Edita Food Industries S.A.E.

EDITA
PUTTING THE PIECES TOGETHER

Annual Report **2021**

EDITA

PUTTING THE PIECES TOGETHER

Annual Report **2021**

In 2021, Edita delivered strong results showcasing the company's resilience and agility in adapting its business model to face the challenges posed by COVID-19, supply chain disruptions and global inflationary pressures on raw material prices.

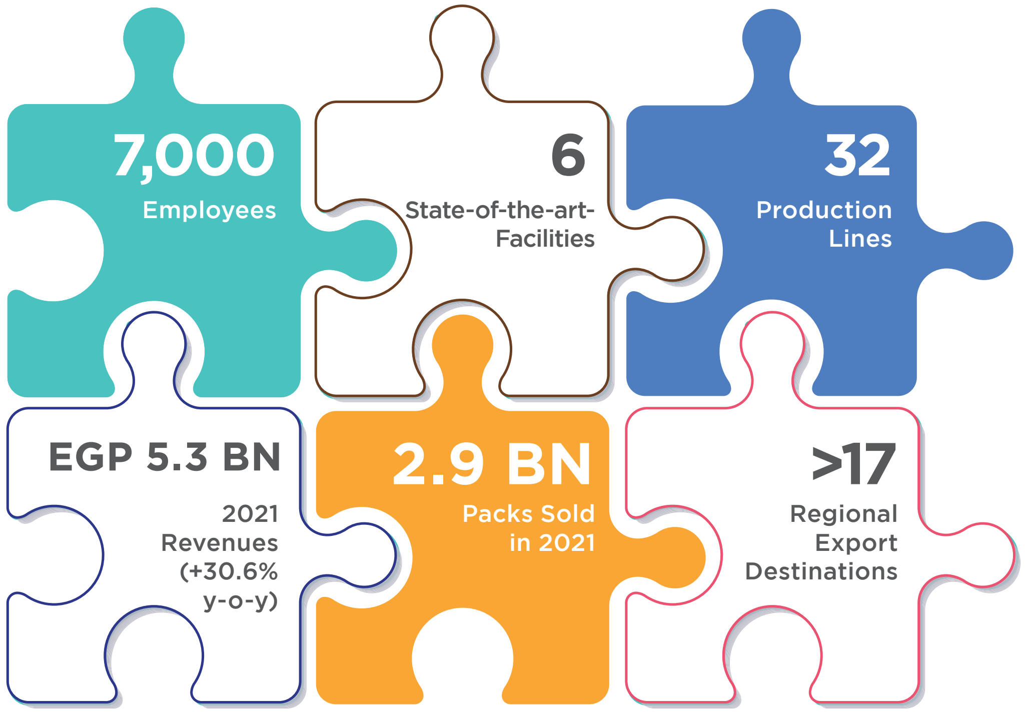
Disclaimer: The figures displayed throughout the report are based on unaudited results drawn from management accounts and finance department numbers (IFRS).

Contents

EDITA
at a Glance

Building on decades of expertise and resilience in the face of challenges, Edita maintains its leading position in Egypt's snack food market, delivering a wide range of premium quality snack products.

Edita Food Industries was established in 1996 and has since solidified its position as a leader in the Egyptian and regional snack food markets. The company has earned a reputation for consistently delivering quality and innovative products that evolve with consumers' tastes over the years. A pioneer in the industry, Edita was the first to introduce packaged croissants to Egypt's market in 1997. Today, Edita's ever-growing product offerings exceed 100 SKUs across its cakes, bakery, wafers, rusks, candy and biscuits segments. The company's portfolio consists of household names including Molto, HOHOs, Tiger Trail, Twinkies, TODO, Bake Rolz, Bake Stix, Freska, Mimix and Oniro. Edita operates five ISO-certified, state-of-the-art facilities in Egypt, and an overseas facility in Morocco, which together house 32 production lines, and has an expanding regional footprint that covers 17 export markets.



108 SKUs Across Six Segments

BAKERY	CAKES	RUSKS	WAFERS	CANDY	BISCUITS
Molto	TODO, HOHOs, Twinkies, Tiger Tail	Bake Rolz, Bake Stix	Freska	MiMix	ONIRO

In 2021, Edita showcased its resilience and agility in adapting its business model to overcome challenges posed by COVID-19, supply chain disruptions and global inflationary pressures. At home, Edita was able to deliver on its long-term strategy, expand production capacity, diversify its portfolio by incorporating multiple new and upsized SKUs and drive demand across segments through rebranding and marketing initiatives. On a regional front, Edita began production at the Morocco facility, marking a major milestone in the company's regional expansion strategy.

Looking forward, Edita will pivot its focus from recovery and resilience to expansion mode. The company will leverage its unrivalled research and development capabilities, technical know-how and strong brand equity to create sustainable shareholder value and further strengthen its position as a leader in the snack food market.

A NOTE FROM Our Chairman

DEAR SHAREHOLDERS,

I am delighted to report on a remarkable year during which we continued to make headway on our strategic objectives, achieved multiple operational milestones and delivered record-breaking financial results. Throughout 2021 our company showcased its resilience and the agility of its business model in facing the challenges posed by COVID-19, including supply chain disruptions and global inflationary pressures on raw material prices.

I am happy to report that despite the challenges, our Company recorded remarkable top-line growth of 30.6% year-on-year to EGP 5.3 billion, with exceptional earnings growth of 54.7% year-on-year to over EGP 471 million in 2021. The results were underlined by Edita's success in migrating consumers to higher price points and efficiently managing costs to protect our profitability, all while driving volume growth. Our ability to simultaneously increase prices and grow sales volumes demonstrates strong demand inelasticity for our products, accentuated by Edita's leading market position.

Our strong performance was broad based across our segments as we continued to expand and diversify our portfolio by incorporating new and innovative products and growing our market share. We also applied successive direct and indirect price increases across all segments that supported our margins significantly. I am particularly pleased with the performance of our cakes and bakery segments, which continue to be our largest revenue contributors. Meanwhile, wafers delivered a stellar performance as the fastest-growing segment for the year, supported by the installation of a new production line at our E08 facility. Edita successfully doubled its wafer market share in 2021 and propelled Freska to the number two position in the market. Finally at our newest biscuits segments, we have reworked our formula and knowhow and have a much more competitive offering in this new market that delivers on our diversification strategy.

On the regional front, I am beyond thrilled that we have started production at our new state-of-the-art facility in Morocco in December 2021. Edita Morocco is a major milestone in our regional expansion strategy as it sees us develop from an exporter to a regional manufacturer with significant ambitions in the span of three years. Our aim has always been to transform our company into a multi-country institution and replicate Edita's decades-long Egyptian success story across the MENA region. Morocco is the first step in seeing this dream turn into a reality. Currently the facility produces three variations of our flagship HOHOs brand, with plans to install additional production lines and greatly diversify the product offering in Morocco in the coming years. The Moroccan market is one with strong fundamentals and great potential. The country boasts a dynamic economy, welcoming investment environment with an eagerness to attract foreign investment, favourable macroeconomic policies, a young population, and a snack food market valued at approximately USD 500 million. Our presence in Morocco has been met with a lot of encouragement and we will continue to create meaningful opportunities, invest in talent, and benefit the community where we operate as we have for decades in Egypt.

> Despite the challenges, our Company recorded remarkable top-line growth of 30.6% year-on-year to EGP 5.3 billion, with exceptional earnings growth of 54.7% year-on-year to over EGP 471 million in 2021

At Edita, we believe that it is our duty to adopt a sustainable and responsible approach to growing our business with the environment, community, and our people at the heart of every decision we make. Recent global events have accentuated this belief and have shown that the impact our activities have on the environment and our stakeholders is of utmost importance. Therefore, in 2021 we launched a new ESG strategy, which groups our sustainability efforts under five key pillars: lowering energy consumption, stakeholder safety, consumer wellbeing, digital transformation, and strong governance. Our proactive ESG strategies have paved the way for new optimization projects, process automation, product development, revised safety measures and enhanced resource utilization. We feel privileged to be in a position to advance the conversation on ESG standards and to be a part of Egypt's evolving sustainability story.

OUTLOOK

As we enter into the new year, we have successfully pivoted our strategy from a focus on recovery and resilience to expansion mode. In keeping with our long-term targets, we will continue optimizing our product portfolio and diversifying our revenue streams. This entails expanding our production capacity to drive growth and rollout new, higher-value propositions, while shifting consumers towards higher price-points. In Morocco, we will continue realizing our global ambitions and extracting higher value from our Morocco facility as we lay the foundation for further expansion across the MENA region. Meanwhile, on the cost front, we will continue identifying efficiencies that support our bottom-line and focus on mitigating the impact from rising material costs through effective management of overheads and SG&A expenses.

Having pre-emptively repriced and optimized our product portfolio in 2021, we are in a stronger position to handle the incoming inflationary environment. Moreover, we are continuously reassessing our portfolio and implemented a new round of direct price increases in the first quarter of 2022. These measures along with resilient demand for our products and healthy volume growth will enable the company to continue on its positive growth trajectory while protecting its profitability.

In summary, we are heading into 2022 with a foundation stronger than ever and with prudent strategies that will unlock a new growth phase, while strengthening our ability to respond to changing market dynamics and operational challenges. I am confident in our Company's long-term fundamentals, and I look forward to a new year of exceptional value creation for all our stakeholders.

Hani Berzi
Chairman

HIGHLIGHTS of 2021

In 2021, Edita delivered impressive results, pushing through a challenging operational environment to grow its product suite with new product launches, invest in capacity enhancements and expand regionally into Morocco.

Product Innovation and Portfolio Optimization

Edita optimized its product portfolio through the launch of innovative value-for-money propositions that cater to its consumers' evolving tastes.

Molto Mini Magnum

Edita's capitalized on the growing popularity of its Molto Magnum line to rollout a mini variation available in chocolate, hazelnut cream and strawberry cheesecake flavours. The rollout was followed by a marketing campaign later in the year to celebrate the 25th anniversary of the Molto brand.

Freska Block

Launch of Edita's wafer bar with double-layer chocolate coating available in three flavours: hazelnut cream, peanut butter and cappuccino cream.

HOHOs Extreme

Edita strengthened its position in the cakes market with the introduction of a larger sized offering and almost double the cream filling of the original HOHOs Cream.

Twinkies Rebranding

Edita rebranded its Twinkies line of filled cakes and launched upsized Twinkies Cream, Twinkies Flavors and Twinkies Icing to enhance their packaging and stimulate demand across the product line.

Oniro LAVA

Edita's newest offering in the fast-growing biscuits market is a cocoa hazelnut cream filled biscuit offered in vanilla and chocolate flavours.

Investment in Production Capacity

In order to capture a larger market share, Edita invested in its infrastructure to lay the foundation for the coming expansion mode phase.

New Wafer Line

Edita completed the installation of a new wafer production line at its E08 facility to produce the company's latest launch in the coated wafer category, Freska Block. The wafer segment was the fastest growing segment in 2021.

New Bakery Line

Edita purchased a new production line which is expected to be operational by 2Q2022 and is set to increase the company's bakery capacity by 20%.

Morocco Expansion

The Morocco facility marks Edita's first greenfield investment outside of Egypt and will allow it to strengthen its presence in Morocco and further expand in the MENA region.

Construction Completed

Construction work at the facility was completed in early 2021. The first cakes production line was installed with a total capacity of 2.7 thousand tons per annum. The facility can accommodate three distinct production lines.

Commencement of Operations

In December 2021, operations had begun at the facility's first production line, which started producing Edita's flagship cake brand HOHOs.

Limitless Potential

Morocco's market is attractive, boasting a dynamic economy and population of 37 million consumers. The expansion also sets the necessary foundations for Edita's next phase of growth in the region.

Results Worth Celebrating

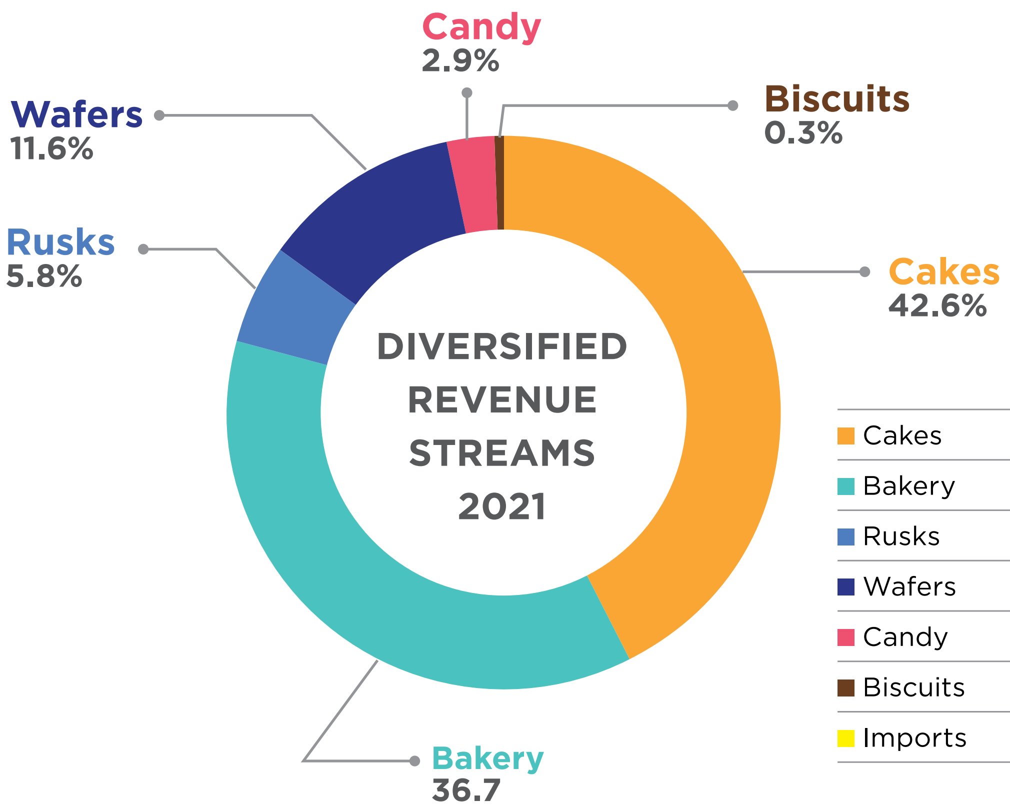
Edita's agile business model and solid foundations saw the company deliver impressive results for the year.

5.3 EGP BN
Revenues in 2021
(+30.6% y-o-y)

1,673.4 EGP MN
Gross profit in 2021
(+20.5% y-o-y)

471.9 EGP MN
Net profit in 2021
(+54.7% y-o-y)

9.0%
Net profit margin in 2021
(up from 7.6% in 2020)



Cakes	EGP 2,239.5 mn
Bakery	EGP 1,928.8 mn
Rusks	EGP 302.3 mn
Wafers	EGP 610.6 mn
Candy	EGP 151.6 mn
Biscuits	EGP 14.4 mn
Imports	EGP 4.0 mn

Disclaimer: The figures displayed are based on unaudited results drawn from management accounts and finance department numbers (IFRS).

“

Edita's 2021 revenue crossed the EGP 5 billion mark

BUILDING

on a History of Resilience

Edita is a pioneer in the snack food market with a long track record of success that enables it stand out from the competition and continue to grow despite a challenging macroeconomic environment. In 2021, Edita delivered strong results and achieved multiple operational milestones in line with its long-term strategy. The company is well-positioned to transition from a phase of resilience to unleash the next expansionary mode.

1996

Edita is founded and begins construction of the E-06 plant in 6th of October City

1997

Launch of Molto line, the first packaged croissant in the Egyptian market

2000

Launch of rusks line with Bake Rolz

2003

Purchase and upgrade of the Hostess factory in 10th of Ramadan City and entry to the snack cake market under license with Hostess Brands LLC (HTT)

2006 - 2009

Edita attains world-class safety certifications including HACCP, ISO 22000, ISO 9001, and ISO 18001

2010

- Launch of TODO family
- Introduction of handheld online receipt computers from Motorola Solutions

2011

- Edita undergoes a rebranding campaign
- Sales cross the EGP 1 billion milestone
- Entry to the candy market with MiMix brand, building a production facility in Beni Suef

2012

- Launch of wafer products under the Freska brand
- Building a production plant in Polaris Industrial Park to meet increased demand

2013

- Building a new headquarters and logistics hub in Sheikh Zayed City
- Introduction of an ERP system upgrade
- Acquisition of HTT brands in Egypt, Libya, Jordan, and Palestine

2015

- Listing of Edita on the Egyptian Stock Exchange
- Acquisition of the rights to its existing HoHo's, Twinkies, and Tiger Tail brands in 12 additional MENA countries, acquisition of technical assistance and know-how to manufacture 11 new Hostess products
- Addition of four new production lines — two croissant lines, one cake line, and one rusk line — in its E07 factory extension

2016

- Commissioning of new strudel line and launch of the Molto Pate SKUs
- Start of the construction of phase one of its new E08 factory
- Launch of TODO Bomb and Twinkies Icing
- Launch of TODO Brownies
- Installation of new candy line and begins production

2017

- Rebranding campaign for Freska
- Installation of E08 factory with the commissioning of a new wafer production line and the launch of Freska Fingers and Freska Bites
- Signing an MoU to form a subsidiary with Moroccan distributor, Dislog Group

2018

- Launch of TODO Mini Muffins in addition to TODO Go Layered Cakes and vanilla-flavoured wafer products under the Freska brand
- Rebranding campaign for Molto
- Signing shareholder's agreement for its subsidiary with Moroccan distributor, Dislog Group
- Beginning of operations in Morocco with the start of exports while progress continues to be made toward establishing Edita's first overseas manufacturing facility

2019

- Installation of a new wafer production line at E08 and launch of Freska Pops
- Launch of Freska Pops as part of the Freska wafer brand
- Sponsoring Total Africa Cup of Nations 2019 Tournament and Egyptian national football team
- Finalizing a USD 20 million financing agreement with International Finance Corporation
- Receiving a MAD 15 million grant from Moroccan government to support operations of its subsidiary with Dislog
- Securing a long-term lease agreement for a 13,000 sqm plot of land to build the new Moroccan facility
- Beginning of the factory construction phase in Morocco
- Inauguration of new BonBon and Breeze candy lines under MiMix brand
- Launch of new ToDo Max under leading ToDo cake brand

2020

- Launch of Molto Magnum, Molto Sandwich, Twinkies Zig Zag, HOHOs' new packaging campaign, HOHOs Coffee, HOHOs all chocolate, Freska Sticks, Frulla and resizing of several SKUs
- Penetration of Egyptian biscuits market with the launch of a new brand "Oniro"
- Installation of new production line at Edita's E08 facility for Oniro range
- Inauguration of three new distribution centres and addition of more than 200 distribution vans
- Automation of sales and distribution function with roll out of new digital tool in partnership with SAP
- Securing several medium-term loans to finance Edita's expansion strategy
- Roll out of strict guidelines along the three primary verticals of Health and Safety, Social Distancing and Business Continuity to guarantee the wellbeing of all its employees while safeguarding its operations during the COVID-19 crisis
- Launching of Edita Foundation for Social Development (EFSD) and donating over EGP 4 million to help Egyptians through the COVID-19 crisis

2021

- Launch of Molto Mini Magnum, Freska Block, HOHOs Extreme, Twinkies' new packaging campaign and resized several SKUs including Twinkies Cream, Twinkies Flavors and Twinkies Icing
- Launched a marketing campaign in partnership with Orange to celebrate 25 years of Molto
- Obtained NFSA approval to label all Molto products as free of hydrogenated fats
- Successfully implemented a refined pricing strategy across all segments
- Installed of new wafer production line at E08 and purchased a new bakery production line
- Completed the refurbishment of its upgraded invoicing infrastructure
- Completed construction work and began production at the Morocco facility
- Secured several medium-term loans to finance Edita's expansion strategy

OUR Strategy

Edita's dynamic strategy pillars and agile business model have allowed the company to overcome global macroeconomic challenges and pivot to a new expansion phase.

Edita's Strategy Pillars

Edita's adherence to its four key strategic pillars has consistently delivered sustainable growth and value to shareholders. Since inception, Edita's success story was built around its strategic pillars, providing attainable targets and structure for a robust business model. Edita's dynamic strategy allows it to capture growing consumer demand in an ever-changing operating environment. In this respect, Edita is constantly evaluating its price points to ensure it adjusts to inflationary pressures while sustaining a competitive product portfolio.

Innovation and Differentiation

Innovation and differentiation are at the core of Edita's operations as the company seeks to maintain its leading position in Egypt's snack food market.

KEY INITIATIVES

- Research & Development Capabilities: Edita's expertise and R&D capabilities have allowed the company to remain at the forefront of an increasingly competitive snack food market.
- Portfolio Optimization: Edita's portfolio optimization efforts entail regularly rolling out new and differentiated products to respond to evolving consumer preferences and market dynamics.

Regional Expansion

Edita's regional expansion strategy aims to replicate its long history of success in Egypt across the MENA region and to strengthen its export position in existing markets. Edita targets fast-growing markets characterized by large consumer bases, favourable macroeconomic backdrops and significant untapped growth potential.

KEY INITIATIVES

- Edita Morocco: Edita first entered the Moroccan snack food market in 2018 through Edita Food Industries Morocco, a partnership with leading FMCG distributor Dislog Group. In December 2021, Edita began production at its own Morocco facility, marking a major milestone in the company's regional expansion strategy.
- Growing Our Export Footprint: Edita is growing its regional footprint through trade and distribution agreements with prominent international distributors to facilitate export growth in the 17 countries where its products are offered.

Diversify Revenue Streams

Edita is constantly exploring new growth avenues through further expansion in the snack food market and the introduction of new categories and new geographies.

KEY INITIATIVES

- Growing across Segments: Edita has six distinct segments with biscuits being the latest addition to the portfolio in May 2020. The company constantly invests in research to improve its product offering and deliver unique higher-value propositions across its various segments.
- Growing across the Region: Edita is further diversifying its revenue streams and building resilience against cyclicality in any individual market by maintaining operations in Egypt and Morocco.

Leverage Human Capital

Edita's achievements and ability to deliver on its strategic objectives is largely attributed to the dedication, knowledge and expertise of its people.

KEY INITIATIVES

- Training and Development: Investing in personnel's technical skills and professional development will continue to be at the heart of Edita's strategy.
- Employee Engagement: Edita's Human Resources function keeps open communication channels across the organization and prioritizes employee engagement as one of Edita's main pillars.
- Diversity and Inclusion: Edita's work environment is built on the pillars of diversity, inclusion, acceptance, and flexibility. Stringent policies are enforced to fight any form of discrimination across its operations.

Segments & Brands

Cakes

The cake segment is one of Edita's core offerings, representing the largest share of total revenue for 2021 at 42.6%. Edita continues to hold the number one position in terms of market share in what is among the more mature and highly valued segments in Egypt's snack food industry. Edita's cake products fall under four trusted household brands: Twinkies, HOHOs, Tiger Tail and TODO.

Throughout the year, Edita continued to expand and diversify its cake portfolio by incorporating new and upsized SKUs that appeal to consumers evolving tastes and preferences. In February, Edita launched HOHOs Extreme, an upsized variation of the company's traditional HOHOs Cream with extra cream filling followed by an upsized HOHOs Cream at year-end retailing at EGP 3 per pack. Later in the year, Edita rebranded its Twinkies line of filled cakes and launched upsized Twinkies Cream, Twinkies Flavors (strawberry and chocolate) and Twinkies Icing (chocolate and vanilla) at the EGP 3 price point. The rebranding campaign aims to enhance Twinkies' packaging and stimulate demand across its existing segments.

PRODUCTS

Traditional rolled, filled cakes as well as the market's first long shelf-life brownies

Twinkies leads the filled segment in Egypt and is known among consumers for its signature mix of lightness, cream filling, and vanilla aroma.

Twinkies is the loved and trusted treat by consumers and is the "White Hearted Cake"

Similar to Twinkies, Tiger Tail is a golden sponge cake with a creamy filling garnished with raspberry jelly and coconut.

"The Enjoyable Energy Booster" that gives consumers their daily kick. With its strong heritage, HOHOs leads the rolled cake segment in Egypt.

HOHOs offers coated and uncoated variants with several different flavours.

With its sweet taste, variety of offering and sophisticated package, TODO is positioned "as the sweet experience that keeps me going".

42.6%
Share of 2021 Revenues

2,239.5 EGP MN
Total Revenues in 2021

#1
Market Ranking

17
SKUs

Bakery

Edita is a pioneer in the bakery segment having launched Egypt's first packaged croissant brand in 1997, which has since grown to include 29 SKUs with both sweet and savoury options. The Molto brand has earned its spot as a household name with a variety of flavours that succeeded in satisfying consumers' varying tastes over generations. Egypt's bakery segment is a fast-growing segment where Edita enjoys a top-ranking position that enabled the Molto flagship brand to constitute 36.7% of the company's 2021 revenues. In June 2021, Edita announced the purchase of a new bakery production line which is expected to be operational by March 2022 and increase the company's bakery capacity by 20% allowing the company to meet growing demand for its products.

To start off the year, in January, Edita capitalized on the growing popularity of its Molto Magnum line with the rollout of a new Molto Mini Magnum, available in chocolate, hazelnut cream and strawberry cheesecake flavours. The new SKU launch is part of Edita's price point segmentation strategy to better cater to its consumer's preferences and offer higher value-for-money propositions, strengthening its leadership position in its core bakery market.

Towards the end of the year, Edita's marketing initiatives saw the launch of a campaign in partnership with telecoms provider Orange to celebrate the 25th anniversary of the Molto brand. Edita also obtained approval from the Egyptian National Food Safety Authority (NFSA) to label all Molto products as free of hydrogenated fats and will now include a clear label reading, 'Made Without Hydrogenated Fats'. The approval falls under the company's sustainability compliance framework as it aims to focus on consumer wellbeing by improving the choice of raw materials and ingredients used in its products.

PRODUCTS

Sweet and savoury bakery

The first packaged croissant brand in Egypt and neighbouring countries, Molto was launched two decades ago as a new concept promising a delicious yet healthy snacking alternative. The brand is available in sweet and savoury varieties.

36.7% Share of 2021 Revenues

1,928.8 EGP MN Total Revenues in 2021

#1 Market Ranking

29 SKUs

Wafer

The wafer segment is proving to be a very lucrative market for the company given the rate at which the sector is growing in Egypt. In 2021, it was the fastest-growing segment for Edita recording an impressive revenue growth rate and becoming the third largest contributor to revenues for the year. To capture a greater share of the market and solidify its presence in this expanding segment, Edita completed the installation of a new wafer production line at its E08 facility in February, which will double its wafer production capacity. The wafer segment is ranked second overall in terms of market share and first in the coated wafer sub-segment.

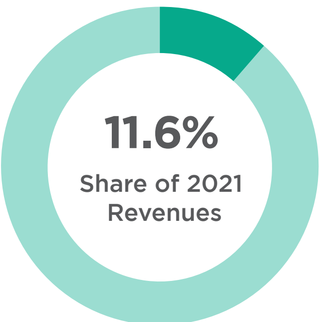
On a product level, the company launched its new Freska Block, a wafer bar with a double-layer chocolate coating available in three flavours: hazelnut cream, peanut butter and cappuccino cream. Building on its strategy to expand its offering, in the first weeks of 2022, Edita launched its latest wafer product: Freska Choco Sticks, a rolled wafer with chocolate coating and chocolate hazelnut filling.

PRODUCTS

Coated and uncoated wafers

Freska!

Freska is the most indulgent premium wafer product to hit the market, available in 17 different SKUs with different coatings and different fillings to match all tastes.



610.6 EGP MN
Total Revenues in 2021

#2
Market Ranking

17
SKUs

Rusks

Salty snacks are Egypt's most frequently consumed snack food category and rusks have become an increasingly more popular snack within the segment. Edita is well-positioned in this market with its Bake Family range of products, which offer consumers a healthier baked alternative to the traditional fried snacks. Edita controls the largest share of the Egyptian rusks market with a rusks portfolio of 19 SKUs under the Bake Rolz and Bake Stix brands.

PRODUCTS

Baked wheat salty snacks.

Bake Rolz Wheat Snacks

Bake Rolz is a value brand that offers customer satisfaction, well-being and choice. A healthy snack baked from 100% wheat, this crunchy, salty treat is available in many flavours; Pizza, Nacho, Ketchup, Chilli & Lemon, Mix Cheese and Olives, Salt & Vinegar, Sweet Chilli and Butter & Herbs.

Bake Stix Wheat Snacks

Taking the satisfaction and well-being mantra a step further, Bake Stix adds even more flavours and variety to Edita's salty snack line. Baked from 100% wheat, Bake Stix offer a different texture and taste mix from Bake Rolz. Bake Stix satisfy every palate and are available to consumers in 3 unique flavours: Oriental sausages, BBQ and Cheese.

5.8% Share of 2021 Revenues

302.3 EGP MN Total Revenues in 2021

#1 Market Ranking

19 SKUs

Candy

Egypt's candy segment is highly fragmented presenting Edita with an opportunity to capture a larger share of this market. Edita's current candy portfolio includes hard and jelly candy produced under the umbrella MiMiX brand and multiple sub-brands.

PRODUCTS

Hard and jelly candy

MiMiX is Edita's unique range of confectioneries. Available in two families: Hard Candy and Jello.

2.9%
Share of 2021 Revenues

151.6 EGP MN
Total Revenues in 2021

#3
Market Ranking

5
SKUs

Biscuits

Edita entered Egypt's biscuits market in 2020 with the launch of its 10th brand, Oniro, in line with its strategy to diversify and identify new revenue streams to unlock a new phase of growth for the company. The segment offers an attractive opportunity for future growth as the company ramps up production and expands its product suite. Edita is starting off 2022 with the release of Oniro LAVA, a flavoured biscuit filled with cocoa hazelnut cream offered in vanilla and chocolate flavours.

PRODUCTS

Vanilla and Chocolate filled biscuit with
Chocolate Hazelnut cream

ONIRO

Vanilla and Chocolate filled biscuit with Chocolate Hazelnut cream.

Marketing & Advertising

MARKETING and Advertising

Edita's marketing and advertising department is at the core of the company's expansion strategy, helping to capture demand with an optimized product portfolio and strengthen the company's brand equity through innovative and effective multi-platform campaigns.

Throughout 2021, the marketing and advertisement department played a crucial role in supporting the company through a challenging operating environment by stimulating demand across all segments and laying the foundation for the next phase of growth. During the year, Edita's portfolio optimization strategy included direct and indirect price increases, product reconfigurations as well as new propositions that offer consumers higher value for money and meet their evolving tastes. Consequently, the marketing and advertising department centred its efforts on developing efficient go-to-market strategies and launch campaigns to support new products and drive demand for existing offerings.

Marketing and Rebranding Campaigns

Throughout the year, Edita continued to expand and diversify its portfolio by incorporating multiple new and upsized SKUs to appeal to consumer's evolving tastes. Product launches in 2021 were supported by dedicated marketing campaigns that proved very successful in driving demand for the new products and increasing Edita's market share in the respective segments.

At the bakery segment, Edita capitalized on the growing popularity of its Molto Magnum line with the rollout of a new Molto Mini Magnum at the start of the year. The new product is available in chocolate, hazelnut cream and strawberry cheesecake flavours. This year, to celebrate the 25th anniversary of the Molto brand, Edita launched a campaign in partnership with telecoms provider Orange. As part of the campaign, consumers purchasing any Molto product received free minutes with Orange. Edita also obtained approval from the Egyptian National Food Safety Authority (NFSA) to label all Molto products as free of hydrogenated fats and will now have a clear label reading. 'Made Without Hydrogenated Fats'. Furthermore, by the end of 2021, Edita rebranded the packaging of Bake Rolz to give it a more modern look and feel.

Finally, in early 2022, to capture new growth opportunities in the savoury subsegment of Egypt's bakery market, Edita rebranded its Molto Sandwich line of baked snacks. Reintroduced as Molto Fino, the filled sandwich product is offered in eight flavours; Mexican cheese, Roumi cheese, pastrami, olive, Istanbolli cheese, hot pepper, Feta cheese and chocolate.

At the cakes segment, Edita launched HOHOs Extreme, an upsized variation of the traditional HOHOs Cream. Moreover, in October 2021, the company rebranded its Twinkies line of filled cakes including Twinkies Flavors (strawberry and chocolate) and Twinkies Icing (chocolate and vanilla) and launched upsized Twinkies Cream. The rebranding campaign enhanced Twinkies' packaging and was successful in stimulating demand across the product line. The rebranding was supported by a 360-marketing campaign.

Throughout the year, the marketing and advertisement department continued to grow Edita's presence in the fast-growing wafer segment through product launches under its flagship Freska brand. At the start of the year, the company rolled out Freska Block, a wafer bar with double-layer chocolate coating available in three flavours, which supported market share growth especially in the coated wafer subsegment, where Freska is currently ranked the #1 player. In the first weeks of 2022, Edita launched its latest wafer product, Freska Choco Sticks, a rolled wafer with chocolate coating and chocolate hazelnut filling. With new product launches and targeted marketing strategies, Edita aims to capture a larger share of the wafers market in Egypt.

Finally, at its biscuit segment, the company rebranded and relaunched its Oniro brand in early 2022 and received significant coverage in its first month. The segment's turnaround has been well-received by the market thus far and preliminary figures are in line with Edita's expectations.

Online and Trade Marketing

Maintaining an active and engaging online presence has proven crucial for Edita's growth strategy over the years. Online platforms allow for direct communication with customers, which helps Edita strengthen its brand equity, drive demand and identify changing trends in real-time. As such, Edita manages social media channels for all its brands where customers can follow updates and product launches as well as organically connect with the brand itself. Edita relies on customer feedback through online channels to influence product launches and marketing campaigns to best meet consumer preferences.

Simultaneously, Edita is also working on enhancing its trade marketing efforts by further capitalizing on its brand equity and widening its base of customers benefiting from the merchandising services to enhance its portfolio availability and visibility. The company has achieved results through a variety of display options that help boost sales by influencing customer decisions at the point of purchase. Amongst its many initiatives on this front, Edita has installed branded metal booths for its products at retail corner stores, participated in various on-the-ground activation campaigns, increased shelf space at large supermarkets and distributed Edita branding instalments at strategic key outlets. The company's wide range of efforts have been well-received with increased customer engagement and product sale volumes.

Research & Development

RESEARCH & Development

The research and development department has a vital role in ensuring Edita remains a pioneer in the competitive snack food industry through the rollout of innovative products that cater to consumers' evolving tastes plays.

Edita's research and development department has succeeded in bringing innovative products to the market over the years and is among the company's core competitive advantages. The expertise of Edita's R&D team has allowed the company to stay ahead of the competition by identifying and understanding evolving consumer preferences and subsequently developing products that best address them. In addition to developing new products, the department regularly improves existing products through research, experimentation and application, to drive demand and enhance brand equity.

Edita's R&D department is responsible for maintaining the company's innovative and ground-breaking edge by helping it push exciting, safe, and delicious products into the market, as well as improve on the company's existing product portfolio. This is achieved by conducting lab work, prototype samples, scale-up trials for market readiness and determining the adequacy of supporting factors, such as shelf life, production capabilities and labelling. The department operates under the supervision of NFSA to ensure Edita's full compliance with Egyptian regulations and legislations while closely monitoring evolving global trends and standards.

Innovative Products

In 2021, despite supply chain disruptions and global inflationary pressures on raw material prices, the department helped Edita expand and diversify its portfolio by incorporating multiple new and upsized SKUs. The new products were well-received by the market and saw Edita increase its market share across the cakes, bakery, rusks and wafers segments. Moreover, the innovative products succeeded in migrating consumers towards higher price points, a key pillar for Edita's growth strategy.

New product launches for the year included chocolate, hazelnut cream and strawberry cheesecake flavoured Molto Mini Magnum, Freska Block and Freska Choco Sticks. Edita also rolled out several new upsized variations of existing SKUs including HOHOs Extreme, Twinkies Cream, Twinkies Flavors and Twinkies Icing. Additionally, in early 2022, Edita launched Oniro LAVA, a new biscuit filled with cocoa hazelnut cream and Molto Fino, a filled sandwich that expands the company's portfolio in the savoury sub-segment of Egypt's bakery market.

Nutritional Value

Throughout 2021, Edita's research and development department continued to modify its product portfolio to meet best-in-class global food regulations, a process that initially began back in 2019. Edita is committed to regularly enhancing the ingredients of its snack foods and improving on its use of raw materials to best serve customer health, nutrition, and wellbeing. In addition to only using natural ingredients and eliminating synthetic flavours and colours from its production process, Edita has replaced hydrogenated fats with non-hydrogenated fats across Molto and Freska products. The R&D department is also considering further improvements to the products' sugar and salt content without compromising the taste and quality consumers have come to expect from the company's snacks.

IDEA

Marketing:
Concept brief

RESEARCH

R&D/engineering feasibility study; regulatory compliance

Supply Chain: Study on the procurement and prices of ingredients

DEVELOP

Prototype testing (lab-line trials) till approved

Product testing (sensorial/ shelf life) PLS/nutritional packaging

INTRO

Task force team for alignment and setting launch date

Issue a Know-How draft, prepare for launch

First production is run under R&D lead, then gradually handed over to production/ quality teams

Post-launch evaluation by sensory team

ANALYSIS

Evaluation of market research results

Final adjustments, final COGS

Procurement of ingredients as per sales forecast and lead times

TESTING

Line trials and product sensorial evaluation

Line modifications/adjustments

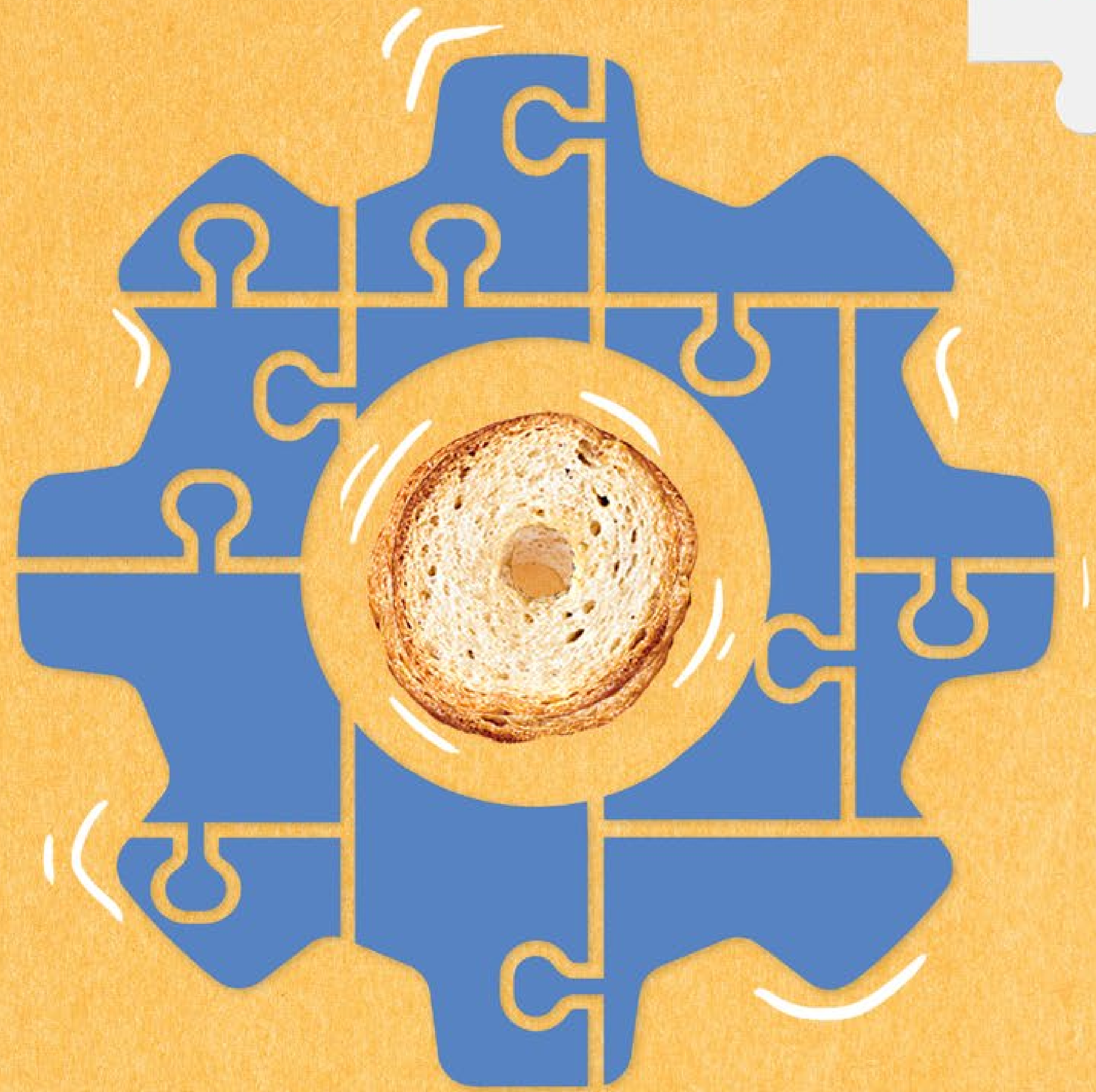
Packaging machinability trials/ shipping test

Market research

Artwork development

Line capability

Industrial Operations



STATE OF THE ART

Production Facilities

Edita's state-of-the-art production facilities utilize the latest technology and comply with international best practices in food safety and quality management.

Edita currently operates five ISO-certified, state-of-the-art facilities, encompassing 32 production lines and operating in full compliance with the highest standards in food safety and manufacturing quality. Across the facilities, plant managers adhere to a detailed set of KPIs to evaluate the plants' performances and ensure the company is maximizing its production output. Five of Edita's facilities are located in Egypt in 6th of October City (E06, E07, E08), 10th of Ramadan City (E10) and in the Beni Suef industrial zone to the south of Cairo (E15). All of the company's production facilities have received the following certifications:

- Food Safety Management System (ISO 22000)
- Quality Management System (ISO 9001)
- Environmental Management System (ISO 14001)
- Occupational Health and Safety Management System (ISO 45001)
- Food Safety System Certification (FSSC 22000)
- National Food Safety Authority (NFSA) certification
- HALAL food certification

Edita's newest and sixth production facility is the Morocco manufacturing plant, which was operational in late 2021 and marks the first overseas facility for the company. It has one operational cake line and another production line under installation.

2021 Industrial Operations Updates

Throughout 2021, Edita continued to invest in its production capabilities and completed the installation of a new wafer production line at its E08 facility in February. The new line has an annual capacity of 6.4 thousand tons and produces the company's latest launch in the coated wafer category, Freska Block. Additionally, in June 2021 Edita purchased a new bakery production line which is set to increase the company's bakery capacity by 20% and planned to be operational by May 2022.

On the regional front in Morocco, Edita completed the construction of its production facility and began operations at its first production line, which started producing Edita's flagship cake brand HOHOs in December 2021. A second production line is being installed following the strong performance seen since the facility's inauguration. The production facility currently has an annual capacity of 4.7 thousand tons and the capacity to add an additional two lines.

With five local factories and one overseas facility, Edita is able to continue adding new production lines and grow production capacity to serve growing consumer demand.

2021 Quality Control

Edita is continually being audited by the National Food Safety Authority (NFSA), ISO, FSSC and Halal bodies and has successfully maintained all its quality and food safety certifications. Additionally, the company also renewed its Halal Certificate until 2022 and the ISO 9001:2015 until 2023. All of Edita's plants are on the NFSA Whitelist, which is reserved only for those who meet the highest food safety standards and is recognized by international bodies such as the SFDA.

In 2020, Edita started rolling out its Quality Module on SAP and by 2021 it was successfully implemented at the E10, E06, E07 facilities and Sheikh Zayed warehouse. The company is now reaping the benefits from a more seamless integration between Logistics, Production and Quality on SAP and plans to complete the rollout across all facilities by the end of 2022.

SHE Policies

Edita's thorough policies and systems correspond with various international safety certifications to guarantee operational safety across its premises. The company's SHE manual aims to create a healthy and environmentally-conscious work environment and has a set of strict policies and protocols in place that are based on property protection, injury prevention, and environmental sustainability pillars.

Throughout the year, the company continued to implement a regular rotation for workers operating in identified high-heat areas every 2-3 hours (depending on the area) moving them to a lower temperature area to minimize the duration of exposure to high temperature. The company has established an ongoing and proactive process for hazard identification and implements changes where necessary to protect its employees and their wellbeing.

Production Facilities

6th of October City - E07 (Hall A & B)

- Began operations in 2012
- Produces croissants, cakes, wafers and rusks
- Houses 10 production lines
- Total land area of 50,000 sqm
- Total built-up area of 30,500 sqm

6th October City - E06

- Began operations in 1997
- Produces croissants, cakes and rusks
- Houses 8 production lines
- Total land area of 33,638 sqm
- Total built-up area of 22,065 sqm

6th October City - E08

- Began operations in 2017
- Produces wafers and biscuits
- Houses 4 production lines with space for 9 more
- Total land area of 55,000 sqm
- Total built-up area of 36,000 sqm

10th of Ramadan - E10

- Acquired in 2003
- Produces cakes
- Houses 4 production lines
- Total land area of 11,733 sqm
- Total built-up area of 7,592 sqm

Beni Suef - E15

- Began operations in 2011
- Produces hard candy, hard filled candy and soft candy
- Houses 4 production lines
- Total land area of 25,611 sqm
- Total built-up area of 11,525 sqm

Morocco Manufacturing Facility

- Began operations in 2021
- Produces cakes
- Currently houses one production line with capacity for an additional two
- Total land area of 13,000 sqm
- Total built-up area of 8,232 sqm

Exports & International Markets

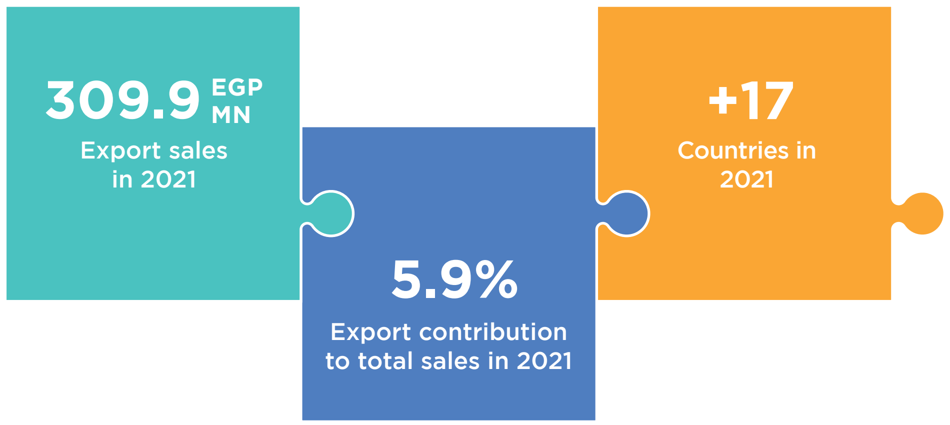
EXPORTS
and International Markets

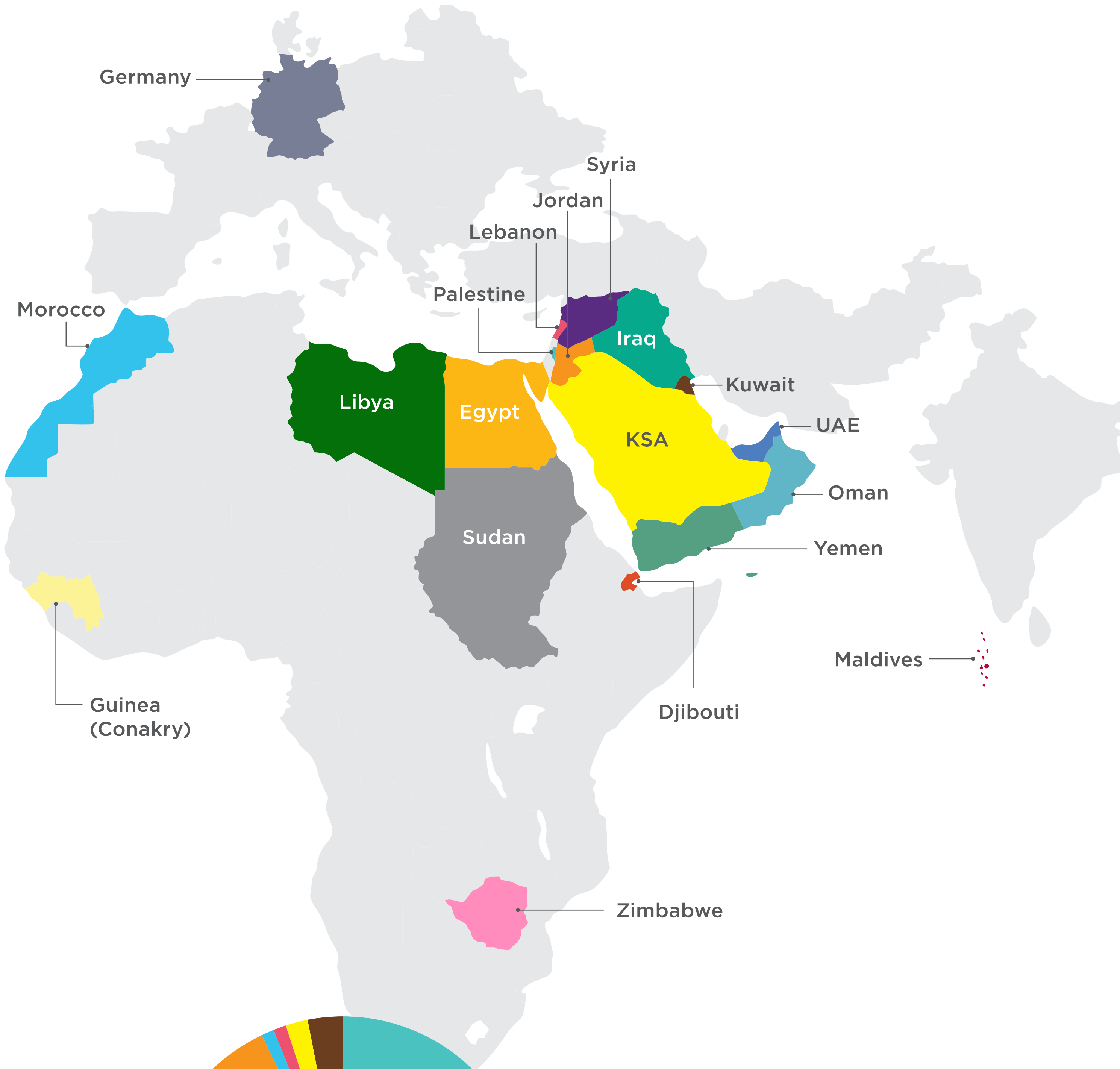
International trade continues to be severely impacted by COVID-19 restrictions and supply chain disruptions, which pose difficulties for Edita's export operations. However, Edita was able to navigate the challenges and maintain a regional presence through exports to 17 foreign markets across the Middle East and North Africa, with total export sales standing at EGP 309.9 million in 2021 and contributing 5.9% of total sales for the year. Edita's top three markets included Iraq, Jordan and Palestine, which together contributed to 80% of Edita's export revenues in 2021. Edita also maintains a direct, on-the-ground presence in Morocco through its subsidiary Edita Food Industries Morocco and began operations at its Morocco facility in 2021.

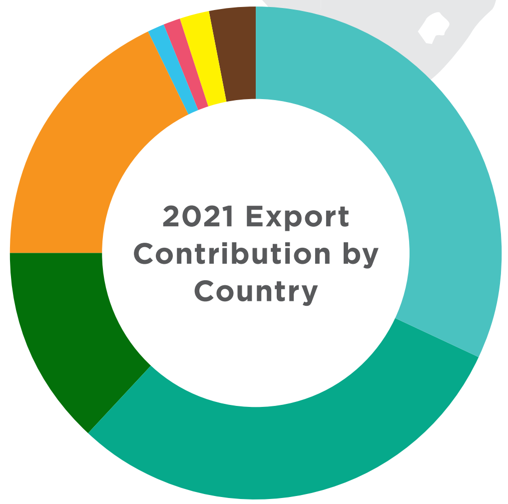
Edita's Export Strategy

Regional expansion is a key pillar in Edita's long-term growth strategy; therefore, the company is constantly seeking expansions into new markets while strengthening its presence in existing markets. Edita aims to transform the company into a multi-country player to capitalize on cross-border growth opportunities by leveraging its robust and agile business model. In expanding its regional footprint, Edita will gain access to a wider consumer base and diversify its revenue streams to mitigate against temporary shortfalls in any one particular market.

When identifying new expansion opportunities, Edita targets countries characterized by fast-growing, young populations and favourable macroeconomic backdrops, providing for strong structural growth drivers in addition to consumption and lifestyle patterns that support Edita's growth trajectory. The company explores both organic and inorganic expansion opportunities that offer exposure to emerging markets with large consumer bases and considerable growth potential. To facilitate the entry into new markets and bolster its position in existing ones, Edita pursues trade and distribution agreements with leading international distributors operating in these markets to provide logistical and marketing assistance to the company.







Palestine	32%
Iraq	30%
Libya	13%
Jordan	18%
Morocco	1%
Lebanon	1.6%
KSA	1.1%
Yemen	0.2%
Other	10.4%

EDITA
Morocco

EDITA

Morocco

Edita Kicks-off Local Manufacturing in Morocco

In December 2021, Edita began production at the Morocco facility, marking a key milestone in the company's regional expansion strategy. The facility's first production line started producing three SKUs of the company's flagship cake brand HOHOs. The facility can accommodate three distinct production lines and Edita is in the process of installing a second line given the strong performance seen since operations began, which is expected to be operational by August 2022. Coverage reached around 50% in the first few months of operations and the product is well-received by the market.

Background

Edita first entered the Moroccan snack food market in 2018 through Edita Food Industries Morocco, a subsidiary with leading FMCG distributor the Dislog Group. In the same year, Edita also completed the registration of its Freska brand in Morocco and began exporting its wafer products to Morocco. The company's products were well-received by the Moroccan market, which prompted Edita to capitalize on the Moroccan government's foreign direct incentives, including grants, and build its first greenfield overseas manufacturing facility. The facility was successfully completed in 2020 and became operational in December 2021.

> A key milestone in the company's regional expansion strategy

The Moroccan Snack Food Market

The attractive Moroccan market boasts a dynamic economy and a population of 37 million, half of which are under the age of 30 presenting Edita with over 19 million potential consumers. Morocco's total FMCG market is valued at almost USD 5 billion and there's an eagerness to attract foreign investment to the sector, which led to the introduction of favourable macroeconomic policies, trade liberalization, structural reforms, major infrastructure improvements and incentives for investors.

Furthermore, Morocco has access to a large international market of around 1.2 billion consumers, which continues to grow as the Kingdom signs unique free trade agreements. It currently holds agreements with the Arab Free Trade Zone (since 2003) and the Turkey Free Trade Zone (since 2005), a free trade agreement with the United States of America (since 2004), the Agadir Agreement with Jordan, Egypt and Tunisia (since 2001), an Association Treaty with the European Union, and agreement with Great Britain and Northern Ireland to preserve the existing bilateral relations post-Brexit (since 2020). Morocco was also among the 44 African states that formed the African Continental Free Trade Area (CFTA) in 2018, which is pursuing a combined gross product of over USD 3 trillion.

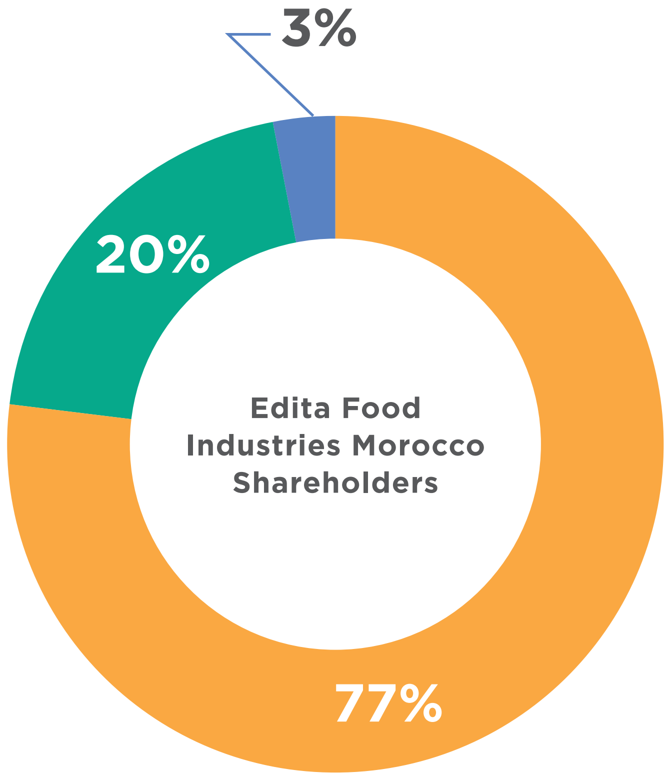
Distribution in Morocco

Edita's partnership with Dislog Group provides the company with access to a substantial network of distribution points, fleets and regional warehouses across the country that reach over 72,000 outlets. Dislog Group's strong on the ground presence serves 37 million consumers nationwide and covers the full sales and distribution value change from factory to consumer. Together with Edita's technical know-how and diverse product portfolio, equip the venture to capitalize on growth opportunities in Morocco's fast-growing food snack market.

287
Total number of employees

100 EGP MN
Paid in capital

13K
Square meters factory size



Edita	77%
Dislog	20%
Technical Middle East Trading Company	3%

Sales & Distribution

SALES & Distribution

Edita's leading position in an increasingly competitive snack food market is greatly supported by a strong distribution network with vast geographical reach. The strength of its distribution and sales function was exemplified in 2021, with growing volumes despite a logistically challenging year marred with disruptions.

Distribution Channels

In 2021, Edita served over 76K clients between retail, wholesale, key accounts and direct supply, through 25 distribution centres, 654 sales representatives and 847 distribution vans. One of Edita's strategic priorities in 2020 was to strengthen and streamline its sales and distribution function to widen its reach across the country. The investment led to the addition of more than 200 new distribution vehicles and inauguration of three distribution centres, which supported Edita's growth strategy and new product launches throughout 2021.

Retail and Traditional Trade

At the core of Edita's long-term sustainable growth strategy, heavy reliance is placed on the retail and trade distribution channels which enable Edita to connect with customers, improve satisfaction levels and effectively adapt to market fluctuations. This is especially pertinent as Edita releases new and innovative products to gauge consumer preferences and behaviours first-hand. The channel, which is comprised of kiosks and small, independent retail stores, has proven to be more receptive to higher price points compared to other channels, allowing for higher value extraction and supports profitability.

Wholesale

Wholesale channels play a vital role in expanding Edita's geographical reach and serving consumers across the country. As such, the company prioritizes building and fostering close relationships with wholesalers. During 2021, Edita continued to organize loyalty building initiatives, including gatherings for the top 100 customers and quarterly incentives for the company's 300 top wholesale clients.

Key Accounts

Primarily consist of modern trade channels, such as supermarkets, and offer high-potential partnerships for companies like Edita. These have grown considerably across Egypt in recent years, emphasizing Edita's focus on this channel as it pursues its portfolio optimization strategy that leverages more premium, higher-priced products.

Direct Supply

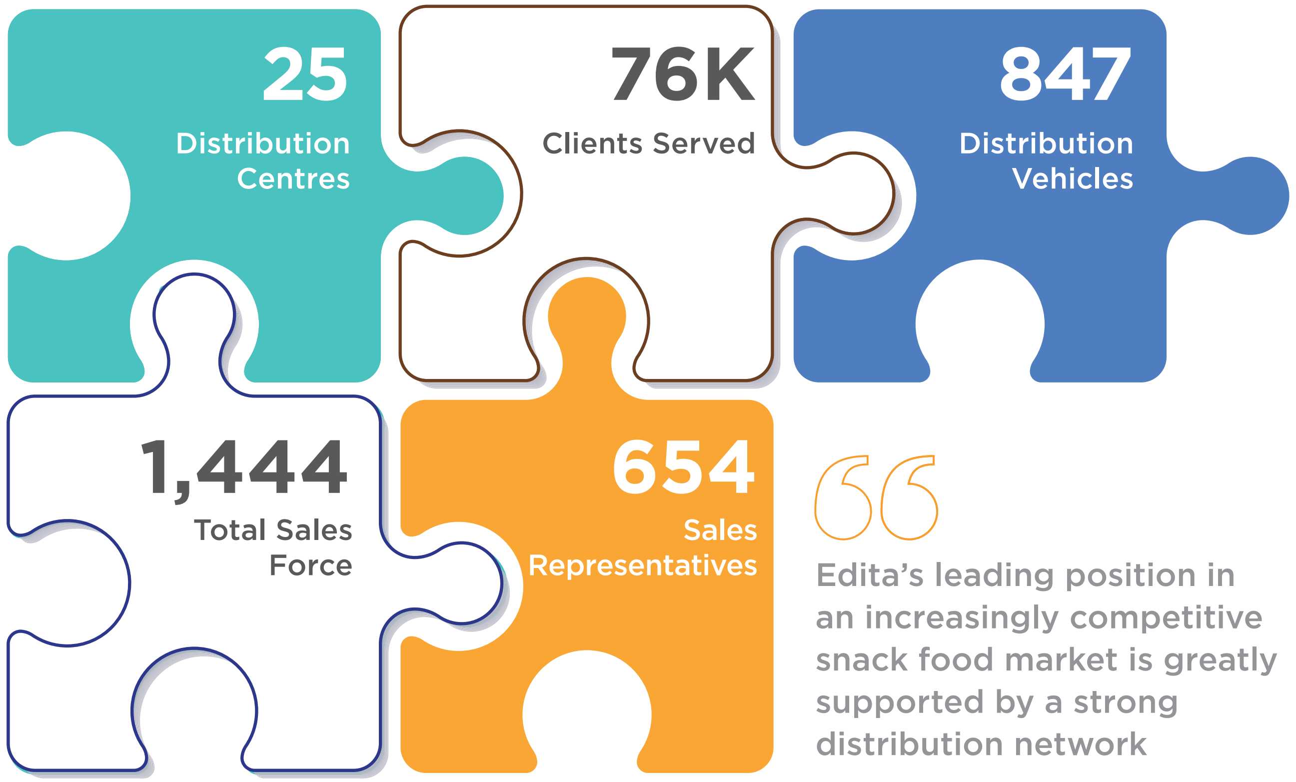
Direct supply allows Edita to engage directly with its younger customers and build brand loyalty by delivering products directly to schools and universities across Egypt without the involvement of third parties.

Digitising the Function

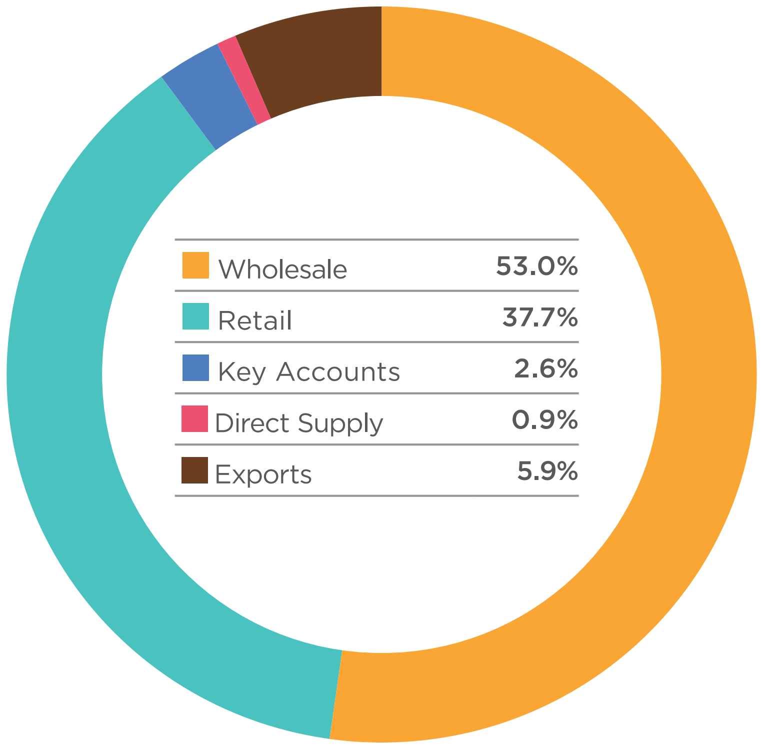
In recent years, Edita has focused on digitalizing its sales and distribution function and incorporating technology across all aspects of its business. The investment in technology allows Edita to realize efficiency gains and reduce costs which will further support the company's operational and financial growth in the long run. Deploying technology such as handheld devices to each salesperson, enables real-time information extraction for monitoring, client visit analysis, success rate evaluation, customer purchase analysis, optimizing sales routes and maintaining better oversight of the entire distribution process.

At the end of 2020, the company announced the launch of an upgraded digital tool to fully automate its sales and distribution function. To date, the system has been rolled out across more than 700 devices over 25 distribution centres. The digital tool was designed to improve the different phases in the company's distribution process, from selecting the best possible route for drivers to transition to an online invoicing procedure.

In September 2021, Edita completed the refurbishment of its upgraded invoicing infrastructure in full compliance Egypt's recently imposed regulations on electronic invoicing. Adopting the new electronic framework is expected to generate significant operational advantages for the company moving forward.



> Edita's leading position in an increasingly competitive snack food market is greatly supported by a strong distribution network



Supply Chain

SUPPLY Chain

Edita's supply chain department ensures the efficient flow of operations from procurement of raw materials to manufacturing, logistics, warehousing, and quality control.

Edita's supply chain department oversees and manages critical areas of the company's day-to-day operations to ensure the business functions efficiently. The department is engaged in the entire planning, procurement, and warehousing processes, from the sourcing and purchasing of raw materials to testing and screening suppliers to guarantee premium quality material. The supply chain department utilizes modern digital systems such as SAP and other internationally recognized sales and operational planning processes that are in-line with global best practices to maximize operational efficiency. Moreover, the department is constantly identifying new local producers to manage costs and secure a consistent supply of raw materials.

Developments in 2021

Throughout 2021, Edita's supply chain department played a vital role in maintaining a smooth flow of operations despite the prevailing market challenges presented by COVID-19, supply chain disruptions and limited availability of raw materials. It was a year where Edita's long-standing relationships with global and local suppliers proved crucial in maintaining favourable supply positions and operations without stoppages. Additionally, Edita increased inventory days for certain imported raw materials to guarantee business continuity and hedge against global shortages in raw materials as well as reduced availability of freight services.

To ensure that the company is well-positioned to handle supply chain disruptions, Edita's supply chain team in collaboration with the company's management and risk committee, reinforced existing supply chain management protocols to mitigate the difficulties posed by shifting macroeconomic conditions. The department's three-part response proved successful in maintaining sufficient reserves of raw materials to meet consumer demand throughout the year and will be crucial as the company unlocks the next expansion phase.

REACT

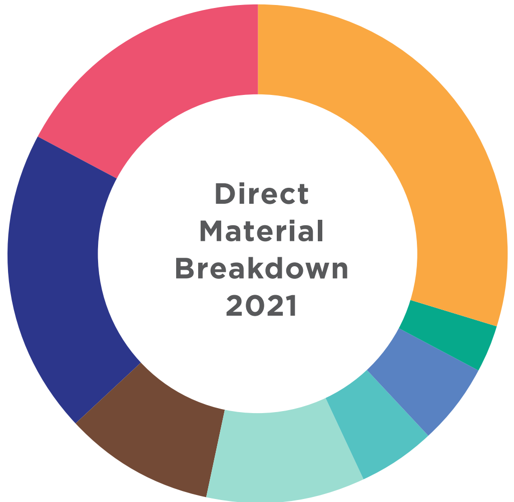
- Ensure an adequate level of supply of necessary raw materials and finished goods is available at all times to hedge against temporary supply chain disruptions

REASSESS

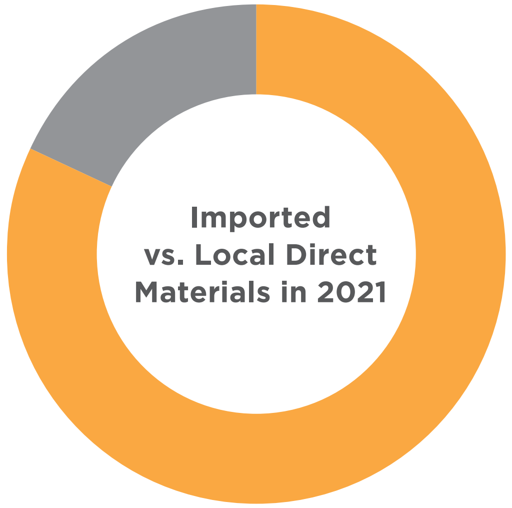
- Continuous monitoring of markets to ensure Edita maintains safety stocks in its warehouses
- Constant reassessment of protocols to ensure Edita responds well to on-the-ground developments

REBUILD

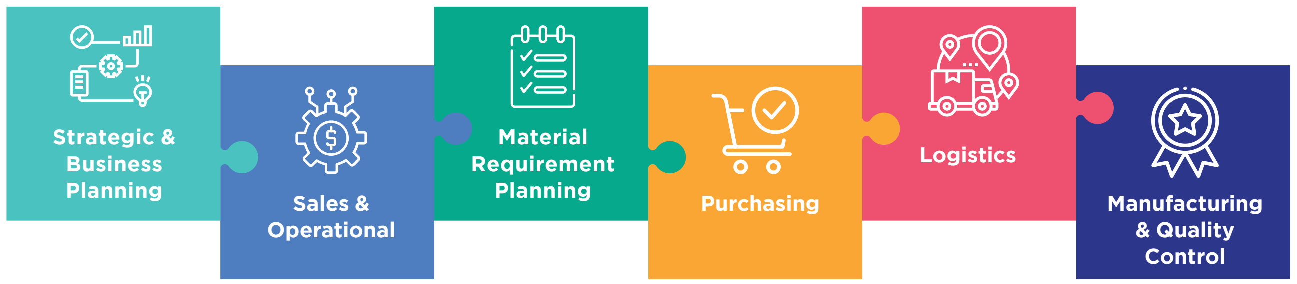
- Leverage Edita's long-standing relationships with global and local suppliers to maintain its favourable supply position and secure raw materials at competitive prices
- Expand supplier base to mitigate against one-off disruptions and focus on sourcing raw materials from local producers



Packaging Materials	29.8%
Milk Powder	3.2%
Cocoa Powder	5.3%
Eggs	5%
Flour	10.3%
Sugar	9.6%
Oil & Fats	19.8%
Other	17.1%



Local	82%
Imported	18%



Our People

HUMAN Resources

The Human Resources (HR) function is an integral part of Edita's operations. The department focuses on maintaining open communication channels across the organization, fostering an inclusive environment as well as ensuring employees receive learning and development opportunities.

Effective Communication

Edita strives to cultivate a long-term, trustworthy, and fruitful relationship with its employees by regularly communicating with them through different, personalized channels. Professional or leisurely announcements, updates, and news are shared through mediums that include, but are not limited to, emails, signs on bulletin boards, monthly newsletters, CEO messages, department meetings, one-on-one meetings, and onboarding initiatives for new employees.

Additionally, the company provides its people with channels to communicate their feedback, needs, challenges, and any forms of discrimination. It conducts an annual Organizational Climate Survey and implements the In Touch program to allow its employees to voice their opinions and feedback. It also utilizes IVoiceUp, a whistleblowing platform that allows employees and suppliers to report misconducts or concerns and suggest improvements.

Learning and Development

Stemming from Edita's strong belief in the impact of its employees' professional advancement on its operational success, the company continues to tailor professional development programs that would drive its existing pool of well-selected employees forward and prepare them to sustain and lead the company on the long-run. As such, it provides diversified trainings through the Edita Sales Academy, Edita Manufacturing Academy, and Edita Quality Academy, in addition to its evolving company training plan that offers versatile learning opportunities through Virtual Skill Bite Trainings and online webinars.

Academy Trainings

Edita Sales Academy (ESA)

Established to refine the skills of the Edita sales team, ESA collaborates with international training entities to deliver top-tier programs to employees.

Edita Manufacturing Academy (EMA)

EMA pioneered the delivery of the industrial version of Franklin Covey's '7 Habits of Highly Effective People'. The academy collaborated with FC Egypt to deliver the program across its factories to all blue-collar workers.

Edita Quality Academy

Using the data-driven Six Sigma Methodology to improve its quality processes, the Edita Quality Academy began training the company's Quality and Production Team in 2018 on real-life improvement projects across the plants.

External Training and Development

As part of Edita's training and development offering, the company also provides employees with the opportunity to attend courses and seminars organized outside the company. These include self-study programs or virtual seminars.

Online Skill Bites Training

After performing needs assessments to determine skill development requirements, and in line with Edita's competencies framework, Edita conducted different Skill Bites trainings (specialized soft skills trainings) that cover topics like emotional agility, innovation and design thinking, bounce back, leadership agility, and more. Each "bite" ranges between two and three hours and provides support tools that would help trainees refine their related knowledge or practice.

> Edita strives to cultivate a long-term, trustworthy, and fruitful relationship with its employees

Diversity and Inclusion

Edita is committed to fostering a diverse workforce and creating an environment built on the principles of mutual respect, inclusion, acceptance, flexibility and celebrating differences. The company has adopted a strict, zero-tolerance anti-discrimination policy to eliminate discrimination against any existing and potential employees based on age, gender, race, religion or any other distinctive characteristic. An anonymous reporting process is in place to encourage employees to report any violations with the assurance that they are immediately investigated and reprimanded. Equally as important, Edita has a zero-tolerance policy with regards to any form of harassment, including but not limited to sexual harassment, with immediate investigations and actions if any complaints of this nature are reported.

Edita has also chosen to focus on diverse hiring as part of the company's recruitment strategy, with equal opportunities afforded to female candidates and to individuals with disabilities. The company continues to be firm believer in the importance of empowering females in the workplace and has instilled special development programs for females to cultivate and encourage promotions into management roles.

EXECUTIVE Management

Eng. Hani Berzi
Chairman

Mr. Berzi has 36 years of experience in the food and beverage industry, having started his career in 1986 by joining Tasty Foods Egypt, his family's snack food business. Mr. Berzi subsequently held the position of Sales and Marketing Vice President at Tasty Foods Egypt, after a sale of a part of its shares to PepsiCo, from 1990 to 1992. In 1993, Mr. Berzi founded Digma Trading Co., which is specialized in the distribution of food products. He also founded Edita Food Industries in 1996 and became Chairman of the Board in 2006. Mr. Berzi is also a member of the board of the Chamber of Food Industries, a member of the Egyptian Centre for Economic Studies, Chairman of the Egyptian-Greek Business Council (Egyptian side), Chairman of the Food Export Council, and Board Member of the Export Development Fund. Previously, he was a member of the boards of a number of companies, including Technopack in 1987, Rotopak in 1989, and Egypt Sack in 1997, and he also served as a Board Member of the Federation of Egyptian Industries. He graduated from Ain Shams University (Cairo, Egypt) with a BSc in Computer and Control Engineering.

Mr. Samir Nabih Aziz Berzi
Vice Chairman, Representing Quantum Invest BV

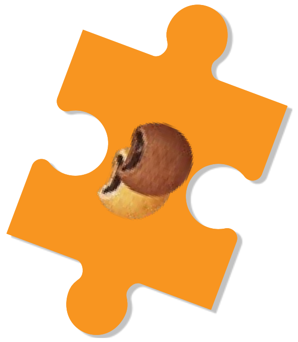
Mr. Berzi has 39 years of experience in the food and beverage industry, having started his career by joining Tasty Foods Egypt. In 1986, Mr. Berzi founded Berzi Confectionary, which was later acquired by Tasty Foods Egypt. He subsequently held the position of Industrial Operation Vice President at Tasty Foods Egypt after a sale of a part of its shares to PepsiCo. Mr. Berzi has also established a number of companies, including Digma Trading, a fast-moving consumer goods distribution company, and Edita Food Industries. Mr. Berzi became a Board Member of Edita Food Industries in 1996. He is also the Chairman of Digma Trading and Edita Confectionary Industries; a member of the American Chamber of Commerce; a Board Member and shareholder of Le Pacha 1901; a Board Member and shareholder of Mirage Hotels S.A.E, which owns the JW Marriott at Mirage City; and a Board Member and shareholder of Sakkara Tourism Investment S.A.E, which owns the Mirage City compound in New Cairo. He graduated from Cairo University (Cairo, Egypt) in 1982 with a BA in Commerce.

Mr. Sameh Naguib
Vice President (Finance) and Chief Financial Officer

Sameh Naguib joined Edita following his most recent stint as Chief Financial Officer and a member of the Board of Directors of the ASEC Company for Mining, an EGX-listed company better known as ASCOM, which he joined in late 2011. Naguib's earlier professional track record includes a more than 10-year run with Heineken International, where he held a series of increasingly senior positions in Egypt, Algeria and the Netherlands, including business controller for the group's activities across 10 countries in the Middle East and Africa. Naguib entered the workforce as an assistant to the Minister of Economy and Foreign Trade in 2000 before joining Al Ahram Beverages Co. in 2001 as a financial analyst prior to that company's acquisition by Heineken. He worked on the group's EGP 250 million El Gouna Beverages Group acquisition before going on to become costing manager responsible for both the company's primary factory and its raw materials plants. He was later promoted to become regional business controller for Africa and the Middle East with responsibilities for 10 countries. After a two-year stint in that role, Naguib was seconded to Heineken's Algerian subsidiary, where he was finance director from January 2009 until he joined ASCOM as CFO and Board Member in October 2011.

Mr. Alfred Younan
Vice President Sales and International Markets

Mr. Younan has 30 years of experience in the FMCG industry and joined Edita Food Industries as National Sales Manager in 2005 before assuming his role as Vice President Sales and International Business in 2007. Previously, he worked as Business Development and Export Director at Hero Middle East from 2002 to 2005, National Sales and Distribution Director at Al Ahram Beverages (a member of the Heineken group) from 2000 to 2001, Marketing and Sourcing General Manager at Mansour Distribution Company (sole distributor of Philip Morris in Egypt) from 1997 to 2000 and the Horn of Africa Representative at Philip Morris from 1994 to 1996. He graduated from Alexandria University (Alexandria, Egypt) in 1992 with a BA in Commerce, and completed the International Marketing Program at INSEAD (Fontainebleau, France) in 1998 and the Executive Development Program at Kellogg School of Management (Chicago, USA) in 2009.



Eng. Mohamed El Bahey
Vice President Supply Chain

Mr. El Bahey has 26 years of experience in the FMCG industry and joined Edita Food Industries as Vice President Supply Chain in 2012. Previously, Mr. El Bahey was working for Kraft Foods for 8 years from 2004 till 2012. During his career with Kraft he held several assignments as Supply Chain Director, as well as Sale Director at Kraft Foods Egypt. His last assignment was in Algeria as Managing Director and CEO of LU Algerie, the French biscuit subsidiary acquired by Kraft Foods in 2007. He has also been member of the Executive Management committee of Kraft Foods Egypt from 2004 to 2012 and Managing Director of Kraft Foods Distribution Limited from 2006 to 2012. Mr. El Bahey, started his career with Gillette Egypt in 1995 as production Engineer. He spent 9 years with the company where he had several assignments in Egypt, Dubai and Morocco. He held the position of Value Chain Manager for Egypt, North Africa and Pakistan. He has been member of the executive management committee of Gillette Egypt, Pakistan and Morocco from 2001 till 2004. He graduated from Ain Shams University in 1995 with a BSc in Engineering (Mechanical Power Section).

Mr. Maged Tadros
Vice President Human Resources & Administration

Mr. Tadros has over 32 years of experience in human resources and joined Edita as Vice President HR and Administration in 2010. Before joining Edita, Mr. Tadros was Human Resources Development Manager at Al Ahram Beverages (a member of the Heineken group) from 2006 to 2010 and as an Independent Organisational Development Consultant from 2004 to 2006. Prior to that, he worked as Training and Development Senior Supervisor at Vodafone Egypt from 1998 to 2004. Mr. Tadros is certified as a Human Resources Assessor and Franklin Covey Trainer. He graduated from Helwan University (Cairo, Egypt) in 1986 with a BA in Hotel Management.

Mr. Ahmed Samy
Vice President Marketing

Mr. Samy has over 19 years of experience in marketing and brand management and currently serves as Edita's Vice President Marketing. Mr. Samy joined the company in 2014 as Marketing Manager for the cakes & bakes categories before getting promoted to Group Marketing Director responsible for the entire brand portfolio and finally his current position. Prior to joining Edita, he held a variety of marketing and sales positions, including Marketing & Wholesales Senior Manager at Bavarian Auto Group, the sole importer of BMW and MINI in Egypt, Senior Brand Manager at the Non-Alcoholic Division for Heineken Egypt, Sales and Retail Manager for the Consumer Electronics — Near East Area at Philips and began his career at British American Tobacco where he held a variety of marketing roles. He holds a BSc in Mechanical Engineering from The American University in Cairo with a double specialization in Design & Industrial Engineering.

Mr. Ehab Sobhi
Vice President Industrial Operations

Mr. Sobhi has over 27 years of experience in the international FMCG market, best showcased through a proven track record of mega-project executions in greenfield and brownfield contexts. He joined Edita as Group Engineering & New Investment Director in 2015, later assuming the role of Operations Director in 2018 where he leads plant operations in Egypt and Morocco. In 2020, he became Vice President of Industrial Operation. Before joining Edita, Mr. Sobhi was with PepsiCo Egypt, where he occupied versatile operational roles across its beverage and snacks market units between 2003 and 2015. He launched his career with the company as Technical Manager, and later moved on to the roles of Plant Manager, Manufacturing Director, and finally, Engineering Director. Prior to this, he assumed the role of Operations Manager at Food Machinery Trading between 1995 and 2003. Mr. Sobhi graduated from Cairo University in 1994 with a BSc. in Engineering.

Mr. Sherif Shaker
Director of Internal Audit and Corporate Governance

Mr. Shaker has 37 years of experience in finance and auditing and joined Edita Food Industries as Financial Manager in 1997 and is now the company's Senior Internal Audit and Corporate Governance Director. Previously, Mr. Shaker was Financial Manager at Peugeot Egypt from 1993 to 1997, Accounting Supervisor at Hoechst Egypt Pharmaceutical Company from 1991 to 1993 and held various positions at PricewaterhouseCoopers from 1983 to 1991. Mr. Shaker is a Certified Director of the Egyptian Institute of Directors (EIoD). He graduated from Ain Shams University with a BA in Commerce in 1983 and obtained his MBA from the Arab Academy Graduate School of Business (Alexandria, Egypt) in 2009, specialising in Finance, Investment and Banking.

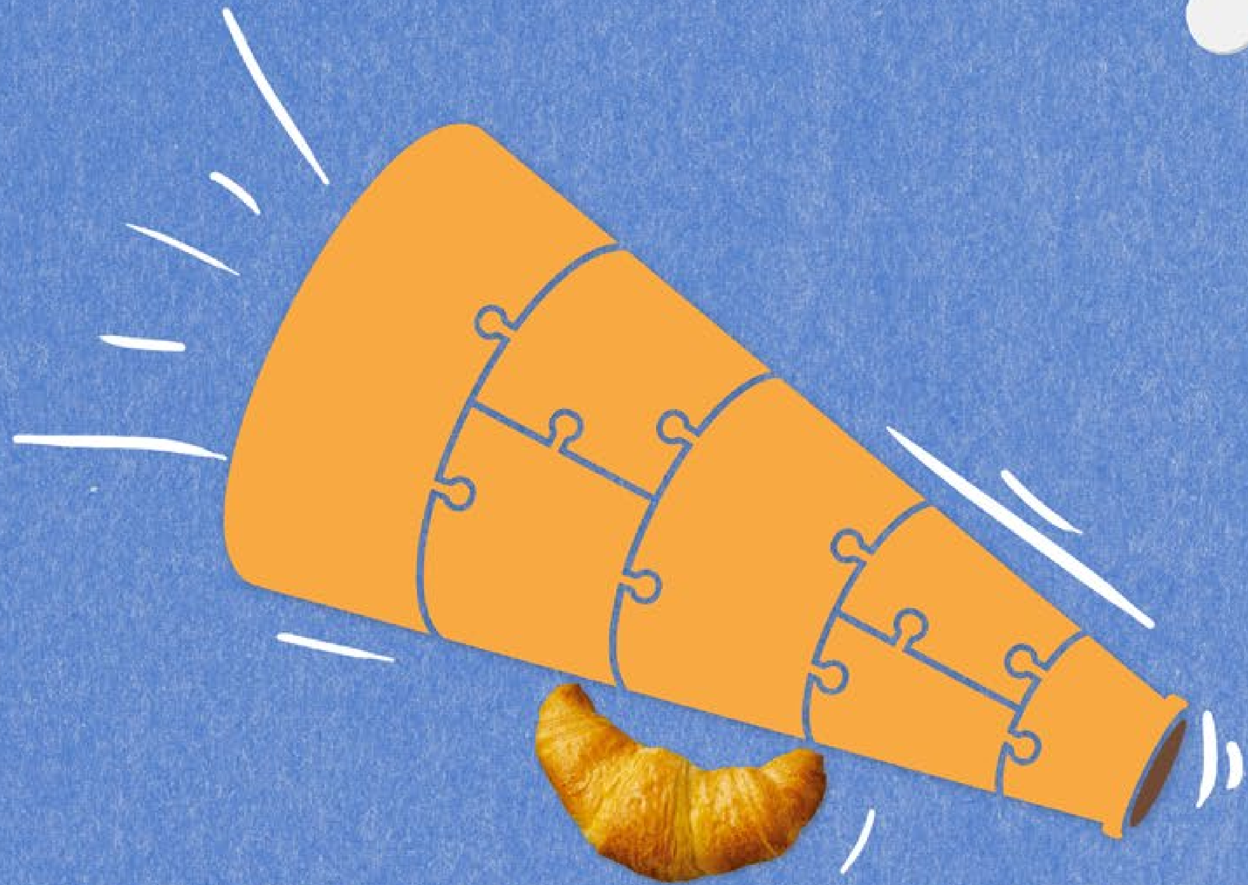
Ms. Menna Shams El Din
Head of Investor Relations & Corporate Affairs

Ms. Shams El Din has over 18 years of experience in corporate strategy, economics and finance and currently serves as Head of Investor Relations at Edita. Prior to joining Edita, Ms. Shams El Din served a Vice President of Pharos Asset Management, where she evaluated the company's investment opportunities while also managing the portfolios of high-net-worth individuals and public institutions. In the past, Ms. Shams El Din has also served as a Research Analyst for Morgan Stanley based in Dubai, UAE, an Economist for EFG Hermes Research based in Cairo and held positions at Vodafone Egypt where she helped develop marketing strategies. She holds a BA in Economics and a minor in Psychology from The American University in Cairo.

Mr. Panagiotis Papadodimas
Research and Development Director

Mr. Papadodimas has 21 years of experience in research and development and joined Edita as Research and Development Director in 2014. Before joining Edita, Mr. Papadodimas was Senior Research and Development Food Developer and Continuous Improvement Coordinator at E.J. Papadopoulos from 2011 to 2014, Research and Development Scientist at General Mills from 2005 to 2009 and Jotis from 2001 to 2005. He graduated from the University of Surrey (Guildford, United Kingdom) in 1998 with a BA in Chemistry and from the University of Reading (Reading, United Kingdom) in 1999 with a MSc in Food Science and Technology. He obtained his MBA from Alba Graduate Business School (Athens, Greece) in 2010.

Management Discussion & Analysis



IMPRESSIVE EARNINGS
Growth in 2021

Edita recorded strong full year results with revenues reaching EGP 5.3 billion, up 30.6% y-o-y with enhanced bottom-line profitability which grew by a strong 54.7% y-o-y, supported by Edita's successful repricing strategies and resilient volumes.

2021 was a remarkable year with record-breaking financial results and operational achievements. Edita's performance showcased the company's resilience and agility in adapting its business model to face the challenges posed by COVID-19, supply chain disruptions and global inflationary pressures on raw material prices. Despite the challenges, the year ended on a strong note with revenues of EGP 5,251.2 million in 2021, a 30.6% y-o-y increase driven by both higher volumes and pricing, with the company capitalizing on its optimized product portfolio and growing consumer demand for its products.

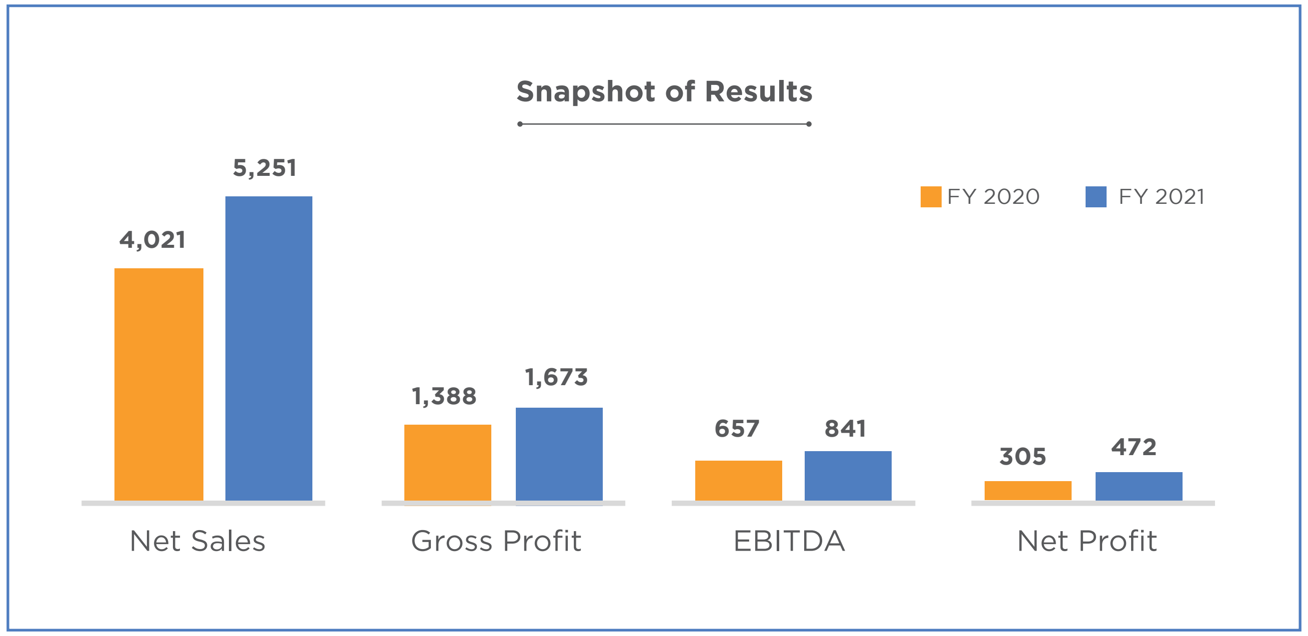
Throughout the year, Edita continued to expand and diversify its portfolio by incorporating multiple new and upsized products. This was well-received by consumers who exhibited increasing resilience to inflationary pressures and limited demand sensitivity. Overall, total number of packs sold grew by 16.6% y-o-y to 2,897.3 million despite the 12.1% increase in average price per pack to EGP 1.81 in 2021. Volumes recorded surpassed pre-COVID-19 levels.

Gross profit recorded EGP 1,673.4 million for the year, up 20.5% y-o-y, with a gross profit margin of 31.9%. The increase in gross profit was achieved despite a 44.6% increase in direct material costs during the year. Edita's bottom-line expanded by a significant 54.7% y-o-y to reach EGP 471.9 million with an associated margin of 9.0% compared to 7.6% last year. Net profit was supported by SG&A savings and operational efficiencies throughout 2021.

Summary Income Statement

EGP mn	2021	2020	Change
Revenue	5,251.2	4,021.1	30.6%
Gross Profit	1,673.4	1,388.1	20.5%
% Margin	31.9%	34.5%	
EBITDA	841.3	656.8	28.1%
% Margin	16.0%	16.3%	
Net Profit	471.9	305.0	54.7%
% Margin	9.0%	7.6%	

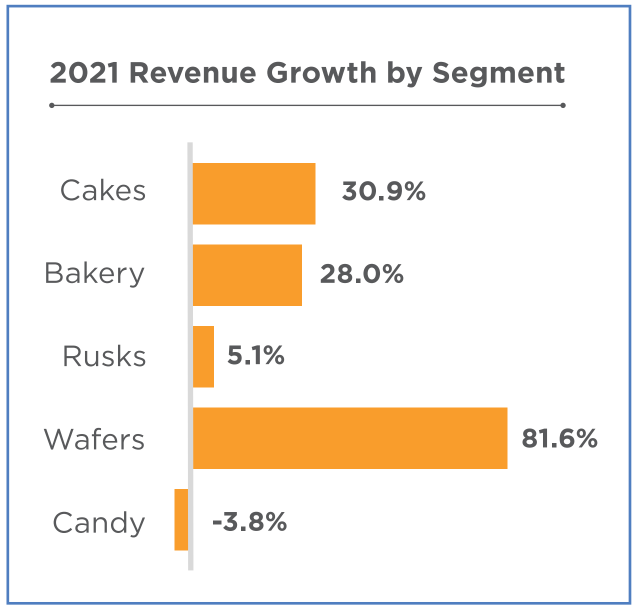
Disclaimer: The figures displayed are based on unaudited results drawn from management accounts and finance department numbers (IFRS).



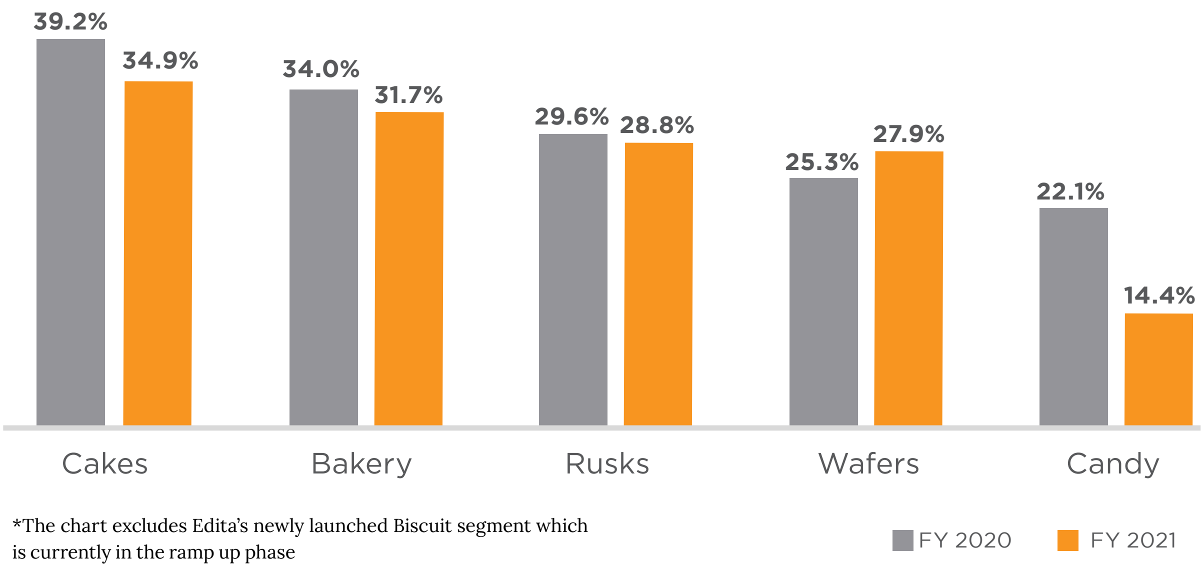
Segment Performance

On a segment basis, Edita's consolidated top-line growth was driven by strong performances in cakes, bakery and wafers. The company's cakes segmented accounted for the largest contribution to consolidated revenue growth during the year, recording revenues of EGP 2,239.5 million in 2021, up 30.9% versus last year. Growth in the cakes segment was supported by both an increase of 17.2% y-o-y in packs sold and a 12.0% y-o-y increase in the average price per pack. At the bakery segment, revenue grew by 28.0% y-o-y in 2021 to EGP 1,928.8 million on the back of a 9.0% increase in packs sold and a 17.4% y-o-y increase in the average price per pack. The fastest-growing segment for the year was wafers, which saw its top-line expand by 81.6% y-o-y, reflecting a 64.6% increase in packs sold and a 10.3% increase in the average price per pack in 2021. Revenue from the rusks segment initially lagged but improved by year-end to record a 5.1% y-o-y increase in 2021. Meanwhile, revenue in the candy segment fell 3.8% y-o-y in 2021 as a 20.2% y-o-y contraction in volumes offset the 20.6% y-o-y increase in average price per pack. Finally, at the biscuits segment, revenue decline by 19.4% y-o-y in 2021 as a 22.9% decrease in volumes outweighed the 4.6% y-o-y rise in average price per pack.

On the gross profit level, Edita's consolidated gross profit rose by 20.5% y-o-y during FY2021 to reach EGP 1,673.4 million with strong performances recorded across all segments despite higher costs of raw materials and ongoing supply chain disruptions. The wafers segment posted the highest rate of gross profit growth during the year, recording a 100.2% y-o-y increase to EGP 170.5 million for 2021 with a GPM expansion to 27.9%. The company's cakes segment recorded a year-on-year gross profit growth of 16.5% in 2021 with a gross profit of EGP 781.1 million and a GPM of 34.9%. At the bakery segment, gross profit recorded EGP 611.4 million with GPM standing at 31.7%, while the rusks segment recorded EGP 87.1 million in gross profit and a GPM of 28.8% for 2021. Finally, the candy segment saw its gross profit decline by 37.3% y-o-y, yielding a GPM of 14.4% for the year.

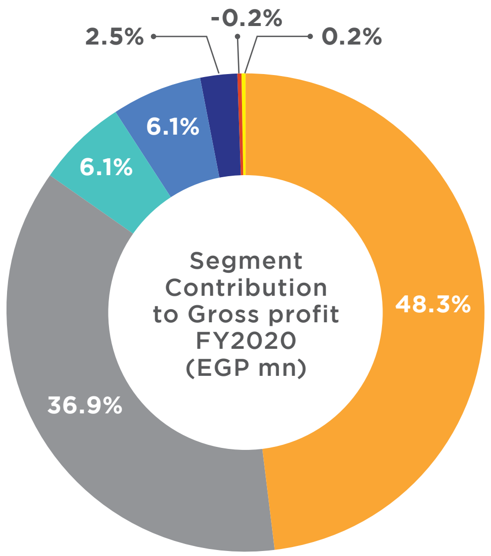


Gross Profit Margin by Segment

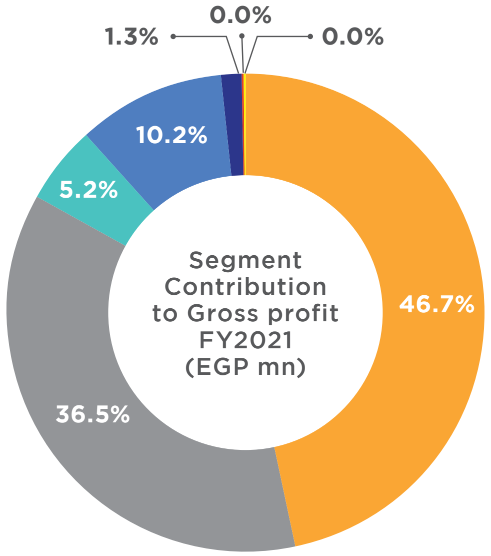


*The chart excludes Edita's newly launched Biscuit segment which is currently in the ramp up phase

Segment Contribution to Gross Profit

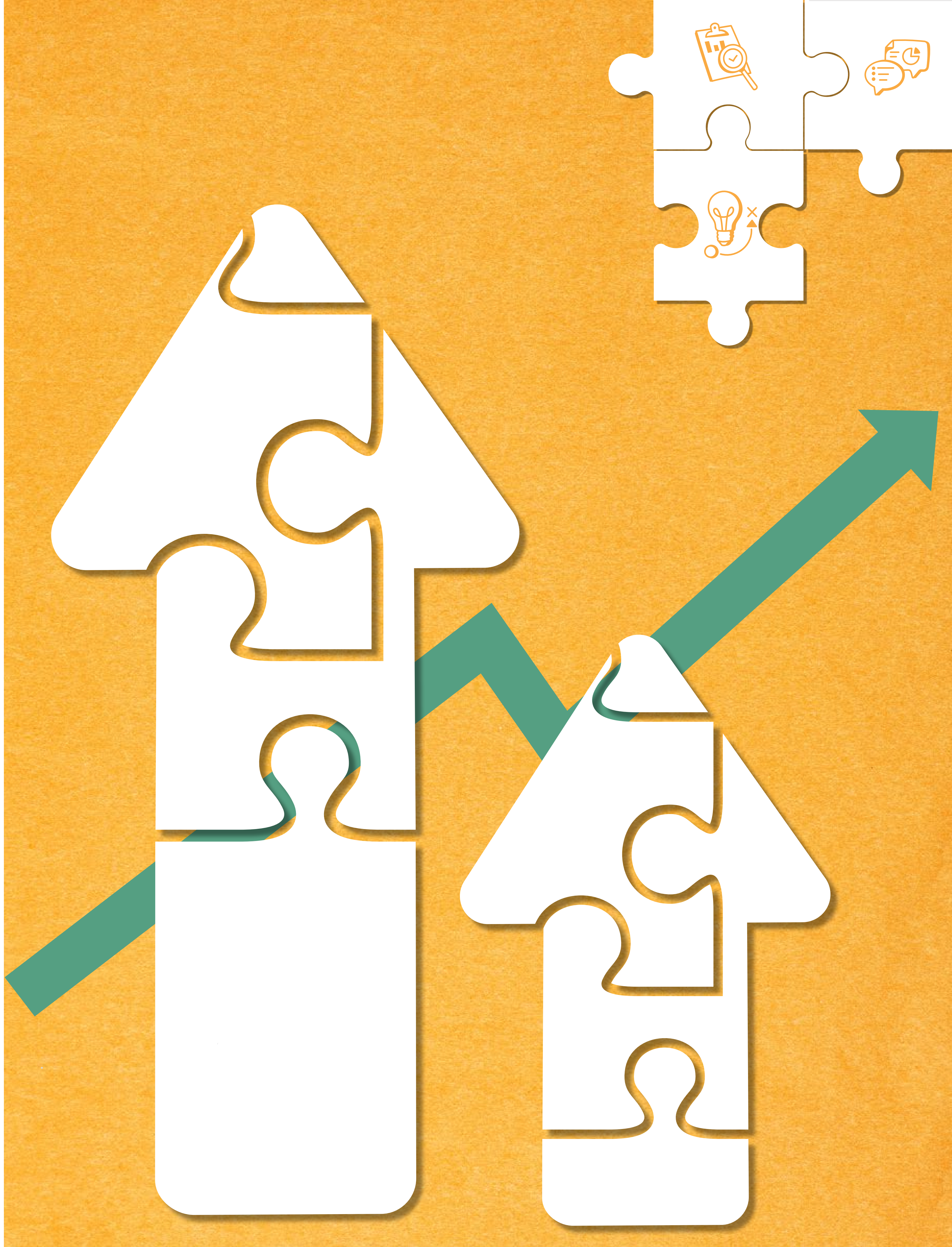


Cakes	EGP 670.4
Bakery	EGP 512.8
Rusks	EGP 85.2
Wafers	EGP 85.2
Candy	EGP 34.8
Biscuits	EGP -2.7
Imports	EGP 2.4



Cakes	EGP 781.1
Bakery	EGP 611.4
Rusks	EGP 87.1
Wafers	EGP 170.5
Candy	EGP 21.8
Biscuits	EGP 0.8
Imports	EGP 0.8

Disclaimer: The figures displayed are based on unaudited results drawn from management accounts and finance department numbers (IFRS).



Revenue and Gross Profitability by Segment

EGP mn	2021	2020	Change
Cakes			
Revenue	2,239.5	1,710.5	30.9%
Gross Profit	781.1	670.4	16.5%
Gross Profit Margin	34.9%	39.2%	-4.3pts
Bakery			
Revenue	1,928.8	1,507.0	28.0%
Gross Profit	611.4	512.8	19.2%
Gross Profit Margin	31.7%	34.0%	-2.3pts
Wafers			
Revenue	610.6	336.2	81.6%
Gross Profit	170.5	85.2	100.2%
Gross Profit Margin	27.9%	25.3%	2.6pts
Rusks			
Revenue	302.3	287.8	5.1%
Gross Profit	87.1	85.2	2.2%
Gross Profit Margin	28.8%	29.6%	-0.8pts
Candy			
Revenue	151.6	157.6	-3.8%
Gross Profit	21.8	34.8	-37.3%
Gross Profit Margin	14.4%	22.1%	-7.7pts
Biscuits			
Revenue	14.4	17.8	-19.4%
Gross Profit	0.8	(2.7)	-
Gross Profit Margin	5.4%	-	-
Total Revenues*	5,251.2	4,021.1	30.6%
Total Gross Profit*	1,673.4	1,388.1	20.5%
Total GPM	31.9%	34.5%	-2.7pts

*Includes contributions from Edita's imports segment

Disclaimer: The figures displayed are based on unaudited results drawn from management accounts and finance department numbers (IFRS).

Segment Volumes and Prices

EGP mn	2021	2020	Change
Cakes			
Packs (mn)	1,534	1,308	17.2%
Tons (000s)	55.7	42.2	32.0%
Av. Factory Price (EGP)	1.46	1.31	12.0%
Bakery			
Packs (mn)	787	722	9.0%
Tons (000s)	46.1	38.4	20.1%
Av. Factory Price (EGP)	2.45	2.09	17.4%
Rusk			
Packs (mn)	159	158	0.7%
Tons (000s)	6.2	6.2	-1.1%
Av. Factory Price (EGP)	1.9	1.82	4.4%
Wafers			
Packs (mn)	351	213	64.6%
Tons (000s)	9.2	5.8	59.7%
Av. Factory Price (EGP)	1.74	1.57	10.3%
Candy			
Packs (mn)	59	74	-20.2%
Tons (000s)	3.4	3.5	-4.3%
Av. Factory Price (EGP)	2.57	2.14	20.6%
Biscuits			
Packs (mn)	7	9	-22.9%
Tons (000s)	0.2	0.2	-8.2%
Av. Factory Price (EGP)	2.01	1.92	4.6%
Total Packs* (mn)	2,897	2,485	16.6%
Total Tons* (000s)	120.8	96.4	25.3%
Av. Edita Price (EGP)	1.81	1.62	12.1%

*Includes contributions from Edita's imports segment

Disclaimer: The figures displayed are based on unaudited results drawn from management accounts and finance department numbers (IFRS).

Costs of Goods Sold

Edita's total cost of goods sold (COGS) was up 35.9% y-o-y in 2021 to EGP 3,577.9 million driven by a 44.6% y-o-y increase in direct material costs brought about by surges in raw material costs and supply chain disruptions that are driving global commodity prices to record highs. While Edita was successful in passing on a portion of these increases to consumers through direct and indirect price increases, the company also offset the increase by managing its manufacturing overheads (MOH) for the year, which declined to 11.8% as a percentage of sales compared to 14.1% in the previous year. Accordingly, Edita's gross profit recorded EGP 1,673.4 million in 2021, up 20.5% y-o-y, with a gross profit margin of 31.9% versus 34.5% last year.

EBITDA

Total SG&A for 2021 was EGP 989.1 million, a 9.3% y-o-y increase; however, Edita's SG&A as a percentage of sales declined to 18.8% compared to 22.5% in the previous year. The decrease as a percentage of sales was achieved despite an increase in advertising and marketing expenses, which grew 22.2% y-o-y. As such, EBITDA for the year stood at EGP 841.3 million, up 28.1% y-o-y, with a sustained EBITDA margin of 16.0% compared to 16.3% in 2020.

Net Profit

Net profit for the year increased an impressive 54.7% y-o-y to EGP 471.9 million, with a net profit margin of 9.0% versus 7.6% for 2020, primarily driven by increased revenues.

Exports

On the export front, in 2021 Edita recorded gross export sales of EGP 309.9 million, up by a strong 23.4% y-o-y and contributing 5.9% to total revenues during the year compared to 6.2% in 2020.

Balance Sheet

Edita's total CAPEX for the year ended 31 December 2021 was EGP 226.8 million, including investment in a new wafer line, enhancements in existing production lines, the Morocco production facility and IT expenditures. Edita recorded total loans and borrowings of EGP 1,195.2 million as at 31 December 2021, up from EGP 954.0 million as at year-end 2020. The company reported total bank overdrafts of EGP 400.7 million as at 31 December 2021 against EGP 80.4 million at year-end 2020. Net debt registered EGP 189.3 million as at 31 December 2021, a reduction to the EGP 240.1 million recorded at year-end 2020. EGP-denominated facilities make up 60% of Edita's total debt versus 40% for foreign currency exposure. The current USD-denominated facilities have gone down to USD 30 million and only 20% of COGS are paid in foreign currencies. In 2021, Edita maintained a strong financial position with healthy leverage with a net debt to equity ratio of 0.09 and a net debt to EBITDA ratio of 0.22, down from 0.37 in the previous year.

The company reported inventories of EGP 526.5 million as at 31 December 2021, up from EGP 315.3 million as at 31 December 2020, demonstrating the Edita's ability to secure supplies and mitigate supply chain risks. Meanwhile, trade receivables reached EGP 26.3 million as at 31 December 2021 against EGP 26.8 million as at year-end 2020, reflecting Edita's cash policy for over 95% of its sales. Net working capital was EGP 475.3 million as at 31 December 2021 versus EGP 216.3 million in the previous year and the company maintained a healthy working capital ratio of 1.37.

Outlook

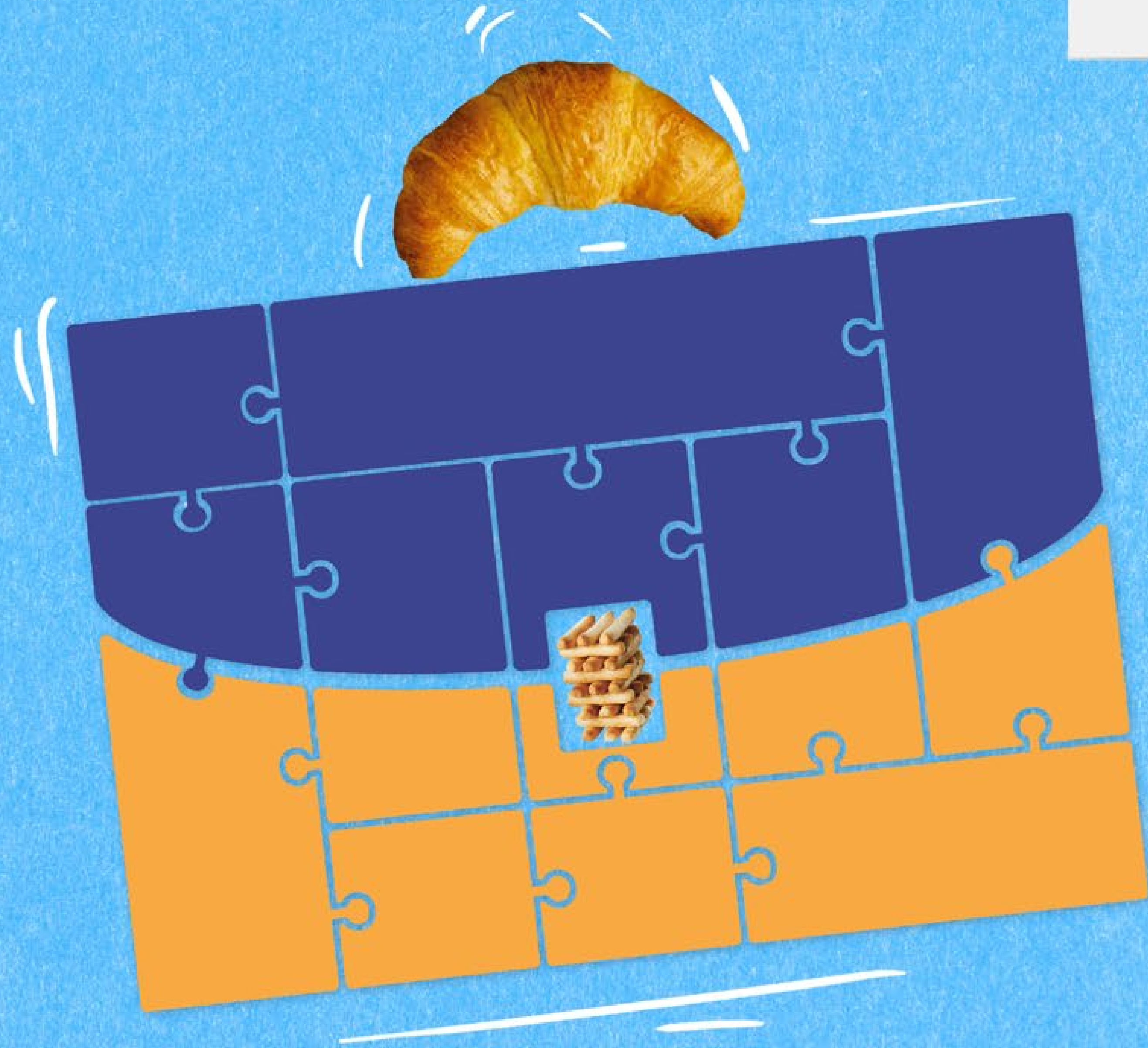
Edita's ability to deliver record-breaking financial results and operational achievements in 2021 despite the challenges, demonstrates the company's resilience and robust business model. In the coming year, the company will pivot its strategy from a focus on recovery and resilience to a more expansionary mode. Edita will leverage its brand equity and innovative abilities to deliver strong, sustainable performance and generate long-term value in line with its long-term strategy.

On the regional front, Edita's first overseas production facility in Morocco is now complete and operational with three HOHOs SKUs in production. Edita will install additional production lines in the coming year to strengthen its presence in the attractive Moroccan snack food market and built a solid foundation for further regional growth. The company is continuously seeking regional expansion opportunities to deliver on its regional expansion pillar.

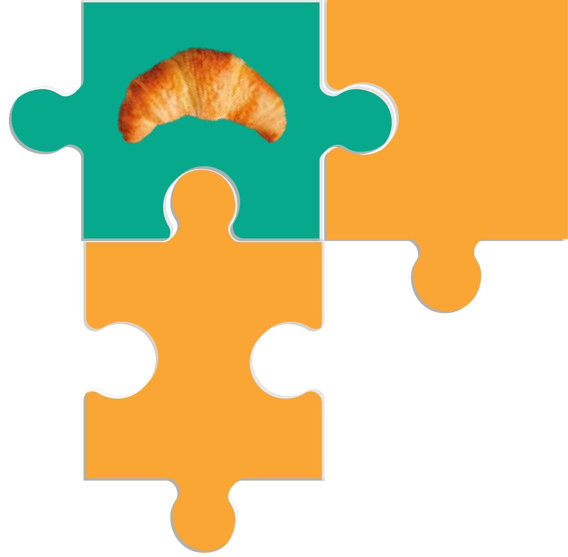
While the current operating environment is challenging, Edita is well-equipped with the needed tools and playbook to adapt to these shifting dynamics. The company has previously shown its strength in handling inflationary environments and protecting its profitability. The 2021 repricing strategies which led to a 12.1% y-o-y increase in average price per pack, put the company in a strong position to absorb inflationary pressures. Additionally, Edita will be implementing direct price increases across multiple segments. The direct prices increase coupled with limited foreign currency exposure, resilient consumer demand and volume growth, will allow Edita to maintain its strong growth trajectory while safeguarding its profitability.

Disclaimer: The figures displayed are based on unaudited results drawn from management accounts and finance department numbers (IFRS).

Corporate Governance



CORPORATE Governance



Edita's Board of Directors is comprised of some of the region's leading FMCG and financial professionals who bring broad expertise to the company. These experienced men and women have helped transform Edita from a small family business into a leading publicly listed company with a fast-growing regional presence. Throughout 2021, Edita's Board of Directors provided strategic insights and constant guidance which proved invaluable in helping the company deliver on the strategic targets set at the start of the year despite supply chain disruptions and global inflationary pressures on raw material prices. The Board is currently comprised of seven members: two executives and five non-executives, three of which are independent.

Eng. Hani Berzi

Chairman, Representing Quantum Invest BV

Mr. Berzi has 36 years of experience in the food and beverage industry, having started his career in 1986 by joining Tasty Foods Egypt, his family's snack food business. Mr. Berzi subsequently held the position of Sales and Marketing Vice President at Tasty Foods Egypt, after a sale of a part of its shares to PepsiCo, from 1990 to 1992. In 1993, Mr. Berzi founded Digma Trading Co., which is specialized in the distribution of food products. He also founded Edita Food Industries in 1996 and became Chairman of the Board in 2006. Mr. Berzi is also a member of the board of the Chamber of Food Industries, a member of the Egyptian Centre for Economic Studies, Chairman of the Egyptian-Greek Business Council (Egyptian side), Chairman of the Food Export Council, and Board Member of the Export Development Fund. Previously, he was a member of the boards of a number of companies, including Technopack in 1987, Rotopak in 1989, and Egypt Sack in 1997, and he also served as a Board Member of the Federation of Egyptian Industries. He graduated from Ain Shams University (Cairo, Egypt) with a BSc in Computer and Control Engineering.

Mr. Samir Nabih Aziz Berzi

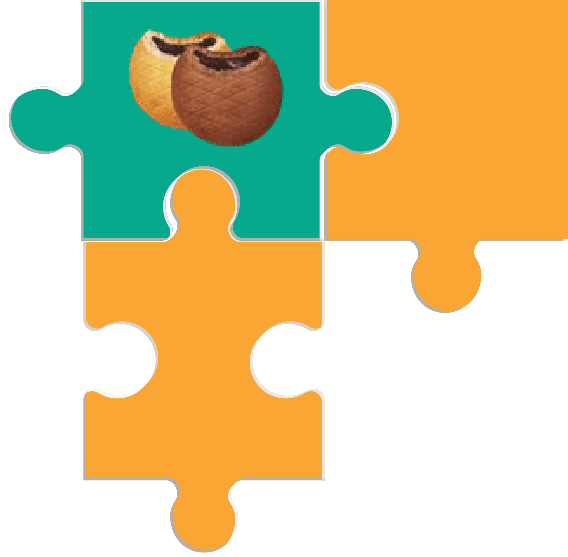
Vice Chairman, Representing Quantum Invest BV

Mr. Berzi has 39 years of experience in the food and beverage industry, having started his career by joining Tasty Foods Egypt. In 1986, Mr. Berzi founded Berzi Confectionary, which was later acquired by Tasty Foods Egypt. He subsequently held the position of Industrial Operation Vice President at Tasty Foods Egypt after a sale of a part of its shares to PepsiCo. Mr. Berzi has also established a number of companies, including Digma Trading, a fast-moving consumer goods distribution company, and Edita Food Industries. Mr. Berzi became a Board Member of Edita Food Industries in 1996. He is also the Chairman of Digma Trading and Edita Confectionary Industries; a member of the American Chamber of Commerce; a Board Member and shareholder of Le Pacha 1901; a Board Member and shareholder of Mirage Hotels S.A.E, which owns the JW Marriott at Mirage City; and a Board Member and shareholder of Sakkara Tourism Investment S.A.E, which owns the Mirage City compound in New Cairo. He graduated from Cairo University (Cairo, Egypt) in 1982 with a BA in Commerce.

Ms. Fatma Lotfy

Board Member, Representing Quantum Invest BV

Ms. Lotfy has been a member of Edita's Board of Directors since 2015, with over 35 years of commercial and investment banking experience under her belt. Since she began her career in the late 1980s, Ms. Lotfy has held senior and key executive positions in a number of renowned international and local banks, and she sits on the boards of several largescale financial institutions. Since 2015, she has been a Board Member of Credit Libanias Beirut, and she is currently the Chairperson of EFG Hermes Finance. Prior to that, Ms. Lotfy was the Deputy Chairperson and Managing Director at Bank Audi Egypt, the First Deputy Chairperson and Managing Director at Alexbank Intesa San Paolo, and Managing Director and Board and Executive Committee Member at Al Watani Bank of Egypt (currently NBK Egypt), in addition to several other senior positions at various institutions including the Commercial International Bank (CIB). Ms. Lotfy is also highly engaged in her role as an active corporate citizen through her activities as a member of the Egyptian European Council, the Young Presidents Organization (YPO), the Egyptian British Chamber of Commerce, and the Egyptian American Chamber of Commerce, in addition to being an active member of the Economic Committee of the Women's National Congress.



Mr. Hussein Choukri
Independent Board Member

Mr. Choukri is among the pioneers of Egypt's investment banking sector. He joined the Investment Banking department of Morgan Stanley in New York as an Associate in 1980 and acted as Managing Director from 1987 to 1993. In 1993, he became its Advisory Director and served in this capacity until 2007. In 1996, he established HC Securities & Investment, which is currently one of the leading investment banks in the Middle East and North Africa. Mr. Choukri is a Board Member of a number of associations and reputable companies, including Holding Company for Tourism, Hotels, and Cinema and the Egyptian-British Business Council (EBBC). Mr. Choukri joined Edita as a Board Member in January 2015. Mr. Choukri is the Head of Edita's Remuneration Committee and is also a member of the Audit Committee. He graduated from Ain Shams University with a degree in Commerce and obtained a degree in Management from the American University in Cairo.

Ms. Sahar El Sallab
Independent Board Member

Ms. El Sallab worked and trained at Citibank Cairo and Athens before spending 26 years working at the Commercial International Bank (CIB), where she assumed the roles of Vice Chairman and Managing Director. She was also the Chairperson of the Commercial International Capital Holding Company (CI Capital) and is currently Chairperson of HitekNOFAL Company and a Board Member at the National Bank of Egypt. After significant private sector experience, she became the Deputy Minister of Trade and Industry for Development and Investment in Internal Trade in Egypt. Ms. El Sallab has been nominated as one of the 100 Most Powerful Arab Women 2011 by South African Magazine and one of the 10 Most Powerful Egyptian Women in 2011 by the Egypt Business Directory. Ms. El Sallab is also the Head of Edita's Audit Committee. She graduated from the American University in Beirut and from the Harvard Kennedy School for Management.

Mr. Mounir Fakhry Abdel Nour
Independent Board Member

Mr. Abdel Nour is a veteran banker, industrialist, and public servant. Mr. Abdel Nour first entered government service in 2011 as Minister of Tourism, a post he held until 2012. He rejoined cabinet as Minister of Trade and Industry in July 2013 and went on to serve as Minister of Trade, Industry, and Investment and as Minister of Trade, Industry, and SMEs until he left office in September 2015. Prior to entering government, Mr. Abdel Nour was a banker with Banque de l'Union Européenne and American Express. He founded Vitrac, a leading Egyptian maker of jams, juices, and syrups, in the 1980s and grew the company into a category-defining player with a dominant market share in Egypt and strong export network. Mr. Abdel Nour led Vitrac's sale in 2002 to Hero Group, a leading Switzerland-based, international consumer foods company. Mr. Abdel Nour was Chairman of Hero Middle East from 2004 to 2011. He is currently a Board Member of GB Auto, Domty, and Beltone Financial. His past directorships include service to the Egyptian Exchange (1999–2002), the Federation of Egyptian Industries (2004–2007), the Egyptian Competition Authority (2005–2007), among others. Mr. Abdel Nour holds a BSc in Statistics from Cairo University's School of Economics and Political Science and an MA in Economics from the American University in Cairo.

Mr. Tamir Saeed
Board Member, Representing Kingsway

Mr. Saeed has 17 years of experience in the finance industry, having started his career at Goldman Sachs where he spent eight years in a variety of roles in the firm's Investment Banking, Equity Derivatives Trading, and Principal Strategies groups. Currently, Mr. Saeed is a Managing Partner at Kingsway Capital Advisors LLP, a leading investment management firm based in London, England, specialized in managing institutional capital with a long-term investment horizon and a focus on high-quality consumer franchises in frontier and emerging markets. Aside from Edita, Mr. Saeed is a Board Member of a number of reputable companies in Egypt and the broader region, including Al-Eqbal Investment Company (EICO) in Jordan. He graduated from the University of Cambridge (United Kingdom) with an MA in Economics, and he is a CFA Charterholder.

Compliance and Corporate Governance Department

Edita's Compliance and Corporate Governance Department works diligently to protect the company from sanctions by ensuring that it does not violate laws relevant to its operations. It is tasked with a broad range of responsibilities including verifying that all of the company's corporate policies reflect Edita's strategy, mission and vision, and that they all comply with relevant government laws, regulations, and requirements. It also developed corporate policies and procedures for Edita Morocco. The department also educates the company's employees on applicable laws and corporate policies that affect their operations, including securities, antitrust, and environmental regulations, among others, and it monitors them to ensure their compliance, in addition to monitoring and managing the whistleblowing channel.

The department tracks changes in new laws and regulations and reviews policies in place to ensure their legal soundness, as well as updates Edita's corporate policy manual, which encompasses the company's internal policies and operational procedure when necessary. It also reviews all contracts and agreements made with third parties to ensure that terms and conditions comply with Edita's policies, risk management standards, and all relevant laws. Furthermore, the department assists the company's various auditing parties in ensuring that no illegal or illicit activities, such as money laundering, corruption, and terrorism funding, are committed internally. Any complaints submitted through the whistleblowing channel are dealt with objectively and discretely, with the submitters' identities kept anonymous.

Code of Conduct

Edita's governance and compliance efforts are complemented by its professional Code of Conduct that aims to set the standards and the guidelines for the conduct expected from employees concerning work ethics, information security, health and safety, compliance to the related laws and regulations, and protecting the company's assets and resources. The code provides a framework to the matters related to ethical affairs in order to create and keep a culture of integrity, honesty, and professional efficiency.

NFSA Warehouse Registration

All branches of Edita's Digma distribution network have applied for the first batch registration of the NFSA warehouses' whitelist. This guarantees that the company meets all established food safety guidelines and complies with all specifications and standards set by NFSA for food handling.

Custom (ACI)

In accordance with the new Egyptian Customs Law no. 207 of 2020, effective as of November 2020, and its related decree, Edita immediately registered in the Advance Cargo Information (ACI) system. Accordingly, cargo data and documents, including commercial invoices, packing lists, bills of lading, and cargo manifests, are submitted 48 hours before the vessel departs from a loading port. All exporters that Edita deals with are now also registered and verified by the ACI system, which accelerated and simplified customs procedures for export operations to Egypt.

Audit Committee

The Audit Committee was established in compliance with EGX listing rules to assist the board in fulfilling its oversight responsibilities, which include reviewing internal and external audit reports, auditing financial statements, monitoring any changes across the Egyptian Accounting Standards (EAS) or the International Financial Reporting Standards (IFRS), and monitoring and assessing any assignments deployed to the company's Internal Audit department.

The committee acts as an advisor in the appointment of auditors and is responsible for resolving any misunderstandings between the board and the auditors. It is also tasked to ensure that Edita adheres to the recommendations of the auditors and the European Food Safety Authority (EFSA).

Additionally, the committee regularly revises internal audit procedures and Edita's policies and procedures to ensure compliance with laws and regulations. It also reviews internal audit findings and reports potential risks to the board to ensure the establishment of a risk management process and an effective internal control system.

Name	Attendance
Fatma Lotfy	4/4
Hussein Choukri	4/4
Sahar El Sallab	4/4
Mounir Fakhry Abdel Nour	4/4

Remuneration Committee

The Remuneration Committee develops all Edita's policies on pay, compensation, and benefits for the company's employees and senior managers. It also reviews the frameworks, terms, and conditions of employment of Edita's Chairman of the board and executive directors and sets their detailed remuneration throughout their employment and upon their dismissal. Furthermore, it ensures that adequate incentives are presented to executive directors based on their contribution to the company's performance. The Remuneration Committee also ensures complete transparency between the board and Edita's shareholders on how remuneration for executive directors is decided. Its quarterly meeting is attended by Edita's VP of HR and Administration, with other directors able to attend per relevance to the meeting's subject matter.

Finally, the committee grants promotions and bonuses in the form of annual profit shares to employees based on their performance throughout the year. For the year-ended December 31, 2021, Edita's distributed EGP 200 million from the company's profits to shareholders and EGP 40.75 million to employees. In addition, annual board remuneration per member is EGP 700,000.

Name	Attendance
Fatma Lotfy	1/1
Hussein Choukri	1/1
Sahar El Sallab	1/1
Mounir Fakhry Abdel Nour	1/1

Internal Audit Department

Edita's Internal Audit Department strives to strengthen the company's compliance efforts and organizational operations by guarding against corruption, promoting ethical conduct, and adding value to the company. To do so, the department oversees the implementation of several internal anti-violation policies, codes, and regulations; ensures the alignment of company policies with legal regulations and sound business practices; ensures the operation's consistency with business objectives; supervises the company's risk management framework and controls; and works diligently to promote ethical conduct among employees.

Guided by Edita's pre-established strategic objectives, the Internal Audit Department acts as an advisor and consultant that perpetually reviews the company's operations and provides appropriate recommendations to senior management.

As it monitors the company's operations, the department is tasked with investigating any reports of wrongdoings, including but not limited to fraud, embezzlement, theft, and waste. It also follows up on the company's hiring processes to ensure that they remain committed to their transparent and merit-based nature. The department issues comprehensive reports to the Audit Committee, as well as Edita's CEO and its VPs, to report on findings and provide advice and recommendations across all company departments and sectors.

Information Security

The Information Security department and Information Technology (IT) team at Edita are tasked with reviewing the company's information security controls and updating them, as well as responding to security breaches and mitigating risks associated with the theft, loss, misuse, damage, or abuse of information.

In collaboration with the Information Security Committee— comprised of other company employees— the department regularly monitors and upgrades Edita's Data Loss Prevention (DLP) system to protect Edita's information assets, detect any breaches, and act immediately with protective measures. In 2020, the Information Security department amended the system based on an external assessment that was conducted on Edita's DLP policies in 2019, benchmarking them against best practices in the market. It configured the DLP system with different policies and rules to block unauthorized operations and tighten the company's security controls.

To further secure its system, the IT team performed an internal assessment on Edita's digital infrastructure, network, and applications to ensure that the access management process, SAP roles, and SharePoint permissions are controlled and managed properly and matches IT best practices. As a result of the assessment, Edita automated some processes, including the permissions removal system, to avoid manual checks. The team also performed an initial IT risk assessment to identify key risk areas and plan and budget for mitigation controls and security solutions to enhance recovery and response capabilities against increasingly advanced threats.

Crisis Management Committee

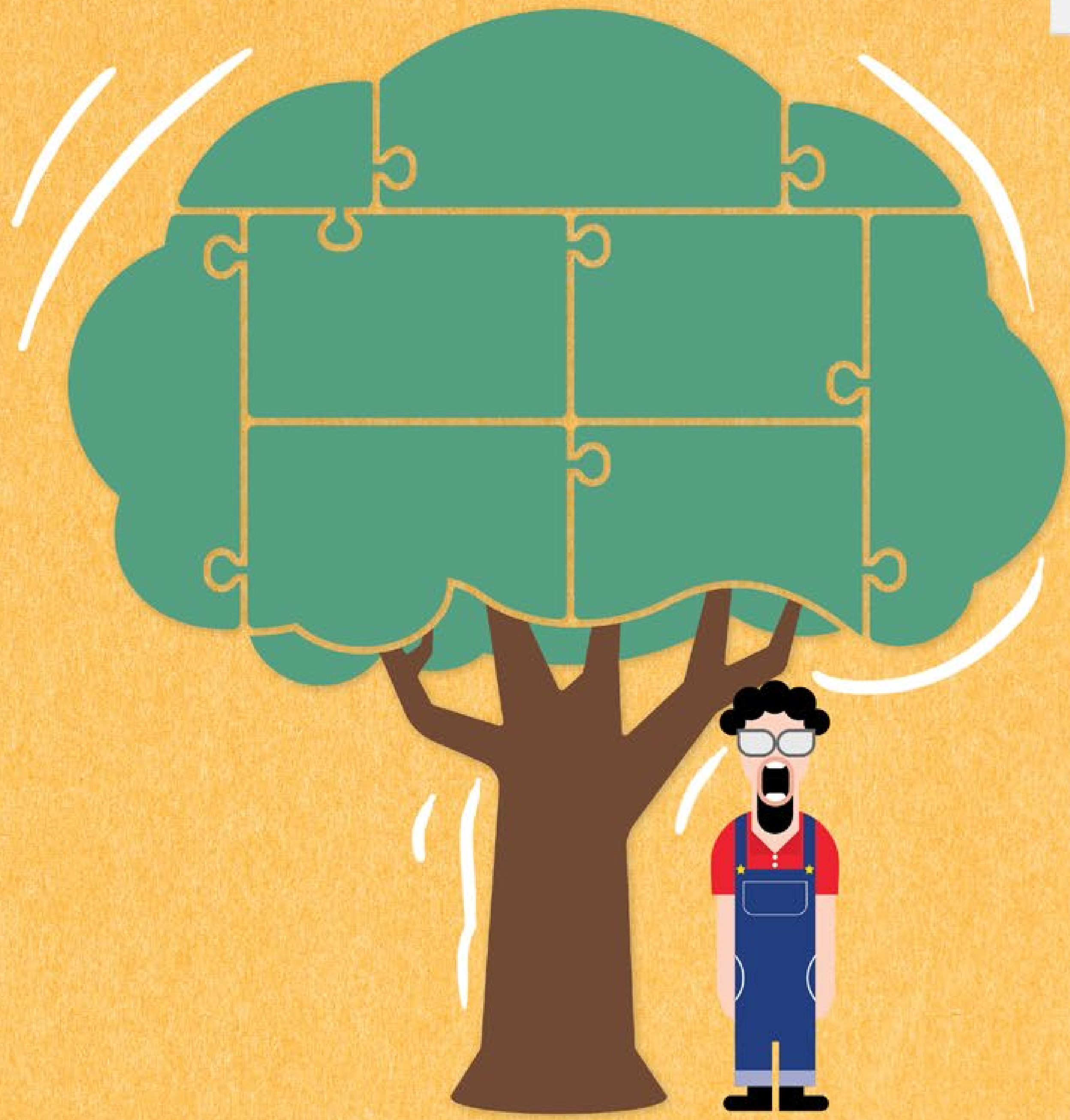
Edita's Crisis Management Committee, operating under the supervision of its Board of Directors, assists in the monitoring and execution of crisis management frameworks. In cooperation with the Internal Audit and the Compliance and Governance Departments, the committee carries out a wide-array of monitoring, evaluation, and planning duties on a monthly and annual basis. It also meets on a weekly basis to discuss evolving situations and take proactive measures to ensure business continuity. Drawing on the lessons learnt from earlier challenges, conferences with stakeholders, and extensive market monitoring, Edita's Crisis Management Committee puts efficient business continuity plans, crisis control and aversion protocols, and specialized disaster recovery procedures in place.

Financial Risk Management

The volatility of financial markets poses a variety of risks to Edita within the areas of market-foreign exchange, interest rate, security, credit, and liquidity. The company's Central Treasury department leads financial risk management under policies approved by the Board of Directors, and it identifies and evaluates financial risks in cooperation with the company's departments. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment of excess liquidity.

Sustainability

Edita's new ESG strategy, focuses on a number of key pillars including lowering energy consumption, strong governance frameworks, consumer wellbeing, digital transformation, and stakeholder safety. As a market leader, Edita will leverage its sustainability frameworks to maximize its positive impact on its community and environment by employing global best practices and helping build a more inclusive, sustainable, and resilient future for all.



Sustainability

Edita adheres to sustainable business practices that increase operational efficiencies while positively impacting surrounding communities and the environment, promoting human rights and ethical behaviour as well as generating long-term value

In 2021, Edita overcame challenges presented by COVID-19 to uphold its sustainable development practices. The company continuously invests in key areas to foster sustainability across its business, to align with local and international benchmarks and to ultimately create long-term value for its stakeholders and the communities where it operates. It also further developed existing programs and initiatives including promoting employee wellbeing, diversity and inclusion, as well as enforcing strict health, safety and environmental standards throughout its facilities and workplaces.

Aligning with Local and Global Standards

Edita continues to be an active member of the United Nations Global Compact (UNGC), which brings together over 10,000 companies from around the world to advance societies through unified corporate goals. The compact's ten principles call for upholding local and internationally proclaimed human rights laws; preserving lawful and complete employee rights; implementing conscious changes that lower environmental impact; and protecting the company through extensive anti-corruption policies and mechanisms. Edita has amended many of its policies and procedures to adhere to these principles and has also made significant progress towards goals 3, 4, 5, 8, 10, 11, and 17 of the UN's sustainable development goals (SDGs), which range from providing education opportunities to reducing gender inequalities and increasing partnerships for the goals. The SDGs are also in line with Egypt's Vision 2030 for proactive action toward achieving nationwide sustainable development.

> Edita continuously invests in key areas to foster sustainability across its business to align with local and international benchmarks

New Directions in ESG

In addition, a new comprehensive sustainability strategy was announced in 2021 that groups the company's efforts under five key pillars: lower energy consumption, strong governance, digital transformation, consumer wellbeing and stakeholder safety.

Lower Energy Consumption

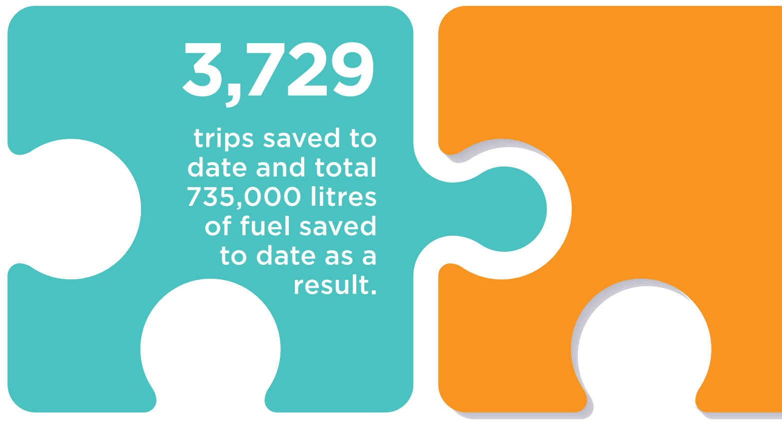
Edita prioritizes environmental wellbeing by incorporating eco-friendly approaches in its core strategies, operations and frameworks. The company established a dedicated four-year Environmental and Social Action Plan (ESAP) to improve all ESG-related practices, from increasing employee protection to arranging resource conservation and emission reduction plans, while maintaining smooth and uninterrupted operations at its facilities.

Edita also recently underwent an energy audit by a third-party consultancy which identified high usage sites and now serves as a benchmark for the company's conservation progress. The audit produced low-investment and rapid electricity-saving plans that the plants started implementing in 2021. Ultimately, Edita aims to lower its energy consumption, decrease its greenhouse gas emissions and control the use of water across its operations. It also plans to explore renewable and clean energy sources and how they can factor into its operations moving forward.

Other Energy, Waste, and Supply Chain Investments

In addition to its efforts in controlling energy use and emissions, Edita has obtained approvals to construct a wastewater treatment plant at its E15 facility in Beni Suef and another at its E08 facility in line with regulatory requirements set by the World Bank Group. The developments bring Edita's total number of wastewater treatment facilities to four. In parallel with the resource conservation efforts, Edita also ensures that all its raw materials are ethically sourced and efficiently used, and its packaging materials are 100% recyclable or paper based. Finally, Edita also segregates its waste and safely discards hazardous materials through a government-authorized contractor.

In March 2021, the Supply Chain Optimization project was launched to identify efficient use of truck space across Edita's fleet. Reconfiguration of the stacking techniques used to place cartons of finished goods on truck pallets has shown great results in the number of cartons loaded per truck, and in turn, the number of trips saved and amount of fuel used. So far, the project has led to a 10% increase in the number of cartons loaded on each truck.



Strong Governance

Edita's robust governance structure continues to serve the company's growth and development, with its Board of Directors providing its executive management with exemplary guidance and support. The company upholds values of good governance and instates policies, systems and frameworks to ensure the compliance of its operations and people with these values and with laws, regulations and requirements relevant to its operations.

Anti-Corruption Efforts

Ethical behaviour is essential to Edita's success; therefore, the company has is heavily invested in eliminating illicit activity and maintaining the integrity of its operations. As such, Edita adopts a zero-tolerance policy against all forms of bribery, kickback and corruption, and expects all employees to abide by the company's Code of Conduct. Any employee engaging in unethical practices are strictly penalized, if not terminated. To encourage employees to speak up in case any violations are witnessed, Edita relies on its IVoiceUp system, which provides employees with an anonymous whistleblowing tool.

Digital Transformation

Automation and digital transformation are essential for Edita's long-term strategy and operational efficiency, as such, the company has invested to optimize its digital infrastructure. The company employed several digital solutions to streamline and automate its operations, including SAP applications, barcode identification systems, hand-held devices, transfer machines and cooling towers. It also implemented extensive centralization and automation projects that save time, paper, and resources. Edita also employed e-invoicing and cashless payment systems, in compliance with the government's drive toward digital transformation, financial inclusion and transition to a cashless society.

Consumer Wellbeing

Consumer wellbeing is of utmost importance to Edita. The company's brands have become household names and with that comes a responsibility towards the consumer to deliver the highest standards of safety, quality, innovation and ethical communication in presenting its products. Edita's R&D department is constantly improving the company's offerings, from developing healthier products and improving the nutritional value of existing ones to sustainable packaging.

In 2021, the company obtained approval from the Egyptian National Food Safety Authority (NFSA) to label all Molto products as free of hydrogenated fats and will now include a clear label reading, 'Made Without Hydrogenated Fats'.

Stakeholder Safety

Edita is committed to safeguarding the health and safety of its different stakeholder groups, which include employees as well as the communities where it operates. To ensure the protection of its employees in the workplace, Edita adheres to strict global safety protocols. In parallel, the Edita Foundation for Social Development aims to positively impact its surrounding communities by deploying initiatives that support both individual and family wellbeing.

Employee Wellbeing

Edita's employees are at the heart of the company's success, which is why the company upholds the highest standards with regards to employee affairs, wellbeing and development. In addition to adhering to local laws, the company continues to build on its SHE policies, which strive to establish a healthy and environmentally conscious work environment for all employees and improve the company's emergency responses through its eREMS system.

The company constantly delivers safety trainings to its employees and raises awareness internally regarding safety system updates. A number of specialized trainings that regularly take place include the 7Cs program, which focuses on critical safety risks, and "Toolbox Talks" which provides employees with a refresher on the latest occupational and environmental safety standards and best practices. Additionally, to promote employees' professional wellbeing and long-term development, Edita provides diversified trainings through its Edita Sales Academy, Edita Manufacturing Academy and Edita Quality Academy. It is also home to a Company Training Plan that offers versatile learning opportunities through skill bite trainings, functional trainings, and "Learn with Leaders" sessions.

Corporate Social Responsibility (CSR)

Edita empowers the communities where it operates by creating sustainable and impactful programs. The Edita Foundation for Social Development houses the company's corporate social responsibility (CSR) efforts, which focus on educational development, healthcare and community relief. Among its most renowned and ongoing programs is a joint partnership with Educate Me called Building Pioneers. The program develops underprivileged schools in Beni Suef and empowers students, educators and parents by teaching students modern-day skills and mothers basic everyday skills to sustain a family. Additionally, a subprogram known as the School Transformation Journey was launched to guide teachers, counsellors, administrators and Ministry of Education leaders on methods to support students during their self-learning journeys and encourage their cognitive as well as psychological development. The program aims to transform schools into independent learning entities by 2022, thus contributing to the advancement of education in Egypt.

Investor Relations

INVESTOR Relations

Edita Food Industries S.A.E. has been listed on the Egyptian Exchange (EGX) since 2015 and offers its shares on international markets with a Global Depository Receipt (GDR) program on the London Stock Exchange (LSE). As at 31 December 2021 the company's 723 million shares had a market capitalization of c. EGP 6.1 billion. Stock coverage includes nine local and four international institutions as of year-end 2021.

Investor Relations

Our investor relations department's key objective is to maintain a proactive outreach program with investors prioritizing transparency and access to information. The department adopts best-in-class disclosure practices to serve the best interest of Edita's investors and effectively communicates the stock's fundamentals through various channels, including Edita's corporate and investor relations websites, periodic publications, investor conferences and direct communication. Edita recognizes the dynamic landscape of capital market and understands investors' evolving needs and expectations. To that end, the IR department is keen on incorporating good governance practices in its strategy for matters such as environmental, social and governance (ESG) issues as well as more specific factors such as the implementation of MIFID II.

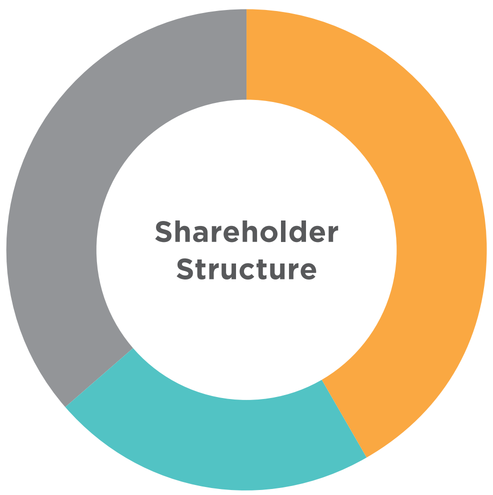
Investor Relations Activities in 2021

Maintaining effective and engaging communication with investors continued to be of great importance throughout 2021 considering the prevailing macroeconomic challenges and uncertainty. Over the last twelve months, the department's regular communication and stakeholder engagement programme was complemented by the company's participation in several global virtual investor conferences . Despite the conference taking place virtually they proved to be very successful, providing exposure to some 277 institutional investors ranging from corporates to leading fund and portfolio managers with an aggregate asset under management of USD 1.3 trillion.

Share Information

Codes:
EGX: EFID.CA
Reuters: EFID.CA
Bloomberg: EFID.L

Share Listing: Cairo, Egypt / London, United Kingdom
Currency: EGP / USD
No. of Outstanding Shares: 723,058,439



Quantum Invest BV	41.8%
Kingsway Fund	22.0%
Others	36.2%

Listing Regulations

Joint stock companies in Egypt adhere to the philosophy of separating ownership and control: though shareholders own the Issuer nominally, management of the Issuer is vested by law in the hands of its Board of Directors. Edita is subject to Egyptian disclosure requirements and is required to submit annual and quarterly financial statements prepared in accordance with EAS and IFRS; provide notices of any material developments to the EFSA, EGX and LSE; provide the regulator with minutes of the Issuer's Ordinary and Extraordinary General Meetings; and publish our annual and quarterly financial statements in two widely circulated local daily newspapers.

Financial Statements

INDEPENDENT AUDITOR'S REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021 (EAS)

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

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Edita Food Industries Company (S.A.E) and its subsidiaries (the "Group") which comprise the consolidated statement of financial position as of 31 December 2021 and the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the fiscal year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the consolidated financial statements

These consolidated financial statements are the responsibility of the management. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Egyptian Accounting Standards and in light of the prevailing Egyptian laws, management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing and in light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Edita Food Industries Company (S.A.E.) as of 31 December 2021, and of its financial performance and its cash flows for the fiscal year then ended in accordance with Egyptian Accounting Standards and in light of the related Egyptian laws and regulations.

Ashraf Mamdouh
R.A.A. 26231
F.R.A. 383

14 March 2022
Cairo

Consolidated statement of financial position

At 31 December 2021

(All amounts in Egyptian Pounds)	Note	2021	Restated 2020
Assets			
Non-current assets			
Property, plant and equipment	5	2,165,626,284	1,983,920,948
Right of use assets	6	55,651,129	-
Intangible assets	7	180,713,178	168,276,650
Investment in joint ventures	8	70,140,650	38,336,764
Total non-current assets		**2,472,131,241**	**2,190,534,362**
Current assets			
Inventories	9	526,494,164	295,420,425
Trade and other receivables	11	218,917,056	197,708,112
Financial assets at amortized cost	12	769,965,310	548,192,500
Financial assets at fair value through profit or loss	13	76,403,685	-
Cash and cash equivalents (Excluding bank overdrafts)	14	159,565,557	99,166,326
Total current assets		**1,751,345,772**	**1,140,487,363**
Total assets		**4,223,477,013**	**3,331,021,725**
Equity and liabilities			
Equity attributable to owners of the parent			
Paid up capital	15	144,611,688	145,072,580
Legal reserve	16	78,953,630	78,233,972
Cumulative translation reserve		1,562,479	32,293
Transactions with non-controlling interest	17	(32,132,098)	(32,132,098)
Treasury shares	15	-	-
Retained earnings		1,917,983,230	1,458,283,248
		2,110,978,929	**1,649,489,995**
Non-controlling interest	17	689,847	587,509
Total equity		**2,111,668,776**	**1,650,077,504**
Liabilities			
Non-current liabilities			
Term loans	18	587,634,700	605,756,771
Deferred government grants	18	9,897,288	-
Employee benefit obligations	19	24,103,494	11,600,000
Deferred tax liabilities	20	205,882,770	168,415,126
Lease liabilities	21	55,125,122	-
Total non-current liabilities		**882,643,374**	**785,771,897**
Current liabilities			
Provisions	22	33,978,251	21,221,845
Bank overdraft	23	400,676,904	120,096,127
Trade and other payables	24	558,235,138	504,780,656
Current portion of term loans	18	197,005,383	185,887,584
Current income tax liabilities	25	30,584,092	63,186,112
Lease liabilities	21	8,685,095	-
Total current liabilities		**1,229,164,863**	**895,172,324**
Total liabilities		**2,111,808,237**	**1,680,944,221**
Total equity and liabilities		**4,223,477,013**	**3,331,021,725**

The accompanying notes on pages 109 to 158 form an integral part of these consolidated financial statements.
Auditor's report attached

Mr. Sameh Naguib
Vice President - Finance

Eng Hani Berzi
Chairman

14 March 2022
Giza

Consolidated statement of profit or loss

For the year ended 31 December 2021

(All amounts in Egyptian Pounds)	Note	2021	Restated 2020
Revenue	34	5,251,219,990	4,021,088,297
Cost of sales	31	(3,559,706,634)	(2,617,684,208)
Gross profit		**1,691,513,356**	**1,403,404,089**
Other income	26	58,120,272	81,718,932
Distribution cost	31	(698,347,826)	(661,141,314)
Administrative expenses	31	(323,306,204)	(304,381,748)
Other losses	27	(39,039,886)	(42,403,983)
Interest income	28	77,084,184	76,421,469
Finance cost - net	28	(76,385,899)	(94,807,952)
Fair value gain on financial assets at fair value throught profit or loss		8,508,793	-
Share of net loss of joint ventures accounted for using the equity method	8	(5,831,695)	(2,293,469)
Profit before income tax		**692,315,095**	**456,516,024**
Income tax expense	29	(163,444,612)	(108,824,041)
Net profit for the year		**528,870,483**	**347,691,983**
Profit is attributable to			
Owners of the parent		528,739,989	347,720,060
Non-controlling interest		130,494	(28,077)
Net profit for the year		**528,870,483**	**347,691,983**
Basic and Diluted earnings per share	30	**0.73**	**0.48**

The accompanying notes on pages 109 to 158 form an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

For the year ended 31 December 2021

(All amounts in Egyptian Pounds)	2021	Restated 2020
Net profit for the year	528,870,483	347,691,983
Other comprehensive income		
Items that may be reclassified to profit or loss:-		
Exchange differences on translation of foreign operations	454,408	1,075,778
Items that will not be reclassified to profit or loss:-		
Remeasurements of post-employment benefit obligations	(2,476,661)	(4,704,314)
Income tax relating to this item	-	1,058,471
Other comprehensive (loss) / income for the year - net of tax	**(2,022,253)**	**(2,570,065)**
Total comprehensive income for the year	**526,848,230**	**345,121,918**
Attributable to		
Owners of the parent	526,717,736	345,149,995
Non-controlling interest	130,494	(28,077)
Total comprehensive income for the year	**526,848,230**	**345,121,918**

The accompanying notes on pages 109 to 158 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2021

	Paid up capital	Legal reserve	Cumulative translation reserve	Transactions with non-controlling interest	Treasury shares	Retained earnings	Total owners of the parent	Total Owners' Equity: Non-controlling interest	Total Owners' Equity: Total owners' equity
Balance at 1 January 2020 as previously stated	145,072,580	78,233,972	(202,760)	(32,132,098)	-	1,458,283,248	1,649,254,942	36,424,222	1,685,679,164
Prior year adjustments (Note 36)	-	-	235,053	-	-	-	235,053	(35,836,713)	(35,601,660)
Balance at 1 January 2020 - restated	145,072,580	78,233,972	32,293	(32,132,098)	-	1,458,283,248	1,649,489,995	587,509	1,650,077,504
Change of equity in 2020									
Net Profit for the year	-	-	-	-	-	347,720,060	347,720,060	(28,077)	347,691,983
Other comprehensive income for the year	-	-	1,075,778	-	-	(3,645,843)	(2,570,065)	-	(2,570,065)
Total comprehensive income for the year	**-**	**-**	**1,075,778**	**-**	**-**	**344,074,217**	**345,149,995**	**(28,077)**	**345,121,918**
Shareholders transactions									
Acquisition of treasury shares	-	-	-	-	(22,556,296)	-	(22,556,296)	-	(22,556,296)
Dividends distribution for 2019	-	-	-	-	-	(193,172,580)	(193,172,580)	-	(193,172,580)
Transfer to legal reserve	-	395,908	-	-	-	(395,829)	79	(79)	-
Total shareholders transactions	**-**	**395,908**	**-**	**-**	**(22,556,296)**	**(193,568,409)**	**(215,728,797)**	**(79)**	**(215,728,876)**
Balance at 31 December 2020 - restated	**145,072,580**	**78,629,880**	**1,108,071**	**(32,132,098)**	**(22,556,296)**	**1,608,789,056**	**1,778,911,193**	**559,353**	**1,779,470,546**
Balance at 1 January 2021 as previously stated	145,072,580	78,629,880	1,991,407	(32,132,098)	(22,556,296)	1,608,789,056	1,779,794,529	36,197,534	1,815,992,063
Prior year adjustments (Note 36)	-	-	(883,336)	-	-	-	(883,336)	(35,638,181)	(36,521,517)
Balance at 1 January 2021 - restated	**145,072,580**	**78,629,880**	**1,108,071**	**(32,132,098)**	**(22,556,296)**	**1,608,789,056**	**1,778,911,193**	**559,353**	**1,779,470,546**
Change of equity in 2021									
Net profit for the year	-	-	-	-	-	528,739,989	528,739,989	130,494	528,870,483
Other comprehensive loss for the year	-	-	454,408	-	-	(2,476,661)	(2,022,253)	-	(2,022,253)
Total comprehensive income for the year	**-**	**-**	**454,408**	**-**	**-**	**526,263,328**	**526,717,736**	**130,494**	**526,848,230**
Shareholders transactions									
Treasury shares write-off	(460,892)	-	-	-	22,556,296	(22,095,404)	-	-	-
Dividends distribution for 2020	-	-	-	-	-	(194,650,000)	(194,650,000)	-	(194,650,000)
Transfer to legal reserve	-	323,750	-	-	-	(323,750)	-	-	-
Total shareholders transactions	**(460,892)**	**323,750**	**-**	**-**	**22,556,296**	**(217,069,154)**	**(194,650,000)**	**-**	**(194,650,000)**
Balance at 31 December 2021	**144,611,688**	**78,953,630**	**1,562,479**	**(32,132,098)**	**-**	**1,917,983,230**	**2,110,978,929**	**689,847**	**2,111,668,776**

The accompanying notes on pages 109 to 158 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2021

(All amounts in Egyptian Pounds)	Notes	2021	Restated 2020
Cash flows from operating activities			
Profit for the year before income tax		692,315,095	456,516,024
Adjustments for:			
Provisions	27	10,178,161	19,350,683
Employee benefit obligation	27	3,413,527	4,295,686
Interest expense	28	74,944,642	86,548,093
Interest expense - leased assets	28	8,538,558	8,136,925
Interest income	28	(74,237,378)	(74,231,224)
Interest income - corporate tax advances	28	(2,846,806)	(2,100,245)
Fair value gains from investment held at fair value through profit or loss		(8,508,793)	-
Share of net loss of joint ventures accounted for using the equity method	8	5,831,695	2,293,469
Governmental Grant	26	(3,281,728)	(1,022,160)
Depreciation and amortization	31	195,546,403	192,550,042
Provision of slow moving inventory	27	2,000,000	822,000
Gain from sale of property, plant and equipment	26	(17,846,453)	(3,255,064)
Provision no longer required	26	(58,635)	(3,134,935)
Foreign exchange		(4,893,685)	(4,788,989)
		881,094,603	**681,980,305**
Inventories	9	(213,219,016)	(19,541,416)
Trade and other receivables	11	(99,462,264)	90,864,943
Trade and other payables	24	85,722,958	(71,012,645)
Provisions used		(10,554,328)	(4,159,847)
Payments of employee benefit obligations		(1,950,710)	(435,984)
Dividends paid to Company's employees		(44,650,000)	(48,099,999)
Cash generated from operating activities		**596,981,243**	**629,595,357**
Interest paid		(86,021,161)	(93,816,598)
Income tax paid		(128,142,042)	(133,255,465)
Net cash flows generated from operating activities		**382,818,040**	**402,523,294**
Cash flows from investing activities			
Payment for purchase of property, plant and equipment	5	(216,080,345)	(296,181,496)
Payment for purchase of Intangible assets	7	(15,495,981)	(906,630)
Proceeds from sale of property, plant and equipment	32	20,083,916	4,166,023
Payment for share purchase in joint venture	8	(18,917,434)	-
Payment under capital increase in joint venture	8	(21,011,616)	-
Interest received		60,911,310	81,154,981
Payment for purchase of corporate bonds	12	-	(50,000,000)
Payment for purchase of treasury bills	12	(1,137,766,286)	(1,147,508,720)
Proceeds from sale of treasury bills	12	885,252,165	1,239,545,316
Payment for purchase of financial assets at fair value through P/L	13	(72,787,866)	-
Net cash flows used in investing activities		**(515,812,137)**	**(169,730,526)**
Cash flows from financing activities			
Dividends paid to shareholders		(156,145,803)	(139,463,576)
Acquisition of treasury shares		-	(22,556,296)
Lease Payments	32	(7,248,545)	(6,495,809)
Secured finance payments to joint venture		(12,611,623)	-
Repayments of borrowings	32	(226,159,664)	(198,289,974)
Proceeds from borrowings	32	159,417,120	289,573,953
Net cash flows used in financing activities		**(242,748,515)**	**(77,231,702)**
Net (decrease) / increase in cash and cash equivalents		**(375,742,612)**	**155,561,066**
Cash and cash equivalents at beginning of the year (restated)		134,631,265	(20,929,801)
Cash and cash equivalents at end of the year	14	**(241,111,347)**	**134,631,265**

The accompanying notes on pages 109 to 158 form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

For the year ended 31 December 2021

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 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.

The main shareholders are Quantum Investment BV which owns 41.95% of the Company's share capital and the Bank of New York Mellon "depositary bank for shares traded in London Stock Exchange" which manages 11.87% of the Company share capital and Kingsway Fund Frontier Consumer Franchises which owns 22% of Company's share capital and other shareholders owning 39.87% of company's share capital.

These consolidated financial statements have been approved by Chairman on 14 March 2022.

Edita Food Industries SAE:

Edita food industries is the holding company. The company provides manufacturing, producing and packing of all food products and producing and packing of readymade food, cakes, pastry, milk, chocolate and other food products with all necessary ingredients and sell the products to Digma for Trading.

The group's principal subsidiaries at 31 December 2021are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

The following entities are the subsidiaries of Edita Food Industries SAE:

Digma for Trading:

Digma for trading main activity is wholesale and retail trading in consumable goods. The Company also acts as a distributor for local and foreign factories and companies producing these goods and also imports and exports, in accordance with laws and regulations. The company buys from Edita confectionery industries and Edita food industries and distributes to others.

Edita Confectionery Industries:

The company's purpose is to build and operate a factory for production, sales of distributions of Sweets, Toofy, Jelly and Caramel other nutrition materials and sell the products to Digma for Trading.

Edita participation limited:

The principal activities of the company are the provision of services and the holding of investments.

The following is the joint venture in which Edita Food Industries SAE has an investment:

Edita Food Industries Morocco:
The company's main purpose is to build and operate a factory for production, sales and distribution of cakes, pastry, wafer and other confectionary products. Edita Morocco incorporated in 2019, with 51% stake owned by Edita Food Industries (S.A.E.). The stake was increased to 68.5% in April 2021. For the disclosure and the accounting for the increase in stake please refer to Note 8.

2. Accounting policies
The principal accounting policies applied in the preparation of these consolidated financial statements are set out below, these policies have been consistently applied for all the years presented, unless otherwise stated.

A. Basis of preparation
These consolidated financial statements have been prepared in accordance with Egyptian Accounting Standards (EASs) and applicable related laws and regulations. The 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 and financial assets at fair value through profit or loss.

The preparation of consolidated financial statements in conformity with Egyptian Accounting Standards (EAS) 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. areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note (4).

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

Percentage of ownership in subsidiaries
The group consists of the below companies as of 31 December 2021 and 31 December 2020 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	
		2021	2020	2021	2020
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%	-	-

Financial information about the subsidiaries of the group as at 31 December 2021 and 31 December 2020:

	Total Assets 2021	Total Liabilities 2021	Total Equity 2021	Total Sales 2021	Net (loss)/ Profit 2021
Digma for trading	481,389,703	289,593,397	191,796,306	4,949,151,342	64,599,614
Edita Confectionery Industries	196,437,971	61,189,442	135,248,529	138,774,453	6,475,044
Edita participation limited	169,256,637	176,301,398	(7,044,762)	-	(583,990)
	Total Assets 2020	**Total Liabilities 2020**	**Total Equity 2020**	**Total Sales 2020**	**Net (loss)/ Profit 2020**
Digma for trading	452,620,146	311,806,177	140,813,969	3,777,945,968	(48,208,408)
Edita Confectionery Industries	207,200,120	78,426,635	128,773,485	146,092,596	7,918,106
Edita participation limited	41,198,932	47,659,704	(6,460,772)	-	(1,987,695)

B. New standards and interpretations not yet adopted -Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest rate benchmark reform
In August 2020, the IASB issued amendments to IFRS 9, IAS 39, IFRS 7 (Phase 2 amendments) that address the issues that arise during the reform of an interest rate benchmark rate, including the replacement of one benchmark with an alternative one.

For floating interest loans, as a practical expedient, for changes to cash flows that relate directly to the Reform to be treated as changes to a floating interest rate, i.e., the EIR is updated to reflect the change in an interest rate benchmark from IBOR to an RFR without adjusting the carrying amount. In effect, the change is treated as akin to a movement in the market rate of interest. The use of the practical expedient is subject to two conditions:

- First, the change in the basis for determining contractual cash flows must be a 'direct consequence of the Reform'
- Second, the new basis for determining the contractual cash flows must be 'economically equivalent' to the previous basis immediately preceding the change.

Based on the above, management does not expect material adjustment to the carrying value of the loans.

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

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

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

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

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

1.2 Changes in ownership interests in subsidiaries without change of control
Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

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

1.4 Goodwill
Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquire and the acquisition-date fair value of any previous equity interest in the acquire over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the statement of profit or loss. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

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

2) Associates
Associates are all entities over which the group has significant influence but not control, generally accompanying (Directly or indirectly) a shareholding of between 20% and 50% of the voting rights in the associate.

2.1 Equity accounting method
Investments in associates 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 associate'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 the ownership interest of the group in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss where appropriate, From the disposal of the related assets and liabilities

2.3 The losses of an associate:
When the group's share of losses in an associate equals or exceeds its interest in the associate, 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 associate, When the associate 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 associates
Profits and losses resulting from upstream and downstream transactions between the group (including the subsidiaries) and the associate are recognised in the group's financial statements only to the extent of other investor's interests in the associates.

2.5 Goodwill arisen from investments in associates
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 that arises from the acquisition of an investment in associates is disclosed within the cost of the investment in associates after deduction of impairment losses in associates and it is not presented separately, and the goodwill impairment is not tested separately, Impairment test is performed on the carrying amount of the investment in associate which includes goodwill, 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 reversal of impairment losses are recognized to the extent it will not exceed the amount of the impairment losses previously recognized.
Basis of consolidation (continued)

3) Joint arrangements
Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Goodwill arisen from investments in joint ventures
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 that arises from the acquisition of an investment in joint ventures is disclosed within the cost of the investment in joint ventures after deduction of impairment losses in joint ventures and it is not presented separately, and the goodwill impairment is not tested separately, Impairment test is performed on the carrying amount of the investment in joint venture which includes goodwill, 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 reversal of impairment losses are recognized to the extent it will not exceed the amount of the impairment losses previously recognized.

D. Foreign currency translation
(1) Functional and presentation currency
Items included in the financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The group companies' financial statement are presented in Egyptian Pound.

(2) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

They are deferred in equity if they are attributable to part of the net investment in foreign operations.

Foreign exchange gains and losses that relate to loans and cash and cash equivalents are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within 'Finance income or Finance cost'.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income.

(3) Group companies
The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income. On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

E. Property, plant and equipment
The group applies the historical cost model at measuring Property, plant and equipment. All property, plant, and equipment are stated at historical cost less accumulated depreciation Historical cost includes all costs associated with acquiring the asset and bringing it to a ready-for-use condition by the group's management.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated by using the straight-line method to allocate the cost of each asset to its residual value over the estimated useful lives of assets except land, which is not depreciated.

Estimated useful lives of assets are as follows:	
Buildings	25 - 50 years
Machinery & equipment	20 years
Vehicles	5 - 8 years
Tools and equipment	3 - 5 years
Furniture & office equipment	4 - 5 years

Salvage value and useful lives are reviewed and changed if necessary, by the groups at the end of each fiscal year.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount, and this will be considered as an impairment loss.

Gains and losses on disposals for an item of fixed assets items are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains – net' in the statement of profit or loss from the disposition of fixed assets.

Projects under construction are stated at cost less realised impairment losses. Cost includes all expenses associated with the acquisition of the asset and make it usable. When the assets are ready for its intended use, it is transferred from project under construction to the appropriate category under property, plant and equipment and depreciated in accordance with group policy.

F. Intangible assets
Intangible assets (Trademarks & know how) have indefinite useful lives as there is no foreseeable limit of time over which the brands are expected to exist and generate cash flows to the group and are carried at cost less impairment losses. Historical cost includes all expenses associated with the acquisition of an intangible asset,

The trademark and know how is recognized as an indefinite intangible asset as the license are perpetual, irrevocable and exclusive including the trademark in the territory related to cake products. The brand has an established presence in the territory since 1990s. In addition, the group has a strong historic financial track-record and forecasts continued growth also, the know-how of perpetual license not exposed to typical obsolescence as it relates to food products. The brand remains popular in the Middle East and the group does not foresee any decline in the foreseeable future.

Computer software
Separately acquired software licences are shown at cost less the accumulated amortization and the accumulated impairment losses. The Group charges the amortization amount of the software licences consistently over their estimated useful lives of 4 years using the straight-line method.

The costs of the acquisition of computer software licenses that are not considered an integral part of computers are recognized as intangible assets on the basis of costs related to preparing the asset for use in the purpose for which it was acquired.

Impairment of non-financial assets
Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. at the date of the financial statements.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For impairment assessment for an asset, comparison is performed between the amount by which the asset's carrying amount and its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use for the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Impairment loss is recognised in the statement of profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount.

Non-financial assets other than goodwill that suffered impairment are reviewed by the group for possible reversal of the impairment at each reporting date.

The impairment loss is reversed by the amount recognized in prior year when there is an indication that these losses may no longer exist or decreased as is reversed impairment losses, which should not exceed the carrying amount that would have been determined (net of depreciation) recognizing this reverse in statement of profit or loss.

G. Inventories
Inventories are stated at the lower of cost or net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. And the provision for obsolete inventory is created in accordance to the management's assessment.

H. Financial assets under EAS 47

(1) Classification

From 1 January 2020, the group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- Those to be measured at amortised cost. The Group's financial asset at amortised cost comprise of trade receivables, other debit balances and treasury bills.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The group reclassifies debt investments when and only when its business model for managing those assets changes.
Financial assets under EAS 47 (continued)

(2) Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments – treasury bills

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. According to the group business model the group subsequently measure debt instruments at amortised cost for Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in finance income/(costs), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Debt instruments – trade receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts that are repayable on demand which is characterized by fluctuating bank balance from a positive balance to an overdraft balance, bank overdrafts are shown in current liabilities in the consolidated statement of financial position.

(3) Financial Assets – write off

Financial assets are written-off, in whole or in part, when the Group exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Group may write-off financial assets that are still subject to enforcement activity when the Group seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

(4) Financial assets impairment – credit loss allowance for ECL

The Group assesses, on a forward-looking basis, the ECL for debt instruments measured at AC and FVOCI and for the exposures arising from loan commitments. The Group measures ECL and recognises net impairment losses on financial assets at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The company considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

A default on a financial asset is when the counterparty fails to make contractual payments within 30 days of when they fall due.

(5) Financial assets – modification

The Group sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Group assesses whether the modification of contractual cash flows is substantial.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Group derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Group also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Group compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Group recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate (or credit-adjusted effective interest rate for POCI financial assets), and recognises a modification gain or loss in profit or loss.

(6) Interest Income

Interest income is recognized using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income.

I. Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

J. Treasury Shares

When any Group entity purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's shareholders until the shares are cancelled or reissued. Repurchased shares are classified as treasury shares and are presented in equity. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects is included within equity.

K. Leases

The group leases various properties, Rental contracts are typically made for fixed periods of 3 to 7 years lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or each company's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

L. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

M. Borrowings costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The amount of borrowing costs eligible for capitalization on that asset shall be determined as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those Loans.

The Group recognizes all other borrowing costs in profit or loss in the period in which they are incurred.

N. Current and deferred income tax

The group recognizes the tax expense for the period, comprises current and deferred tax. in the statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management annually evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

The deferred income tax is not accounted for if it arises from initial recognition of goodwill or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the group the ability to control the reversal of the temporary difference not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

O. Employee benefits

The group operates various post-employment schemes, including both defined benefit and defined contribution pension plans and post-employment medical plans.

a. Pension obligations

Defined contribution plan

For defined contribution plans, the group pays contributions to social insurance authority on a mandatory basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

Defined benefit plan

The Group has a defined benefit plan which is a plan that defines an amount of benefits to be provided in the form of half month payment for each year they had worked for the Group for employees who reach the age of sixty, according to the following criteria:

- The contribution is to be paid to employees for their working period at the Group only.
- The working period must be not less than ten years.
- The maximum contribution is 12 months' salary.

The liability in respect of defined benefit pension plans is the present value of the defined benefit obligation at the statement of financial position date minus the fair value of plan assets, together with adjustments for actuarial gains/losses and past service cost. The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by the estimated future cash outflows using interest rates of government bonds, which have terms to maturity approximating the terms of the related liability.

Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions and amendments to retirement plans are recognized in other comprehensive income.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit or loss.

b. Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of Egyptian accounting standard no (28) and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

P. Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. The Group recognizes the necessary commitments for restructuring and non-related activities of the Group in the provision for restructuring costs.

Contingent liability is a present obligation that arises from past events but is not recognized because it is not probable that an out flow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are only disclosed in the consolidated financial statement and not recognized.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. And it is expected for the outflow of resources is necessary to settle all the elements of commitment.

When the time value of money assumption is significant, provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense in the statement of profit or loss.

When it is expected to re-charge some or all required expenses to settle a provision to a third party outside the group, the Group recognize the recovered amount when it is certain that the recovery will take place if the group has to settle the obligation, and treats recovery as a separate asset in the statement of financial position, and shall not exceed the value that is recognized to recover the amount of the provision.

Q. Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under EAS 47 Financial Instruments, and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of EAS 48 Revenue from Contracts with Customers.

R. Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

S. Trade payables & other credit balances

Trade payables are recognized initially at the value of goods or services received from others whether their invoices were received or not and subsequently measured at amortized cost using the effective interest rate. Trade Payables are presented later with amortized cost using the effective interest rate.

T. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The group recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the group's activities, as described below. The Group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(1) Sales of goods – wholesale

Revenue is recognised when the goods are delivered and have been accepted by customers at their premises. For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns and rebates, which are estimated based on the historical data for the products sold. In these circumstances, a refund liability and a right to recover returned goods asset are recognised. The right to recover returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The refund liability is included in other payables (see Note 23) and the right to recover returned goods is included in inventory (see Note 8). The Group reviews its estimate of expected returns at each reporting date and updates the amounts of the asset and liability accordingly.

(2) Dividend income

Dividend income is recognised when the right to receive payment is established.

U. Dividend Distribution

Dividend distribution is recorded in the consolidated financial statements in the period in which they are approved by the Group's shareholders.

V. Government Grants

1) Loans grants

The Group receives government grants in form of loan at below market rate of interest. Government grants are initially recognized within other liabilities at fair value when there is reasonable assurance that it will be received, and the Group will comply with the conditions associated with the grant. Government grants relating to costs are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

2) Government export subsidy

The government of Egypt operates an export subsidy program managed by the Export Development Fund. The scheme was established under law 155 of 2002 to create incentives for Egyptian companies to grow exports. The Group operates in a qualifying sector and the subsidy represents a percentage of the export value depending on a set of variables including the percentage of local components, location of the factory, export destination and amongst others. The subsidy on export sales is recognized when there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions. The subsidy is recognised under other income in the statement of profit or loss on a gross basis.

Export subsidies are recognized immediately as the company already recognize it since the government provide this subsidy to compensate the group for export sales already incurred.

W. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker for the group. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief executive officer for the holding company.

3. Financial risk management

(1) Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The group's management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the group's financial performance.

The group's risk management is carried out by a central treasury department (group treasury) under policies approved by the board of directors. Group treasury identifies and evaluates financial risks in close co-operation with the group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Risk	Exposure arising from	Measurement	Management
Market risk – foreign exchange	Future commercial transactions Recognized financial assets and liabilities not denominated in Egyptian pounds	Cash flow forecasting. Sensitivity analysis	The group maintain short term foreign currency cash that is used to finance foreign currency liquidity needs
Market risk – interest rate	Long-term borrowing at variable rates	Sensitivity analysis	Investment in short term treasury bills
Market risk – security prices	No investment in a quoted equity securities.	Not applicable	Not applicable
Credit risk	Cash and cash equivalents, trade receivables and held-to-collect investments	Aging analysis. Credit ratings	Diversification of bank deposits, credit limits and governmental treasury bills
Liquidity risk	Loans and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

(A) Market risk

(i) Foreign currency exchange risk

The group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro and US dollar. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

The Group covers part of its imports of raw materials in foreign currency by local banks that the group deals within official rates and the rest from its exports in US Dollars.

During the year, the following foreign-exchange related amounts were recognised in profit or loss and other comprehensive income:

	2021	Restated 2020
Amounts recognised in profit or loss		
Net foreign exchange gain / (loss) included in finance cost	7,097,400	(122,934)
	7,097,400	**(122,934)**

At year-end, major financial assets / liabilities in foreign currencies were as follows:

	2021			Restated 2020
	Assets	Liabilities	Net 2020	Net 2019
Euros	70,747,074	(42,531,224)	28,215,850	(139,455,014)
MAD	155,569,547	(283,658,528)	(128,088,981)	(226,161,717)

Sensitivity analysis

As shown in the table above, the group is primarily exposed to changes in US/EGP, Euro/EGP, and MAD/EGP exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from Euro, US-dollars, and MAD denominated financial instruments.

Euro/EGP

On 31 December 2021, if the Egyptian Pounds had weakened / strengthened by 10% against the Euro with all other variables held constant, post-tax profit for the year would have been EGP 2,821,585 (2020: EGP 13,945,501) higher / lower, mainly as a result of foreign exchange gains/losses on translation of Euro-denominated financial assets and liabilities.

USD/EGP

On 31 December 2021, if the Egyptian Pounds had weakened / strengthened by 10% against the US Dollars with all other variables held constant, post tax profit for the year would have been EGP 12,808,898 (2020: EGP 22,616,171) higher / lower, mainly as a result of foreign exchange gains/losses on translation of US dollar-denominated financial assets and liabilities.

(ii) Price risk

The Group has no investments in quoted equity securities, so it's not exposed to the fair Price risk due to changes in the prices.

(iii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by short term treasury bills which are renewed with the applicable interest rate at the time of renewal.

At 31 December 2021, if interest rates on Egyptian pound -denominated net interest bearing liabilities had been 1% higher/lower with all other variables held constant, post-tax profit for the year would have been EGP 9,065,038 (2020 restated: EGP 8,211,251) lower/higher interest expense on floating rate borrowings.

Borrowings at the balance sheet date with variable interest rate amounted to EGP 505,826,911 (2020: EGP 741,085,589)

Overdraft at the balance sheet on 31 December 2021 amounted to EGP 400,676,904 (2020 restated: EGP 80,039,475).

There is no cash flow interest rate risk on fixed rate borrowings since they carry a fixed rate of interest. Interest rates on these fixed rate borrowings is close to the market rate of interest and therefore their carrying value approximates the fair value.

The exposure of the group's borrowings to interest rate changes of the borrowings at the end of the reporting period are as follows:

	2021			Restated 2020	
	Amount	% of total loans	Amount	Amount	% of total loans
Variable rate borrowings	505,826,911	65%	505,826,911	741,085,589	86%
Fixed rate borrowings	273,503,992	35%	273,503,992	115,763,438	14%
Total	**779,330,903**	**100%**	**779,330,903**	**856,849,027**	**100%**

(B) Credit risk

(i) Risk management

Credit risk is managed on group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analyzing the credit quality for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, treasury bills, as well as credit exposures to customers, including outstanding receivables, corporate bonds, and other receivables.

(ii) Security

For banks and financial institutions, the Group is dealing with the banks with good reputation and subject to rules of the Central Bank of Egypt.

For the customers, the Group assesses the credit quality of the customers, taking into account its financial position, and their market reputation, past experience and other factors.

(iii) Credit quality

For Treasury bills, the Group deals with government which are considered with a high credit rating (Egypt B+).

The deposits with others are deposits with the government which are considered with a high credit rating (Egypt B+)

For corporate Bonds and financial assets at fair value through profit or loss the Group deals with EFG Hermes which are considered with a high credit rating (A +)

No credit limits were exceeded during the reporting year, and management does not expect any losses from non-performance by these counterparties except for the impairment of accounts receivables presented in (Note 10).

The maximum exposure to credit risk is the amount of receivables, cash balances and Treasury Bills in addition to the financial guarantee contract provided to Edita Food Industries Morocco in favor of one of the commercial banks in Morocco amounted to EGP120,455,802.

The group sells to retail customers which are required to be settled in cash, therefore there is no significant concentration of credit risk.

The Group does not sell more than 10% of the total sales to a single customer.

The Group exposure to expected credit loss was quantified and it is immaterial.

Trade receivables

Counter parties without external credit rating:

	2021	2020
Trade and notes receivables	26,340,558	26,790,768
Total	**26,340,558**	**26,790,768**

Outstanding trade receivables are current and not impaired.

Cash at bank and short-term bank deposits:

All current accounts and deposits are held at Egyptian banks subject to the supervision of the Central Bank of Egypt except for the group's banks in EPL.

The credit ratings for the banks the group is dealing with is are follows:

Bank	Credit Rating
Qatar National Bank (QNB)	A+
Credit Agricole Egypt (CAE)	A+
Commercial International Bank (CIB)	B+
National Bank of Kuwait (NBK)	AA-
Arab Bank of Egypt (ABE)	BB
Al Ahli Bank of Kuwait (ABK	A+
Ahli United Bank (AUB)	BB+
Attijariwafa bank	BB
Banque Misr (BM)	B+
National Bank of Egypt (NBE)	B+

(iv) Impairment of financial assets

Trade and notes receivables

The group applies the EAS 47 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2021 or 1 January 2021 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 31 December 2021 and 31 December 2020 was determined as follows for both trade receivables:

31 December 2021	Current	More than 30 days past due	More than 90 days past due	More than 180 days past due	More than 270 days past due	Total
Expected loss rate	0%	0%	0%	5.79%	100%	
Gross carrying amount	12,694,659	13,306,501	192,485	44,918	101,995	26,340,558
Loss allowance	**-**	**-**	**-**	**2,602**	**101,995**	**104,597**

31 December 2020	Current	More than 30 days past due	More than 90 days past due	More than 180 days past due	More than 270 days past due	Total
Expected loss rate	0%	0%	0%	5.79%	100%	
Gross carrying amount	26,448,308	280,044	62,416	-	-	26,790,768
Loss allowance	**-**	**-**	**-**	**-**	**-**	**-**

(C) Liquidity risk

Management monitors rolling forecasts of the group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants) on any of its borrowing facilities. Such forecasting takes into consideration the group debt financing plans, covenant compliance, compliance with internal statement of financial position ratio targets.

i) Maturity of financial liabilities

The table below summarizes the maturities of the Group's undiscounted financial liabilities at 31 December 2021 based on contractual payment dates and current interest rates as we had excluded the taxes payable, advances from customers and social insurance:

	Less than 6 month	Between 6 month &1 year	Between 1 & 2 years	More than 2 years
At 31 December 2021				
Loans	102,687,477	94,317,908	180,382,885	407,251,816
Future interest payments	18,724,226	28,599,179	43,861,154	58,004,997
Financial guarantee contract	120,455,801	-	-	-
Trade and other payables	448,664,890	-	-	-
Bank overdraft	400,676,904	-	-	-
Notes payable	42,195,798	-	-	-
Lease liabilities	7,857,555	8,383,717	15,393,377	72,613,415
Total	**1,141,262,651**	**131,300,804**	**239,637,416**	**537,870,228**
At 31 December 2020				
Restated				
Loans	98,786,478	89,135,701	393,902,425	275,024,423
Future interest payments	17,234,909	27,581,315	43,817,017	55,717,362
Financial guarantee contract	74,275,152	-	-	-
Trade and other payables	417,944,868	-	-	-
Bank overdraft	80,039,475	-	-	-
Notes payable	66,722,464	-	-	-
Lease liabilities	7,837,348	7,799,755	16,076,272	86,284,870
Total	**762,840,694**	**124,516,771**	**453,795,714**	**417,026,655**

ii) Financing arrangements

The group had access to the following undrawn borrowing facilities at the end of the reporting period:

	2021	Restated 2020
Expiring within 1 year (bank overdrafts)	424,323,096	834,635,000
Expiring beyond 1 year (bank loans)	154,152,989	78,440,002
	578,476,085	**913,075,002**

(2) Capital risk management

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt represents all loans and overdraft less cash and cash equivalents. Total capital is calculated as equity, plus net debts.

The gearing ratio at 31 December 2021 and 31 December 2020 were as follows:

	2021	Restated 2020
Total borrowings	784,640,083	864,696,168
Bank overdraft	400,676,904	80,039,475
Total loans and overdraft	**1,185,316,987**	**944,735,643**
Less: Cash and cash equivalent (Excluding bank overdrafts)	(159,565,557)	(214,670,740)
Net debt	1,025,751,430	730,064,903
Total equity	**2,111,668,776**	**1,779,470,546**
Total capital	**3,137,420,206**	**2,509,535,449**
Gearing ratio	33%	29%

Loan covenants

Under the terms of the major borrowing facilities, the group is required to comply with the following financial covenants:

- The debt to equity ratio must be not more than 1:1.
- Debt service ratio shall not fall below 1.25
- Leverage ratio shall not exceed 1.5:1.
- Current ratio shall not be less than 1
- Liabilities to Tangible Net Worth Ratio of not more than 1.5;
- Net Financial Debt to EBITDA Ratio of not more than 1.8;
- Adjusted PPE to Financial Debt Ratio of not less than 2.2; and
- Days Payable Ratio of not more than 75 days

As of 31 December 2021, the Group was in compliance with the debt covenants.

(3) Fair value estimation

The fair value of financial assets or liabilities with maturities date less than one year is assumed to approximate their carrying value. The fair value of financial liabilities is estimates by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

4. Critical accounting estimates and judgments

(A) Critical accounting estimates and assumptions

Estimates and adjustments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

Impairment of infinite life intangible assets (trademark and know how)

The group tests whether infinite life intangible assets have suffered any impairment on an annual basis.

The recoverable amount of a cash generating unit (CGU) is determined based on a value of in use calculations which require the use of assumptions (Note 7).

Employee benefit retirement obligation

The present value of employees' defined benefits obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost of employees' benefits include the discount rate of future cash outflows and any changes in these assumptions will impact the carrying amount of employees' benefits.

The Group determines the appropriate discount rate of cash flows at the end of each financial year. The discount rate is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefits obligations. The Group considers the discount rate at the end of the financial year on market returns on the government bonds denominated in the currency and the year estimated for the defined benefits obligations.

Note (19) shows the main assumptions used to estimate the employees' benefit obligation.

(B) Critical judgments in applying the group's accounting policies

Revenue recognition

The Group, based on past performance, are confident that the quality of products is such that the expiry and dissatisfaction rate will be below 1%. Management has determined that it is highly probable that there will be no reversal of revenue recognized and a significant reversal in the amount of revenue will not occur.

Determining the lease term

Extension and termination options are included in a number of property leases across the group. These terms are used to maximize operational flexibility in terms of managing contracts. The majority of termination options held are exercisable only by the group and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise a termination option. Years after termination options are only included in the lease term if the lease is reasonably certain not to be terminated.

5. Property, plant and equipment

	Land	Buildings	Machinery & equipment	Vehicles	Tools & equipment	Furniture & office equipment	Projects under construction	Total
At 1 January 2020								
Cost	120,908,260	938,791,751	1,130,316,854	273,635,023	133,342,261	105,966,235	89,346,952	2,792,307,336
Accumulated depreciation	-	(167,127,236)	(362,417,657)	(114,493,083)	(84,561,889)	(79,786,523)	-	(808,386,388)
Net book amount - restated	**120,908,260**	**771,664,515**	**767,899,197**	**159,141,940**	**48,780,372**	**26,179,712**	**89,346,952**	**1,983,920,948**
Year ended 31 December 2020								
Opening net book amount	120,908,260	771,664,515	767,899,197	159,141,940	48,780,372	26,179,712	89,346,952	1,983,920,948
Additions	-	-	1,894,261	69,851,032	14,032,601	9,906,858	298,259,092	393,943,844
Depreciation charge	-	(38,549,074)	(57,662,673)	(49,256,189)	(21,549,753)	(14,009,401)	-	(181,027,090)
Disposals	-	-	(87,264)	(5,696,300)	(3,029,352)	(9,430,664)	-	(18,243,580)
Accumulated depreciation of disposals	-	-	87,264	5,668,581	3,021,909	8,554,867	-	17,332,621
Translation of foreign operations	-	-	-	-	-	3,382	34	3,416
Transfers from Projects under construction	-	33,614,836	126,692,406		35,371,764	21,680,686	(217,359,692)	-
Closing net book amount	**120,908,260**	**766,730,277**	**838,823,191**	**179,709,064**	**76,627,541**	**42,885,440**	**170,246,386**	**2,195,930,159**
At 31 December 2020								
Restated								
Cost	120,908,260	972,406,587	1,258,816,257	337,789,755	179,717,274	128,126,497	170,246,386	3,168,011,016
Accumulated depreciation	-	(205,676,310)	(419,993,066)	(158,080,691)	(103,089,733)	(85,241,057)	-	(972,080,857)
Net book amount	**120,908,260**	**766,730,277**	**838,823,191**	**179,709,064**	**76,627,541**	**42,885,440**	**170,246,386**	**2,195,930,159**
Year ended 31 December 2021								
Opening net book amount	120,908,260	766,730,277	838,823,191	179,709,064	76,627,541	42,885,440	170,246,386	2,195,930,159
Additions	-	-	782,745	9,141,677	8,442,517	4,176,229	130,590,250	153,133,418
Depreciation charge	-	(39,340,037)	(66,377,923)	(32,117,738)	(25,670,347)	(16,538,201)	-	(180,044,246)
Disposals	-	-	(66,264)	(18,695,559)	(679,265)	(725,963)	-	(20,167,051)
Accumulated depreciation of disposals	-	-	22,113	16,686,289	665,934	555,252	-	17,929,588
Transfers from Projects under construction	-	4,680,216	167,983,168	-	28,023,177	10,405,909	(212,248,054)	(1,155,584)
Closing net book amount	**120,908,260**	**732,070,456**	**941,167,030**	**154,723,733**	**87,409,557**	**40,758,666**	**88,588,582**	**2,165,626,284**
At 31 December 2021								
Cost	120,908,260	977,086,803	1,427,515,906	328,235,873	215,503,703	141,982,672	88,588,582	3,299,821,799
Accumulated depreciation	-	(245,016,347)	(486,348,876)	(173,512,140)	(128,094,146)	(101,224,006)	-	(1,134,195,515)
Net book amount	**120,908,260**	**732,070,456**	**941,167,030**	**154,723,733**	**87,409,557**	**40,758,666**	**88,588,582**	**2,165,626,284**

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

	2021	Restated 2020
Charged to cost of sales	124,881,929	112,385,796
Charged to distribution costs	37,121,915	49,272,195
Charged to administrative expenses	18,040,402	19,369,099
	180,044,246	**181,027,090**

The project under construction represents the following Categories:

	2021	Restated 2020
Buildings	9,201,456	9,639,174
Machinery and equipment	53,757,848	141,109,413
Tools and equipment	15,632,136	7,027,383
Technical and other installations	9,997,142	12,470,416
	88,588,582	**170,246,386**

6. Right of use assets

	2021	Restated 2020
Balance on initial adoption of EAS 49	-	34,157,542
Opening net book amount at 1 January	67,343,105	-
Additions during the year	1,319,215	42,077,814
Amortization expenses	(13,011,191)	(8,892,251)
Balance - restated	**55,651,129**	**67,343,105**

The group leases various warehouses. Rental contracts are typically made for fixed periods of 2 years to 17 years with no extension options.

7. Intangible assets

	2021			
	Trademark (A)	Know how (B)	Software (C)	Total
Cost / opening net book amount	131,480,647	31,430,995	3,640,937	166,552,579
Amortisation for the year	-		(2,490,966)	(2,490,966)
Transfers from Projects under construction (Note 5)	-	-	1,155,584	1,155,584
Additions			15,495,981	15,495,981
Balance as of 31 December	**131,480,647**	**31,430,995**	**17,801,536**	**180,713,178**

	2020			
	Trademark (A)	Know how (B)	Software (C)	Total
Cost / opening net book amount	131,480,647	31,430,995	5,365,008	168,276,650
Additions	-	-	906,630	906,630
Amortisation for the year	-	-	(2,630,701)	(2,630,701)
Balance as of 31 December	**131,480,647**	**31,430,995**	**3,640,937**	**166,552,579**

A. Trademark

	Trademark (HOHOS, Twinkies & Tiger Tail)	
	2021	2020
Cost		
Opening Balance	131,480,647	131,480,647
Balance as of	**131,480,647**	**131,480,647**

The intangible assets in the amount of ten million US Dollars equivalent to EGP 68,618,658 paid against buying all the rights to the trademarks (HOHOS, Twinkies & Tiger Tail) and the consequences of this acquisition of the trademark in the countries of Egypt, Jordan, Libya and Palestine these rights do not have a definite time, and on the 16th of April 2015 the Group had signed a new contract for the expanding the scope of the rights to the trademarks (Hohos, Twinkies, and Tiger Tail) to include Algeria, Bahrain, Iraq, Kuwait, Lebanon, Morocco, Oman, Qatar, Kingdom of Saudi Arabia, Syria, Tunisia, United Arab Emirates and this trademarks have infinite useful lives, and the this is against USD 8 Million equivalent to EGP 62,861,989.

B. Know how

	Know How	
	2021	2020
Cost		
Opening balance	31,430,995	31,430,995
Balance as of	**31,430,995**	**31,430,995**

On the 16 April 2015 the Group had signed a “License and Technical Assistance Agreement” with the owner of the know-how with purpose to acquire the license, know-how and technical assistance for some Hostess Brands products in the countries Egypt, Libya, Palestine, Jordan, Algeria, Bahrain, Iraq, Jordan, Lebanon, Kuwait, Morocco, Oman, Qatar, Kingdom of Saudi Arabia, Syria, Tunisia, and the United Arab Emirates, and this is against an amount of USD 4 Million equivalent to EGP 31,430,995.

C. Software

	Software	
	2021	2020
Cost		
Opening balance	3,640,937	5,365,008
Transfers from Projects under construction (Note 5)	1,155,584	-
Additions	15,495,981	906,630
Amortization expense for the year	(2,490,966)	(2,630,701)
Balance as of	**17,801,536**	**3,640,937**

D. Impairment test for infinite life intangible assets

Infinite life intangible assets are monitored by management at the level of cake segment – cash generating unit.

E. Recoverable amount of cake segment

The recoverable amount of the cake segment is determined based on value-in-use calculation which require the use of assumptions. The calculations use cash flows projections based on financial budgets approved by management covering a five-year period.

Cash flows beyond the five-year period are extrapolated using the estimated growth rate stated below. This growth rate is consistent with forecasts included in industry reports specific to the industry where each CGU operates.

The impairment of intangible assets is reviewed annually to ensure that the carrying value of the intangible assets does not exceed the recoverable value.

Assumptions used by the Group when testing the impairment of intangible assets as of 31 December 2021 as follows:

	2021	2020
Average gross margin	34%	43%
Sales growth rate	11%	11%
Pre-tax discount rate	15.26%	17%
Terminal growth rate	5%	3%

Management has determined the value assigned to each of the above key assumptions.

Assumption	Approach used
Sales volume	Average annual growth rate over the five-year forecast period; based on past performance and management's expectations of market development
Sales price	Average annual growth rate over the five-year forecast period; based on current industry trends and including long term inflation forecasts.
Budgeted gross margin	Based on past performance and management's expectations for the future.
Other operating costs	Fixed costs of the CGUs, which do not vary significantly with sales volumes or prices. Management forecasts these costs based on the current structure of the business
Annual capital expenditure	Expected cash costs in the CGUs. This is based on the historical experience of management, and the planned refurbishment expenditure
Long-term growth rate	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports
Pre-tax discount rates	Reflect specific risks relating to the industry in which it operates.

The Group test the impairment of intangible assets depending on financial, operational, marketing position in the prior years, and its expectation for the market in the future by preparing a business plan using the growth rate and the discount rate prevailing. At the statement of financial position date, the carrying value of the intangible assets is less than its recoverable amount.

Sensitivity of recoverable amounts

The growth rate in the forecast period has been estimated to be 5%. If all other assumptions kept the same, a reduction of this growth rate by 100% would give a value in use exceed the current carrying amount.

The discount rate in the forecast period has been estimated to be 15.26%. If all other assumptions kept the same, and the discount rate is 25% would give a value in use exceed the current carrying amount.

At 31 December 2021, if the gross profit rate had increased / decreased by 1% with all other variables held constant, the recoverable amount is higher than the carrying amount, therefore there will be no need to make an impairment.

8. Investment in joint venture

Investment in joint venture represents the Group's investment in Edita Food Industries Morocco. The Group's shareholding in Edita Food Industries Morocco and the carrying value of the investment in joint venture as at 31 December 2020 and 2021 are as follows:

	Ownership %	2021	Ownership %	Restated 2020
Edita Food Industries Morocco	68%	70,140,650	51%	36,043,295
		70,140,650		**36,043,295**

Edita Food Industries Morocco was previously accounted for as an investment in subsidiary. The financial statements have been restated to account for this investment as an investment in joint venture. Refer to Note 36 on the restatement to account for this investment as an investment in joint venture.

	Group's share of				
	Assets	Liabilities	Revenue	Losses	Ownership percentage
31 December 2021	180,379,688	121,270,579	3,901,171	(5,831,695)	68%
31 December 2020	109,255,965	72,247,909	-	(2,293,469)	51%

In April 2021, the group acquired additional 112,500 shares (25%) in Edita Food Industries Morocco 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 minority shareholder. Due to the terms of the call option, the 7,4% was not considered as a purchase as the minority interest 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. Due to the short term nature of the secured borrowing , the fair value of tha loan approximate the carrying amount since discounting the balance using the prevailing market interet rate will not have a metrial impact.

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, this receivable has been included in due from related parties Note 33(a), the excess of consideration paid over the acquired 17.6% share of the net assets has been allocated on a provisional basis as follows:

	1 April 2021
Consideration paid to acquire 17.6% of the net assets	18,917,434
Deduct:	
Group's share in fair value of net asset at the date of acquisition *	(12,325,493)
Notional goodwill arises from the cost additional interest in joint venture	6,591,941

*Fair value of net assets have been determined on a provisional basis until the group finalise the purchase price allocation process with in the measurement period are as follows:

	Fair value on a provisional basis 30 April 2021
Fixed assets	148,679,885
Right of use	18,161,655
Deferred tax assets	2,500,246
Trade and notes receivable and other receivables	56,405,947
Cash and bank balances	6,545,269
Due to related parties	(936,362)
Bank borrowings and overdraft	(93,138,800)
Trade and notes payable and other payables	(49,037,637)
Lease liability	(19,148,991)
Fair value of acquired net assets	**70,031,212**
Group's share in fair value of net assets at the date of acquisition of associate	**12,325,493**

Summarized financial information for the joint venture

The tables below provide summarized financial information for the joint venture. The information disclosed reflects the amounts presented in the financial statements of the joint venture and not the group's share of those amounts.

Summarized Balance sheet	2021	2020
Non current assets	**214,874,379**	**156,898,484**
Current assets:		
Cash and cash equivalents (excluding bank overdrafts)	20,139,112	3,669,610
Other current assets	34,911,633	55,514,345
Total current assets	**55,050,745**	**59,183,955**
Non Current liabilities:		
Financial liabilities (excluding trade payables)	124,677,108	93,300,591
Current liabilities:		
Financial liabilities (excluding trade payables)	17,922,352	1,558,771
Other non current liabilities	38,798,750	50,549,948
Total Current liabilities	**56,721,102**	**52,108,719**
Net assets	**88,526,914**	**70,673,129**

The Group has provided a financial guarantee to the bank for the joint venture's borrowing amounting to 120,455,802 and 74,275,152 as at 31 December 2021 and 2020 respectively.

Reconciliation to carrying amounts	2021	2020
Opening net assets 1 January	**70,673,129**	**75,170,126**
Amounts paid under Capital increase	26,264,520	
loss for the year	(8,410,735)	(4,496,997)
Closing net assets	**88,526,914**	**70,673,129**
Group's share in %	68.5%	51%
Group's share in EGP	60,640,936	36,043,295
Goodwill	6,591,941	-
Other reconciling items	2,907,773	-
Carrying amount	**70,140,650**	**36,043,295**

Summarized statement of profit or loss	2021	2020
Revenue	**5,737,016**	**-**
Cost of sales	(14,270,792)	(768,871)
Other income	9,919	
Distribution cost	(601,983)	(3,128,022)
Administrative expenses	(3,905,881)	(2,341,669)
Finance cost	842,249	(121,433)
Income tax expense	3,778,736	1,862,998
Total loss for the year	**(8,410,736)**	**(4,496,997)**

9. Inventories

	2021	2020
Raw and packaging materials	410,652,760	**202,257,766**
Finished goods	50,032,903	52,027,070
Spare parts	44,616,150	43,228,256
Work in process	18,827,641	13,086,923
Consumables	6,593,275	7,509,357
Total	530,722,729	318,109,372
Less: allowance for decline in value	(4,228,565)	(2,834,224)
Net	**526,494,164**	**315,275,148**

The cost of individual items of inventory are determined using moving average cost method.

During the year ended 31 December 2021, there has been a slow moving and obsolete inventory addition amounted to EGP 2,000,000 (2020: EGP 822,000) (Note 27) and the cost of write down amounted to EGP 605,659 (2020: EGP 1,135,307).

The cost of inventory recognized as an expense and included in cost of sales amounted to EGP 2,831,872,154 during the year ended 31 December 2021 (2020: EGP 1,955,242,665).

10. Financial instrument by category

The group holds the following financial instruments:

	Financial assets at amortised cost		Financial assets at fair value through profit or loss	
	2021	2020	2021	2020
Trade and other receivables (excluding non-financial assets) *	78,014,634	54,994,516	-	-
Cash and cash equivalent) excluding bank overdrafts) (Note 14)	159,565,557	214,670,740	-	-
Government treasury bills	769,965,310	499,232,147	-	-
Financial assets at fair value through profit or loss (Note 13)	-	-	76,403,685	-
Total	1,007,545,501	768,897,403	76,403,685	-

	Financial assets at amortised cost		Financial assets at fair value through profit or loss	
	2021	2020	2021	2020
Borrowings (Note 18)	784,640,083	864,696,168	-	-
Trade and other payables (excluding non-financial liabilities)*	490,860,688	484,667,332	-	-
Bank overdraft (Note 23)	400,676,904	80,039,475	-	-
Lease Liabilities (Note 21)	63,810,217	69,739,547	-	-
Total	1,739,987,892	1,499,142,522	-	-

At the Balance sheet date, the carrying value of all short-term financial assets and liabilities approximates the fair value. Long-term borrowings also approximate the fair value as the loans bears a variable interest rate, so the fair value equals the principal amount.

Trade and other receivables presented above excludes prepaid expenses, advances to supplies and taxes.

Trade and other payables presented above excludes taxes payables, advances from customers, social insurances and deferred government grants.

11. Trade and other receivables

	2021	2020
Trade receivables	26,178,949	18,952,818
Notes receivable	161,609	7,837,950
Total	26,340,558	26,790,768
Less: Provision for impairment of trade receivables	(20,556)	(20,556)
	26,320,002	26,770,212
Advances to suppliers	96,826,414	45,106,512
Prepaid expenses	43,596,818	6,742,141
Deposits with others	15,896,538	16,673,936
Value added tax - receivables	479,190	-
Other current assets	8,808,606	2,916,390
Export subsidies grant receivable	10,187,538	-
Due from related parties (Note 33)	16,472,067	8,275,119
Letters of credit	125,000	125,167
Employee loans	204,883	233,692
Total	218,917,056	106,843,169

12. Financial assets at amortised cost

	2021	2020
Treasury bills	769,965,310	448,889,188
Corporate bonds	-	50,342,959
	769,965,310	499,232,147

12.1) Treasury bills

	2021	2020
Treasury bills par value		
91 Days maturity	233,250,000	159,850,000
266 - 364 Days maturity	572,400,000	314,675,000
	805,650,000	474,525,000
Unearned interest	(60,907,975)	(32,297,095)
Amount of treasury bills paid	744,742,025	442,227,905
Interest income recognized to profit or loss	25,223,285	6,661,283
Treasury bills balance	769,965,310	448,889,188

The average effective interest rate related to treasury bills is 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:

- 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.

12.2) Corporate Bonds

	2021	2020
Corporate bonds		
More than 90 Days maturity	50,000,000	50,000,000
Interest income recognized to profit or loss	5,674,411	342,959
Redeemed amount	(55,674,411)	-
	-	50,342,959

The carrying value of the bonds approximate the fair value at initial recognition since the bonds bear a prevailing market rate of interest.

13. Financial assets at fair value through profit or loss

The group has invested in treasury bills with a leverage feature which carries an average net return of 17% 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 financial assets at fair value through profit or loss.

Fair value gains of EGP 8,508,793 was recognized in the statement of profit or loss during the year.

	Significant other observable inputs (Level 2)
Leverage Egyptian T-bills	76,403,685
Total	76,403,685
Interest income recognized to profit or loss	5,674,411
Redeemed amount	(55,674,411)
	-

Fair value measurement:

Fair value was determined using specific valuation technique using quoted prices for identical instruments in an inactive market.

14. Cash and cash equivalents

	2021	Restated 2020
Cash at banks and on hand	83,775,717	76,998,540
Time deposit – Foreign currency	75,789,840	137,672,200
Cash and cash equivalents (excluding bank overdrafts)	**159,565,557**	**214,670,740**

The average rate on time deposit in USD is 1% with a maturity of less than a month.

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

	2021	Restated 2020
Cash and bank balances	159,565,557	214,670,740
Bank overdraft (Note 23)	(400,676,904)	(80,039,475)
Total	**(241,111,347)**	**134,631,265**

15. Share capital

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

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

Shareholders	No. of shares	Shares value	Percentage of ownership
Berco Ltd.	151,654,150	30,330,830	41.815%
Exoder Ltd.	47,056,732	9,411,346	12.975%
Africa Samba B.V.	54,402,233	10,880,447	15.000%
Others (Public stocks)	109,568,335	21,913,667	30.210%
	362,681,450	**72,536,290**	**100%**

On the 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 72,536,290 EGP to be 145,072,580 EGP. An increase amounted to 72,536,290 EGP distributed on 362,681,450 shares with a par value of LE 0.2 per share financed from the dividends of the year ended 31 December 2015 distributed as a free share for each original share which has been registered in the commercial register on 9 May 2016.

The issued capital amounted to EGP 145,072,580 (par value EGP 0.2 per share) is distributed as follows as of 31 December 2020:

Shareholders	No. of shares	Shares value	Percentage of ownership
Quantum Investment BV	303,308,300	60,661,660	41.815%
The Bank of New York Mellon "depositary bank for shares traded in London Stock Exchange"	86,749,655	17,349,931	11.959%
Kingsway Fund Frontier Consumer Franchises	59,553,461	11,910,692	8.210%
Treasury shares	2,304,461	460,892	0.318 %
Others (Public stocks)	273,447,023	54,689,405	37.698%
	725,362,900	**145,072,580**	**100%**

The issued capital amounted to EGP 144,611,688 (par value EGP 0.2 per share) is distributed as follows as of 31 December 2021:

Shareholders	No. of shares	Shares value	Percentage of ownership
Quantum Investment BV	303,308,300	60,661,660	41.95%
The Bank of New York Mellon "depositary bank for shares traded in London Stock Exchange"	85,792,350	17,158,470	11.87%
Kingsway Fund Frontier Consumer Franchises	45,623,461	9,124,692	6.31%
Others (Public stocks)	288,334,328	57,666,866	39.87%
	723,058,439	**144,611,688**	**100%**

Treasury shares

According to Board of Director resolution on 5 April 2020, the group purchased 2,304,461 shares from the stock market and held in treasury for a total consideration of EGP 22,556,296, the consideration paid has been accounted for as reserve in the statement of shareholders' Equity.

On 4 April 2021, the extra ordinary general assembly meeting approved to write off the treasury shares. Accordingly, the share capital has been reduced by the par value of the treasury shares and the difference between the par value and the consideration paid to acquire those shares was absorbed in retained earnings.

16. 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.

17. Non-controlling interest

On 6 March 2019, the Company signed an official agreement with Confidel LTD for the acquisition of 2,279,287 shares (22.27%) which is their total ownership in Edita Confectionary Industries for the total consideration of EGP 55,297,782. The acquisition was completed in June of 2019 and accordingly Edita Food Industries' share in Edita Confectionary Industries increased from 77.71% to 99.98%.

The effect on the equity attributable to the owners of Parent is summarised as follows:

	2021	2020
Carrying amount of non-controlling interest acquired	23,165,685	23,165,685
Consideration paid to non-controlling interest	(55,297,783)	(55,297,783)
Excess of consideration paid recognised in the transactions		
with non-controlling interests reserve within equity	**(32,132,098)**	**(32,132,098)**

	Paid up capital	Legal reserves	Assets revaluation reserve	Accumulated losses	Total 2021	Total Restated 2020
Balance at 1 January	30,460	593,605	38,162	(102,874)	559,353	587,509
Non-controlling share in loss of subsidiaries	-	-	-	130,494	130,494	(28,077)
Total comprehensive loss for the year	-	-	-	130,494	130,494	(28,077)
Shareholders transactions						
Transfer to legal reserve	-	-	-	-	-	(79)
Shareholders transactions	-	-	-	-	-	(79)
Balance	30,460	593,605	38,162	27,620	689,847	559,353

18. Loans

	2021			Restated 2020		
	Short-term portion	Long-term portion	Total	Short-term portion	Long-term portion	Total
Loans	197,005,383	587,634,700	784,640,083	195,769,320	668,926,848	864,696,168
	197,005,383	**587,634,700**	**784,640,083**	**195,769,320**	**668,926,848**	**864,696,168**

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

	2021	2020
Balance due within 1 year	191,696,203	187,922,179
Accrued interest	5,309,180	7,847,141
	197,005,383	**195,769,320**

(1) Edita Food Industries Group

	2021			2020		
	Short-term portion	Long-term portion	Total	Short-term portion	Long-term portion	Total
IFC loan	64,589,303	189,120,000	253,709,303	65,033,676	252,640,000	317,673,676
	64,589,303	**189,120,000**	**253,709,303**	**65,033,676**	**252,640,000**	**317,673,676**

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

	2021	2020
Balance due within 1 year	63,040,000	63,160,000
Accrued interest	1,549,303	1,873,676
	64,589,303	**65,033,676**

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 Company

	2021			2020		
	Short-term portion	Long-term portion	Total	Short-term portion	Long-term portion	Total
First loan	-	-	-	10,187,943	-	10,187,943
Second loan	9,221,688	-	9,221,688	18,675,563	9,000,000	27,675,563
Third loan	16,044,582	-	16,044,582	16,479,208	26,396,659	42,875,867
Fourth loan	40,050,000	60,000,000	100,050,000	40,086,373	132,747,039	172,833,412
Fifth loan	-	-	-	16,831	4,136,902	4,153,733
Seventh loan	9,567,069	78,616,366	88,183,435	112,762	82,798,473	82,911,235
Eighth loan	12,935,925	57,904,510	70,840,435	31,465	32,964,970	32,996,435
Ninth loan	75,198	61,763,341	61,838,539	-	-	-
Tenth loan	26,754	52,824,954	52,851,708	-	-	-
Total	**87,921,216**	**311,109,171**	**399,030,387**	**85,590,145**	**288,044,043**	**373,634,188**

- The sixth loan is the IFC loan which is separately disclosed in note 18.1.

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

	2021	2020
Balance due within 1 year	87,293,990	83,549,948
Accrued interest	627,226	2,040,197
Total	87,921,216	85,590,145

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 installment in Jan 2016	1% above mid corridor rate of Central Bank of Egypt and 2.5% above the Libor rate 3 months.
Second loan	Loan	Cross corporate guarantee Digma Trading Company amounted to LE 90,000,000	EGP	7 years with first installment in April 2017	1 % above lending rate of Central Bank of Egypt.
Third loan	Loan	Cross corporate guarantee Digma Trading Company amounted to LE 202,234,888	EGP/USD	7 years with first installment in April 2017	1% above mid corridor rate of Central Bank of Egypt and 4.5% above the Libor rate 1 month.
Fourth loan	Loan	Cross corporate guarantee Digma Trading Company amounted to LE 220,000,000 and 6,000,000 Euro	EGP/USD	7 years with first installment in May 2017	0.5% above mid corridor rate of Central Bank of Egypt and average 4% above USD Libor rate 6 months.
Fifth loan	Loan		USD	4 years with the first installment in Sep 2018	3.85% above the USD Libor rate 3 months.
Seventh loan	Loan	Cross corporate guarantee Digma Trading Company	EGP	7 years with first installment in Nov 2022	8 %
Eighth loan	Loan	Cross corporate guarantee Digma Trading Company	EGP	7 years with first installment in June 2022	8 %
Ninth loan	Loan	Cross corporate guarantee Digma Trading Company	EGP	7 years with first installment in Sep 2023	8 %

Ninth loan
During the year, the group obtained a loan facility of EGP 90 million from one of the 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, The group utilised EGP 62.9 million from the total facility up to 31 December 2021.

Terms of payments:
Edita is obligated to pay the loan on 10 semi-annual installments and the first instalment is due on September 2023.

Tenth loan
During the year, the group obtained a loan facility of EGP 150 million from one of the 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, The group utilised EGP 53.5 million from the total facility up to 31 December 2021.

Terms of payments:
Edita is obligated to pay the loan on 11 semi-annual installments and the first instalment is due in July 2023.

(3) Digma For Trading

	2021			2020		
	Short-term portion	Long-term portion	Total	Short-term portion	Long-term portion	Total
First loan	36,330,058	83,405,529	119,735,587	37,095,943	116,242,805	153,338,748
	36,330,058	83,405,529	119,735,587	37,095,943	116,242,805	153,338,748

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

	2021	2020
Balance due within 1 year	33,362,211	33,212,231
Accrued interest	2,967,847	3,883,712
	36,330,058	37,095,943

The company obtained a loan from a financial institution based on a cross corporate guarantee issued from Edita Food Industries Company amounted to EGP 155 million. The loan outstanding balance at 31 December 2021 amounted to EGP 116,767,740 million in addition to accrued interests.

Terms of payments:
Digma is obligated to pay the loan on 7 semi-annual installments amounted to 16,681,106 and the first installments is due on 27 February 2022 and the last installments is due on 27 February 2025

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

(4) Edita Confectionery Industries Company

	2021			2020		
	Short-term portion	Long-term portion	Total	Short-term portion	Long-term portion	Total
First loan	8,164,806	4,000,000	12,164,806	8,049,556	12,000,000	20,049,556
	8,164,806	4,000,000	12,164,806	8,049,556	12,000,000	20,049,556

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

	2021	2020
Balance due within 1 year	8,000,000	8,000,000
Accrued interest	164,806	49,556
	8,164,806	8,049,556

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

Terms of payments:
Edita Confectionery Industries is obligated to pay the loan on 3 semi-annual instalments and the first instalment is due on June 2022 and the last instalment is due on June 2023.

Interest:
The interest rate is 0.5% plus the lending 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

The fair value is determined to be as follows:

	Fair value at reporting date	Carrying amount
Seventh loan	89,672,295	88,183,435
Eighth loan	72,713,690	70,840,435
Ninth loan	60,817,806	**61,838,539**
Tenth loan	52,348,719	**52,851,708**

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

The deferred government grants is according to the following schedule:

	2021			2020		
	Short-term portion	Long-term portion	Total	Short-term portion	Long-term portion	Total
Edita Seventh loan	2,517,521	4,931,993	7,449,514	2,244,311	7,159,895	9,404,206
Edita Eighth loan	1,055,416	2,277,069	3,332,485	700,853	2,112,016	2,812,869
Edita Ninth loan	497,621	1,476,828	1,974,449	-	-	-
Edita Tenth loan	394,988	1,211,398	1,606,386	-	-	-
	4,465,546	**9,897,288**	**14,362,834**	**2,945,164**	**9,271,911**	**12,217,075**

19. Employee retirement benefit obligations
Employees of the group are entitled upon their retirement based on a defined benefit plan. The entitlement is based on the length of service and final remuneration package of the employee upon retirement. The defined benefit obligation is calculated using the projected credit unit method takes into consideration the principal actuarial assumptions as follows:

	2021	2020
Discount rate	14.5%	14.2%
Average salary increase rate	10%	10%
Turnover rate	**20%**	**21%**
Life table	**49-52**	**49-52**

The amounts recognized at the statement of financial position date are determined as follows:

	2021	2020
Present value of obligations	24,103,494	20,164,016
Liability at the statement of financial position	**24,103,494**	**20,164,016**

Movement in the liability recognized in the statement of financial position:

	2021	2020
Balance at beginning of the year	20,164,016	11,600,000
Interest expenses	2,923,782	1,647,200
Current service cost	489,745	2,648,486
Total amount recognised in profit or loss (Note 26)	**3,413,527**	**4,295,686**
Remeasurements: -		
Loss from change in assumptions	2,476,661	4,704,314
Total amount recognised in other comprehensive income	**2,476,661**	**4,704,314**
Paid during the year	(1,950,710)	(435,984)
Balance at end of the year	**24,103,494**	**20,164,016**

Sensitivity in Defined Benefit Obligation: -

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	Decrease by 9%	Increase by 9%
Salary increase	0.5%	Increase by 5%	Decrease by 5%
Mortality age	1%	Increase by 9%	Decrease by 9%

The above sensitivity analyses are based on a change in discount rate while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied as when calculating the defined benefit liability recognised in the Consolidated balance sheet statement.

20. Deferred income tax liability

Deferred income tax represents tax expenses on the temporary differences arising between the tax based of assets and their carrying amounts in the financial statements:

	Fixed assets	Acquiring Digma Company for Trading	Other provisions	Carry forward tax losses	Unrealized foreign exchange loss	Net deferred tax liabilities 2021	Net deferred tax liabilities Restated 2020
Deferred tax assets							
Balance at 1 January	-	-	7,600,800	11,809,913	285,392	19,696,105	7,131,012
Charged to statement of profit or loss	-	-	1,033,852	(11,809,913)	4,092,395	(6,683,666)	11,506,622
Charged to statement of comprehensive income	-	-	-	-	-	-	**1,058,471**
Ending balance	-	-	8,634,652	-	4,377,787	13,012,439	19,696,105
Deferred tax liabilities							
Balance at 1 January	(191,195,932)	(2,614,093)	-	-	-	(193,810,025)	(175,546,138)
Charged to statement of profit or loss	(25,325,608)	240,424	-	-	-	(25,085,184)	(18,263,887)
Ending balance	**(216,521,540)**	**(2,373,669)**	-	-	-	**(218,895,209)**	**(193,810,025)**
Net deferred tax (liabilities) / assets	**(216,521,540)**	**(2,373,669)**	**8,634,652**	-	**4,377,787**	**(205,882,770)**	**(174,113,920)**
Balance at 1 January	(191,195,932)	(2,614,093)	7,600,800	11,809,913	285,392	(174,113,920)	(168,415,126)
Charged to statement of comprehensive income	-	-	-	-	-	-	1,058,471
Charged to statement of profit or loss (Note 28)	(25,325,608)	240,424	1,033,852	(11,809,913)	4,092,395	(31,768,850)	(6,757,265)
Ending balance	**(216,521,540)**	**(2,373,669)**	**8,634,652**	-	**4,377,787**	**(205,882,770)**	**(174,113,920)**

21. LEASE LIABILITIES

	2021	Restated 2020
Commitments in relation to leases are payable as follows:		
Within one year	16,241,272	15,787,103
From one year to five years	49,246,852	54,911,124
Later than five year	38,759,940	49,336,940
Minimum lease payments	**104,248,064**	**120,035,167**
The present value of lease liabilities are as follows:		
Within one year	8,685,095	7,219,158
From one year to five years	29,113,764	29,682,778
Later than five year	26,011,358	32,837,611
Present Value of Minimum Lease Payments	**63,810,217**	**69,739,547**

22. Provision

	Other provisions 2021	Other provisions 2020
Balance at 1 January	34,413,053	21,221,845
Additions during the year (Note 27)	10,178,161	19,350,683
Utilized during the year	(10,554,328)	(3,024,540)
Provision no longer required	(58,635)	**(3,134,935)**
Ending Balance as of	**33,978,251**	34,413,053

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.

23. Bank overdraft

	2021	Restated 2020
Bank overdraft	400,676,904	80,039,475
Total	**400,676,904**	**80,039,475**

Bank overdraft is an integral part of the Company's cash management to finance its working capital. The average interest rate for bank overdraft was 8.05% as of 31 December 2021 (2020: 9.29 %).

24. TRADE AND OTHER PAYABLES

	2021	Restated 2020
Trade payables	287,618,623	148,548,870
Accrued expenses	66,800,968	106,725,119
Creditors to purchase of property, plant and equipment	50,060,453	113,007,380
Notes payable	42,195,798	66,722,464
Other credit balances	30,452,840	31,493,714
Taxes payable	41,859,345	31,888,801
Social insurance	7,358,709	10,917,007
Dividends payable	1,097,065	7,242,868
Deferred government grants (Note 18)	4,465,546	2,945,164
Contract liabilities – accrued rebates	12,634,941	10,926,917
Advances from customers	13,690,850	9,666,224
Total	**558,235,138**	**540,084,528**

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

25. Current income tax liabilities

	2021	2020
Balance at 1 January	29,897,178	63,186,112
Income tax paid during the year	(48,319,265)	(75,107,022)
Withholding tax receivable	(7,130,574)	(4,984,531)
Income tax for the year (Note 29)	131,675,762	102,066,776
Corporate income tax – advance payments	(63,709,382)	(37,342,974)
Tax on Treasury bills	(8,982,821)	(15,820,938)
Accrued interest – advance payments	(2,846,806)	(2,100,245)
Balance at	**30,584,092**	**29,897,178**

26. Other income

	2021	2020
Government grant - Export subsidies - *2	29,904,977	70,739,519
Gain from sales of property, plant and equipment (Note 32)	17,846,453	3,255,064
Other income	7,028,479	3,567,254
Governmental grant – reduced interest loans - *1	3,281,728	1,022,160
Provision no longer required	58,635	3,134,935
Net	**58,120,272**	**81,718,932**

* Government Grants

1) Reduced interest loans grants

The Group receives government grants in form of loan at below market rate of interest. Government grants are initially recognized within other liabilities at fair value when there is reasonable assurance that it will be received, and the Group will comply with the conditions associated with the grant. Government grants relating to costs are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to loans are deferred and recognised in profit or loss over the period necessary to match them with the loan term.

Amounts to be amortised are presented in (note 18).

2) Government export subsidy

The government of Egypt operates an export subsidy program managed by the Export Development Fund. The scheme was established under law 155 of 2002 to create incentives for Egyptian companies to grow exports. The Group operates in a qualifying sector and the subsidy represents a percentage of the export value depending on a set of variables including the percentage of local components, location of the factory, export destination and amongst others. The subsidy on export sales is recognized when there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions. The subsidy is recognised under other income in the statement of profit or loss on a gross basis.

Export subsidies are recognized immediately as the company already recognize it since the government provide this subsidy to compensate the group for cost already incurred.

Amount to be released to the statement of profit or loss is presented in (note 11)

27. Other losses

	2021	2020
Solidarity contribution	(23,448,198)	(17,935,614)
Other provisions (Note 22)	(10,178,161)	(19,350,683)
Provision for employee benefit obligation (Note 19)	(3,413,527)	(4,295,686)
Provision for slow moving inventory	(2,000,000)	(822,000)
Other losses – Net	**(39,039,886)**	**(42,403,983)**

28. Finance income / (Cost) – net

	2021	Restated 2020
Interest income		
Interest income	74,237,378	74,321,224
Interest income – corporate tax advance payment (Note 25)	2,846,806	2,100,245
	77,084,184	**76,421,469**
Finance cost - net		
Interest expense	(74,944,742)	(86,548,093)
Interest expense for lease liability	(8,538,558)	(8,136,925)
Foreign exchange loss from financing activities	7,097,401	(122,934)
	(76,385,899)	(94,807,952)
Finance income / (cost) - net	**698,286**	**(18,386,483)**

29. Income tax expense

The group is subject to the corporate income tax according to tax law No. 91 of 2005 and as per tax law No. 96 of 2015 amendments.

	2021	Restated 2020
Income tax for the year	131,675,762	102,066,776
Deferred tax expense / (income) for the year	31,768,850	6,757,265
Total	**163,444,612**	**108,824,041**

Profit before tax	**692,315,095**	**456,516,024**
Applicable Tax rate	22.5%	22.5%
Tax calculated based on applicable tax rates	155,770,896	102,716,105
	155,770,896	**102,716,105**
Tax effect of non-deductible expenses	7,673,716	6,107,936
Income tax expense	**163,444,612**	**108,824,041**
Effective tax rate	**24%**	**24%**

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

30. 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 year.

	2021	2020
Profit attributed to owners of the parent	528,739,989	347,720,060
Weighted average number of ordinary shares in issue		
Ordinary shares	**723,058,439**	**725,362,900**
Treasury shares	-	(1,536,307)
	723,058,439	**723,826,593**
	0.73	**0.48**

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.

31. Expenses by nature

	2021	Restated 2020
Cost of sales	3,559,706,634	2,617,684,208
Distribution cost	698,347,826	661,141,314
Administrative expenses	323,306,204	304,381,748
	4,581,360,664	**3,583,207,270**
Raw and packaging materials used	2,834,568,962	1,955,242,665
Salaries and wages	617,060,115	561,796,705
Advertising and marketing	287,994,919	238,001,898
Depreciation and amortization	195,546,403	192,550,042
Employee benefits	112,846,423	103,172,830
Gas, water and electricity	104,099,300	94,774,849
Miscellaneous and other expense	93,753,084	119,933,197
Logistics services	73,696,555	67,892,684
Vehicle expense	60,571,201	60,519,813
Transportation expenses	60,067,667	56,735,228
Company share in social insurance	56,213,676	56,317,878
Maintenance	49,583,999	40,756,008
Consumable materials	35,358,360	35,513,473
Total cost of sales, distribution costs, and administrative expenses	**4,581,360,664**	**3,583,207,270**

32. Cash Flow Information

a. Net debt reconciliation

	2021	Restated 2020
Cash and cash equivalent	(241,111,347)	134,631,265
Borrowings – repayable within one year	(197,005,383)	(195,769,320)
Borrowing – repayable after one year	(587,634,700)	(668,926,848)
Lease liability	(63,810,217)	(69,739,547)
Total	**(1,089,561,647)**	**(799,804,450)**

	Cash and cash equivalent	Borrowing due within 1 year	Borrowing due after 1 year	Lease liability	Total
Net debt as at 1 January 2021 restated	134,631,265	(195,769,320)	(668,926,848)	(69,739,547)	(799,804,450)
Cash flows	(375,742,612)	(3,216,073)	75,386,104	7,248,545	(296,324,036)
New leases	-	-	-	(1,319,215)	(1,319,215)
Interest expense	-	(15,540,274)	(46,354,086)	(8,538,558)	(70,432,918)
Interest repayments	-	16,177,499	48,254,822	8,538,558	72,970,879
Foreign exchange adjustment	-	1,342,785	4,005,308	-	5,348,093
Net debt as at 31-Dec-21	**(241,111,347)**	**(197,005,383)**	**(587,634,700)**	**(63,810,217)**	**(1,089,561,647)**

b. Non-cash Investing and Finance Activities: -

i. Transfer to Property, Plant and Equipment from Projects under construction. (Refer note 5).
ii. Acquisition of Right-of-Use-Assets. ((Refer note 6).

In the statement of cash flows, proceeds from sale of property, plant and equipment comprise:

	2021	2020
Net book amount (Note 5)	2,237,463	910,959
Gain on disposal of property, plant and equipment (Note 26)	17,846,453	3,255,064
Proceeds from disposal of property, plant and equipment	**20,083,916**	**4,166,023**

33. Related parties

The Group entered into several transactions with companies and entities that are included within the definition of related parties, as stated in EAS 15, "Disclosure of related parties". The related parties comprise the Group's board of directors, their entities, companies under common control, and/ or joint management and control, and their partners and employees of senior management. The partners of joint arrangement and non-controlling interest are considered by the Group as related parties. The management decides the terms and conditions of transactions and services provided from/ to related parties, as well as other expenses. Below is the statement that shows the nature and values of transaction with related parties during the year, and the balances due at the date of the financial statements.

a. Due from related parties

	2021	Restated 2020
Edita Food Industries Morocco	3,860,444	-
La Marocaine De Distribution De Logistiqus (Dislog S.A) (Note 8)	12,611,623	8,275,119
Total	**16,472,067**	**8,275,119**

The nature of transaction with La Marocaine De Distribution De Logistiqus (Dislog S.A) during the year ended 31 December 2021 is represented in sale of finished goods amounting to EGP 10,601,197 and secured financing against shares subject to call option (Note 8) amounted to EGP 12,611,623. this amount has been initially recognized at fair value.
The sales transactions were at arm's length. (2020: EGP 21,411,280).

La Marocaine De Distribution De Logistiqus (Dislog S.A) is considered a related party as Dislog S.A is a joint venture in Edita Food Industries Morocco (Joint venture).

The group recognized EGP: Nil for the expected credit loss for the balance of related party as a result of the low credit risk with zero history of default.

b. Key management compensation

During the year ended 31 December 2021, the group paid an amount of LE 106,372,585 as benefits to the key management members (2020: LE 90,037,576).

	2021		2020	
	Non-executive / independent board members	Key management personnel	Non-executive / independent board members	Key management personnel
Salaries and compensation	2,700,000	82,513,676	2,700,000	78,726,304
Allowances	3,360,000	1,282,200	3,260,000	1,282,200
Other benefit	-	181,700	-	171,360

34. Segment reporting

Edita operates across five segments in snack food market offering nine distinct brands:

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

All amounts are presented per thousand

	Cake		Croissant		Rusks		Wafer		Candy		Other		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenue	2,239,480	1,710,474	1,928,844	1,507,046	302,340	287,780	610,567	336,159	151,637	157,570	18,352	22,059	5,251,220	4,021,088
Gross profit	789,574	677,823	617,982	518,481	88,014	86,117	172,306	86,091	22,062	35,199	1,575	(307)	1,691,513	1,403,404
Operating profit	**425,117**	**354,113**	**262,569**	**157,857**	**34,774**	**22,923**	**29,579**	**(9,647)**	**(7,294)**	**(17,719)**	**(55,806)**	**(30,331)**	**688,940**	**477,196**

Operating profit reconciles to net profit as follows:

	2021	Restated 2020
Operating profit	688,940	477,196
Finance cost - net	(76,386)	(94,808)
Interest income	77,084	76,421
Fair value gain	8,509	-
Share of net loss of joint ventures accounted for using the equity method	(5,832)	(2,293)
Income tax	(163,445)	(108,824)
Net profit	**528,870**	**347,692**

The segment in formation 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.

All of the segments' sales are made to external customers.

The Group does not sell more than 10% of the total sales to a single customer.

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.

Edita sales consists of local sale and export sales.

The local and export sales are as follows:

	2021	2020
Local sales	4,942,126,902	3,771,962,574
Export sales	309,093,088	249,125,723
Total	**5,251,219,990**	**4,021,088,297**

35. Revenue from contracts with customers

A. Disaggregation of revenue from contracts with costumers

The Group derives revenue from the transfer of goods at a point in time. The Group disaggregate revenue by products line as disclosed in note (33) segment reporting.

B. The Group has recognised the following contracts' liabilities

	2021	2020
Contract liabilities – accrued rebates	12,634,941	10,926,917
Contract liabilities – advances from customers	13,690,850	9,666,224
Total contract liabilities	**26,325,791**	**20,593,141**

C. The increase in contracts' liabilities mainly due to the increase in the advance payments made by the export customers during the year in addition to the increase in the incentive which is due to the increase in sales.

D. Revenue recognized in relation to contract liabilities – advance from customers

	2021	2020
Opening balance	9,666,224	5,183,186
Recognized contract liabilities for Sale of goods	(9,666,224)	(5,183,186)
Contract liabilities arisen during the year	13,690,850	9,666,224
Total	**13,690,850**	**9,666,224**

36. Restatement

In prior years, 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 7.5% 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.

The management in the process of reviewing the reserved matters with the other shareholder.

Based on the substantive nature of the veto rights, the Company has joint control according to the requirements of EAS 42, 'Consolidated Financial Statements' and EAS 43 'Joint Arrangements'. As a consequence, the Company has accounted for the investment in Edita Food Industries Morocco as investment in joint ventures using the equity method and, accordingly, has restated the comparative financial information in these consolidated financial statements. This restatement has resulted in the following changes:

Extract from the statement of financial position:	2020	Increase / (decrease)	Restated 2020
Property, plant and equipment	2,331,299,024	(135,368,865)	2,195,930,159
Right of use assets	86,101,716	(18,758,611)	67,343,105
Investment in joint venture	-	36,043,295	36,043,295
Trade and other receivables	162,342,342	(55,499,173)	106,843,169
Cash and cash equivalents (excluding bank overdrafts)	218,340,350	(3,669,610)	214,670,740
Cumulative translation reserve	1,991,407	(883,336)	1,108,071
Non-controlling interest	36,197,534	(35,638,181)	559,353
Term loans	743,202,000	(74,275,152)	668,926,848
Deferred tax liabilities	172,258,866	1,855,054	174,113,920
Lease liabilities	81,545,828	(19,025,439)	62,520,389
Bank overdraft	80,364,773	(325,298)	80,039,475
Trade and other payables	588,742,782	(48,658,254)	540,084,528
Lease liabilities	7,521,516	(302,358)	7,219,158

Extract from the statement of financial position:	2019	Increase / (decrease)	Restated 1 January 2020
Property, plant and equipment	1,993,845,097	(9,924,149)	1,983,920,948
Investment in joint venture	-	38,336,764	38,336,764
Trade and other receivables	204,193,093	(6,484,981)	197,708,112
Cash and cash equivalents (excluding bank overdrafts)	153,615,452	(54,449,126)	99,166,326
Cumulative translation reserve	(202,760)	235,053	32,293
Non-controlling interest	36,424,222	(35,836,713)	587,509
Deferred tax liabilities	167,800,747	614,381	168,415,128
Trade and other payables	502,314,867	2,465,787	504,780,654

Extract from the statement of profit or loss:	2020	Profit increase / (decrease)	Restated 2020
Cost of sales	(2,618,453,079)	768,871	(2,617,684,208)
Distribution cost	(664,269,336)	3,128,022	(661,141,314)
Administrative expenses	(307,115,466)	2,733,718	(304,381,748)
Share of net loss of joint ventures accounted for using the equity method	-	(5,831,695)	(5,831,695)
Finance cost – Net	(18,507,916)	121,433	(18,386,483)
Income tax expense	(106,961,043)	(1,862,998)	(108,824,041)

Extract from the statement of cash flow:	2020	Profit increase / (decrease)	Restated 2020
Net cash flows generated from operating activities	400,439,978	2,083,316	402,523,294
Net cash flows used in investing activities	(175,135,789)	5,405,263	(169,730,526)
Net cash flows used in financing activities	(20,351,385)	(56,880,317)	(77,231,702)

Basic and diluted earnings per share:

Basic and diluted earnings per share for the prior year have not been restated. Since there was no effect on the net profit attributable to the owners of the parent company for the years ended 31 December 2019 and 2020.

37. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or pay the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, the most advantageous market for the asset or the liability.

The Company should be able to have access to the principal market or the most advantageous market. In the absence of principal market, the Company does not need to conduct a thorough search of all possible markets to determine the principal or the most advantageous market. However, the Company takes into consideration all information reasonably available.

The below shows the financial assets and liabilities at fair value in the consolidated financial statements at 31 December 2020 within the hierarchy of the fair value, based on the input levels that are considered to be significant to the fair value measurement as a whole:

- Level 1 - Inputs of quoted prices (unadjusted) in active markets for identical assets or liabilities, which the Company can have access to at the date of measurement.
- Level 2- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3- Unobservable inputs of the asset or the liability.

The fair values of financial instruments are not materially different from their carrying values. The fair value of financial assets and liabilities are considered at the amount at which the instrument could be exchanged in a current transaction between willing parties.

The following methods and assumptions were used to estimate the fair values:

- Bank balances and cash, trade receivables, other financial assets, due from related parties, trade and other payables and due to related parties approximate their carrying amounts, largely due to the short-term maturities of these instruments.

Fair value of bank loans:

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

Fixed interest-bearing loans:

- Edita Food Industries loans: The fair value of the loan at the reporting date has been calculated by discounting the future cash outflows using the prevailing market rate of interest of 9.75% at the reporting date.

The fair value is determined to be as follows:

	2021		2020	
	Fair value	Carrying amount	Fair value	Carrying amount
Seventh loan	89,672,295	88,183,435	82,002,658	82,911,235
Eighth loan	72,713,690	70,840,435	33,047,763	32,996,435
Ninth loan	60,817,806	61,838,539	-	-
Tenth loan	52,348,719	52,851,708	-	-

- Fair value of investment at fair value through profit or loss was determined using market comparison technique. The valuation model is based on identical instruments in a secondary market. This is a level 2 recurring Fair value measurement using significant observable input.

38. Commitments

Capital commitments

The Group has capital commitments as of 31 December 2021 of EGP 580 M (Restated 2020: EGP 120 M) in respect of capital expenditure.

The banks have issued internal document collections in favor of Edita Food Industries amounted to EGP 29,085,087 which guarantee Edita for the goods imported (2020: 39,835,555).

The banks have issued letter of credit in favor of Digma Company For trading amounted to EGP 250,000 which guarantee Edita for the goods imported (2020: Nil).

39. 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 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 2016 and all due tax amounts paid.
- For the years 2017 – 2020 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.

c) VAT & Sales tax

- The sales tax inspection was performed till 31 December 2019 and tax due was paid.

d) Stamp duty tax

- The stamp duty tax inspection was performed till 2018.

Digma for Trading Company

a) Corporate tax

- The Company is subject to the corporate income tax according to tax law No, 91 of 2005 and amendments.
- The tax inspection was performed by the Tax Authority for the year from the Company's inception until year 2014 and the tax resulting from the tax inspection were settled and paid to the Tax Authority.
- For the years from 2015 to 2020 Company submits its tax returns on due dates according to law No, 91 for the year 2005.

b) Payroll tax

- The tax inspection was performed until 31 December 2014 and the tax resulting from the tax inspection and assessment were settled and paid to the Tax Authority.
- For the years from 2015 to 2019 the Company the Company finished the inspection and the difference transfer to internal committee.
- For 2020 the company submitted its quarter tax returns to tax authority on due dates

c) VAT & Sales tax

- The tax inspection was performed until 31 December 2015 and the tax resulting from the tax inspection and assessment were settled and paid to the Tax Authority.
- The years 2016-2020 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 2016 and the tax resulting from the tax inspection and assessment were settled and paid to the Tax Authority
- For the years 2017 and 2020 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 2009 to 2016 and the difference was transferred to an internal committee.
- The company hasn't been inspected for the years from 2017 to 2020 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 – 2019 and the tax due was paid to the Tax Authority.

c) VAT & Sales Tax

- The tax inspection was performed for the year from the Company's inception until 2018 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 2019 and the Company submits its monthly VAT tax return on due date.

d) Stamp Tax

- `The stamp tax inspection was performed from 2009 to 2019 and the tax due was paid to the Tax Authority.

This page has been intentionally left blank

Investor Relations Contacts

Ms. Menna Shams El Din
Head of Investor Relations
& Corporate Affairs
menna.shamseldin@edita.com.eg

Ms. Alia Balbaa
Investor Relations Manager
alia.balbaa@edita.com.eg

Edita Food Industries S.A.E.