

**EDITA Food Industries (S.A.E.)
and its Subsidiaries**

Consolidated Financial Statements
Prepared in accordance with IFRS
For the year ended December 31, 2024

EDITA Food Industries (S.A.E.) and its Subsidiaries
Consolidated Financial Statements
For the year ended December 31, 2024

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**Independent Auditor's Report
To the Shareholders of Edita Food Industries (S.A.E.)
Report on the Audit of the Consolidated Financial Statements**

Opinion

We have audited the consolidated financial statements of Edita Food Industries (S.A.E.) (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material aspects, the consolidated financial position of the Group as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS Accounting Standards"), as issued by International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA code") together with other ethical requirements that are relevant to our audit of the Group's consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent Auditor's Report

To the Shareholders of Edita Food Industries (S.A.E.) (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Group for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that content.

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<p>Valuation of intangible assets</p> <p>Note 9 to the consolidated financial statements include intangible assets with indefinite useful lives amounting to EGP 162.9 million as at December 31, 2024, representing purchased trademarks and know-how on certain branded products. Under the Group's accounting policies, trademarks and know-how are assessed to have indefinite useful lives as the related licenses are perpetual, irrevocable and exclusive in nature.</p> <p>Note 9 to the consolidated financial statements also includes goodwill amounting to EGP 129.4 million as at December 31, 2024, recognised on acquisition of some of its subsidiaries in the prior years.</p> <p>These intangible assets and goodwill are subject to an impairment test on an annual basis under the requirements of International Accounting Standard 36 – Impairment of Assets ("IAS 36"). The impairment test is based on management's estimate of the future cash flows to be generated from the related brands and cash generating units ("CGUs").</p> <p>Determination of value-in-use of the above-mentioned intangible assets and goodwill involve use of complex valuation techniques (i.e. discounted cash flows method) and significant judgements and assumptions. Due to inherent uncertainties involved in estimating future product cash flows and use of significant assumptions and judgements, we have considered this as a key audit matter.</p>	<p>Our procedures in relation to management's impairment review of these intangible assets and goodwill included:</p> <ul style="list-style-type: none"> • We evaluated the design and implementation of relevant controls over the impairment assessment process related to identification of impairment indicators and estimation of recoverable amounts. • We obtained the valuation analysis applied by management for computation of recoverable amounts and assessed whether the forecasted figures used therein seem reasonable based on the historical data and future expectations. • We critically assessed and tested the assumptions and methodologies used by management, especially those relating to the discount rate and growth rates with the assistance of our internal valuation experts. To do this: <ul style="list-style-type: none"> ○ We evaluated these assumptions with reference to those applied to valuations of similar entities. ○ We compared the key assumptions to externally derived data wherever possible, including market expectations of investment return, projected economic growth and interest rates. ○ We applied sensitivities in evaluating management's assessment of the planned growth rate in cash flows. ○ We tested the calculations within the valuation model for mathematical accuracy and considered the sensitivity of the calculations by varying the assumptions and applying other values within a reasonably possible range of outcomes. • We assessed the adequacy of the Group's disclosure regarding the valuation methodologies and key assumptions in accordance with IFRS.

Independent Auditor's Report**To the Shareholders of Edita Food Industries (S.A.E.) (continued)****Report on the Audit of the Consolidated Financial Statements (continued)*****Other Matter – Scope of the audit***

The consolidated financial statements, on which our opinion is issued, have been prepared for the purpose of the Group meeting its continuing obligations under the Listing Rules of the London Stock Exchange. These consolidated financial statements are therefore not the statutory financial statements of the Group as required by laws in the jurisdiction where the Group is registered and regulated. The Group has prepared and published a separate set of consolidated financial statements for the year ended December 31, 2024 in accordance with Egyptian Accounting Standards, and relevant laws and regulations ("EAS consolidated financial statements").

These EAS consolidated financial statements have been audited by another auditor, who expressed an unmodified opinion on those statements on March 9, 2025. Our audit opinion doesn't extend to those statutory consolidated financial statements.

Other Information

The Board of Directors and the Management are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our Auditor's Report thereon. We expect to obtain the Annual Report after the date of the Auditors' Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Independent Auditor's Report

To the Shareholders of Edita Food Industries (S.A.E.) (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Independent Auditor's Report

To the Shareholders of Edita Food Industries (S.A.E.) (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

GRANT THORNTON UAE

GRANT THORNTON



Dr. Osama El Bakry
Registration No. 935
Dubai, United Arab Emirates

April 17, 2025

EDITA Food Industries (S.A.E.) and its subsidiaries
Consolidated Financial Statements

Consolidated statement of financial position
As at December 31, 2024

	Notes	2024 EGP	2023 EGP
ASSETS			
Non-current assets			
Property, plant and equipment	7	4,459,743,474	3,371,427,161
Right-of-use assets	8	199,536,464	118,455,576
Intangible assets and goodwill	9	345,553,928	264,367,647
Deferred tax assets	21	99,659,439	75,882,029
Total non-current assets		5,104,493,305	3,830,132,413
Current assets			
Inventories	11	3,034,025,532	1,866,984,476
Trade and other receivables	13	846,997,383	780,069,438
Financial assets at amortised cost -- treasury bills	14	805,867,012	346,432,739
Cash and cash equivalents	15	518,288,835	1,009,902,806
Total current assets		5,205,178,762	4,003,389,459
TOTAL ASSETS		10,309,672,067	7,833,521,872
EQUITY AND LIABILITIES			
Equity			
Share capital	16	140,002,731	140,002,731
Legal reserve	17	72,536,289	72,536,289
Cumulative translation reserve		(208,115,650)	(50,615,771)
Transactions with non-controlling interest	18	(32,132,098)	(32,132,098)
Retained earnings		3,943,619,260	3,199,422,434
Equity attributable to the Owners of the Company		3,915,910,532	3,329,213,585
Non-controlling interest	18	101,270,857	73,686,956
Total equity		4,017,181,389	3,402,900,541
Non-current liabilities			
Borrowings	19	2,282,057,064	1,129,283,746
Deferred government grants	19	19,343,101	17,059,424
Employee benefit obligations	20	75,262,582	55,143,601
Deferred tax liabilities	21	402,132,045	316,014,912
Lease liabilities	22	229,107,964	130,944,266
Total non-current liabilities		3,007,902,756	1,648,445,949
Current liabilities			
Provisions	23	99,601,868	105,601,704
Bank overdraft	24	808,368,965	596,722,472
Trade and other payables	25	1,747,666,368	1,383,888,532
Current portion of borrowings	19	372,890,145	297,757,493
Current income tax liabilities	26	248,382,615	387,712,322
Current portion of lease liabilities	22	7,677,961	10,492,859
Total current liabilities		3,284,587,922	2,782,175,382
Total liabilities		6,292,490,678	4,430,621,331
TOTAL EQUITY AND LIABILITIES		10,309,672,067	7,833,521,872

These consolidated financial statements were approved and authorised for issue by the Board of Directors on April 17, 2025 and were signed on their behalf by:

Eng. Hani Berzi
Chairman

Mr. Sameh Naguib
Chief Financial Officer

The accompanying notes 1 to 42 form an integral part of these consolidated financial statements.

EDITA Food Industries (S.A.E.) and its subsidiaries
Consolidated Financial Statements

Consolidated statement of profit or loss
For the year ended December 31, 2024

	Notes	2024 EGP	2023 EGP
Revenue	37	16,146,545,699	12,125,997,046
Cost of sales	33	(11,240,232,913)	(8,200,709,717)
GROSS PROFIT		4,906,312,786	3,925,287,329
Distribution cost	33	(1,662,351,937)	(1,131,569,626)
Administrative expenses	33	(1,086,699,763)	(771,817,875)
Provision for employee benefit obligations	20	(23,800,197)	(18,535,914)
Provision for slow-moving inventory	11	(13,403,634)	(10,745,226)
Other income	27	101,075,941	79,443,395
Other expenses	28	(84,715,514)	(67,211,775)
Finance income	29	168,265,279	213,587,378
Finance cost	30	(402,641,247)	(211,931,914)
Foreign exchange gain - net		69,662,331	44,116,322
PROFIT BEFORE INCOME TAX		1,971,704,045	2,050,622,094
Income tax expense	31	(556,329,772)	(544,046,655)
NET PROFIT FOR THE YEAR		1,415,374,273	1,506,575,439
<i>Profit attributable to</i>			
Owners of the Company		1,442,374,792	1,524,789,018
Non-controlling interest		(27,000,519)	(18,213,579)
		1,415,374,273	1,506,575,439
Earnings per share (expressed in EGP per share)			
Basic and diluted earnings per share	32	2.06	2.17

The accompanying notes 1 to 42 form an integral part of these consolidated financial statements.

EDITA Food Industries (S.A.E.) and its subsidiaries
Consolidated Financial Statements

Consolidated statement of comprehensive income
For the year ended December 31, 2024

	Note	2024 EGP	2023 EGP
Net profit for the year		<u>1,415,374,273</u>	<u>1,506,575,439</u>
Other comprehensive (loss)/income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		(102,915,459)	18,178,708
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurements of employee benefit obligations	20	1,822,034	(3,951,159)
Other comprehensive (loss)/income for the year		<u>(101,093,425)</u>	<u>14,227,549</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,314,280,848</u>	<u>1,520,802,988</u>
Total comprehensive income attributable to			
Owners of the Company		1,286,696,947	1,512,495,809
Non-controlling interest		27,583,901	8,307,179
		<u>1,314,280,848</u>	<u>1,520,802,988</u>

The accompanying notes 1 to 42 form an integral part of these consolidated financial statements.

EDITA Food Industries (S.A.E.) and its subsidiaries
Consolidated Financial Statements

Consolidated statement of changes in equity
For the year ended December 31, 2024

	Equity attributable to the owners of the Company							
	Transactions							
	Share capital EGP	Legal reserve EGP	Cumulative translation reserve EGP	with non-controlling interest EGP	Treasury shares EGP	Retained earnings EGP	Non-controlling interest EGP	Total equity EGP
As at January 1, 2024	140,002,731	72,536,289	(50,615,771)	(32,132,098)	-	3,199,422,434	73,686,956	3,402,900,541
<i>Total comprehensive income for the year:</i>								
Net profit for the year	-	-	-	-	-	1,442,374,792	(27,000,519)	1,415,374,273
Other comprehensive (loss)/income	-	-	(157,499,879)	-	-	1,822,034	54,584,420	(101,093,425)
Total comprehensive income for the year	-	-	(157,499,879)	-	-	1,444,196,826	27,583,901	1,314,280,848
<i>Transactions with shareholders:</i>								
Dividends distributed during the year (Note 16)	-	-	-	-	-	(700,000,000)	-	(700,000,000)
As at December 31, 2024	140,002,731	72,536,289	(208,115,650)	(32,132,098)	-	3,943,619,260	101,270,857	4,017,181,389

The accompanying notes 1 to 42 form an integral part of these consolidated financial statements.

EDITA Food Industries (S.A.E.) and its subsidiaries
Consolidated Financial Statements

Consolidated statement of changes in equity (continued)
For the year ended December 31, 2024

	Equity attributable to the owners of the Parent								
	Transactions							Non-controlling interest EGP	Total equity EGP
Share capital EGP	Legal reserve EGP	Cumulative translation reserve EGP	with non-controlling interest EGP	Treasury shares EGP	Retained earnings EGP	Total EGP			
As at January 1, 2023	144,611,688	78,953,630	(42,273,721)	(32,132,098)	(160,827,557)	2,633,270,813	2,621,602,755	40,579,768	2,662,182,523
<i>Total comprehensive income for the year:</i>									
Net profit for the year	-	-	-	-	-	1,524,789,018	1,524,789,018	(18,213,579)	1,506,575,439
Other comprehensive (loss)/income	-	-	(8,342,050)	-	-	(3,951,159)	(12,293,209)	26,520,758	14,227,549
Total comprehensive income for the year	-	-	(8,342,050)	-	-	1,520,837,859	1,512,495,809	8,307,179	1,520,802,988
<i>Transactions with shareholders:</i>									
Acquisition of treasury shares (Note 16)	-	-	-	-	(105,184,979)	-	(105,184,979)	-	(105,184,979)
Write-off of treasury shares (Note 16)	(4,608,957)	-	-	-	266,012,536	(261,403,579)	-	-	-
Dividend distributed during the year (Note 16)	-	-	-	-	-	(699,700,000)	(699,700,000)	-	(699,700,000)
Shares issued to non-controlling interest (Note 18)	-	-	-	-	-	-	-	24,800,009	24,800,009
Elimination of legal reserve pertaining to subsidiaries	-	(6,802,452)	-	-	-	6,802,452	-	-	-
Transfer to legal reserves (Note 17)	-	385,111	-	-	-	(385,111)	-	-	-
Total transactions with shareholders	(4,608,957)	(6,417,341)	-	-	160,827,557	(954,686,238)	(804,884,979)	24,800,009	(780,084,970)
As at December 31, 2023	140,002,731	72,536,289	(50,615,771)	(32,132,098)	-	3,199,422,434	3,329,213,585	73,686,956	3,402,900,541

The accompanying notes 1 to 42 form an integral part of these consolidated financial statements.

EDITA Food Industries (S.A.E.) and its subsidiaries
Consolidated Financial Statements

Consolidated statement of cash flows
For the year ended December 31, 2024

	Notes	2024 EGP	2023 EGP
OPERATING ACTIVITIES			
Profit for the year before income tax		1,971,704,045	2,050,622,094
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	7	339,762,089	250,518,978
Depreciation of right-of-use assets	8	22,053,035	24,706,566
Amortization of intangible assets	9.3	11,060,520	7,553,866
Provision for slow moving inventory	11	13,403,634	10,745,226
Provision for employee benefit obligations	20	23,800,197	18,535,914
Gain on disposal of property, plant and equipment	27	(4,196,751)	(4,770,586)
Provision no longer required	27	(4,081,619)	(8,148,635)
Government grants	27	(3,409,851)	(4,447,524)
Other provisions	28	46,765,402	38,526,328
Interest income	29	(168,265,279)	(213,587,378)
Interest expense	30	376,398,830	195,775,875
Interest on lease liabilities	30	26,242,417	16,156,039
Foreign exchange gain		(5,613,857)	(77,323,186)
		2,645,622,812	2,304,863,577
<i>Change in working capital</i>			
Inventories		(1,119,014,155)	(890,423,339)
Trade and other receivables		60,310,775	(178,345,713)
Trade and other payables		287,842,160	302,920,324
Provisions utilized		(48,683,619)	(2,509,629)
Payments of employee benefit obligations	20	(1,859,182)	(740,128)
Cash generated from operations		1,824,218,791	1,535,765,092
Interest paid		(380,897,134)	(156,953,069)
Income tax paid		(588,833,909)	(329,531,910)
Net cash inflow from operating activities		854,487,748	1,049,280,113
INVESTING ACTIVITIES			
Payment for purchase of property, plant and equipment		(1,238,601,054)	(572,147,343)
Payment for purchase of intangible assets	9	(228,000)	(2,326,936)
Proceeds from sale of property, plant and equipment	34	6,096,820	6,035,664
Interest received		137,960,554	215,911,491
Payment for purchase of treasury bills		(1,955,683,983)	(4,664,845,933)
Proceeds from sale of treasury bills		1,518,125,049	5,207,775,393
Payment for acquisition of Edita Frozen Foods Industries S.A.E. – net of cash and cash equivalents acquired	10	-	(258,696,407)
Net cash used in investing activities		(1,532,330,614)	(68,294,071)
FINANCING ACTIVITIES			
Dividends paid to the shareholders	16	(700,000,000)	(699,700,000)
Acquisition of treasury shares	16	-	(105,184,979)
Additional contribution by non-controlling interest	18	-	24,800,009
Lease payments	22	(39,157,363)	(31,724,663)
Proceeds from borrowings		802,325,677	1,166,800,225
Repayments of borrowings		(193,737,275)	(936,957,728)
Net cash used in financing activities		(130,568,961)	(581,967,136)
Net increase in cash and cash equivalents		(808,411,827)	399,018,906
Cash and cash equivalents, at beginning of the year		413,180,334	(7,275,177)
Effect of movements in exchange rates on cash held		105,151,363	21,436,605
Cash and cash equivalents, at end of the year	15	(290,080,130)	413,180,334

The accompanying notes 1 to 42 form an integral part of these consolidated financial statements.

EDITA Food Industries (S.A.E.) and its subsidiaries
Consolidated Financial Statements

Notes to the consolidated financial statements
For the year ended December 31, 2024

1 General information

Edita Food Industries S.A.E. (the "Company") was established in July 9, 1996, under the investment Law No. 230 of 1989, which had been replaced by Law No. 8 of 1997, and the Money Market Law No. 95 of 1992, and is registered in the Commercial Register under number 692, Cairo, Egypt.

The registered address of the Company is Edita Group Building, Plot no. 13 - Central Pivot, P.O Box No. 64, ZIP Code No. 12588, El Sheikh Zayed, Cairo, Egypt.

The Company 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 Edita for Trading and Distribution, Edita Confectionery Industries, Edita Food Industries Morocco, Edita Frozen Foods Industries S.A.E, subsidiaries.

The Company's shares are listed on the Egyptian Exchange and its global depositary receipts (each representing five ordinary shares) are also listed on the London Stock Exchange.

The main shareholders of the Company are Quantum Investment BV holding 45.07% (2023: 44.07%) of the Company's share capital, the Bank of New York Mellon (acting as depositary bank for shares traded in London Stock Exchange) managing 0.37% (2023: 8.43%) of the Company's share capital, Kingsway Fund Frontier Consumer Franchises holding 12.48% (2023: 10.55%) of Company's share capital, RIMCO E G T Investment LLC holding 10.08% (2023: 7.22%) of Company's share capital, in addition to several shareholders holding 32% (2023: 29.73%) of the Company's share capital.

These consolidated financial statements as at December 31, 2024 comprise the Company and its subsidiaries (hereinafter referred to as the "Group"). The Group's financial year starts on January 1, and ends on December 31, each year.

The Group has prepared a separate set of consolidated financial statements in accordance with the Egyptian Accounting Standards, and applicable laws and regulations for the year ended December 31, 2024, which does not constitute part of these consolidated financial statements.

The details of Company's principal subsidiaries, as at December 31, are set out below:

Subsidiaries	Place of business/ country of incorporation	Principal activities	Ownership interest held by the Company		Ownership interest held by non- controlling interest	
			2024	2023	2024	2023
Edita for Trading and Distribution	Egypt	a	99.8%	99.8%	0.2%	0.2%
Edita Confectionery Industries	Egypt	b	99.98%	99.98%	0.02%	0.02%
Edita Participation Limited	Cyprus	c	100%	100%	-	-
Edita Food Industries Morocco	Morocco	d	78.36%	78.36%	21.64%	21.64%
Edita Frozen Foods Industries S.A.E.	Egypt	e	100%	100%	-	-
Edita Holding for Investment	Egypt	f	100%	100%	-	-

a. Edita for Trading and Distribution

The principal activity of Edita for Trading and Distribution is wholesale and retail trading in consumable goods. Edita for Trading and Distribution also acts as a distributor for local and foreign entities and also indulges in imports and exports in accordance with relevant laws and regulations. Edita for Trading and Distribution buys from Edita Confectionery Industries and Edita Food Industries S.A.E. and distributes to others.

b. Edita Confectionery Industries

The principal activity of Edita Confectionery Industries is to build and operate a factory for production, sales and distribution of Sweets, Toofy, Jelly, Caramel and other nutrition materials. Edita Confectionery Industries sells the products to Edita for Trading and Distribution.

EDITA Food Industries (S.A.E.) and its subsidiaries
Consolidated Financial Statements

Notes to the consolidated financial statements (continued)
For the year ended December 31, 2024

1 General information (continued)

c. Edita Participation Limited

The principal activities of Edita Participation Limited are the provision of services and the holding of investments. The Subsidiary acts as a holding company for international investments of the Group i.e. Edita Food Industries Morocco.

d. Edita Food Industries Morocco

The principal activities of Edita Food Industries Morocco are to build and operate a factory for production, sales and distribution of cakes, pastry, wafer and other confectionary products.

e. Edita Frozen Foods Industries S.A.E.:

The principal activities of Edita Frozen Food Industries S.A.E. are to manufacture frozen foods and products. The Company was acquired by the Group during the year ended December 31, 2023 and has manufacturing facility located in 6th of October City, Egypt (refer Note 10 for details).

f. Edita Holding for Investment

The principal activity of Edita Holding for Investment is to participate in the establishment of the companies that issue financial instruments or increase its share capital. Edita Holding for Investment was established as a Stock Authorised Enterprise on December 8, 2022 with authorized and issued share capital of EGP 5,000,000.

Financial information

Financial information of the subsidiaries of the Group as at and for the years ended December 31, 2024 and December 31, 2023, before consolidation adjustments, is as follows.

2024	Assets EGP	Liabilities EGP	Equity/ (deficit of assets) EGP	Revenue EGP	Net profit/ (loss) EGP
Edita for Trading and Distribution	1,795,856,850	686,326,361	1,109,530,489	14,215,519,562	429,640,427
Edita Confectionery Industries	369,544,699	108,165,465	261,379,234	467,062,727	73,792,657
Edita Participation Limited	494,064,507	1,097,348,288	(603,283,781)	10,258,592	(91,745,418)
Edita Food Industries Morocco	1,089,404,225	791,110,039	298,294,186	475,597,011	(128,822,846)
Edita Frozen Foods Industries S.A.E.	505,530,395	84,803,043	420,727,352	62,333,319	(87,773,082)
Edita Holding for Investment	6,227,140	463,269	5,763,871	-	346,497
2023	Assets EGP	Liabilities EGP	Equity/ (deficit of assets) EGP	Revenue EGP	Net profit/ (loss) EGP
Edita for Trading and Distribution	1,120,960,962	424,600,461	696,360,501	10,728,977,833	365,624,957
Edita Confectionery Industries	273,497,759	85,952,850	187,544,909	289,623,505	44,702,190
Edita Participation Limited	561,421,465	771,014,690	(209,593,225)	-	(23,462,819)
Edita Food Industries Morocco	757,746,051	482,907,345	274,838,706	326,160,784	(87,204,397)
Edita Frozen Foods Industries S.A.E.	530,230,996	21,730,561	508,500,435	14,031,844	(46,453,522)
Edita Holding for Investment	5,515,576	98,201	5,417,375	-	321,028

EDITA Food Industries (S.A.E.) and its subsidiaries
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Notes to the consolidated financial statements (continued)
For the year ended December 31, 2024

2 Basis for preparation

2.1 Statement of compliance with IFRS

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

2.2 Historical cost convention

These consolidated financial statements have been prepared under the historical cost basis, except for the defined benefit obligations that are recognised at the present value of future obligations using the projected credit unit method.

2.3 Going concern basis of accounting

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to recover its financial assets within the credit terms and discharge its liabilities as and when these falls due.

As at December 31, 2024, the Group has retained earnings of EGP 3,943.6 million (2023: EGP 3,199.4 million), total equity of EGP 4,017.2 million (2023: EGP 3,402.9 million) and net current assets of EGP 1,920.6 million (2023: EGP 1,221.2 million). Further, the Group has also recognised net profit of EGP 1,415.4 million for the year ended December 31, 2024 (2023: EGP 1,506.6 million) and has also generated cash flows of EGP 854.5 million from operating activities during the year (2023: EGP 1,049.3 million). The management believes that this positive trend profitability and source of finance will continue in the foreseeable future and has a reasonable expectation that the Group has and will have adequate resources to continue in operational existence for the foreseeable future.

3 New or revised standards and interpretations

3.1 Standards, Interpretations and amendments adopted as at January 1, 2024

Accounting pronouncements which have become effective from January 1, 2024 and have therefore been adopted are as follows:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7); and
- Non-current Liabilities with Covenants (Amendments to IAS 1).

Apart from amendments to IAS 1 ((refer Note 5.4 for details), these amendments do not have a significant impact on these consolidated financial statements and therefore the disclosures have not been made.

3.2 Standards, amendments and interpretations to existing Standards that are not yet effective and have not been adopted early by the Group

Other standards and amendments that are not yet effective and have not been adopted early by the Group are as follows:

Effective for annual reporting periods beginning on or after January 1, 2025:

- Lack of Exchangeability (Amendments to IAS 21).

Effective for annual reporting periods beginning on or after January 1, 2027:

- IFRS 18 Presentation and Disclosures in Financial Statements; and
- IFRS 19 Subsidiaries without Public Accountability: Disclosures.

The Group is in process of determining the potential effects of implementation of IFRS 18 and IFRS 19 on its consolidated financial statements. Other than the above, these amendments are not expected to have a significant impact on the consolidated financial statements in the period of initial application and therefore the disclosures have not been made.

EDITA Food Industries (S.A.E.) and its subsidiaries
Consolidated Financial Statements

Notes to the consolidated financial statements (continued)
For the year ended December 31, 2024

4 Material accounting policies information

These consolidated financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The material accounting policies applied in the preparation of these consolidated financial statements are set out below and on the following pages. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of consolidation

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 to direct the activities of the entity.

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date the Company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position, respectively. 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.

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. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset.

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Consolidated Financial Statements

Notes to the consolidated financial statements (continued)
For the year ended December 31, 2024

4 Material accounting policies information (continued)

Basis of consolidation (continued)

In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Business combinations

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

The acquisition method of accounting is used to account for all business combinations by the Group, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued by the Group, fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date and is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured with changes in fair value being recognised in consolidated statement of comprehensive income.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the fair value of net identifiable assets acquired and liabilities assumed. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Group's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

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 remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in the consolidated statement of profit or loss.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition.

EDITA Food Industries (S.A.E.) and its subsidiaries
Consolidated Financial Statements

Notes to the consolidated financial statements (continued)
For the year ended December 31, 2024

4 Material accounting policies information (continued)

Business combinations (continued)

Goodwill (continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Calculations are performed based on the expected cash flows of the relevant cash generating units and discounting them at an appropriate discount rate, the determination of which requires the exercise of judgement. Impairment losses arising on goodwill, if any, are not reversed.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in these circumstances is measured based on the relative values of the operation disposed of and portion of the cash-generating unit retained.

Foreign currency translation

Functional and presentation currency

These consolidated financial statements are presented in Egyptian Pounds ("EGP"), which is the Group's functional and presentation currency except for Edita Participation Limited and Edita Food Industries Morocco, the functional currencies of which are United States Dollars ("USD") and Moroccan Dirhams ("MAD"), respectively.

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 recognised in the consolidated statement of profit or loss, they are deferred in equity if they are attributable to part of the net investment in foreign operations.

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 the consolidated statement of profit or loss as part of the fair value gain or loss.

Net investment in foreign operations

The results and financial position of foreign operations (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency are disclosed below.

- Assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate as at the reporting date;
- Income and expenses for each consolidated statement of profit or loss and consolidated statement of comprehensive income are translated at average exchange rates (unless this average 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 rate on the dates of the transactions);
- All resulting exchange differences are recognised in other comprehensive income; and
- Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

EDITA Food Industries (S.A.E.) and its subsidiaries
Consolidated Financial Statements

Notes to the consolidated financial statements (continued)
For the year ended December 31, 2024

4 Material accounting policies information (continued)

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only 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. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the financial year in which they are incurred.

Land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their cost or revalued amounts to their residual value over their estimated useful lives, as follows.

Buildings	25 - 50 years
Machinery and equipment	20 years
Vehicles	5 - 8 years
Tools and equipment	3 - 5 years
Furniture and office equipment	4 - 5 years

Residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other income/(expenses)" in the consolidated statement of profit or loss.

Projects under construction

Projects under construction are stated at cost less realised impairment losses, if any. Cost includes all expenditures associated with the acquisition of the asset and make it usable. When the assets are ready for its intended use, it is transferred from projects under construction to the appropriate category under property, plant and equipment and depreciated in accordance with Group's policies.

Intangible assets

Trademarks and know-how

Trademarks and know-how have indefinite useful lives as there is no foreseeable limit on the period over which these assets are expected to exist and generate cash flows. The related licenses to these intangible assets are perpetual, irrevocable and exclusive to the territories to which these pertain.

These intangible assets are measured at historical cost less impairment losses, if any. Historical cost includes all expenditures associated with the acquisition of an intangible asset. These assets are tested for impairment annually, or more frequently when there is an indication of impairment.

Computer software

Computer software are measured at historical cost less the accumulated amortisation and the accumulated impairment losses, if any. Historical cost includes all expenditures associated with the acquisition of an intangible asset. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in the consolidated statement of profit or loss as they are incurred.

Amortisation is calculated to allocate the costs of the computer software less their residual values, using straight-line method over their estimated useful lives, and is generally recognised in the consolidated statement of profit or loss. The useful life used in the calculation of amortisation is 4 years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

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Consolidated Financial Statements

Notes to the consolidated financial statements (continued)
For the year ended December 31, 2024

4 Material accounting policies information (continued)

Leases

Group as a lessee

The Group has entered into various lease contracts having tenure ranging from 3 to 19 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 recognised 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. Assets and liabilities arising from a lease are initially measured on a present value basis. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate.

I. Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets is depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term as follows:

Land	18 years
Branch premises and warehouses	3 - 19 years
Motor vehicles	4 years

Right-of-use assets are also subject to impairment.

II. Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset and is recognised as separate line items in the consolidated statement of financial position.

III. Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term in the consolidated statement of profit or loss.

Impairment of non-financial assets

Non-financial assets other than goodwill

Non-financial assets other than goodwill are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

EDITA Food Industries (S.A.E.) and its subsidiaries
Consolidated Financial Statements

Notes to the consolidated financial statements (continued)
For the year ended December 31, 2024

4 Material accounting policies information (continued)

Impairment of non-financial assets (continued)

Non-financial assets other than goodwill (continued)

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and value in use.

Goodwill

Goodwill is not subject to amortisation and are tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units ("CGUs").

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the business combination.

The recoverable amount of an asset or CGU is the greater of its value in use, and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in consolidated statement of profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

Reversal of impairment loss

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Inventories

Inventories are stated at the lower of cost or net realisable value. Cost comprises direct materials, direct labour, other direct costs and an appropriate proportion of variable and fixed overhead expenditures, the latter being allocated on the basis of normal operating capacity but excludes borrowing costs. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts.

Net realisable value is the estimated selling price in the ordinary course of business less the costs of completion and estimated costs necessary to make the sale, and the provision for obsolete inventory is created in accordance with the management's assessment.

Financial instruments

Financial assets

Classification

The Group classifies its financial assets to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. The Group reclassifies these financial assets when and only when its business model for managing those assets changes.

EDITA Food Industries (S.A.E.) and its subsidiaries
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Notes to the consolidated financial statements (continued)
For the year ended December 31, 2024

4 Material accounting policies information (continued)

Financial instruments (continued)

Financial assets (continued)

Classification (continued)

The Group's financial assets at amortised cost include trade and most other receivables, treasury bills and cash and cash equivalents. As at reporting date, the Group does not hold any financial assets subsequently measured at fair value.

Recognition and 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 consolidated statement of profit or loss.

Trade receivables are initially recognised at transaction price (unless there is significant financing component) and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are amounts due from customers for goods sold in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

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 measures 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 recognised directly in the consolidated statement of profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses.

Impairment

The Group assesses on a forward-looking basis, the expected credit loss associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial liabilities

Classification

Financial liabilities are classified, at initial recognition, as borrowings or payables. The Group's financial liabilities include lease liabilities, borrowings, bank overdrafts and trade and most other payables.

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 end of the reporting period.

Payables represent liabilities for goods or services provided to the Group prior to the end of financial year and unpaid. The amounts are unsecured and are usually paid within 45 days of recognition. Payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Recognition, measurement and derecognition

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

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Consolidated Financial Statements

Notes to the consolidated financial statements (continued)
For the year ended December 31, 2024

4 Material accounting policies information (continued)

Financial instruments (continued)

Financial liabilities (continued)

Recognition, measurement and derecognition (continued)

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the consolidated statement of profit or loss as other income or finance costs.

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in the consolidated statement of profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is either a currently enforceable legal right to offset the recognised amounts, there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Fair value of financial instruments

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Non-financial assets measured at fair value in the consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- 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 for the asset or liability

Borrowing 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.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are recognised in consolidated statement of profit or loss in the period in which they are incurred.

EDITA Food Industries (S.A.E.) and its subsidiaries
Consolidated Financial Statements

Notes to the consolidated financial statements (continued)
For the year ended December 31, 2024

4 Material accounting policies information (continued)

Government grants

Loans at reduced interest rates

The Group has obtained loan facilities from commercial banks under the Central Bank of Egypt's initiative to support the Egyptian manufacturing Companies.

Under this scheme, the loans are provided to the qualifying companies at reduced interest rates and the payment of reduced interest rates is subject to the conditions, as laid out in the relevant loan agreements. The difference between the prevailing market interest rates and applicable rates is treated as government grant. These government grants are initially recognised at fair value when there is reasonable assurance that it will be received, and the Group will comply with the conditions associated with these grants.

These government grants are deferred and recognised under other income in the consolidated statement of profit or loss on a systematic basis over the period necessary to match them with the interest costs that they are intended to compensate.

Export subsidy

The Government of Egypt operates an export subsidy program managed by the Export Development Fund. The scheme was established under Law No. 155 of 2002 to create incentives for the Egyptian companies to grow exports. The Group operates in qualifying sectors 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 recognised 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 consolidated statement of profit or loss on a gross basis. Export subsidy is recognised immediately as income, as this is provided by the Government to compensate the Group for export sales already made.

Investment subsidy

The Government of Morocco operates investment incentive schemes under which, subsidies and concessions are provided to companies establishing and operating industrial units in certain regions of Morocco.

The Group is entitled to subsidies and concessions which are subject to conditions (such as acquisition and installation of industrial unit and operating the same for a specific period of time), as laid out under the relevant schemes. The subsidies are recognised when there is a reasonable assurance that these will be received, and the Group will comply with all attached conditions. These government grants are deferred and recognised under other income in the consolidated statement of profit or loss on a systematic basis over the period necessary to match them with the related costs that they are intended to compensate.

Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service, are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises an accrual where contractually obliged or where there is a past practice that has created a constructive obligation.

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Notes to the consolidated financial statements (continued)
For the year ended December 31, 2024

4 Material accounting policies information (continued)

Employee benefits (continued)

Post-employment obligation

Defined benefit plan

The liability recognised in the consolidated statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the consolidated statement of changes in equity and in the consolidated statement of financial position.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

The defined benefit plan defines an amount of benefits to be provided in the form of 15 working days 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; and
- The maximum contribution is 12 months' salary.

For defined contribution plans, the Group pays fixed 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.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when 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 Group recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations 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 and in accordance with labour law. Falling due more than 12 months after the end of the reporting period are discounted to present value.

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.

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.

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Notes to the consolidated financial statements (continued)
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4 Material accounting policies information (continued)

Provisions (continued)

Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate to the expenditures required to settle the obligation at the end of the period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense.

Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred income tax is also not accounted for if it arises from initial recognition of an asset 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 is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

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

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the consolidated 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.

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.

Dividends

Obligation is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

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Notes to the consolidated financial statements (continued)
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4 Material accounting policies information (continued)

Treasury shares

When any entity within the Group 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.

Revenue recognition

The Group recognises revenue from contracts with customers when control of the goods or services is transferred to the customer in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group recognises revenue from contracts with customers based on the five steps model set out as follows:

Step 1: identify the contract(s) with a customer:

A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: identify the performance obligations in the contract:

A performance obligation is a promise in a contract with a customer to transfer a good or services to the customer.

Step 3: Determine the transaction price:

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract:

For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation:

An entity shall consider the terms of the contract, as well as any laws that apply to the contract, when evaluating whether it has an enforceable right to payment for performance completed to date.

For assessing the existence and enforceability of a right to payment and whether an entity's right to payment would entitle the entity to be paid for its performance completed to date. To determine the point in time at which a customer obtains control of a promised asset and the Group satisfies a performance obligation, the Group considers the requirements for control.

In addition, the Group considers indicators of the transfer of control, which include, but are not limited to, the following:

- The Group has a present right to payment for the asset. The customer has legal title to the asset.
- The Group has transferred physical possession of the asset.
- The customer has the significant risks and rewards of ownership of the asset.
- The customer has accepted the asset.

Sales of goods

Sales are recognised as revenue at point in time when control of the products has transferred, being when the products are delivered to the customers, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

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Notes to the consolidated financial statements (continued)
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4 Material accounting policies information (continued)

Revenue recognition (continued)

Sales of goods (continued)

Delivery occurs when the products have been shipped to the specific location, risks of damage and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Volume rebates

The products are often sold with retrospective volume discounts based on aggregate sales over a 3 months' period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, based on actual volume, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are made with a credit term of 90 days, which is consistent with market practice.

Sales returns

The domestic sales in Egypt and Morocco are made with a right of return within a period of 3 months after their expiry. The expiry periods of the products range from 15 days to 12 months. The management estimates the expected sales returns on the basis of actual returns received in the prior years and recognises the same as an adjustment to the revenue recognised for the period. The corresponding adjustment to inventories is not made as the products are written off after their expiry.

Interest income

Interest income is recognised 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.

Dividend income

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

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Parent, excluding any costs of servicing equity other than ordinary shares, by the weight average number of ordinary shares in issue during the year (excluding ordinary shares purchased by the Group and held as treasury shares).

Diluted earnings per share

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.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer and Board of Directors.

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Notes to the consolidated financial statements (continued)
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4 Material accounting policies information (continued)

Segment reporting (continued)

The Board of the Company has appointed a Chief Operating Decision-Maker who assesses the financial performance and position of the Group and makes strategic decisions. This Chief Operating Decision-Maker has been identified as the Chief Executive Officer (refer Note 36 for further details).

Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include 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. In the consolidated statement of financial position, bank overdrafts are shown in current liabilities.

5 Financial risk management

The Group's activities expose it to a variety of financial risks i.e. 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 (the "Board"). Group's 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, recognised financial assets and liabilities not denominated in Egyptian Pounds	Cash flow forecasting, sensitivity analysis	by dealing with local banks which offer official exchange rates and the rest from its exports in US Dollars
Market risk - interest rate	Long-term borrowing at variable rates	Sensitivity analysis	Investment in short treasury bills
Market risk - security prices	No investment in quoted equity securities	Not applicable	Not applicable
Credit risk	Cash and cash equivalents, trade receivables and held-to-maturity investments	Aging analysis, credit ratings	Diversification of bank deposits, credit limits and governmental treasury bills
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

5.1 Market risk

Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro, United States Dollar (USD), Moroccan Dirhams (MAD) and Pound Sterling (Pound). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

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Notes to the consolidated financial statements (continued)
For the year ended December 31, 2024

5 Financial risk management (continued)

5.1 Market risk (continued)

Foreign exchange risk (continued)

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 USD.

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

	2024 EGP	2023 EGP
Amounts recognised in profit or loss		
Foreign exchange gain – net	69,662,331	44,116,322
Net (losses)/gains recognised in comprehensive income		
Foreign currency translation reserve - net of tax	(102,915,459)	18,178,708

As at year end, major financial assets/(liabilities) in foreign currencies were as follows:

	2024		2023	
	Assets	Liabilities	Net	Net
	EGP	EGP	EGP	EGP
Euros	154,904,677	(81,494,997)	73,409,680	52,040,118
United States Dollars (USD)	444,463,156	(1,287,450,013)	(842,986,857)	(397,220,690)
Moroccan Dirhams (MAD)	165,807,057	(349,239,264)	(183,432,207)	(443,341,454)
Pound Sterling	5,449,958	(670,208)	4,779,750	(21,524)

Sensitivity analysis

As shown in the table above, the Group is primarily exposed to changes in Euro/EGP, USD/EGP, MAD/EGP and Pound/EGP exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from Euro, USD, MAD and Pound denominated financial instruments. The sensitivity analysis, as disclosed below, is in line with the average devaluation of EGP against foreign currencies during the year as well as subsequent to the reporting date.

Euro/EGP

As at December 31, 2024, if the Egyptian Pounds had weakened/strengthened by 35% (2023: 30%) against the Euro with all other variables held constant, post-tax profit for the year and equity would have been EGP 25,693,388 (2023: EGP 15,612,035) higher/lower, mainly as a result of foreign exchange gains/losses on translation of Euro denominated financial assets and liabilities.

USD/EGP

As at December 31, 2024, if the Egyptian Pounds had weakened/strengthened by 35% (2023: 30%) against the USD with all other variables held constant, post-tax profit for the year and equity would have been EGP 295,045,400 (2023: EGP 119,166,207) lower/higher, mainly as a result of foreign exchange losses/gains on translation of USD denominated financial assets and liabilities.

MAD/EGP

As at December 31, 2024, if the Egyptian Pounds had weakened/strengthened by 35% (2023: 30%) against the MAD with all other variables held constant, post-tax profit for the year and equity would have been EGP 64,201,272 (2023: EGP 133,002,436) lower/higher, mainly as a result of foreign exchange losses/gains on translation of MAD denominated financial assets and liabilities.

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Notes to the consolidated financial statements (continued)
For the year ended December 31, 2024

5 Financial risk management (continued)

5.1 Market risk (continued)

Foreign exchange risk (continued)

Pound Sterling/EGP

As at December 31, 2024, if the Egyptian Pounds had weakened/strengthened by 35% (2023: 30%) against the Pound Sterling with all other variables held constant, post-tax profit for the year and equity would have been EGP 1,672,913 (2023: EGP 6,457) higher/lower, mainly as a result of foreign exchange gains/losses on translation of Euro denominated financial assets and liabilities.

Price risk

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

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. Borrowings measured at amortised cost with variable rates do not expose the group to fair value interest rate risk.

As at December 31, 2024, if interest rates on EGP denominated net interest bearing liabilities had been 10% (2023: 5%) higher/lower with all other variables held constant, post-tax profit for the year would have been EGP 299,525,685 (2023: EGP 77,137,260) lower/higher, mainly as a result of increase/decrease in interest expense on variable rate borrowings.

Borrowings at the reporting date with variable interest rate amounted to EGP 2,186,887,887 (2023: EGP 946,023,846).

Overdraft balance as at December 31, 2024 amounted to EGP 808,368,965 (2023: EGP 596,722,472).

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

The exposure of the Group's borrowings to interest rates changes of the borrowings as at the end of reporting period are disclosed below.

	2024		2023	
	Amount EGP	% of total borrowings	Amount EGP	% of total borrowings
Variable rate borrowings	2,186,887,887	82%	946,023,846	66%
Fixed rate borrowings	468,059,322	18%	481,017,393	34%
Total	<u>2,654,947,209</u>	<u>100%</u>	<u>1,427,041,239</u>	<u>100%</u>

5.2 Credit risk

Risk management

Credit risk is managed on Group basis, except for credit risk relating to trade receivable balances. Each local entity is responsible for managing and analysing the credit risk 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.

Security

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

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Notes to the consolidated financial statements (continued)
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5 Financial risk management (continued)

5.2 Credit risk (continued)

Security (continued)

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.

Credit quality

Treasury Bills are issued by the government and are considered with a high credit rating (Egypt B).

No credit limits were exceeded during the reporting year, and management does not expect any losses from non-performance by these counterparties except for trade receivables presented in Note 13.

The maximum exposure to credit risk is the amount of receivables, bank balances and treasury bills.

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

The maximum outstanding balance from a single customer as at December 31, 2024 was 31% (2023: 29%).

The Group exposure to expected credit losses was quantified and found to be immaterial. Outstanding trade and notes receivables are current and not impaired.

Trade receivables (Counter parties without external credit rating)

	2024	2023
	EGP	EGP
Trade and notes receivables (including related parties' balances)	310,931,798	159,595,130

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 Edita Participation Limited and Edita Food Industries Morocco. The credit ratings for the banks, with which the Group, are as follows:

Bank	Credit rating
Qatar National Bank (QNB)	A+
Credit Agricole Egypt (CAE)	A+
Commercial International Bank (CIB)	B
Citibank Egypt	A+
National Bank of Kuwait (NBK)	B
Arab Bank of Egypt (ABE)	BB
Ahli United Bank (AUB)	BB+
Attijariwafa Bank	BB
Banque Du Caire	B
Hongkong and Shanghai Banking Corporation (HSBC)	A+
Bank of Cyprus	BB+
Banque Misr (BM)	B
National Bank of Egypt (NBE)	B

Impairment of trade receivables and contract assets

The Group applies simplified approach available in IFRS 9 for measuring the expected credit losses which uses a lifetime expected loss allowance for all the trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared link characteristics and the days past due. 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.

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Notes to the consolidated financial statements (continued)
For the year ended December 31, 2024

5 Financial risk management (continued)

5.2 Credit risk (continued)

Impairment of trade receivables and contract assets (continued)

The expected loss rates are based on the payment profiles of sales over a period of 36 months before December 31, 2024 or January 1, 2024, respectively, and the corresponding historical credit losses experiences within this period. The historical loss rates are adjusted to reflect the 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. The expected credit loss allowance as at December 31, 2024 and December 31, 2023 was determined as follows:

	Current EGP	Up to 90 days past due EGP	More than 90 days past due EGP	Total EGP
<i>December 31, 2024</i>				
Gross carrying amount	203,519,018	79,368,272	28,044,508	310,931,798
Loss allowance and rate	-	-	-	-
		Up to 90 days past due EGP	More than 90 days past due EGP	Total EGP
<i>December 31, 2023</i>				
Gross carrying amount	93,279,521	63,654,215	2,661,394	159,595,130
Loss allowance and rate	-	-	-	-

5.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

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's debt financing plans, covenant compliance, compliance with internal consolidated statement of financial position ratio targets.

The table below summarizes the maturities of the Group's undiscounted financial liabilities as at December 31, 2024 and December 31, 2023, based on contractual payment dates and current interest rates.

	Less than 6 month EGP	Between 6 month and 1 year EGP	Between 1 and 5 years EGP	More than 5 years EGP
<i>December 31, 2024</i>				
Borrowings	297,877,930	359,021,434	2,098,712,098	1,375,193,860
Trade and other payables	1,654,298,359	-	-	-
Bank overdraft	808,368,965	-	-	-
Lease liabilities	22,496,231	22,926,700	232,640,877	186,371,475
Total	2,783,041,485	381,948,134	2,331,352,975	1,561,565,335

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Notes to the consolidated financial statements (continued)
For the year ended December 31, 2024

5 Financial risk management (continued)

5.3 Liquidity risk (continued)

	Less than 6 month EGP	Between 6 month and 1 year EGP	Between 1 and 5 years EGP	More than 5 years EGP
<i>December 31, 2023</i>				
Borrowings	193,981,370	243,249,476	781,120,689	742,553,835
Trade and other payables	1,230,373,845	-	-	-
Bank overdraft	596,722,472	-	-	-
Lease liabilities	14,674,941	13,289,330	102,036,110	111,669,358
Total	2,035,752,628	256,538,806	883,156,799	854,223,193

Financing arrangements

The Group had access to the following undrawn borrowing facilities as at the reporting date.

	2024 EGP	2023 EGP
Expiring within 1 year (bank overdrafts)	2,339,424,434	1,826,153,800
Expiring beyond 1 year (bank loans)	1,889,674,323	973,750,000
Total	4,229,098,757	2,799,903,800

5.4 Capital management

The Group's objectives when managing capital is to safeguard their ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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 borrowings and bank overdraft less cash and cash equivalents. Total capital is calculated as equity, plus net debts.

	2024 EGP	2023 EGP
Total borrowings	2,654,947,209	1,427,041,239
Bank overdraft	808,368,965	596,722,472
Total borrowings and loans	3,463,316,174	2,023,763,711
Less: cash and bank balances	(518,288,835)	(1,009,902,806)
Net debt	2,945,027,339	1,013,860,905
Total equity attributable to the Owners of the Parent	3,915,910,532	3,329,213,585
Total capital	6,860,937,871	4,343,074,490
Gearing ratio	43%	23%

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;

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Notes to the consolidated financial statements (continued)
For the year ended December 31, 2024

5 Financial risk management (continued)

5.4 Capital management (continued)

- Leverage ratio shall not exceed 2:1;
- Current ratio shall not be less than 0.8;
- Net Financial Debt to EBITDA Ratio of not more than 1.8; and
- Peak service debt coverage ratio shall not be less than 1.4.

The Group might be subject to settlement of its borrowings within 12 months or on demand in case of its failure to comply with these covenants. As at December 31, 2024, the Group was in compliance with the debt covenants and there were no such conditions indicating any difficulties in relation to compliance with the afore-said covenants.

5.5 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, for disclosure purposes, is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

6 Accounting estimates, assumptions and judgments

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

6.1 Critical accounting estimates and assumptions

Estimates and adjustments are continually being 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 goodwill and intangible assets having indefinite useful lives

The Group tests whether goodwill and intangible assets having indefinite useful lives have suffered any impairment at each reporting date. The recoverable amount of a cash generating unit (CGU) is determined based on value in use calculations which require the use of assumptions (Note 9). The changes in those assumptions may cause actual results to vary significantly and cause significant adjustments to the afore-said goodwill and intangible assets within the next financial year.

6.2 Other accounting estimates

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date. At each reporting date, management assesses that the useful lives represent the expected utility of the assets to the Group. The carrying amounts are analysed in Note 7. The actual results may vary and may cause significant adjustments to the Group's assets within the next financial year.

Write-off/provision for obsolete and expired inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology, expiration dates or other market-driven changes that may reduce future selling prices.

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For the year ended December 31, 2024

6 Accounting estimates, assumptions and judgments (continued)

6.2 Other accounting estimates (continued)

Write-off/provision for obsolete and expired inventories (continued)

Inventories are stated at the lower of cost and net realisable value. When inventories expire, become old or obsolete, an estimate is made of their net realisable value.

For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, are assessed collectively and a provision percentage is applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices. Inventories that have approached their expiration dates are written off in the consolidated statement of profit or loss for the relevant year (refer Note 11).

Employee benefit retirement obligations

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 (refer Note 20).

Sales returns

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 recognised 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 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.

Determination of appropriate discount rate in measuring lease liabilities

The Group measures its lease liabilities at present value of the lease payments that are not paid at the commencement date of the lease contract. The lease payments were discounted using a reasonable rate deemed by management equal to the Group's incremental borrowing rate. In determining a reasonable discount rate, management considers the term of the leases, the underlying asset and the economic environment. Actual results, however, may vary due to changes in estimates brought about by changes in such factors.

Assessment/reassessment of control

The management makes judgements, as to whether or not the Group controls an investee, at the time of acquisition of the investee and subsequently if facts and circumstances indicate that there are changes to one or more of the three elements of control listed in IFRS 10. Management has reviewed its control assessments in accordance with IFRS 10 and has concluded that there is no change in the classification of any of the Group's subsidiaries held as at December 31, 2024 since prior year.

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7 Property, plant and equipment

As at January 1, 2024

Cost	149,150,128	1,275,737,109	2,088,641,134	532,094,911	331,984,032	183,189,823	362,990,712	4,923,787,849
Accumulated depreciation	-	(328,722,432)	(644,320,695)	(240,330,665)	(199,442,164)	(139,544,732)	-	(1,552,360,688)
Net book value	149,150,128	947,014,677	1,444,320,439	291,764,246	132,541,868	43,645,091	362,990,712	3,371,427,161

Year ended December 31, 2024

Opening net book value	149,150,128	947,014,677	1,444,320,439	291,764,246	132,541,868	43,645,091	362,990,712	3,371,427,161
Additions	-	-	3,272,706	321,208,559	49,552,112	39,415,026	825,152,651	1,238,601,054
Depreciation charge	-	(49,976,957)	(122,484,899)	(94,463,101)	(49,441,623)	(23,395,509)	-	(339,762,089)
Disposals	-	(1,243,515)	(191,591)	(7,900,790)	(1,699,928)	(526,613)	-	(11,562,437)
Accumulated depreciation of disposals	-	836,079	154,868	7,535,055	712,846	423,520	-	9,662,368
Transfers from Projects under Construction	-	219,889,044	704,568,828	-	61,111,922	20,518,446	(1,006,088,240)	-
Transfers to intangible assets (Note 9.3)	-	-	-	-	-	-	(44,743,762)	(44,743,762)
Foreign currency translation differences	-	118,022,658	100,519,985	-	14,427,921	2,675,074	475,541	236,121,179
Closing net book value	149,150,128	1,234,541,986	2,130,160,336	518,143,969	207,205,118	82,755,035	137,786,902	4,459,743,474

As at December 31, 2024

Cost	149,150,128	1,612,405,296	2,896,811,062	845,402,680	455,376,059	245,271,756	137,786,902	6,342,203,883
Accumulated depreciation	-	(377,863,310)	(766,650,726)	(327,258,711)	(248,170,941)	(162,516,721)	-	(1,882,460,409)
Net book value	149,150,128	1,234,541,986	2,130,160,336	518,143,969	207,205,118	82,755,035	137,786,902	4,459,743,474

In 2024, the Group has capitalised certain completed projects during the year amounting to EGP 1,006.09 million (2023: EGP 136.52 million) which were transferred from projects under construction to the appropriate classes of assets. The capitalised assets are mainly buildings, machinery and equipment, and tools and equipment (2023: buildings, machinery and equipment, tools and equipment, and furniture and office equipment).

Property, plant and equipment include capitalised borrowing costs of EGP 46.45 million at average capitalisation rate of 28.70% per annum (2023: EGP Nil).

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7 Property, plant and equipment (continued)

	Land EGP	Buildings EGP	Machinery and equipment EGP	Vehicles EGP	Tools and equipment EGP	Furniture and office equipment EGP	Projects under construction EGP	Total EGP
As at January 1, 2023								
Cost	106,714,128	1,119,953,713	1,789,646,950	368,329,286	272,791,918	159,141,122	39,405,763	3,855,982,880
Accumulated depreciation	-	(288,100,855)	(548,107,184)	(197,822,922)	(160,235,338)	(119,015,077)	-	(1,313,281,376)
Net book value	106,714,128	831,852,858	1,241,539,766	170,506,364	112,556,580	40,126,045	39,405,763	2,542,701,504
Year ended December 31, 2023								
Opening net book value	106,714,128	831,852,858	1,241,539,766	170,506,364	112,556,580	40,126,045	39,405,763	2,542,701,504
Additions	-	-	13,179,134	172,598,152	15,734,668	23,253,353	375,169,338	599,934,645
Acquired through business combination (Note 10)	42,436,000	64,549,590	193,883,462	1,817,858	5,629,240	326,084	86,272,746	394,914,980
Depreciation charge	-	(40,621,577)	(96,213,511)	(52,735,680)	(39,843,084)	(21,105,126)	-	(250,518,978)
Disposals	-	-	-	(10,650,385)	(646,521)	(575,471)	-	(11,872,377)
Write off	-	-	-	-	-	-	(832,367)	(832,367)
Accumulated depreciation of disposals	-	-	-	10,227,937	636,258	575,471	-	11,439,666
Transfers from Projects under Construction	-	51,276,581	52,235,599	-	33,006,227	-	(136,518,407)	-
Transfers to intangible assets (Note 9.3)	-	-	-	-	-	-	(472,063)	(472,063)
Foreign currency translation differences	-	39,957,225	39,695,989	-	5,468,500	1,044,735	(34,298)	86,132,151
Closing net book value	149,150,128	947,014,677	1,444,320,439	291,764,246	132,541,868	43,645,091	362,990,712	3,371,427,161
As at December 31, 2023								
Cost	149,150,128	1,275,737,109	2,088,641,134	532,094,911	331,984,032	183,189,823	362,990,712	4,923,787,849
Accumulated depreciation	-	(328,722,432)	(644,320,695)	(240,330,665)	(199,442,164)	(139,544,732)	-	(1,552,360,688)
Net book value	149,150,128	947,014,677	1,444,320,439	291,764,246	132,541,868	43,645,091	362,990,712	3,371,427,161

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7 Property, plant and equipment (continued)

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

	2024	2023
	EGP	EGP
Charged to cost of sales	215,541,285	169,510,250
Charged to distribution costs	91,569,576	58,040,148
Charged to administrative expenses	32,651,228	22,968,580
	339,762,089	250,518,978

As at December 31, 2024, a balance of EGP 137.79 million (2023: EGP 362.99 million) in projects under construction represents new production lines. The nature of these projects under construction is as follows.

	2024	2023
	EGP	EGP
Buildings	11,262,853	93,585,983
Machinery and equipment	60,360,487	219,166,801
Tools and equipment	5,386,438	10,030,475
Technical and other installations	60,777,124	40,207,453
	137,786,902	362,990,712

8 Right-of-use assets

Right-of-use assets represent lease contracts entered into by the Group. The carrying amounts of the right-of-use assets and the movements during the year are shown below:

	2024				2023
	Branch premises and Motor vehicles				Total
	Land	warehouses	vehicles	Total	Total
	EGP	EGP	EGP	EGP	EGP
Gross carrying amount					
As at January 1,	62,246,234	107,557,480	6,940,657	176,744,371	130,690,377
Additions during the year	-	67,715,657	1,803,179	69,518,836	28,169,086
Acquired through business combination (Note 10)	-	-	-	-	2,318,978
Leases terminated during the year	-	-	-	-	(2,318,978)
Foreign currency translation Differences	26,535,180	-	7,079,907	33,615,087	17,884,908
As at December 31,	88,781,414	175,273,137	15,823,743	279,878,294	176,744,371
Accumulated depreciation					
As at January 1,	10,034,166	46,493,364	1,761,265	58,288,795	34,454,963
Charge for the year	5,697,341	14,141,630	2,214,064	22,053,035	24,706,566
Leases terminated during the year	-	-	-	-	(872,734)
As at December 31,	15,731,507	60,634,994	3,975,329	80,341,830	58,288,795
Net carrying amount as at December 31,	73,049,907	114,638,143	11,848,414	199,536,464	118,455,576

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8 Right-of-use assets (continued)

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

	2024 EGP	2023 EGP
Charged to cost of sales	5,697,341	9,825,532
Charged to distribution costs	14,478,772	13,505,526
Charged to administrative expenses	1,876,922	1,375,508
	22,053,035	24,706,566

The corresponding lease liabilities pertaining to these right-of-use assets are presented in Note 22.

9 Intangible assets and goodwill

	2024 EGP	2023 EGP
Intangible assets with indefinite useful lives (Note 9.1)	162,911,642	162,911,642
Goodwill on acquisition of subsidiaries (Note 9.2)	129,411,477	82,530,384
Intangible assets having finite useful lives - software (Note 9.3)	53,230,809	18,925,621
	345,553,928	264,367,647

9.1 Intangible assets with indefinite useful lives

	Trademarks (A) EGP	Know-how (B) EGP	Total EGP
2024			
Balance as at January 1,	131,480,647	31,430,995	162,911,642
Balance as at December 31,	131,480,647	31,430,995	162,911,642
	Trademarks (A) EGP	Know-how (B) EGP	Total EGP
2023			
Balance as at January 1,	131,480,647	31,430,995	162,911,642
Balance as at December 31,	131,480,647	31,430,995	162,911,642

A. Trademarks

These represent amounts paid in the previous years for buying rights to the trademarks (Hohos, Twinkies and Tiger Tail) for Egypt, Jordan, Libya, Palestine Algeria, Bahrain, Iraq, Kuwait, Lebanon, Morocco, Oman, Qatar, Kingdom of Saudi Arabia, Syria, Tunisia and United Arab Emirates of USD 18 million, equivalent to EGP 131.48 million (at the date of the agreement). These trademarks do not have a finite useful life.

B. Know-how

On April 16, 2015, the Group signed a "License and Technical Assistance Agreement" with purpose to acquire the license, know-how and technical assistance for some Hostess Brands products in Egypt, Libya, Palestine, Jordan, Algeria, Bahrain, Iraq, Jordan, Lebanon, Kuwait, Morocco, Oman, Qatar, Kingdom of Saudi Arabia, Syria, Tunisia, and the United Arab Emirates. The amount spent in relation to afore-said agreement of USD 4 million, equivalent to EGP 31.43 million (at the date of the agreement), has been recognised as intangible asset. This intangible asset does not have a finite useful life.

Impairment test for indefinite life intangible assets

Irrespective of any indicators of impairment, these intangible assets are tested for impairment at each reporting date in accordance with the requirements of International Accounting Standard 36 'Impairment of Assets' and accounting policy adopted by the Group.

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9 Intangible assets and goodwill (continued)

9.1 Intangible assets with indefinite useful lives (continued)

Impairment test for indefinite life intangible assets (continued)

These intangible assets are monitored by the management at the level of cake segment, cash generating unit (CGU) of the Group. The recoverable amount of these intangible assets is determined based on value-in-use calculation, determined using royalty relief method. The calculations apply 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 terminal growth rate as stated below. This terminal growth rate is consistent with forecasts included in industry reports specific to the industry where the CGU is operating.

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

	2024	2023
Royalty rate	1.5%	1.5%
Average sales growth rate	21.6% - 36.1%	14.8% - 35.7%
Discount rate	23.9%	24.8%
Terminal growth rate	5.0%	5.0%

Management has determined the value assigned to each of the above key assumption as follows:

Assumption	Approach used
Royalty rate	This is based on the expected royalty savings as a consequence of having the ownership of the intangible assets. The Group has used income approach to determine the applicable royalty rate. This approach involves evaluating the potential income that can be generated from the use of these intangible assets and using this information to determine an appropriate royalty rate.
Sales growth rate	This takes into account sales price growth (i.e. average annual growth rate over the five-year forecast period, based on current industry trends and including long term inflation forecasts) and sales volume growth (i.e. average annual growth rate over the five-year forecast period, based on past performance and management's expectations of market development).
Discount rates	Reflect specific risks relating to the industry in which it operates.
Terminal 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.

The Group tests the impairment of these intangible assets depending on financial and operational position in the prior years, and its expectation for the market in the future by preparing a business plan using the afore-said assumptions. As at the reporting date, the carrying value of the intangible assets is less than its recoverable amount.

Sensitivity of recoverable amounts

The terminal 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 20% (i.e. to 4%) would give a value in use exceeding the current carrying amount.

The discount rate in the forecast period has been estimated to be 23.9%. If all other assumptions kept the same, an increase in this discount rate by 4% (i.e. to 24.9%) would give a value in use exceeding the current carrying amount.

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9 Intangible assets and goodwill (continued)

9.2 Goodwill

	2024 EGP	2023 EGP
Edita Food Industries Morocco	118,115,925	71,234,832
Edita Frozen Foods Industries S.A.E.	11,295,552	11,295,552
As at December 31,	129,411,477	82,530,384

The goodwill recognised as at December 31, and January 1 is reconciled as follows.

	2024 EGP	2023 EGP
As at January 1,	82,530,384	42,634,435
Goodwill arising from acquisition of Edita Frozen Foods Industries S.A.E. (Note 10)	-	11,295,552
Foreign currency translation differences	46,881,093	28,600,397
As at December 31,	129,411,477	82,530,384

Impairment test for goodwill

Irrespective of any indicators of impairment, goodwill arising on acquisition of subsidiaries is tested for impairment at each reporting date in accordance with the accounting policy adopted by the Group.

The goodwill is monitored by the management at the level of the subsidiary to whom it relates i.e. the concerned cash generating unit (CGU) of the Group. The recoverable amount of the goodwill is determined based on value-in-use calculation which require the use of assumptions. The calculations apply 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 terminal growth rate as stated below. This terminal growth rate is consistent with forecasts included in industry reports specific to the industry where the CGU is operating.

Assumptions used by the Group when testing the impairment of the goodwill as at December 31 are as follows:

	Edita Food Industries Morocco		Edita Frozen Foods Industries S.A.E.	
	2024	2023	2024	2023
Sales growth rate	35.9%	22.05%	101.8%	-
EBITDA margin	6.3%	6.03%	2.7%	-
Terminal growth rate	5.0%	5.00%	5.0%	-
Discount rate	10.3%	8.50%	23.9%	-

Management has determined the value assigned to each of the above key assumption as follows:

Assumption	Approach used
Sales growth rate	This takes into account sales price growth (i.e. average annual growth rate over the five-year forecast period, based on current industry trends and including long term inflation forecasts) and sales volume growth (i.e. average annual growth rate over the five-year forecast period, based on past performance and management's expectations of market development).
EBITDA margin	Based on past performance and management's expectations for the future.

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9 Intangible assets and goodwill (continued)

9.2 Goodwill (continued)

Impairment test for goodwill (continued)

Assumption	Approach used
Terminal 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.
Discount rates	Reflect specific risks relating to the industry in which it operates.

The Group tests the impairment of the goodwill 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. As at the reporting date, the carrying value of the goodwill is less than its recoverable amount.

Sensitivity of recoverable amounts – Edita Food Industries Morocco

The terminal 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 20% (i.e. to 4%) would give a value in use exceeding the current carrying amount.

The discount rate in the forecast period has been estimated to be 10.3%. If all other assumptions kept the same, an increase in this discount rate by 9.7% (i.e. to 11.3%) would give a value in use exceeding the current carrying amount.

Sensitivity of recoverable amounts – Edita Frozen Foods Industries S.A.E.

The goodwill recognised on acquisition of Edita Frozen Foods Industries S.A.E. is not material to the Group and changes in the assumptions including discount rates and terminal growth rate will not have a material impact on its value in use.

9.3 Intangible assets with finite useful lives - software

	2024 EGP	2023 EGP
Gross carrying amount		
As at January 1,	37,635,390	34,836,391
Transfers from projects under construction (Note 7)	44,743,762	472,063
Additions during the year	228,000	2,326,936
Foreign currency translation differences	393,946	-
As at December 31,	<u>83,001,098</u>	<u>37,635,390</u>
Accumulated amortization		
As at January 1,	18,709,769	11,155,903
Charge for the year	11,060,520	7,553,866
As at December 31,	<u>29,770,289</u>	<u>18,709,769</u>
Net carrying amount as at December 31,	<u>53,230,809</u>	<u>18,925,621</u>

Amorisation included in the consolidated statement of profit or loss are as follows:

	2024 EGP	2023 EGP
Charged to administrative expenses	<u>11,060,520</u>	<u>7,553,866</u>

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10 Business combinations

Acquisitions in 2023 - Edita Frozen Foods Industries S.A.E.

During the year ended December 31, 2023, the Group acquired 100% ownership interest in Edita Frozen Foods Industries S.A.E. ("Frozen Foods"), a non-listed company based in Egypt and specialised in manufacturing of foods and products, in exchange for cash. The acquisition was mainly made as part of the Group's strategy for expansion of operations in Egypt. The acquisition was also expected to provide the Group with synergies benefits such as reduced costs through economies of scale, increased productivity, increase in capacity etc.

Details of the fair value of net assets acquired and goodwill arising on acquisition, were as follows:

	June 1, 2023 EGP
Consideration paid - cash	257,206,978
Fair value of net assets acquired	(245,911,426)
Goodwill arising on acquisition (Note 9.2)	<u>11,295,552</u>
Fair value of net assets acquired as at the date of acquisition	
	Fair values as at June 1, 2023 EGP
Assets acquired	
Property, plant and equipment (Note 7)	394,914,980
Right-of-use assets (Note 8)	2,318,978
Deferred tax assets (Note 21)	22,535,491
Inventories	1,075,424
Trade and other receivables	5,195,663
Cash and cash equivalents	440,012
Total assets acquired	<u>426,480,548</u>
Liabilities assumed	
Borrowings and bank overdrafts	(96,985,258)
Deferred tax liabilities (Note 21)	(53,260,086)
Lease liabilities (Note 22)	(1,570,288)
Trade and notes payable, due to related parties and other payables	(25,210,099)
Provisions (Note 23)	(3,543,391)
Total liabilities assumed	<u>(180,569,122)</u>
Net assets acquired	<u>245,911,426</u>

The management determined the fair values of the net assets as at the date of acquisition, using the valuation methodologies as follows.

- Fair value of the property, plant and equipment as at the date of acquisition was determined using the market-based valuation techniques (i.e. market value basis for Land, adjusted cost basis for building and replacement cost method for other items). The Group has used an external expert for determining the fair values of the property, plant and equipment.
- Lease liabilities have been measured at the present value of the remaining lease payments at the date of acquisition. Necessary adjustments have been made in the carrying amounts of lease liabilities for determining the carrying amounts of right-of-use assets.

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10 Business combinations (continued)

Acquisitions in 2023 - Edita Frozen Foods Industries S.A.E. (continued)

- c. Fair value of other assets and liabilities has been determined by management has performed an internal valuation analysis and made required adjustments to the book values as at the date of acquisition to arrive at the fair values of other assets and liabilities.

The goodwill on the business combination had mainly arisen due to synergies expected from the acquisition.

11 Inventories

	2024 EGP	2023 EGP
Raw and packaging materials	2,643,398,830	1,598,551,501
Finished goods	231,791,352	131,477,191
Spare parts	95,886,651	74,762,407
Work in process	54,103,304	55,159,993
Consumables	29,165,596	20,356,530
Total	3,054,345,733	1,880,307,622
Less: provision for slow-moving and obsolete inventory	(20,320,201)	(13,323,146)
Net	3,034,025,532	1,866,984,476

The movement in provision for obsolete and slow-moving inventory during the year is as follows:

	2024 EGP	2023 EGP
As at January 1,	13,323,146	7,309,742
Provision for the year	13,403,634	10,745,226
Write-offs during the year	(6,406,579)	(4,731,822)
As at December 31,	20,320,201	13,323,146

The cost of inventories recognised as an expense and included in cost of sales amounted to EGP 9,543,387,182 during the year ended December 31, 2024 (2023: EGP 6,974,321,592) (Note 33).

12 Financial instruments by category

The Group holds the following financial instruments:

	2024 EGP	2023 EGP
<i>Financial assets at amortised cost</i>		
Trade and other receivables (excluding non-financial assets)*	436,312,293	259,317,459
Financial assets at amortised cost – treasury bills	805,867,012	346,432,739
Cash and cash equivalents	518,288,835	1,009,902,806
Total	1,760,468,140	1,615,653,004
	2024 EGP	2023 EGP
<i>Financial liabilities at amortised cost</i>		
Borrowings	2,654,947,209	1,427,041,239
Trade and other payables (excluding non-financial liabilities) *	1,654,298,359	1,230,373,845
Bank overdraft	808,368,965	596,722,472
Lease liabilities	236,785,925	141,437,125
Total	5,354,400,458	3,395,574,681

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Notes to the consolidated financial statements (continued)
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12 Financial instruments by category (continued)

- * Trade and other receivables presented above excludes prepaid expenses and advances to suppliers. Trade and other payables presented above excludes taxes payables, advances from customers, social insurances, deferred government grants, and accrued rebates.

A description of the Group's financial statements risk, including risk management objectives and policies is disclosed in Note 5 and details about fair values of these financial assets and liabilities are described in Note 38.

13 Trade and other receivables

	2024 EGP	2023 EGP
Trade receivables	174,509,410	105,450,757
Trade receivables – related parties (Note 35)	136,103,683	54,057,427
Notes receivable	318,705	86,946
Trade and notes receivables	310,931,798	159,595,130
Advances to suppliers	343,694,055	475,124,332
Other current assets	84,333,313	76,623,264
Prepaid expenses	66,991,035	45,627,647
Deposits with others	38,382,907	22,785,776
Letters of credit	2,642,542	75,767
Employee loans	21,733	237,522
	846,997,383	780,069,438

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are generally due for settlement within 90 days and therefore are all classified as current. Details about the Group's impairment policies and calculation of the expected loss allowance are provided in Notes 4 and 5.

14 Financial assets at amortised cost – treasury bills

	2024 EGP	2023 EGP
<i>Treasury bills</i>		
More than 90 days maturity	639,250,000	-
Upto 30 days maturity	212,500,000	-
30-90 days maturity	-	350,000,000
	851,750,000	350,000,000
Unearned interest	(84,997,066)	(20,806,000)
Amount of Treasury Bills paid	766,752,934	329,194,000
Interest income recognised in profit or loss	39,114,078	17,238,739
	805,867,012	346,432,739

The average effective interest rate related to Treasury Bills is 27.64% (2023: 21.21%).

The Group has adopted 12-month ECL model, based on management assessment, there is an immaterial impact on the outstanding balance of Treasury Bills due to the following factors:

- They are issued and guaranteed by the Government of Egypt;
- There is no history of default; and
- Incorporating forward-looking information would not result in any significant increase in expected default rate.

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15 Cash and cash equivalents

	2024 EGP	2023 EGP
Cash at banks and in hand	308,394,783	669,814,797
Time deposit - Foreign currency	159,696,792	74,903,077
Time deposit - local currency	50,197,260	265,184,932
Cash and cash equivalents (excluding bank overdrafts)	518,288,835	1,009,902,806

The average rate on time deposit in USD is 4.5% during 2024 (2023: 6%) with a maturity of up to 3 months.

The average rate on time deposit in EGP is 18% during 2024 (2023: 15%) with a maturity of up to 1 month.

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

	2024 EGP	2023 EGP
Cash and bank balances	518,288,835	1,009,902,806
Bank overdraft (Note 24)	(808,368,965)	(596,722,472)
	(290,080,130)	413,180,334

16 Share capital

The Company's authorised capital determined at EGP 360,000,000 (1,800,000,000 share, with a par value of EGP 0.2 per share).

As at December 31, 2024, the issued capital amounted to EGP 140,002,731 with par value EGP 0.2 per share (2023: EGP 140,002,731 with par value EGP 0.2 per share) and is distributed as follows:

	2024		
	No. of shares	Shares value (EGP)	Percentage of ownership
Shareholders			
Quantum Investment BV	315,527,188	63,105,438	45.07%
The Bank of New York Mellon "depository bank for shares traded in London Stock Exchange"	2,557,880	511,576	0.37%
Kingsway Fund Frontier Consumer Franchises	87,376,077	17,475,215	12.48%
RIMCO E G T Investment LLC	70,563,527	14,112,705	10.08%
Others (public stocks)	223,988,984	44,797,797	32.00%
	700,013,656	140,002,731	100.00%
	2023		
	No. of shares	Shares value (EGP)	Percentage of ownership
Shareholders			
Quantum Investment BV	308,527,188	61,705,438	44.07%
The Bank of New York Mellon "depository bank for shares traded in London Stock Exchange"	58,999,980	11,799,996	8.43%
Kingsway Fund Frontier Consumer Franchises	73,833,953	14,766,791	10.55%
RIMCO E G T Investment LLC	50,563,527	10,112,705	7.22%
Others (public stocks)	208,089,008	41,617,801	29.73%
	700,013,656	140,002,731	100.00%

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Notes to the consolidated financial statements (continued)
For the year ended December 31, 2024

16 Share capital (continued)

A. Treasury shares

According to Board of Directors resolution on March 16, 2023, the Group purchased 7,230,584 shares from the stock market and held in treasury for a total consideration of EGP 105,184,979. The consideration paid has been accounted for as a separate reserve in the consolidated statement of changes in equity.

On November 26, 2023, the extra ordinary general assembly meeting approved to write-off the total 23,044,783 treasury shares amounting to EGP 266,012,536. 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 the retained earnings.

B. Dividends

At the Annual General Meeting held on March 28, 2024, the Board of Directors proposed, and the shareholders of the Company approved a cash dividend of EGP 300,000,000 at EGP 0.428 per share for the year ended December 31, 2023 (at the Annual General Meeting held on March 28, 2023, Board of Directors proposed, and the shareholders approved a cash dividend of EGP 400,000,000 at EGP 0.566 per share for the year ended December 31, 2022).

The Board of Directors, in their meeting held on November 6, 2024, declared interim dividends of EGP 400,000,000 (2023: EGP 299,700,000 at the Board of Directors' meeting held on November 5, 2023).

17 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 share capital. The reserve is not eligible for distribution to the shareholders. The Group did not make any transfers to legal reserve during the year ended December 31, 2024 (2023: EGP 385,111).

18 Non-controlling interest

The table below summarises the components of non-controlling interest present in the consolidated statement of changes in equity.

	2024					
	Share capital	Legal reserve	Cumulative translation reserve	Accumulated losses	Total	2023
	EGP	EGP	EGP	EGP	EGP	EGP
Balance as at January 1, Non-controlling share in total comprehensive income	59,822,499	593,684	37,070,561	(23,799,788)	73,686,956	40,579,768
Loss for the year	-	-	-	(27,000,519)	(27,000,519)	(18,213,579)
Other comprehensive income	-	-	54,584,420	-	54,584,420	26,520,758
Total comprehensive income for the year	-	-	54,584,420	(27,000,519)	27,583,901	8,307,179
Shareholders' transactions						
Shares issued to non-controlling interest	-	-	-	-	-	24,800,009
As at December 31,	59,822,499	593,684	91,654,981	(50,800,307)	101,270,857	73,686,956

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18 Non-controlling interest (continued)

As at December 31, 2024, the Group has only one subsidiary "Edita Food Industries Morocco" that has a material non-controlling interest. Summarised financial information in relation to financial position and performance of that subsidiary is disclosed in Note 1. Information in relation to its cash flows is as follows:

	2024 EGP	2023 EGP
Net cash used in operating activities	(25,099,022)	(9,185,683)
Net cash used in investing activities	(8,228,058)	(9,274,944)
Net cash (used in)/from financing activities	(72,655,510)	51,646,337
Net change in cash and cash equivalents	(105,982,590)	33,185,710

A. Transactions with non-controlling interest

On March 6, 2019, the Company signed an official agreement with Confindel LTD for the acquisition of 2,279,287 shares (22.27%) of Edita Confectionary Industries for a total consideration of EGP 55,297,783. The acquisition was completed in June 2019 and as a result, the Company's share in Edita Confectionary Industries was increased from 77.71% to 99.98%. Accordingly, the amount paid, in excess of the carrying amount of the non-controlling interest acquired, has been recognised as a separate reserve in the consolidated statement of changes in equity as follows.

	EGP
Carrying amounts of non-controlling interest acquired	23,165,685
Consideration paid to non-controlling interest	(55,297,783)
	(32,132,098)

19 Borrowings

	2024			2023		
	Short-term portion EGP	Long-term portion EGP	Total EGP	Short-term portion EGP	Long-term portion EGP	Total EGP
Borrowings	372,890,145	2,282,057,064	2,654,947,209	297,757,493	1,129,283,746	1,427,041,239

The break-up of the short-term borrowings is as follows:

	2024 EGP	2023 EGP
Balance due within 1 year	266,408,562	275,413,658
Accrued interest	106,481,583	22,343,835
	372,890,145	297,757,493

19.1 Loan obtained from International Finance Corporation ("IFC") by Edita Food Industries S.A.E. and Edita Participation Limited

	2024			2023		
	Short-term portion EGP	Long-term portion EGP	Total EGP	Short-term portion EGP	Long-term portion EGP	Total EGP
IFC loan	95,604,568	939,323,077	1,034,927,645	6,998,952	619,000,000	625,998,952

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19 Borrowings (continued)

19.1 Loan obtained from International Finance Corporation ("IFC") by Edita Food Industries S.A.E. and Edita Participation Limited (continued)

The break-up of the short-term borrowings is as follows:

	2024 EGP	2023 EGP
Balance due within 1 year	78,276,923	-
Accrued interest	17,327,645	6,998,952
	<u>95,604,568</u>	<u>6,998,952</u>

On September 30, 2023, Edita Food Industries S.A.E, Edita Participation Limited and Edita for Trading and Distribution "The Co-Borrowers" signed a loan agreement with International Finance Corporation with a total facility limit of USD 45 million to finance the Group's working capital and capital expenditure program in Egypt and Morocco and its expansion plan in Egypt and internationally. According to the loan Agreement, each of the Co-Borrowers shall be jointly and severally liable for obligations of all the Co-Borrowers, if any event of default occurs and is continuing.

As at December 31, 2024, the Group had withdrawn an amount of USD 20 million (2023: USD 20 million) out of the total facility limit.

The Group is obligated to make payments in 13 equal semi-annual instalments with first instalment due on October 2025 and the last on October 2031.

The interest rate on the loan is the interest rate of SOFR based on 180 days plus 3.3%.

The fair value is approximately equal to the carrying amount since the loan is bearing variable interest rate that approximate the market prevailing rates.

19.2 Loans obtained by Edita Food Industries S.A.E.

	December 31, 2024			December 31, 2023		
	Short-term portion EGP	Long-term portion EGP	Total EGP	Short-term portion EGP	Long-term portion EGP	Total EGP
Fourth loan	-	-	-	20,357,361	-	20,357,361
Seventh loan	19,200,000	21,338,276	40,538,276	54,544,317	4,227,158	58,771,475
Eighth loan	17,192,510	56,985,002	74,177,512	41,022,947	49,594,458	90,617,405
Ninth loan	17,662,815	47,611,025	65,273,840	41,621,074	41,214,756	82,835,830
Tenth loan	13,538,533	20,383,146	33,921,679	32,085,831	14,375,274	46,461,105
Eleventh loan	15,780,557	190,000,000	205,780,557	11,498,958	190,000,000	201,498,958
Twelfth loan	14,481,628	40,349,640	54,831,268	9,761,994	35,708,464	45,470,458
Thirteenth loan	735,974	28,798,991	29,534,965	-	-	-
Fourteenth loan	67,542,597	564,526,686	632,069,283	-	-	-
Total	<u>166,134,614</u>	<u>969,992,766</u>	<u>1,136,127,380</u>	<u>210,892,482</u>	<u>335,120,110</u>	<u>546,012,592</u>

The sixth loan is the IFC loan which is separately disclosed in Note 19.1.

The break-up of the short-term borrowings is as follows:

	2024 EGP	2023 EGP
Balance due within 1 year	81,043,739	198,201,285
Accrued interest	85,090,875	12,691,197
	<u>166,134,614</u>	<u>210,892,482</u>

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19 Borrowings (continued)

19.2 Loans obtained by Edita Food Industries S.A.E. (continued)

Type	Guarantees	Currency	Tenure	Interest rate
Fourth loan	Cross corporate guarantee Edita for Trading and Distribution amounted to EGP 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)
Seventh loan	Cross corporate guarantee Edita for Trading and Distribution	EGP	7 years with first installment in November 2023	8%
Eighth loan	Cross corporate guarantee Edita for Trading and Distribution	EGP	7 years with first installment in July 2023	8 %
Ninth loan	Cross corporate guarantee Edita for Trading and Distribution	EGP	7 years with first installment in September 2023	8 %
Tenth loan	None	EGP	7 years with first installment in June 2022	8 %
Eleventh loan	Cross corporate guarantee Edita for Trade and Distribution	EGP	7 years with first installment in March 2026	0.5% above mid corridor rate of the Central Bank of Egypt
Twelfth loan	Cross corporate guarantee Edita for Trade and Distribution	EGP/USD	5 years with first installment in July 2023	1% above corridor rate of the Central Bank of Egypt and average 3% above USD SOFR rate 3 months
Thirteenth loan	Cross corporate guarantee Edita for Trade and Distribution	EGP	7 years with first instalment in May 2026	0.5% above mid corridor rate of the Central Bank of Egypt
Fourteenth loan	Cross corporate guarantee Edita for Trade and Distribution	EGP	8 years with first instalment in June 2026	0.45% above mid corridor rate of the Central Bank of Egypt

The fair values of the loans, as at December 31, are determined as follows:

	Fair values at reporting date		Carrying amounts	
	2024 EGP	2023 EGP	2024 EGP	2023 EGP
Seventh loan	36,863,514	63,177,684	40,538,276	58,771,475
Eighth loan	53,990,368	87,619,229	74,177,512	90,617,405
Ninth loan	47,526,368	79,758,634	65,273,840	82,835,830
Tenth loan	26,632,273	46,252,152	33,921,679	46,461,105

The fair values of the remaining loans approximately equal to their carrying amounts since the loans bear variable interest rates that approximate the prevailing market rates.

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19 Borrowings (continued)

19.3 Loans obtained by Edita for Trading and Distribution

	2024			2023		
	Short-term	Long-term	Total	Short-term	Long-term	Total
	portion	portion		portion	portion	
	EGP	EGP	EGP	EGP	EGP	EGP
First loan	17,906,704	-	17,906,704	36,015,897	16,681,106	52,697,003
Second loan	2,837,465	209,000,000	211,837,465	-	-	-
	<u>20,744,169</u>	<u>209,000,000</u>	<u>229,744,169</u>	<u>36,015,897</u>	<u>16,681,106</u>	<u>52,697,003</u>

The break-up of the short-term borrowings is as follows:

	2024 EGP	2023 EGP
Balance due within 1 year	16,681,106	33,362,211
Accrued interest	4,063,063	2,653,686
	<u>20,744,169</u>	<u>36,015,897</u>

Type	Guarantees	Currency	Tenure	Interest rate
First loan	Cross corporate guarantee from Edita Food Industries S.A.E. amounting to EGP 155,000,000	EGP	4.5 years with first installment in August 2021	1% above mid corridor rate of Central Bank of Egypt
Second loan	Cross corporate guarantee from Edita Food Industries S.A.E.	EGP	5 years with first installment in June 2026	0.5% above mid corridor rate of Central Bank of Egypt

The fair values of the loans approximately equal to their carrying amount since the loans bear variable interest rates that approximate the prevailing market rates.

19.4 Loan obtained by Edita Food Industries Morocco

	2024			2023		
	Short-term	Long-term	Total	Short-term	Long-term	Total
	portion	portion		portion	portion	
	EGP	EGP	EGP	EGP	EGP	EGP
First loan	90,406,794	163,741,221	254,148,015	43,850,162	158,482,530	202,332,692

The break-up of the short-term borrowings is as follows:

	2024 EGP	2023 EGP
Balance due within 1 year	90,406,794	43,850,162

Type	Guarantees	Currency	Tenure	Interest rate
First loan	Assets Pledge	MAD	7 years over 20 quarterly Instalments starting Aug 22	6%

The fair value of the loan approximately equals to its carrying amount since the loan bears 6% interest rate that approximates the prevailing market rates.

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19 Borrowings (continued)

19.5 Deferred government grants

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

	2024 EGP	2023 EGP
Long term portion	19,343,101	17,059,424
Short-term portion (Note 25)	3,692,047	3,160,975
	23,035,148	20,220,399
	2024 EGP	2023 EGP
Edita Food Industries S.A.E. (A)	3,376,270	6,786,121
Edita Food Industries Morocco (B)	19,658,878	13,434,278
	23,035,148	20,220,399

A. Edita Food Industries S.A.E.

	2024			2023		
	Short-term portion EGP	Long-term portion EGP	Total EGP	Short-term portion EGP	Long-term portion EGP	Total EGP
Seventh loan	1,416,963	876,957	2,293,920	1,858,544	2,614,040	4,472,584
Eighth loan	-	-	-	41,727	-	41,727
Ninth loan	340,451	307,003	647,454	632,950	541,938	1,174,888
Tenth loan	424,270	10,626	434,896	627,754	469,168	1,096,922
Total	2,181,684	1,194,586	3,376,270	3,160,975	3,625,146	6,786,121

B. Edita Food Industries Morocco

	2024			2023		
	Short-term portion EGP	Long-term portion EGP	Total EGP	Short-term portion EGP	Long-term portion EGP	Total EGP
Investment subsidy	1,510,363	18,148,515	19,658,878	-	13,434,278	13,434,278

19.6 Interest rate benchmark reform

A fundamental reform of major interest rate benchmark is being undertaken globally, including the replacement of some interbank offer rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). As at December 31, 2024, the Group does not have any IBOR exposure, indexed to USD LIBOR (2023: one existing loans, refer Note 19.2).

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20 Employee benefit obligations

Employees of the Group are entitled to benefits upon their retirement based on a defined benefit plan. The entitlement is based on the length of service i.e. minimum 10 years and final remuneration package of the employee upon retirement (refer Note 4). The plan is fully funded by the Group and no separately administered fund has been established in this regard. The defined benefit obligation is calculated using the projected credit unit method and takes into consideration the principal actuarial assumptions as disclosed below.

	2024	2023
Discount rate	20.3%	15%
Average salary increase rate	20.0%	15%
Turnover rate	10.3%	14%
Life table (years)	49-52	49-52

The amounts recognised as liability in the consolidated statement of financial position and movement thereof is as follows:

	2024 EGP	2023 EGP
Balance as at January 1,	55,143,601	33,396,656
Provision for employees' benefit obligations	23,800,197	18,535,914
Actuarial (gain)/loss on measurement of defined benefit liability	(1,822,034)	3,951,159
Payments during the year	(1,859,182)	(740,128)
Balance as at December 31,	75,262,582	55,143,601

The break-up of provision for the year is as follows:

	2024 EGP	2023 EGP
Current service cost	12,633,618	13,526,416
Interest expenses	11,166,579	5,009,498
	23,800,197	18,535,914

Sensitivity in Defined Benefit Obligations

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.0%	Decrease by	10.0%
Salary increase	0.5%	Increase by	5.0%
Mortality age	1.0%	Increase by	11.0%

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 obligations calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liabilities recognised in the consolidated statement of financial position.

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21 Deferred tax balances

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

	2024									
	Acquiring		Frozen		Other forward tax		Unrealized		2023	
	Property, plant and equipment	Trading and Distribution	EGP	EGP	revaluation	assets	provisions	losses	exchange	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Deferred tax assets										
As at January 1,	-	-	-	-	53,746,006	24,748,833	(2,612,810)	75,882,029	53,127,526	
Acquired through business combination (Note 10)	-	-	-	-	-	-	-	-	22,535,491	
Foreign currency translation differences	-	-	-	-	-	20,889,931	-	20,889,931	10,742,820	
Charged to consolidated statement of profit or loss	-	-	-	-	22,802,877	(5,324,897)	(14,590,501)	2,887,479	(10,523,808)	
As at December 31,	-	-	-	-	76,548,883	40,313,867	(17,203,311)	99,659,439	75,882,029	
Deferred tax liabilities										
As at January 1,	(268,799,484)	(1,892,821)	(45,322,607)	-	-	-	-	(316,014,912)	(247,810,075)	
Assumed through business combination (Note 10)	-	-	-	-	-	-	-	-	(53,260,086)	
Charged to consolidated statement of profit or loss	(89,154,565)	240,424	2,797,008	-	-	-	-	(86,117,133)	(14,944,751)	
As at December 31,	(357,954,049)	(1,652,397)	(42,525,599)	(42,525,599)	-	-	-	(402,132,045)	(316,014,912)	
Deferred tax liabilities – net	(357,954,049)	(1,652,397)	(42,525,599)	(42,525,599)	76,548,883	40,313,867	(17,203,311)	(302,472,606)	(240,132,883)	
As at January 1,	(268,799,484)	(1,892,821)	(45,322,607)	(45,322,607)	53,746,006	24,748,833	(2,612,810)	(240,132,883)	(194,682,549)	
Acquired through business combination (Note 10)	-	-	-	-	-	-	-	-	(30,724,595)	
Foreign currency translation differences	-	-	-	-	-	20,889,931	-	20,889,931	10,742,820	
Charged to consolidated statement of profit or loss	(89,154,565)	240,424	2,797,008	2,797,008	22,802,877	(5,324,897)	(14,590,501)	(83,229,654)	(25,468,559)	
As at December 31,	(357,954,049)	(1,652,397)	(42,525,599)	(42,525,599)	76,548,883	40,313,867	(17,203,311)	(302,472,606)	(240,132,883)	

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22 Lease liabilities

Lease liabilities are presented in the consolidated statement of financial position as follows:

	2024				2023
	Land	Branch premises and warehouses	Motor vehicles	Total	Total
	EGP	EGP	EGP	EGP	EGP
As at January 1,	61,039,098	76,580,295	3,817,732	141,437,125	114,480,032
Additions during the year	-	67,715,657	1,803,179	69,518,836	28,169,086
Assumed through business combination (Note 10)	-	-	-	-	1,570,288
Leases terminated during the year	-	-	-	-	(1,570,288)
Interest on lease liabilities (Note 30)	6,094,225	19,767,025	381,167	26,242,417	16,156,039
Payments during the year	(11,031,589)	(27,435,796)	(689,978)	(39,157,363)	(31,724,663)
Foreign currency translation Differences	35,837,179	-	2,907,731	38,744,910	14,356,631
As at December 31,	91,938,913	136,627,181	8,219,831	236,785,925	141,437,125
Non-current liabilities	87,981,037	133,260,951	7,865,976	229,107,964	130,944,266
Current liabilities	3,957,876	3,366,230	353,855	7,677,961	10,492,859
Lease liabilities	91,938,913	136,627,181	8,219,831	236,785,925	141,437,125

Commitments in relation to leases payable and present value of lease liabilities are as follows:

	2024				2023
	Land	Branch premises and warehouses	Motor vehicles	Total	Total
	EGP	EGP	EGP	EGP	EGP
Commitments in relation to leases					
Within one year	12,431,500	31,879,988	1,111,443	45,422,931	27,964,271
One to five years	47,860,162	180,501,760	4,278,955	232,640,877	102,036,110
Later than five years	77,820,331	101,593,590	6,957,554	186,371,475	111,669,358
Minimum lease payments	138,111,993	313,975,338	12,347,952	464,435,283	241,669,739
Present value of lease Liabilities					
Within one year	3,957,876	3,366,230	353,855	7,677,961	10,492,859
One to five years	21,754,207	40,116,412	1,944,943	63,815,562	46,255,026
Later than five years	66,226,830	93,144,539	5,921,033	165,292,402	84,689,240
Present value of minimum lease payments	91,938,913	136,627,181	8,219,831	236,785,925	141,437,125

The corresponding right-of-use assets pertaining to these lease liabilities are presented in Note 8.

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23 Provisions

	2024 EGP	2023 EGP
As at January 1,	105,601,704	72,714,382
Provisions formed during the year (Note 28)	46,765,402	38,526,328
Assumed through business combination (Notes 10)	-	3,543,391
Provisions utilised during the year	(48,683,619)	(1,601,262)
Provision no longer required (Note 27)	(4,081,619)	(8,148,635)
Foreign currency translation differences	-	567,500
As at December 31,	99,601,868	105,601,704

Provisions relate to claims expected to be made by authorities and third parties in connection with the Group's operations and obligations. The provisions are re-assessed and reviewed by management at each reporting date and the amount provided is adjusted based on latest development, discussions and agreements with third parties.

24 Bank overdraft

Bank overdraft amounted to EGP 808.37 million (2023: EGP 596.72 million) is an integral part of the Group's cash management to finance its working capital. The average interest rate for bank overdraft was 24.99% during the year ended December 31, 2024 (2023: 15.33%).

25 Trade and other payables

	2024 EGP	2023 EGP
Trade payables	975,892,451	800,665,063
Accrued expenses	290,189,791	182,089,273
Payable against factoring of receivables from Dislog S.A.	93,430,431	-
Other credit balances	72,930,962	97,732,029
Contract liabilities – advances from customers (Note 37)	73,901,134	19,944,826
Contract liabilities - sales returns (Note 37)	62,559,145	-
Taxes payable	71,930,461	113,079,183
Dividends payable	38,167,533	18,979,060
Notes payable	25,353,804	130,908,420
Contract liabilities – accrued rebates (Note 37)	21,873,108	16,371,989
Social insurance	17,745,501	957,714
Deferred government grants (Note 19.5)	3,692,047	3,160,975
	1,747,666,368	1,383,888,532

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

The Group has entered into an arrangement with Banque Marocaine Pour LE Commerce ET L'Industrie ("BMCI") for factoring services of its receivables from its sole distributor i.e. Dislog S.A. in Morocco. The main terms and conditions of the factoring arrangement are as follows.

Type	Guarantees	Tenure	Costs involved
Total limit of MAD 20 million (without recourse) with financing limit of 90% of the invoice amount	Coface coverage and subrogation on factoring account	Up to 1 year	0.2% general factoring commission plus 5.5% financing commission

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26 Current income tax liabilities

	2024 EGP	2023 EGP
As at January 1,	387,712,322	197,610,283
Income tax for the year (Note 31)	473,100,118	518,578,096
Income tax paid during the year	(387,958,520)	(198,667,787)
Corporate income tax - advance payments	(170,721,766)	(70,570,205)
Adjustment in relation to investment in Treasury Bills	(24,652,785)	(36,699,068)
Withholding tax receivable	(21,724,236)	(19,583,870)
Accrued interest - advance payments (Note 29)	(8,429,387)	(2,955,127)
Other adjustments	1,056,869	-
As at December 31,	248,382,615	387,712,322

27 Other income

	2024 EGP	2023 EGP
Solidarity contribution refund*	45,786,852	-
Government grants - export subsidies	23,000,000	50,555,320
Gain from disposal of property, plant and equipment (Note 34)	4,196,751	4,770,586
Provisions no longer required (Note 23)	4,081,619	8,148,635
Government grants - reduced interest loans	3,409,851	4,447,524
Others	20,600,868	11,521,330
	101,075,941	79,443,395

* During the year ended December 31, 2024, refund of solidarity contribution amounts, already paid by the Group in relation to prior years, has been received pursuant to relief provided by the concerned authorities in Egypt by allowing Edita for Trading and Distribution (a subsidiary) for changing its basis of calculation from net sales to gross profit.

28 Other expenses

	2024 EGP	2023 EGP
Provisions formed during the year (Note 23)	46,765,402	38,526,328
Solidarity contribution	37,950,112	28,685,447
	84,715,514	67,211,775

29 Finance income

	2024 EGP	2023 EGP
Interest income	159,835,892	210,632,251
Interest income – corporate tax advance payment (Note 26)	8,429,387	2,955,127
	168,265,279	213,587,378

30 Finance cost

	2024 EGP	2023 EGP
Interest expense	376,398,830	195,775,875
Interest on lease liabilities (Note 22)	26,242,417	16,156,039
	402,641,247	211,931,914

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31 Income tax expense

	2024 EGP	2023 EGP
Profit after tax for the year	1,415,374,273	1,506,575,439
Tax expense for the year		
- Current tax (Note 26)	473,100,118	518,578,096
- Deferred tax (Note 21)	83,229,654	25,468,559
	<u>556,329,772</u>	<u>544,046,655</u>
Profit before tax	<u>1,971,704,045</u>	<u>2,050,622,094</u>
Tax calculated based on applicable tax rates (i.e. 22.5%)	443,633,410	461,389,971
Effect of reduced tax rates on investments in treasury bills	(24,652,785)	(36,699,068)
Tax effect of non-deductible expenses	54,119,493	104,630,013
Temporary differences		
- Impact of different accounting and tax depreciation rates	86,117,133	14,944,751
- Other differences	(2,887,479)	(219,012)
Total tax expense	<u>556,329,772</u>	<u>544,046,655</u>
Effective tax rate	<u>28%</u>	<u>27%</u>

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

32 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.

	2024	2023
Profit attributable to owners of the Parent (EGP)	<u>1,442,374,792</u>	<u>1,524,789,018</u>
Weighted average number of ordinary shares in issue	<u>700,013,656</u>	<u>701,499,392</u>
Basic earnings per share (EGP)	<u>2.06</u>	<u>2.17</u>

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group does not have any categories of dilutive potential ordinary shares. Hence, the diluted earnings per share is equivalent to the basic earnings per share.

33 Expenses by nature

	2024 EGP	2023 EGP
Cost of sales	11,240,232,913	8,200,709,717
Distribution cost	1,662,351,937	1,131,569,626
Administrative expenses	1,086,699,763	771,817,875
Total	<u>13,989,284,613</u>	<u>10,104,097,218</u>

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33 Expenses by nature (continued)

	2024 EGP	2023 EGP
Materials consumed (Note 11)	9,543,387,182	6,974,321,592
Salaries and wages	1,642,645,819	1,210,989,665
Advertising and marketing	757,654,823	497,417,981
Depreciation and amortization	372,875,644	282,779,410
Employee benefits	230,583,726	168,884,906
Gas, water and electricity	211,948,181	154,870,554
Licensing fees and charges	160,740,833	77,418,467
Vehicle expense	152,593,773	95,479,029
Maintenance	152,077,391	91,194,745
Logistics services	132,359,528	101,312,486
Transportation expenses	121,673,170	74,810,795
Group's share in social insurance	118,605,334	71,001,510
Consumables	116,355,740	81,701,866
Legal and professional expenses	75,891,917	84,174,206
Cleaning expenses	28,667,116	23,402,324
Travelling expenses	24,508,501	16,906,477
Miscellaneous and other expenses	146,715,935	97,431,205
	<u>13,989,284,613</u>	<u>10,104,097,218</u>

34 Cash flow information

A. Non-cash investing and finance activities

- Transfer to property, plant and equipment from projects under construction. (Note 7).
- Acquisition of right-of-use assets (Note 8).

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

	2024 EGP	2023 EGP
Proceeds from disposal of property, plant and equipment	6,096,820	6,035,664
Net book value	(1,900,069)	(1,265,078)
Gain on disposal of property, plant and equipment (Note 27)	<u>4,196,751</u>	<u>4,770,586</u>

B. Changes in liabilities arising from financing activities

	2024 EGP	2023 EGP
Cash and cash equivalents	(290,080,130)	413,180,334
Borrowings	(2,654,947,209)	(1,427,041,239)
Lease liabilities	(236,785,925)	(141,437,125)
Total	<u>(3,181,813,264)</u>	<u>(1,155,298,030)</u>

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34 Cash flow information (continued)

B. Changes in liabilities arising from financing activities (continued)

	Cash and cash equivalent EGP	Borrowings EGP	Lease liabilities EGP	Total EGP
As at January 1, 2024	413,180,334	(1,427,041,239)	(141,437,125)	(1,155,298,030)
Lease payments	-	-	27,435,796	27,435,796
Proceeds from borrowings	-	(802,325,677)	-	(802,325,677)
Repayments of borrowings	-	193,737,275	-	193,737,275
Cash flows	(703,260,464)	-	-	(703,260,464)
New leases	-	-	(69,518,836)	(69,518,836)
Interest expense	-	(376,398,830)	(26,242,417)	(402,641,247)
Interest repayment	-	380,897,134	-	380,897,134
Government grant	-	3,409,851	-	3,409,851
Foreign exchange adjustment	-	(627,225,723)	(27,023,343)	(654,249,066)
As at December 31, 2024	(290,080,130)	(2,654,947,209)	(236,785,925)	(3,181,813,264)

35 Related parties

The Group entered into several transactions with companies and entities that are included within the definition of related parties, as stated in IAS 24 - Related Party Disclosures. The related parties comprise the Group' Board of Directors, their entities, companies under common control and employees of senior management. The 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 reporting date.

	2024 EGP	2023 EGP
<i>Due from a related party – Other related party</i>		
La Marocaine De Distribution De Logistiquis (Note 13)	136,103,683	54,057,427

The nature of transactions with La Marocaine De Distribution De Logistiquis during the years ended December 31, 2024 and December 31, 2023 are represented as follows:

	2024 EGP	2023 EGP
Sale of finished goods	472,783,452	326,160,784

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35 Related parties (continued)

The Group did not recognise any allowance for the expected credit losses as at December 31, 2024 (2023: EGP Nil) for the balance due from a related party as a result of the low credit risk and no history of default.

Key management compensation

During the year ended December 31, 2024, the Group paid an amount of EGP 287,066,976 as benefits to the Board Members and key management personnel (2023: EGP 238,600,775).

	2024			2023		
	Non-executive / independent board members	Key management personnel	Total	Non-executive / independent board members	Key management personnel	Total
	EGP	EGP	EGP	EGP	EGP	EGP
<i>Short term benefits</i>						
Salaries and compensation	8,437,500	276,045,511	284,483,011	7,000,000	229,213,469	236,213,469
Allowances	-	2,253,173	2,253,173	-	2,114,800	2,114,800
Other benefits	-	330,792	330,792	-	272,506	272,506
Total	8,437,500	278,629,476	287,066,976	7,000,000	231,600,775	238,600,775

36 Segment reporting

The Group operates across six segments in the snack food market offering ten 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
Biscuits	Oniro	Lava chocolate and Lava vanilla

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36 Segment reporting (continued)

Segment	Revenue		Gross profit/(loss)		Operating profit/(loss)	
	2024	2023	2024	2023	2024	2023
	EGP '000	EGP '000	EGP '000	EGP '000	EGP '000	EGP '000
Cake	8,272,208	6,032,533	2,744,246	2,122,437	1,679,577	1,185,430
Croissants	4,657,379	4,066,624	1,313,027	1,210,997	115,933	585,923
Rusks	726,815	545,041	175,231	153,265	100,156	76,541
Wafer	1,734,775	1,079,002	514,886	350,248	281,058	175,824
Candy	484,822	307,717	142,593	86,601	58,445	43,786
Biscuits	195,896	80,139	35,886	14,632	(10,637)	(9,610)
Others	74,651	14,941	(19,556)	(12,893)	(67,271)	(35,994)
Total	16,146,546	12,125,997	4,906,313	3,925,287	2,157,261	2,021,900

Operating profit is reconciled to net profit as follows:

	2024	2023
	EGP '000	EGP '000
Operating profit	2,157,261	2,021,901
Provision for employee benefit obligations	(23,800)	(18,536)
Provision for slow-moving inventory	(13,404)	(10,745)
Other income	101,076	79,443
Other expenses	(84,716)	(67,212)
Finance income	168,265	213,587
Finance cost	(402,641)	(211,932)
Foreign exchange gain – net	69,662	44,116
Income tax expense	(556,330)	(544,047)
Net profit	1,415,373	1,506,575

The figures disclosed in the segment note are rounded off to the nearest thousand EGP.

The segment information disclosed in the table above represents the segment information provided to the Chief Operating Decision Maker 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, Candy and Biscuits do not meet the quantitative threshold required by IFRS 8 for reportable segments, management has concluded that these segments should be reported as it is closely monitored by The Chief Operating Decision Makers as it is expected to materially contribute to the Group revenue in the future.

The Chief Operating Decision Makers assesses the performance of the operating segments based on their operating profit.

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 at the Group level.

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36 Segment reporting (continued)

Geographical segments

As at December 31, The Group assets and liabilities are geographically located as follows:

	Non-current assets		Current assets		Total assets	
	2024	2023	2024	2023	2024	2023
	EGP '000	EGP '000	EGP '000	EGP '000	EGP '000	EGP '000
Egypt	4,129,787	3,057,692	4,596,416	3,386,034	8,726,203	6,443,726
Morocco	729,574	527,308	359,830	301,065	1,089,404	828,373
Cyprus	245,132	245,132	248,933	316,290	494,065	561,422
Total	5,104,493	3,830,132	5,205,179	4,003,389	10,309,672	7,833,521

	Non-current liabilities		Current liabilities		Total liabilities	
	2024	2023	2024	2023	2024	2023
	EGP '000	EGP '000	EGP '000	EGP '000	EGP '000	EGP '000
Egypt	1,793,953	749,009	2,610,080	2,357,064	4,404,033	3,106,073
Morocco	274,627	280,437	516,483	273,096	791,110	553,533
Cyprus	939,323	619,000	158,025	152,015	1,097,348	771,015
Total	3,007,903	1,648,446	3,284,588	2,782,175	6,292,491	4,430,621

Geographical location-wise disaggregation of revenue of the Group are as follows:

	2024	2023
	EGP '000	EGP '000
Egypt	14,552,795	11,049,121
Palestine	376,067	207,618
Libya	352,769	227,682
Jordan	331,227	191,594
Iraq	285,697	345,092
Other Middle Eastern Countries	247,991	104,890
Total	16,146,546	12,125,997

37 Revenue from contracts with customers

	2024	2023
	EGP	EGP
Sales, gross	16,752,445,203	12,402,531,144
Trade discounts	(332,903,397)	(186,226,202)
Sales returns	(272,996,107)	(90,307,896)
Sales, net	16,146,545,699	12,125,997,046

A. Contract liabilities

	2024	2023
	EGP	EGP
Advances from customers (Note 25)	73,901,134	19,944,826
Sales returns (Note 25)	62,559,145	-
Accrued rebates (Note 25)	21,873,108	16,371,989
Total contract liabilities	158,333,387	36,316,815

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37 Revenue from contracts with customers (continued)

A. Contract liabilities (continued)

The decrease in contract liabilities was mainly due to the decrease in/adjustment of advance payments made by the export customers during the year.

The movement in advances from customers during the year is as follows:

	2024 EGP	2023 EGP
As at January 1,	19,944,826	27,928,543
Contract liabilities recognised for sale of goods	(19,944,826)	(27,928,543)
Contract liabilities arisen during the year	73,901,134	19,944,826
As a December 31,	73,901,134	19,944,826

B. 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 and by geographical location as disclosed in Note 36 (segment reporting).

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

All assets and liabilities for which fair value is measured or disclosed in these consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is 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 Group can have access to at the date of measurement.
Level 2 -	Inputs other than quoted prices included within level I that are observable for the asset or liability, either directly or indirectly.
Level 3 -	Unobservable inputs of the asset or the liability.

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

- Cash and bank balances, trade receivables, other financial assets, due from related parties and trade and other payables approximate their carrying amounts, largely due to the short-term maturities of these instruments.
- The fair value of the fixed interest-bearing loans at the reporting date has been calculated by discounting the future cash outflows (level 3 fair value measurement) using the prevailing market rate of interest ranging from 28.7% to 28.75% at the reporting date (2023: 9.25% to 10.75%). The fair value of loans is disclosed in Note 19.
- For variable interest-bearing loans, fair value is approximately equal to the carrying amount since the loans bear variable interest rate that approximate the market prevailing rates.

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39 Commitments and contingent liabilities

Capital commitments

The Group has capital commitments of EGP 367,367,942 as at December 31, 2024 (2023: EGP 987,530,218) in respect of capital expenditures.

Contingent liabilities

The banks have issued letters of credit, internal document collections and letters of guarantee in favor of the Company amounting to EGP 256,555,307 which guarantee the Company for the goods imported (2023: EGP 267,893,918).

The banks have issued letter of credit in favor of Edita for Trading and Distribution amounting to EGP 2,725,000 which guarantee the Company for the goods imported (2023: EGP 1,250,000).

The banks have issued letter of credit in favor of Edita Confectionery Industries amounting to EGP Nil which guarantee the Company for the goods imported (2023: EGP 3,509,983).

The banks have issued letters of guarantee in favor of Edita Food Industries Morocco amounting to EGP 10,045,200 (equivalent to MAD 2 million) which guarantee the Company for the goods imported (2023: EGP Nil).

These contingent liabilities are not expected to result in material losses for the Group in the foreseen future and not consider it probable that there will be an outflow of economic resources with regard to these contingent liabilities.

40 Tax position

Due to the nature of tax assessment process in jurisdictions where the Group is operating, the final outcome of any assessment by the tax authorities might not be realistically estimated. Therefore, additional liabilities are contingent upon the tax inspection and assessment by the tax authorities. Below is a summary of the tax status of the Group as at reporting date.

A. Edita Food Industries S.A.E.

Corporate tax

The Company exempted from tax for a period of 10 years ended December 31, 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 January 1, 1998. The Company submits its tax on its legal period.

The tax inspection was performed for the period from the Company's inception till 2016, and all taxes due were paid.

For the years from 2017 to 2019, the Company has filed the tax returns in its legal periods and has paid the tax liability. However, the tax inspection is in process by the relevant tax authorities.

For the years from 2020 to 2023, the Company has filed tax returns according to Law No. 91 of 2005 in its legal periods and has paid the tax liability. Further the Company has not been inspected by the relevant tax authorities yet for this period. However, based on the additional claim received from the relevant tax authorities as a result of past inspections, the Group has created additional provision to meet any additional claims that might arise from tax inspection for the years from 2017 onwards. Tax return for 2024 will be submitted within the deadlines allowed under the relevant tax laws.

Payroll tax

The payroll tax inspection was performed and settled till the end of December 31, 2022.

For the years 2023 and 2024, the Company has submitted quarterly tax forms and payroll reconciliations on time to the relevant tax authorities. However, the Company has not been inspected by the relevant tax authorities yet for this period.

EDITA Food Industries (S.A.E.) and its subsidiaries
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Notes to the consolidated financial statements (continued)
For the year ended December 31, 2024

40 Tax position (continued)

A. Edita Food Industries S.A.E. (continued)

VAT and Sales tax

The sales tax inspection was performed and settled till the end of December 31, 2020.

For the years from 2021 to 2024, the Company has submitted monthly tax returns on time to the relevant tax authorities. However, the Company has not been inspected by the relevant tax authorities yet for this period.

Stamp duty tax

The stamp duty tax inspection was performed and settled till the end of December 31, 2020.

The Company has not been inspected by the relevant tax authorities for the years from 2021 to 2024.

B. Edita for Trading and Distribution Company

Corporate tax

Edita for Trading and Distribution Company is subject to the corporate income tax according to Tax Law No. 91 of 2005, as amended.

The tax inspection was performed for the period from the Company's inception till 2019, and all taxes due were paid.

The tax inspection was performed for the period from the 2020 to 2022. However, the final settlement of tax due is pending before the relevant tax authorities.

For the year 2023, Edita for Trading and Distribution Company has filed tax returns according to Law No. 91 of 2005 in its legal periods and has paid the tax liability. Further, the subsidiary has not been inspected by the relevant tax authorities yet for this period. Tax return for 2024 will be submitted within the deadlines allowed under the relevant tax laws.

Payroll tax

The tax inspection was performed until December 31, 2022, and the tax resulting from the tax inspection and assessment were settled and paid to the relevant tax authorities.

For the years 2023 and 2024, Edita for Trading and Distribution Company has submitted quarterly tax forms and payroll reconciliations on time to the relevant tax authorities. However, the subsidiary has not been inspected by the tax authorities yet for this period.

VAT and Sales tax

The tax inspection was performed until December 31, 2020, and the tax resulting from the tax inspection and assessment were settled and paid to the relevant tax authorities.

For the years from 2021 to 2024, Edita for Trading and Distribution Company submitted its monthly sales VAT return on due date.

Stamp tax

The tax inspection was performed for the periods from inception till the end of December 31, 2020, and the tax resulting from the tax inspection and assessment were settled and paid to the relevant tax authorities.

For the years from 2021 to 2024, Edita for Trading and Distribution Company paid all tax dues.

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Notes to the consolidated financial statements (continued)
For the year ended December 31, 2024

40 Tax position (continued)

C. Edita Confectionary Industries Company

Corporate tax

Edita Confectionary Industries Company is subject to the corporate income tax according to Tax Law No. 91 of 2005, as amended.

The tax inspection was performed for the period up to 2019, and all taxes due were paid.

The tax inspection was performed for the period from the 2020 to 2022. However, the final settlement of tax due is pending before the relevant tax authorities.

Edita Confectionary Industries Company has not been inspected for the years 2023 and 2024 and has submitted/will submit its tax returns to relevant tax authorities on due dates.

Payroll tax

The tax inspection was performed until December 31, 2020, and the tax resulting from the tax inspection and assessment were settled and paid to the relevant tax authorities.

For the years from 2021 to 2024, Edita Confectionery Industries has submitted quarterly tax forms and payroll reconciliations on time to the relevant tax authorities. However, the subsidiary has not been inspected by the tax authorities yet for this period.

VAT and Sales Tax

The tax inspection was performed until December 31, 2020, and the tax resulting from the tax inspection and assessment were settled and paid to the relevant tax authorities.

For the years from 2021 to 2024, Edita Confectionery Industries submitted its monthly sales VAT return on due date.

Stamp Tax

The stamp duty tax inspection was performed and settled till the end of December 31, 2020.

Edita Confectionery Industries has not been inspected by the relevant tax authorities for the years from 2022 to 2024.

D. Edita Frozen Foods Industries S.A.E.

Corporate tax

Edita Frozen Foods Industries S.A.E. is subject to the corporate income tax according to Tax Law No. 91 of 2005, as amended.

Edita Frozen Foods Industries S.A.E. has not been inspected for the years from 2015 to 2023 and has submitted its tax returns to relevant tax authorities on due dates. Tax return for 2024 will be submitted within the deadlines allowed under the relevant tax laws.

Payroll tax

The tax inspection was performed for the years from 2015 to 2021 and the tax resulting from the tax inspection and assessment were settled and paid to the relevant tax authorities.

Edita Frozen Foods Industries S.A.E. has not been inspected by the relevant tax authorities for the years from 2022 to 2024.

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Notes to the consolidated financial statements (continued)
For the year ended December 31, 2024

40 Tax position (continued)

D. Edita Frozen Foods Industries S.A.E. (continued)

VAT and Sales tax

The tax inspection was performed for the period from the 2015 to 2022. However, the final settlement of tax due is pending before the relevant tax authorities.

Edita Frozen Foods Industries S.A.E. has not been inspected by the relevant tax authorities for the years 2023 and 2024.

Stamp tax

The tax inspection was performed for the years from 2015 to 2022 and the tax resulting from the tax inspection and assessment were settled and paid to the relevant tax authorities.

Edita Frozen Foods Industries S.A.E. has not been inspected by the relevant tax authorities for the years 2023 and 2024.

E. Edita Food Industries Morocco

Corporate tax

Edita Foods Industries Morocco is subject to the corporate income tax according to Moroccan tax laws.

The tax inspection was performed for the periods up to 2023, and all taxes due were paid.

Tax return for 2024 will be submitted within the deadlines allowed under the relevant tax laws.

Payroll tax

The tax inspection was performed for the years from 2020 to 2023 and the tax resulting from the tax inspection and assessment were settled and paid to the relevant tax authorities.

Edita Foods Industries Morocco has not been inspected by the relevant tax authorities for the year 2024.

VAT and Sales tax

The tax inspection was performed for the years from 2019 to 2023 and the tax resulting from the tax inspection and assessment were settled and paid to the relevant tax authorities.

Edita Foods Industries Morocco has not been inspected by the relevant tax authorities for the year 2024.

41 Subsequent events

- Subsequent to the year end, Edita Food Industries S.A.E. signed a partnership agreement with Tuama Jebur Abbas (TJA), based in Baghdad. This strategic partnership includes the acquisition of a 49% stake in TJA for a valuation of USD 8 million, through a capital increase.

Under the terms of the partnership, a subsidiary of the Group in Iraq will be established through an intermediate holding company based in the United Arab Emirates. The acquisition includes a factory equipped with three production lines, two for cakes and one for biscuits. Additionally, planned investments amounting to USD 27 million over the next three years.

- Subsequent to the year end, the ordinary general assembly of the Company's shareholders was held on April 6, 2025, wherein, cash dividends of EGP 1.143 per share was approved to be distributed to shareholders in two equal instalments.

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Notes to the consolidated financial statements (continued)
For the year ended December 31, 2024

42 Reclassification of figures

The comparative figures in the consolidated statement of financial position have been reclassified for consistency with the current period presentation and improve the quality of information presented, as follows.

	Figures as at December 31, 2023 before reclassification EGP	Reclassification EGP	Figures as at December 31, 2023 after reclassification EGP
Deferred tax assets	-	75,882,029	75,882,029
Deferred tax liabilities	(240,132,883)	(75,882,029)	(316,014,912)