



the sweet side of life

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Edita Food Industries Reports 1Q2019 Earnings

Edita starts 2019 with a 10.8% y-o-y revenue growth to EGP 982.2 driven by both higher volumes and improved product mix; profitability continues to strengthen with GPM expanding to 35.4% and net profit almost doubles to EGP 114.3 million in 1Q2019

http://www.rns-pdf.londonstockexchange.com/rns/4116Y_1-2019-5-8.pdf

http://www.rns-pdf.londonstockexchange.com/rns/4116Y_2-2019-5-8.pdf

Highlights of 1Q2019

Summary Income Statement (EGP mn)

EGP mn	1Q2019	1Q2018	Change
Revenue	982.2	886.1	10.8%
Gross Profit	347.3	280.1	24.0%
% Margin	35.4%	31.6%	
EBITDA	196.0	143.6	36.5%
% Margin	20.0%	16.2%	
Net Profit	114.3	60.9	87.8%
% Margin	11.6%	6.9%	

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 & EFIDq.L on the London Stock Exchange), a leader in the Egyptian packaged snack food market, announced today its results for the quarter ended 31 March 2019, reporting revenues of EGP 982.2 million, up 10.8% y-o-y. Net profit for 1Q2019 recorded a significant 87.8% y-o-y increase to EGP 114.3 million, with a net profit margin of 11.6% versus 6.9% in the comparable quarter last year.

Edita's strong results for the first quarter of the year were both volume and price-driven, with total packs sold up 6.3% y-o-y to 670.5 million while average price per pack was up 4.3% y-o-y in 1Q2019 to EGP 1.46. Edita's sales volumes for the quarter are 1% higher than pre-devaluation levels in 1Q2016, which stood at 664.4 million pack.

Volume recovery at higher price points and improved product mix across Edita's portfolio is delivering strengthened profitability, with the company's gross profit margin for the quarter up almost four percentage points to 35.4% in 1Q2019. Similarly, Edita's EBITDA margin was up from 16.2% in 1Q2018 to 20.0% in the current quarter.

On a segment basis, Edita's rusks and wafers segments recorded a solid performance in 1Q2019, delivering revenue growth of 50.4% and 42.7% y-o-y, respectively. Segment growth was driven by higher utilization rates, with total rusks volumes up 40.9% y-o-y in 1Q2019, while wafers volumes recorded a 48.7% increase over 1Q2018. Parallel to volume growth, Edita's also continued to push its higher priced SKUs at both segments, in turn also strengthening profitability. The segments' fast growth saw their share of revenues record a notable expansion during the quarter, with rusks' share growing to 10.7% versus 7.9% in 1Q2018, while the wafers segment constituted 9.9% compared to 7.7% in the previous year.

Meanwhile, Edita's core cake and croissant segments also delivered sales growth during the period, with cake sales up 4.6% y-o-y to EGP 455.9 million in 1Q2019, constituting a 46.4% share of total revenues. Croissant sales stood at EGP 277.7 million in 1Q2019, up 3.4% y-o-y and constituting a 28.3% share of Edita's consolidated revenues. Finally, the candy segment recorded a 7.5% y-o-y increase in sales to EGP 43.1 million in 1Q2019 and a 4.4% share of total revenues.

On a regional front, Edita's gross exports were up 33.8% y-o-y to EGP 85.7 million in 1Q2019, constituting an 8.7% share of total gross revenues versus 7.2% in 1Q2018.

Edita maintained its market leadership position in its core segments during the year as per the latest data available for February 2019. The company remains the leader in the cake segment with a market share of 48.5%, while in the croissant segment Edita held a 61.9% share as of February 2019. Edita is also the leader in the candy segment with a 9.5% market share as of February 2019, while in the fast-growing rusks segment, Edita held a number two position and captured a larger 43.2% share during the same period. Finally, Edita's market share in the wafers segment stood at 10.3% as of February 2019.

Edita's growing volumes along with product reconfigurations and an increase in average prices saw cost of direct materials as a percentage of sales improve to 49.9% in 1Q2019, down from 54.8% in the same period last year. In absolute terms, cost of direct materials was up only 1.0% y-o-y to EGP 490.4 million. Overall, Edita costs of goods sold recorded EGP 634.9 million in 1Q2019, up 4.8% y-o-y versus a 10.8% increase in sales.

Edita's delivered a strong 24.0% y-o-y increase in gross profit to EGP 347.3 million in 1Q2019, with GPM expanding to 35.4% from 31.6% in 1Q2018. On a segment basis, all of Edita's segments delivered GPM expansion in 1Q2019.

Edita was also successful in controlling its selling, general and administrative (SG&A) expenses, which grew only 4.9% y-o-y to EGP 173.1 million in 1Q2019. SG&A/Sales recorded 17.6% in 1Q2019, down from 18.6% in 1Q2018.

Improved cost efficiencies and strengthening profitability down the income statement saw Edita's EBITDA record a strong 36.5% y-o-y increase to EGP 196.0 million, with EBITDA margin expanding four percentage points to 20.0%.

Net profit for quarter almost doubled to EGP 114.3 million in 1Q2019 compared to EGP 60.9 million in the same quarter last year, with net profit margin expanding from 6.9% to 11.6%. Strong bottom-line growth was driven by higher operational profit and further supported by 55.6% y-o-y decrease in net finance costs during the quarter.

Strategy Insight

Edita's strategy in 2019 will continue to focus on driving volume growth and portfolio optimization, while simultaneously extracting cost efficiencies to support profitability. In parallel, Edita will push forward with its long-term strategic initiatives that will drive the next growth and value creation phase. Among its key initiatives is a return to investment mode as the company seeks to utilize the space afforded by its new E08 facility with the addition of new production lines. The company has already installed a new candy line in early 2019 and launched a line of juice-filled stick candies, BonBon, under our existing Mimix brand as it seeks to strengthen its position in this fast-growing market.

Edita is also paving the way to venture into new segments, leveraging its strong innovative abilities, technical know-how, brand equity and its nation-wide distribution network.

On the regional front Edita will continue driving export growth, which reached 8.7% in 1Q2019 versus 7.2% in the same period last year. At the start of the year, the company officially incorporated Edita Morocco and registered its Freska brand as it capitalizes on its JV with the Dislog Group. Edita also took concrete steps toward establishing its first overseas manufacturing facility in Morocco, with construction set to begin during the year. Edita's strategy will see it leverage its new manufacturing capacity to better serve regional markets with large consumer bases and significant growth potential.

Overview of Segment Performance

The rusks segment was the fastest-growing segment in 1Q2019 with sales up 50.4% y-o-y to EGP 105.5 million, followed by the wafers segment which recorded a 42.7% y-o-y increase to EGP 97.3 million. Edita's cakes segment recorded a 4.6% y-o-y growth to EGP 455.9 million in 1Q2019, while the croissant posted a 3.4% y-o-y increase in sales to EGP 277.7 million. Finally, revenue from the candy segment was up 7.5% y-o-y to EGP 43.1 million in 1Q2019.

Edita's rusks segment contributed 36.8% to total growth in 1Q2019, followed by the wafers and cakes segment at 30.3% and 20.7% contribution to growth, respectively. Meanwhile Edita's croissant segment contributed a 9.4% to total growth in 1Q2019 followed lastly by the candy segment at 3.1%.

Total packs sold were up 6.3% y-o-y to 670.5 million, with higher volumes being primarily driven by the cake, rusks and wafers segments. Meanwhile, average price per pack was up 4.3% y-o-y in 1Q2019, with the highest increase in prices recorded at the croissant segment at 17.5% y-o-y.

At the gross profit level, all of Edita's segments recorded year-on-year growth and margin expansion during 1Q2019. Leading the pack was the croissant segment which recorded a 4.8 percentage points expansion in GPM to 31.8%, followed by cakes with a 4.4 percentage point expansion to 40.1% in 1Q2019. Overall, Edita recorded a 24.0% y-o-y increase in gross profit to EGP 347.3 million in 1Q2019, with a 3.7 percentage point expansion in GPM to 35.4%.

Average Factory Prices

EGP mn	1Q2019	1Q2018	Change
Cakes	1.23	1.24	-0.6%
Croissant	1.79	1.52	17.5%
Rusks	1.77	1.66	6.8%
Wafers	1.63	1.70	-4.1%

Candy	1.72	2.09	-17.5%
Average Edita	1.46	1.40	4.3%

Segment Revenues and Volumes Sold

1Q2019

	Net Sales (EGP mn)	Packs (millions)	Tons (000s)	Net Sales (EGP mn)
Cakes	456	371	10.5	436
Croissant	278	155	6.9	269
Rusks	105	60	2.3	70
Wafers	97	60	1.7	68
Candy	43	25	0.9	40
Imports	3	-	-	3
Total	982	670	22.4	886

Cakes

Cakes continued to be Edita's largest segment with a 46.4% share of total revenues in 1Q2019 and total sales of EGP 455.9 million, up 4.6% y-o-y. Segment growth was volume-driven, with total packs sold reaching 371.2 million in 1Q2019, up 5.2% y-o-y, while average price per pack was largely stable at EGP 1.23 versus 1.24 in 1Q2018. The cake segment contributed 20.7% to total growth in 1Q2019.

Edita maintained its lead in its core cakes segment with a 48.5% market share as of February 2019 (the latest available data) versus a 53.5% share last year.

Gross profit from the cakes segment was up 17.5% to EGP 182.9 million, constituting the largest share of total gross profit at 52.7%. Consequently, the segment contributed 40.5% of Edita's total gross profit growth during the quarter. GPM was up 4.4 percentage points from 35.7% in 1Q2018 to 40.1% in 1Q2019. Strong gross profitability at the cakes segment is generally driven by the higher-margin nature of the cakes product portfolio, reflecting Edita's several rounds of indirect price increases and improved product mix.

Croissant

The croissant segment recorded revenue growth 3.4% y-o-y in 1Q2019 to EGP 277.7 million, constituting a 28.3% share of total revenues for the quarter. Segment growth was driven entirely by price, with average price per pack up 17.5% y-o-y to EGP 1.79. Higher price were driven by Edita's price increases such as the recent upsizing of the segment's Mini Molto Hazelnut. Meanwhile, croissant volumes recorded a 12.0% y-o-y decline to 155.0 million packs in 1Q2019.

Edita remained the leader in the croissant segment with a 61.9% market share as of February 2019 compared to 61.7% in the same period last year.

The croissant segment's gross profit was up 21.8% y-o-y to EGP 88.3 million in 1Q2019, constituting the second-largest share of total gross profit at 25.4%. Croissant recorded the largest expansion in GPM of 4.8 percentage points to 31.8% in 1Q2019 versus 27.0% in the same period last year. Stronger profitability continues to be driven by product reconfigurations and price increases.

Rusks

The rusks segment recorded the fastest growth during the quarter at 50.4% to EGP 105.5 million in 1Q2019. Growth at the rusks segment was driven primarily by volume, which recorded a 40.9% y-o-y increase to 59.6 million packs in 1Q2019 with the ramp up in utilization rates. Meanwhile, average price per pack was up 6.8% to EGP 1.77 supported by the introduction of a new Bake Rolz SKU in 4Q2018 priced at EGP 3 per pack.

Edita captured a 43.2% share of the fast-growing segment as of February 2019, up from 41.9% in the previous year, maintaining its number two position.

The segment was also the fastest-growing at the gross profit level, recording a 63.3% y-o-y increase to EGP 31.6 million in 1Q2019. Strong growth saw rusks' share of total gross profit increase to 9.1% in 1Q2019 versus 6.9% in the same quarter last year. Rusks' profitability also improved with GPM expanding to 30.0% in 1Q2019, up from 27.6% in 1Q2018. Improved profitability was driven by higher average price pack along with a continued growth in volumes.

Wafers

The wafers segment was the second fastest-growing segment in 1Q2019, recording revenue growth of 42.7% to EGP 97.3 million. The segment's contribution to total revenues grew from 7.7% in 1Q2018 to 9.9% in 1Q2019. Wafer growth during the quarter was volume-driven with total packs sold increasing 48.7% y-o-y to 59.7 million in 1Q2019. Meanwhile, average price per pack was down 4.1% y-o-y to EGP 1.63 in 1Q2019.

Edita's market share in the wafer segment recorded 10.3% as of February 2019, compared to 10.5% last year.

At the gross profit level, the wafer segment recorded the second-fastest growth of 52.7% y-o-y to EGP 32.1 million in 1Q2019. The segment constituted a 9.2% share of total gross profit. Meanwhile, wafers' gross profitability expanded 2.2 percentage points with GPM standing at 33.0% in 1Q2019 versus 30.8% in 1Q2018. Gross profitability continues to improve on the back of rising volumes and improved operating leverage.

Candy

Revenues from the candy segment recorded EGP 43.1 million in 1Q2019, up 7.5% y-o-y and constituting a 4.4% share of total revenues. Revenue growth was predominantly volume-driven, with total packs sold up 30.3% y-o-y to 25.0 million in 1Q2019. The increase in volumes offset a 17.5% y-o-y decline in average price per pack to EGP 1.72 in 1Q2019.

Edita remained a market leader in the segment with a 9.5% market share as of February 2019.

The candy segment recorded the first increase in gross profit since 1Q2018, up 13.4% y-o-y to EGP 11.7 million, with an associated expansion in GPM from 25.8% to 27.2% in 1Q2019. The segment's share of total gross profit was 3.4% while its contribution to gross profit growth was 2.1% in 1Q2019.

Balance Sheet

Edita's total assets as of 31 March 2019 recorded EGP 3.0 billion, with property, plant and equipment (PP&E) constituting 62.2% at EGP 1.9 billion. Edita's total CAPEX outlays year-to-date stood at EGP 65.8 million, including additions at the E08 and E15 factories as well as maintenance CAPEX.

Edita's cash & cash equivalents including treasury bills balances stood at EGP 398.9 million as of 31 March 2019, up 12.8% from year-end 2018 and constituting 13.4% of total assets versus 12.5% as of 31 December 2018. Trade receivables balance was EGP 36.6 million as of 31 March 2019, reflecting the company's continued cash sales policy (97% of sales continue to be conducted on a cash basis). Trade and other payables were EGP 442.4 million as of 31 March 2019, up from EGP 438.9 million as of 31 December 2018.

Edita's total borrowings declined to EGP 639.4 million as of 31 March 2019 from EGP 725.7 million as of 31 December 2018. Net debt continued to decrease, standing at EGP 240.5 million as of 31 March 2019 down from EGP 372.0 million at year-end 2018. Total shareholders' equity stood at EGP 1.4 billion as of 31 March 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 1Q2019, EGP 9.5 million in FX gains were deducted from the EBITDA as well as EGP 0.04 million related to gains on the sale of fixed assets. Moreover, a profit share deduction of EGP 10.5 million was made as well EGP 1.7 million related to IFRS 16, bringing total EAS to IFRS adjustments on EBITDA to EGP 17.7 million.

A reconciliation between Edita's financial statements in EAS with the IFRS-based financial statements for 1Q2019 is provided in the table below.

in EGP mn*	1Q2019 EAS	Adjustment	1Q2019 IFRS
Net Sales	982.2	-	982.2
COGS (excluding MOH)	514.3	-	514.3
MOH	116.5	4.1	120.6
Total COGS	630.8	-	634.9
Gross Profit	351.4	(4.1)	347.3
<i>Gross Profit Margin</i>	<i>35.8%</i>		<i>35.4%</i>
Selling & Distribution Exp.	76.1	0.4	76.5
Advertising & Marketing Exp.	31.8	-	31.8
General & Admin. Exp.	61.2	3.7	64.9
Other Operational Exp.	10.4	0.7	11.1
Profit from Operations	171.9	(8.9)	163.0
<i>Profit from Operations Margin</i>	<i>17.5%</i>		<i>16.6%</i>
Lease Finance Interest	-	1.7	1.7
Profit Before Income Tax	161.6	(10.6)	151.0
Income Tax Expense	36.6	-	36.6
Net Profit After Tax	124.9	(10.6)	114.3
<i>Net Profit After Tax Margin</i>	<i>12.7%</i>		<i>11.6%</i>
EBITDA	213.7	(17.7)	196.0
<i>EBITDA Margin</i>	<i>21.8%</i>		<i>20.0%</i>

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

Market Developments

Egypt's snack food market continued to grow as per the latest available data from Nielsen Retail Audits as of February 2019, with segments where Edita operates recording a 16.8% y-o-y increase to EGP 4,014.3 million.

The cake segment grew 12.0% y-o-y to EGP 511.0 million as of February 2019, maintaining its lead with a 48.3% market share versus 53.5% in the previous year. Meanwhile, the croissant market size recorded EGP 271.1 million for the two month period ended February 2019, up 21.0% y-o-y. Edita's market share 61.9% during the period versus 61.7% in February 2018.

The rusks market grew by 30.1% y-o-y to EGP 197.3 million as of February 2019, constituting 8.0% of the total salty snacks market. Edita's market share grew to 43.2% as of February 2019 compared to 41.9% last year, maintaining its number two position.

The wafer market recorded EGP 523.2 million as of February 2019, up 16.3% y-o-y, with Edita's market share standing at 10.3% versus 10.5% in the same period last year. Finally, the candy segment recorded a 41.1% y-o-y increase to EGP 243.0 million as of February 2019, with Edita maintaining its leading with a market share of 9.5% during the period.

Selected Segments of the Snack Food Market in Egypt

Segment	YTD Feb 2019 (EGP mn)	YTD Feb 2018 (EGP mn)	% Change
Cake	511.0	456.3	12.0%
Croissant	271.1	224.0	21.0%
Salty Snacks	2,466.0	2,135.7	15.5%

Rusks*	197.3	151.6	30.1%
Wafer	523.2	449.8	16.3%
Candy	243.0	172.2	41.1%
Total Market	4,014.3	3,438.0	16.8%

* Rusk market was 8.0% of total salty snacks in February 2019

Source: AC Nielsen Retail Audits

Marketing

Edita's marketing strategy continued to focus on portfolio optimization, targeting to tactically maintain the company's consumer base and grow volumes. Key efforts include product reconfigurations, indirect prices increases and new product launches. In 1Q2019, Edita launched a line of juice-filled stick candies under the MiMix sub-brand BonBon. BonBon products are offered in strawberry, orange and apple flavours and retail at EGP 2 per pack. The BonBon debut followed the earlier reintroduction of the milk-based hard candy line under the new sub-brand Dolce. Both efforts work to diversify and differentiate Edita's product offering in the segment, and will help solidify the company's growing leadership in Egypt's market for candies and confectioneries.

Meanwhile, Edita's new Bake Rolz flavours launched at year-end 2018 were well perceived by the market, with the company implementing product reconfigurations in the segment to support profitability.

On the regional front, Edita launched its Freska brand in Morocco, supporting the brand with advertising and marketing campaigns, as well as digital and on-the-ground activations. Edita has also applied the same portfolio optimization strategy across different export markets, passing indirect price increases and maintaining the company's competitive propositions in these markets.

Parallel to improving product mix and supporting new launches, the department also pushed forward communication initiatives, including digital and on-the-ground activations across all brands that focused on high price point SKUs. Edita also worked to improve product visibility at both traditional and modern trade through display solutions, aiming to influence consumers at the point of purchase and in turn drive sales.

Development of Average Consumer Price by Product Segment

	1Q2019	1Q2018	Change (%)
Cake	1.58	1.58	-
Croissant	2.21	1.91	15.7%
Rusks	2.27	2.11	7.6%
Wafer	2.12	2.18	-2.7%
Candy	3.47	4.02	-13.7%
Total	1.94	1.89	2.6%

Sales & Distribution*

Edita's sales and distribution strategy aims to leverage the strength and reach of the company's network to reach an optimum price-point segmentation. Edita pushes products down its distribution channels that are optimized in terms of sales and price mix for the different geographic areas and income levels.

Edita's gross sales through wholesale channels recorded EGP 545.7 million in 1Q2019, up 8.6% y-o-y and constituting 55.1% of total gross sales compared to 56.2% in the same quarter last year. Meanwhile, sales from retail channels were up 13.1% y-o-y to EGP 314.5 million in 1Q2019, contributing 31.7% of total sales versus 31.1% in 1Q2018. Key accounts (modern trade) recorded gross sales of EGP 30.4 million in 1Q2019, up 3.5% y-o-y, while direct supply declined 27.3% y-o-y to EGP 14.4 million during the same period. Together, direct

supply and key accounts contributed 4.5% of total gross sales in 1Q2019 versus 5.5% in the same quarter last year.

Export sales came in at EGP 85.7 million in 1Q2019, up 33.8% y-o-y and contributing 8.7% of total sales for the quarter compared to 7.2% in 1Q2018. Edita is actively working to grow its footprint as key pillar of its forward-looking strategy.

* Figures are based on gross sales

Supply Chain

Edita's supply chain department continues to leverage its solid reputation and strong bargaining power to extract favourable raw materials prices, thereby minimizing costs and supporting increased operational efficiency.

The recent appreciation of the Egyptian pound has reflected positively on Edita's cost base, with cost of imported material making up 27% of Edita's total direct materials bill, down from 31% in 1Q2018. Edita's raw materials continued to make up the largest share of total direct materials cost in 1Q2019 at 67%, with the balance being cost of packaging materials.

Industrial Operations

The Industrial Operations (IO) department main activities during the period were focused on commissioning new capacity at the E15 facility dedicated for the production of Edita's new BonBon candy line. The department also continues to implement line enhancements across all factories to support the company product mix optimization efforts and cost control initiatives. The IO department also plays a central role in the adherence and implementation of Edita's health, safety and environment policies and initiative. In 1Q2019, the department commission a waste water treatment plant at the E06 factory, and has successfully passed the National Food Safety Authority's audit for both its E06 and E07 factories. Finally, Edita's plants have also successfully passed the Halal audit and their certificates renewed for a further two years.

Human Resources

Edita's total work force stood at 5,663 employees as of 1Q2019, compared to 5,708 employees in 1Q2018, maintaining efficient levels in-line with rising utilization rates. The company views its talented and highly-skilled employees as a key pillar of its success, continuously investing in their training and development, economic well-being and career satisfaction. Edita's dedication to its employees is clearly reflected in their job-satisfaction rates, with average turnover across both blue and white collar employees at only 2.84% in 1Q2019.

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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 1Q2019, the Company derived 91.3% of its revenue from Egypt and 8.7% from regional export markets. Learn more at 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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