



the sweet side of life

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Edita Food Industries S.A.E.

30 October 2019

Cairo, 30 October 2019

## Edita Food Industries Reports 3Q2019 Earnings

*Edita reports revenues of EGP 1,088.4 million in 3Q2019, up 7.0% y-o-y, with the company delivering improved profitability as net profit expanded 19.2% y-o-y for the period. On a year-to-date basis, Edita reported a 9.0% y-o-y top-line increase with the company's bottom-line up 44.0% y-o-y*

### Highlights of 3Q2019

#### Summary Income Statement (EGP mn)

EGP mn	3Q2019	3Q2018	Change	9M2019
Revenue	1,088.4	1,017.0	7.0%	2,933.4
Gross Profit	385.1	320.0	20.3%	1,021.5
% Margin	35.4%	31.5%		34.8%
EBITDA	188.3	181.7	3.6%	481.8
% Margin	17.3%	17.9%		16.4%
Net Profit	106.6	89.4	19.2%	252.6
% Margin	9.8%	8.8%		8.6%

*The discussion and analysis in this report are based on the IFRS statements. For comparison of the results to Egyptian Accounting Standards, please refer to the section "Egyptian Accounting Standards Reconciliation to IFRS."*

### Results in a Nutshell

Edita Food Industries S.A.E. (EFID.CA on the Egyptian Exchange & EFID.L on the London Stock Exchange), a leader in the Egyptian packaged snack food market, announced today its results for the third quarter ended 30 September 2019, recording revenues of EGP 1,088.4 million, a 7.0% increase compared to the same period a year ago. Net profit for the quarter came in at EGP 106.6 million, up 19.2% from the same quarter of 2018. In the first nine months of the year, Edita reported a 9.0% y-o-y top-line expansion to EGP 2,933.4 million, with net profit up

44.0% y-o-y to EGP 252.6 million in 9M2019.

Revenue growth in both 3Q2019 and 9M2019 came on the back of improved volumes and better pricing compared to the comparable periods of 2018. During the third quarter, total packs sold increased to 735.2 million, a 5.0% y-o-y rise, while average price per pack increased to EGP 1.48, up 2.0% from the same quarter a year ago. On a year-to-date basis, volumes sold reached 1,986.0 million packs, up 5.5% y-o-y, with average price per pack expanding 3.3% y-o-y to EGP 1.48 for 9M2019.

On a segment basis, revenue growth for the quarter was largely supported by the croissant segment as well as the rusks and wafer segments. Croissant recorded a 19.0% y-o-y rise in revenues in 3Q2019 on the back of a 16.1% y-o-y rise in volume and a 2.5% y-o-y rise in average price per pack. In 9M2019, croissant revenues were up 10.8% y-o-y. The rusks segment expanded 21.1% y-o-y in 3Q2019, driven by a 14.7% y-o-y rise in packs sold and a 5.6% rise in average price per pack. Year-to-date, rusks revenues were up by a strong 37.1% y-o-y in 9M2019. Meanwhile, the wafer segment reported an 11.1% y-o-y rise in revenues for the quarter, largely supported by a 7.7% y-o-y rise in average price per pack, with volumes sold up 3.2% compared to 3Q2018. Wafer revenues delivered a 30.4% y-o-y increase in sales during 9M2019. Finally, the company's cake segment reported a 2.2% y-o-y fall in revenues for 3Q2019 (9M2019: +1.6%), while the candy segment witnessed an 11.3% y-o-y contraction in top-line in 3Q2019 (9M2019: -2.2%).

On a regional front, Edita reported EGP 88.9 million in export gross sales for the third quarter of 2019, with the channel's contribution to total gross sales standing at 8.1% for 3Q2019. On a year-to-date basis, exports gross sales were up 5.7% y-o-y to EGP 239.1 million in 9M2019, with the channel's contribution to gross sales coming in also at 8.1% for the period.

Edita reported a 20.3% y-o-y expansion in gross profit to EGP 385.1 million in the third quarter of the year, with GPM for the period up 3.9 percentage points to 35.4%. The improved profitability was supported by both the company's cost control efforts and stable cost of direct materials, which saw cost of goods sold (COGS) for the quarter increase just 1.0% y-o-y to EGP 703.9 million. In the nine-month period, gross profit was up 24.1% y-o-y to EGP 1,021.5 million, with GPM up 4.2 percentage points year-on-year to 34.8%.

On a segment basis, Edita's croissant segment reported the fastest year-on-year expansion in gross profit at 33.8%, followed by rusks at 24.2%, cakes at 15.4%, and wafers at 7.8% in 3Q2019. During the quarter, the cakes segment continued to record the highest GPM at 40.9%, followed by croissants at 34.1%, rusks at 28.1%, and wafers at 24.2%. On a year-to-date basis, all of the company's segments, except for candies, reported gross profit growth for the period.

EBITDA for the quarter, expanded 3.6% y-o-y to EGP 188.3 million, with EBITDA margin largely in line with last year's figure at 17.3% despite higher SG&A outlays for the period. The company's EBITDA for the first nine months of the year came in at EGP 481.8 million, up 14.3% y-o-y, with EBITDA margin increasing to 16.4% in 9M2019 from 15.7% recorded in the same nine months of 2018.

Edita recorded a net profit of EGP 106.6 million in 3Q2019, a 19.2% y-o-y rise supported by improved gross profit margins and lower interest expenses as the company improved its cost of funding. Net profit margin for the quarter expanded one percentage point to 9.8% in 3Q2019. On a year-to-date basis, net profit was up an impressive 44.0% y-o-y to EGP 252.6 million and net profit margin expanded 2.1 percentage points year-on-year to 8.6% for the period.

### **Other Operational Developments**

Key operational developments year-to-date included the installation and commissioning of two new production lines, including a new candy line extension in the first quarter of 2019 and a new wafer line in 2Q2019. Meanwhile, new product launches included Edita's juice-filled confectionary brands BonBon and its mint candy range branded Breeze, both of which fall under the Mimix line and are part of the company's strategy to strengthen its market-leading position in the highly competitive candy market. In the wafer segment, Edita capitalized on its new production line and launched the new Freska Pops. Most recently in the croissant segment, Edita launched the new Molto Mini Friendship Pack priced at EGP 5 per pack.

On the regional front, Edita continued to move forward with the construction of its new manufacturing facility in Morocco which is expected to begin before the end of 2019. The company also finalized an agreement with the government of Morocco to receive a MAD 15 million grant as part of a home-grown incentive program to spur foreign direct investment, boost economic development, and ultimately transform the kingdom into an export hub.

### **Strategy Insight**

In the last quarter of 2019 and heading into the new year, the company will remain focused on optimizing its product portfolio and delivering on its cost minimization and efficiency enhancement strategy. In parallel, Edita plans to further expand its production capacity and penetrate currently underserved segments of both the local and regional snack food market as it looks to replicate its decades-long success in Egypt across the wider MENA region.

## Overview of Segment Performance

Edita's overall revenue growth for the quarter was largely supported by strong results recorded by its croissant segment and by the company's rusks and wafers segments. The croissant segment's revenues expanded by 19.0% y-o-y with its share in Edita's total revenues increasing to 37.7% in 3Q2019 from 33.9% in 3Q2018. Edita's rusks segment recorded a 21.1% y-o-y increase in sales during 3Q2019 and constituted an 8.7% share in consolidated revenue versus 7.7% in 3Q2018. Finally, the wafers segment recorded an 11.1% y-o-y growth and made up 7.0% of total revenue in 3Q2019, up from 6.7% in the comparable quarter.

On a year-to-date basis, croissants were also the strongest growth driver, followed by the rusks segment, wafers, and cakes.

During the third quarter, total packs sold increased to 735.2 million, a 5.0% y-o-y rise, driven by increased volumes at Edita's croissant, rusks, and wafers segments. Average price per pack increased 2.0% y-o-y to EGP 1.48 for the quarter, also driven by growth at the croissant, rusks, and wafers segments. On a year-to-date basis, volumes sold reached 1,986.0 million packs, up 5.5% y-o-y, with average price per pack expanding 3.3% y-o-y to EGP 1.48 for 9M2019.

At the gross profit level, the 20.3% y-o-y growth in Edita's total gross profit to EGP 385.1 million for 3Q2019 was supported by solid results reported by the croissants, cakes, and rusks segments. Edita's croissant segment reported the fastest year-on-year expansion in gross profit at 33.8%, followed by rusks at 24.2%, cakes at 15.4%, and wafers at 7.8%. The cakes segment continued to recorded the highest GPM at 40.9%, followed by croissants at 34.1%, rusks at 28.1%, and wafers at 24.2%.

On a year-to-date basis, Edita's gross profit reached EGP 1,021.5 million, a 24.1% y-o-y increase, with GPM up 4.3 percentage points year-on-year to 34.8% for 9M2019.

## Average Factory Prices

EGP mn	3Q2019	3Q2018	Change	9M2019
Cakes	1.21	1.23	-1.2%	1.22
Croissant	1.78	1.73	2.5%	1.79
Rusks	1.76	1.67	5.6%	1.78
Wafers	1.74	1.61	7.7%	1.69
Candy	1.98	2.05	-3.5%	1.87
<b>Average Edita</b>	<b>1.48</b>	<b>1.45</b>	<b>2.0%</b>	<b>1.48</b>

## Segment Revenues and Volumes Sold

	Net Sales (EGP mn)	Packs (millions)	Tons (000s)	Net Sales (EGP mn)
Cakes	473	389	11.0	483
Croissant	411	231	10.5	345
Rusks	94	53	2.1	78
Wafers	76	44	1.3	69
Candy	35	17	0.7	39
Imports	0	0	-	4
<b>Total</b>	<b>1,088</b>	<b>735</b>	<b>25.5</b>	<b>1,017</b>

	Net Sales (EGP mn)	Packs (millions)	Tons (000s)	Net Sales (EGP mn)
Cakes	1,317	1,079	30.5	1,296
Croissant	965	539	24.4	871
Rusks	283	159	6.1	207
Wafers	249	147	4.2	191
Candy	114	61	2.5	117
Imports	4	0	-	11
<b>Total</b>	<b>2,933</b>	<b>1,986</b>	<b>67.8</b>	<b>2,692</b>

### Cakes

Edita's cake segment reported revenues of EGP 472.6 million in 3Q2019, down 2.2% y-o-y. The drop was both volume and price driven as packs sold fell 1.0% y-o-y to 389.5 million, while average price per pack contracted 1.2% y-o-y to EGP 1.21. The segment continued to make up the lion share of total revenues for the quarter at 43.4%, compared to the 47.5% contribution made in the same three months of last year. On a year-to-date basis, revenues were up 1.6% y-o-y to EGP 1,316.9 million on the back of a 2.3% increase in packs sold to 1,079.1 million and a relatively stable average price per pack of EGP 1.22. In 9M2019, the cakes segment made up 44.9% of total revenues, down from the 48.1% share recorded in the same period of 2018.

On the other hand, the company's cakes segment reported strong gross profitability in 3Q2019 largely supported by the multiple rounds of indirect price increases implemented by the company combined with Edita's improved product mix strategy, both of which have helped strengthen the segment's margins in recent years. The cakes segment reported a gross profit of EGP 193.4 million in 3Q2019, up 15.4% y-o-y, continuing to contribute the largest share of total gross profits for the period at 50.2%. Gross profit margin for the quarter expanded 6.2 percentage points year-on-year to 40.9%. On a year-to-date basis, the cakes segment reported a 20.6% y-o-y expansion in gross profit to EGP 529.3 million in 9M2019. GPM for the nine-month period expanded 6.3 percentage points to 40.2%.

### Croissant

Edita's croissant segment posted strong revenue growth of 19.0% y-o-y in 3Q2019, as revenues reached EGP 410.5 million for the quarter up from the EGP 345.0 million recorded in 3Q2018. The increase was both volume and price driven as total packs sold increased 16.1% y-o-y to 231.0 million, while average price per pack reached EGP 1.78, up 2.5% y-o-y. Following this quarter's strong results, the segment's contribution to total revenues increased to 37.7%, up from last year's 33.9% contribution. In the first nine months of 2019, croissant revenues came in at EGP 965.0 million, 10.8% above last year's figure. Average price per pack was up 9.5% y-o-y to EGP

1.79, while volumes sold increased 1.2% y-o-y to 539.0 million packs in 9M2019. The increase in price per pack was primarily driven by an improved product mix in addition to the introduction of new, higher-margin SKUs, the latest of which was the new Molto Mini Friendship Pack priced at EGP 5 per pack introduced by the company during the third quarter of the year.

At the gross profit level, the croissants segment reported a 33.8% y-o-y increase to record EGP 139.9 million in 3Q2019, Croissant's weight in total gross profit increased to 36.3% in 3Q2019 from the 32.7% share of total gross profit recorded in 3Q2018. GPM for the quarter increased 3.8 percentage points to 34.1% compared to the 30.3% recorded in 3Q2018. In the first nine months of 2019, Edita's croissants segment reported a 25.9% y-o-y rise in gross profit to EGP 311.0 million, with its weight in total gross profit rising marginally to 30.4% for the period. GPM expanded to 32.2% in 9M2019 compared to the 28.4% recorded in 9M2018.

### **Rusks**

Edita's rusks segment recorded the fastest revenue growth rate in the third quarter of 2019, as revenues increased 21.1% y-o-y to EGP 94.3 million. The increase was driven by a 14.7% y-o-y rise in volumes sold to 53.4 million packs, while average price per pack increased 5.6% y-o-y to EGP 1.76. The segment contributed to 8.7% of total revenues for the quarter compared to the 7.7% contribution made in the same quarter of last year. On a year-to-date basis, rusks reported revenues of EGP 283.4 million, up 37.1% y-o-y, supported by a 27.9% y-o-y rise in volumes sold to 159 million packs and a 7.2% y-o-y rise in average price per pack, which reached EGP 1.78 in 9M2019. The segment's contribution to total revenues increased two percentage points year-on-year to 9.7%.

Edita's rusk segment reported gross profit of EGP 26.5 million in 3Q2019, an increase of 24.2% y-o-y. The segment's GPM came in at 28.1% in 3Q2019 compared to the 27.4% margin recorded in 3Q2018, while the segment's contribution to total gross profit increased to 6.9% for the quarter compared to 6.7% in the same quarter a year ago. On a year-to-date basis, gross profit expanded by an impressive 44.1% y-o-y to EGP 79.4 million. GPM for 9M2019 expanded to 28.0% from 26.7% recorded in 9M2018.

### **Wafers**

The wafers segment reported revenues of EGP 76.2 million in 3Q2019, up 11.1% y-o-y. The top-line expansion was supported by a 7.7% y-o-y rise in average price per pack to EGP 1.74, with volumes sold increasing to 43.9 million packs, a 3.2% y-o-y rise. In the first nine months of the year, the segment reported revenues of EGP 249.2 million, up 30.4% y-o-y. The impressive top-line expansion came on the back of a 28.3% y-o-y rise in packs sold, which reached 147.5 million for the period, while average price per pack increased 1.6% y-o-y to EGP 1.69 in 9M2019. The segment's contribution to total revenues increased to 8.5% in 9M2019 from the 7.1% contribution made in 9M2018.

Gross profit at Edita's wafer segment reported a 7.8% y-o-y expansion to EGP 18.4 million in 3Q2019, with a gross profit margin of 24.2% for the period compared to 24.9% in 3Q2018. In the first nine months of the year, gross profit at Edita's wafers segments came in at EGP 72.8 million, up 43.3% y-o-y, with GPM expanding 2.6 percentage points year-on-year to 29.2% for the nine-month period. The segment's contribution to total gross profit increased to 7.1% in 9M2019 from 6.2% in 9M2018.

### **Candy**

Edita's candy segment reported revenues of EGP 34.5 million for the quarter, down 11.3% y-o-y. The contraction in revenues came on the back of lower utilization work rates at the company's E15 factory related to machinery maintenance work undertaken during the quarter. In 9M2019, revenues fell 2.2% y-o-y to EGP 114.4 million on the back of an 11.6% y-o-y fall in average price per pack and lower utilization rates for the period.

The company's candy segment reported a gross profit of EGP 6.7 million in the third quarter of 2019, down 16.3% y-o-y. GPM came in at 19.4% in 3Q2019, compared to 20.5% recorded in the same three months of 2018. In 9M2019, the candy segment's gross profit came in at EGP 26.6 million, down 1.7% y-o-y. However, GPM for the period was up slightly to 23.2% compared to the 23.1% margin recorded in the same nine months of last year.

### **Balance Sheet**

Edita's total assets stood at EGP 3.2 billion as at 30 September 2019, with property, plant and equipment (PP&E) including projects under construction constituting the lion's share at EGP 1.9 billion. Edita's total CAPEX including spending for equipment additions and maintenance for the first nine months of the year stood at EGP 139.1 million, including additions and maintenance work across several of the company's factories.

Edita maintained cash & cash equivalents including treasury bills balances as of 30 September 2019 of EGP 573.1 million. Cash & cash equivalents as a share of total assets increased to 18.1% as at 30 September 2019, up from 12.5% as of 31 December 2018. Trade receivables as of 30 September 2019 stood at EGP 47.6 million, reflecting the company's continued cash sales policy (97% of sales continue to be conducted on a cash basis). Trade and other payables increased to EGP 481.9 million as at the end of the third quarter 2019, up from EGP 438.9 million as of 31 December 2018.

The company's total loans and borrowings as of 30 September 2019 came in at EGP 854.5 million, up from EGP 725.7 million as of 31 December 2018. On the other hand, net debt as at the end of the third quarter of 2019 decreased to EGP 281.4 million compared to EGP 372.0 million as of 31 December 2018. Total shareholders' equity stood at EGP 1.5 billion as of 30 September 2019.

### Egyptian Accounting Standards Reconciliation to IFRS

Edita's EAS and IFRS financial statements differ in the treatment of employees' profit share, which is expensed under the IFRS, while the EAS accounts for them as a distribution and are thus not included on the income statement. Also, EAS and IFRS differ in the calculation of EBITDA. In 9M2019, EGP 26.9 million in FX gains were deducted from the EBITDA as well as EGP 1.8 million related to gains on the sale of fixed assets. Moreover, a profit share deduction of EGP 32.6 million was made as well as a EGP 7.4 million addition related to IFRS 16, bringing total EAS to IFRS adjustments on EBITDA to EGP 53.8 million.

A reconciliation between Edita's financial statements in EAS with the IFRS-based financial statements for 9M2019 is provided in the table below.

in EGP mn*	9M2019 EAS	Adjustment	9M2019 IFRS
<b>Net Sales</b>	<b>2,933.4</b>	-	<b>2,933.4</b>
COGS (excluding MOH)	1,111.1	-	1,097.9
MOH	354.2	13.3	367.5
Total COGS	1,465.3	-	1,465.3
<b>Gross Profit</b>	<b>1,034.8</b>	<b>(13.3)</b>	<b>1,021.5</b>
<i>Gross Profit Margin</i>	35.3%	-	34.8%
Selling & Distribution Exp.	231.5	1.1	232.5
Advertising & Marketing Exp.	171.6	-	171.6
General & Admin. Exp.	194.3	10.9	205.2
Other Operational Exp.	35.2	-	36.9
<b>Profit from Operations</b>	<b>402.2</b>	<b>(26.9)</b>	<b>375.3</b>
<i>Profit from Operations Margin</i>	13.7%	-	12.8%
Lease Finance Interest	-	5.7	5.7
<b>Profit Before Income Tax</b>	<b>370.3</b>	<b>(32.6)</b>	<b>337.7</b>
Income Tax Expense	85.1	-	85.1
<b>Net Profit After Tax</b>	<b>285.2</b>	<b>(32.6)</b>	<b>252.6</b>
<i>Net Profit After Tax Margin</i>	9.7%	-	8.6%
<b>EBITDA</b>	<b>535.6</b>	<b>53.8</b>	<b>481.8</b>
<i>EBITDA Margin</i>	18.3%	-	16.4%

\*Figures are based on management accounts for better disclosure on expenses breakdown

### Marketing

During the third quarter of 2019, the company's marketing initiatives focused on continuing to promote Edita's Molto and Freska product ranges. The company continued to organize on-the-ground events promoting its Molto product line, and especially the newly launched Mini Molto Friendship Pack currently sold for EGP 5. The company also continued its digital marketing campaign for a selected range of products, focusing on supporting the promotion of its newly launched SKUs.

At the cakes segment, the company launched a new consumer-engaging digital campaign to further strengthen brand awareness and loyalty amongst new and existing consumers. This follows other initiatives undertaken throughout the year to support the brand's visibility. Among the key efforts was the launch of branded kiosks in different locations across Egypt, as well as on-the-ground activations to drive consumption and sales.

In parallel, Edita's marketing team also maintained its efforts to optimize the company's product portfolio, aiming to drive an expansion in Edita's consumer base and support growth in volumes and profitability by tailoring its product offering to target specific consumer segments.

### **Sales & Distribution\***

Edita's sales and distribution strategy targets an optimal sales and price mix by utilizing a price-point segmentation framework based on geographic distribution and income levels. The strategy, which is supported by the company's robust distribution channel, not only enables Edita to access new customer segments and in turn increase its revenues, but also allows the company to improve customer satisfaction levels through a targeted product offering.

Edita reported gross sales through its wholesale channels of EGP 613.0 million for 3Q2019, an increase of 9.4% compared to the EGP 560.3 figure recorded in the same quarter of last year. Edita's wholesale channel continued to make up the lion share of the company's total gross sales at 56.0%, slightly up from the 54.8% share recorded in 3Q2018. In the third quarter of 2019, the company's retail channels, which reported gross sales of EGP 348.8 million, up 10.5% y-o-y, contributed to 31.9% of total gross sales compared to the 30.9% share recorded in the same quarter of last year. Gross sales from key accounts (modern trade) fell 9.5% y-o-y to EGP 29.5 million in the third quarter of the year, contributing to 2.7% of total gross sales.

Edita reported export sales of EGP 88.9 million in 3Q2019, contributing to 8.1% of total gross sales for the quarter compared to the 9.6% contribution recorded in the third quarter of last year. Strengthening its regional footprint and increasing its export sales remains a main pillar of Edita's growth strategy for the coming period.

\* Figures are based on gross sales

### **Supply Chain**

The company's supply chain department continues to work toward further improving operational efficiency and minimizing costs, leveraging its long-lasting relations with its supplier base, and economies of scales to obtain favourable prices for its raw materials.

In the third quarter of 2019, Edita's raw materials continued to make up the lion share of total direct materials cost at 67%, with the remainder attributed to company's packaging materials costs.

Edita continues to benefit from the recent strengthening of the Egyptian pound with cost of imported materials making up just 23% of the company's total direct materials bill compared to the 24% contribution made in the comparable period of 2018.

### **Industrial Operations**

During the third quarter of 2019, Edita's Industrial Operations (IO) department made significant progress on two facility upgrade projects which are expected to conclude by year-end 2019. Year-to-date, the IO department has already installed a new machine exclusively dedicated to the company's newly launched hard filled candy line produced in Edita's E15 facility and machinery to produce the new wafer line, Freska Pops, at Edita's E08 facility.

The IO department also plays a key role in the adherence and implementation of Edita's health, safety and environment policies and initiatives. During the quarter, the department renewed Edita's ISO 9001:2015 certification. In the third quarter of 2019, the IO team also successfully completed a facility-enhancing project which will significantly improve safety conditions for the facility's staff as well as enhance the energy conservation capabilities of the plant.

### **Human Resources**

As of 30 September 2019, Edita's total work force stood at 5,517 employees, an increase compared to the 5,340 employees as of 30 September 2018, and in line with the company's continued efforts to maintain efficient levels

in-line with utilization rates.

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### **About Edita Food Industries**

Edita, founded in 1996 and headquartered in Egypt, is a leader in the growing Egyptian packaged snack food market. The Company manufactures, markets and distributes a range of branded baked snack products including packaged cakes, croissants, rusks (baked wheat), and wafers as well as selected confectionary/candy products. The Company's local brand portfolio includes household names such as Todo, Molto, Bake Rolz, Bake Stix, Freska and MiMix. The Company also has the exclusive ownership of the international HTT brands Twinkies, Hoho's and Tiger Tail in Egypt, Libya, Jordan, Palestine, Morocco, Algeria, Tunisia, Syria, Lebanon, Iraq, Bahrain, Oman, the UAE, Kuwait, Qatar and Saudi Arabia; and is party to a technical assistance and know-how agreement to manufacture 11 additional HTT brands across its territories. The Company holds strong number-one market positions in its core cake and croissant segments as well as in candy, a number-two market position in rusks and a growing market position in the wafers segment. In 3Q2019, the Company derived 91.9% of its revenue from Egypt and 8.1% from regional export markets. Learn more at [ir.edita.com.eg](http://ir.edita.com.eg)

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### **Forward Looking Statements**

This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as "according to estimates", "aims", "anticipates", "assumes", "believes", "could", "estimates", "expects", "forecasts", "intends", "is of the opinion", "may", "plans", "potential", "predicts", "projects", "should", "to the knowledge of", "will", "would" or, in each case their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding business and management, future growth or profitability and general economic and regulatory conditions and other matters affecting the Company.

Forward-looking statements reflect the current views of the Company's management ("Management") on future events, which are based on the assumptions of the Management and involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause the Company's actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements.

The Company's business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to differ materially from those expressed or implied by the forward-looking statements contained in this prospectus. The information, opinions and forward-looking statements contained in this communication speak only as at its date and are subject to change without notice. The Company does not undertake any obligation to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this communication.

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