22. Expenses by nature

	<u>30 June 2023</u>	<u>30 June 2022</u>
Cost of sales	3 820 560 323	2 042 942 343
Distribution cost	489 182 874	403 006 208
Administrative expenses	340 630 112	193 367 073
	<u>4 650 373 309</u>	<u>2 639 315 624</u>
Raw and packaging materials used	3 260 290 897	1 648 926 523
Salaries and wages	506 621 475	351 838 704
Advertising expense	209 310 676	181 147 361
Depreciation and amortization	134 490 791	107 861 991
Employees benefits	78 915 510	59 162 167
Other expenses	147 205 475	62 222 928
Gas, water and electricity	76 181 790	51 017 684
Company share in social insurance	34 616 497	30 727 221
Logistics expense	48 180 968	35 344 842
Transportation expense	33 951 177	31 772 495
Vehicle expense	43 605 142	33 452 823
Maintenance	40 959 392	26 152 831
Consumable materials	36 043 519	19 688 054
Total cost of sales, distribution costs, and administrative expenses	<u>4 650 373 309</u>	<u>2 639 315 624</u>

23. 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 384 685 779 as at 30 June 2023, (31 December 2022: EGP 312 623 934).

(2) Edita for Trade and Distribution

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

(3) Edita Confectionary Industries Company

On 30 June 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 138 048 (31 December 2022: EGP 5 282 085).

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

24. Commitments

Capital commitments.

The Group has capital commitments as of 30 June 2023 of EGP 371 Million (31 December 2022: EGP 97 M) in respect of capital expenditure.

25. 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.
- Year 2020 We have finalized the tax inspection and under settlement.
- Years from 2021 till 2022 tax inspection has not been performed.

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.

Edita for Trade and Distribution

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.

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

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.

26. Significant events during the period:

- 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.

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

Notes to the condensed consolidated interim financial statements For the six months period ended 30 June 2023

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

- 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%
- The Board of Directors agreed, in its session on May 29, 2023, the purchase of 100% of "Fancy Foods Company for Food Industries S.A.E.". The deal was closed on June 13, 2023, through registering the sale and transfer of "Fancy Foods Company for Food Industries S.A.E." purchased shares to "Edita Food Industries S.A.E" before the EGX in accordance with the applicable laws and regulations.
- According to Digma (S.A.E) extraordinary general meeting dated 13 February 2023 , article no. (2) of the company articulation had been amended where the company name from Digma trading (S.A.E) to Edita for trading and distribution (S.A.E) and it was registered in the commercial register on 22 May 2023.

27. Subsequent Event:

- The Monetary Policy Committee of the Central Bank of Egypt decided, in its meeting on Thursday, August 3, 2023, to raise the overnight deposit and lending yield and the price of the main operation of the Central Bank by 100 basis points, to reach 19.25, 20.25 and 19.75%, respectively. The credit and discount rate were also raised by 100 basis points to reach 19.75%.