

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

**Auditor's report AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2024**

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

Consolidated financial statements - For the year 31 December 2024

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Auditor's Report

T +20 (0) 2 246 199 09

To: The Shareholders of EDITA FOOD INDUSTRIES (S.A.E.)

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of EDITA FOOD INDUSTRIES (S.A.E) and its subsidiaries (the Group), which comprise the consolidated financial position as of December 31, 2024, and the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the consolidated financial statements

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

Auditor's responsibility

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

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

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



Saleh, Barsoum & Abdel Aziz

Grant Thornton

Opinion

In our opinion, the consolidated financial statements referred to above give a true and fair view, in all material respects, of the consolidated financial position of EDITA FOOD INDUSTRIES (S.A.E.) and its subsidiaries (the Group) as of December 31, 2024, the results of its operations and its cash flows for the financial year then ended in accordance with the Egyptian Accounting Standards and in the light of the related applicable Egyptian laws and regulations.

Cairo, March 9, 2025



EDITA FOOD INDUSTRIES (S.A.E) AND ITS SUBSIDIARIES
Consolidated Statement of Financial Position as of 31 December 2024

	Note	31 December 2024 EGP	31 December 2023 EGP
Assets			
Non-current assets			
Property, plant and equipment and projects under constructions	5	4 491 126 453	3 371 603 358
Right of use assets	6	202 114 513	122 057 438
Intangible assets	7	216 142 451	181 837 263
Goodwill	9	126 928 384	81 397 483
Total non-current assets		5 036 311 801	3 756 895 542
Current assets			
Inventories	8	3 034 025 532	1 866 984 477
Trade receivables	11	174 828 115	105 537 703
Debtors and Other Debit Balance	12	536 108 374	603 531 291
Due from related parties	32	136 103 684	54 057 426
Treasury Bills	13	805 867 012	346 432 739
Cash and bank balances	14	518 293 282	1 009 903 473
Total current assets		5 205 225 999	3 986 447 109
Total assets		10 241 537 800	7 743 342 651
Equity and liabilities			
Equity attributable to owners of the parent			
Paid up capital	15	140 002 731	140 002 731
Legal reserve	16	72 536 289	72 536 289
Cumulative translation reserve		(210 241 954)	(51 231 711)
Transactions with non-controlling interest	17.a	(32 132 098)	(32 132 098)
Retained earnings		4 085 319 751	3 244 568 334
Total equity		4 055 484 719	3 373 743 545
Non-controlling interest	17.b	102 084 427	74 203 124
Total equity		4 157 569 146	3 447 946 669
Liabilities			
Non-current liabilities			
Borrowings	18	2 282 057 066	1 129 283 746
Deferred government grants	18	19 343 101	17 216 439
Employee benefit obligations	19	75 262 582	55 143 601
Deferred tax liabilities	20	302 414 061	240 116 669
Lease liabilities	21	230 717 192	132 705 608
Total non-current liabilities		2 909 794 002	1 574 466 063
Current liabilities			
Provisions	22	99 601 868	105 601 704
Bank overdraft	23	808 368 965	596 722 472
Trade and notes payables	24	989 684 681	960 343 470
Creditors and other credit balances	25	643 699 632	357 913 045
Current portion of borrowings	18	372 890 145	297 757 496
Deferred government grants	18	3 692 047	3 003 960
Current income tax liabilities	26	248 382 615	388 769 823
Lease liabilities	21	7 854 699	10 817 949
Total current liabilities		3 174 174 652	2 720 929 919
Total liabilities		6 083 968 654	4 295 395 982
Total equity and liabilities		10 241 537 800	7 743 342 651

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

Mr. Sameh Naguib
Chief Financial Officer

Eng. Hani Berzi
Chairman

- Auditor's report attached

EDITA FOOD INDUSTRIES (S.A.E) AND ITS SUBSIDIARIES
Consolidated statement of profit or loss
For the year ended 31 December 2024

	Note	31 December 2024	31 December 2023
		EGP	EGP
Revenue		16 146 545 699	12 125 997 046
Cost of sales	31	<u>(11 158 878 123)</u>	<u>(8 151 309 352)</u>
Gross profit		4 987 667 576	3 974 687 694
Other income / expense	27	59 044 210	42 462 006
Distribution cost	31	(1 623 244 053)	(1 100 567 099)
Administrative expenses	31	(1 046 817 212)	(745 185 400)
Inventory write-down provision	8	(13 403 634)	(10 543 416)
Provisions	22	(42 683 783)	(30 579 503)
Employee Benefit Obligations provision	19	(23 800 197)	(18 535 914)
Finance Income	28.a	168 265 279	213 587 378
Foreign Exchange Gain		100 318 882	44 119 455
Finance cost	28.b	<u>(402 321 688)</u>	<u>(211 888 890)</u>
Profit before income tax		2 163 025 380	2 157 556 311
Income tax expense	29	<u>(556 297 682)</u>	<u>(544 046 655)</u>
Net profit for the year		1 606 727 698	1 613 509 656
Profit is attributable to			
Owners of the parent		1 633 729 383	1 631 794 504
Non-controlling interest		<u>(27 001 685)</u>	<u>(18 284 848)</u>
Net profit for the year		1 606 727 698	1 613 509 656
Basic and Diluted earnings per share	30	2.18	2.25

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

EDITA FOOD INDUSTRIES S.A.E.
Consolidated statement of comprehensive income
For the year ended 31 December 2024

	31 December 2024	31 December 2023
	<u>EGP</u>	<u>EGP</u>
Net profit for the year	1 606 727 698	1 613 509 656
Other comprehensive income		
Items that may be reclassified to profit or loss :-		
Exchange differences on translation of foreign operations	(104 127 255)	17 894 706
Items that will not reclassified to profit or loss :-		
Re-measurements of post-employment benefit obligations	1 822 034	(3 951 159)
Total comprehensive income for the year	<u><u>1 504 422 477</u></u>	<u><u>1 627 453 203</u></u>
Attributable to		
Owners of the parent	1 476 541 174	1 619 047 272
Non-controlling interest	27 881 303	8 405 931
Total comprehensive income for the year	<u><u>1 504 422 477</u></u>	<u><u>1 627 453 203</u></u>

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

EDITA FOOD INDUSTRIES S.A.E.
Consolidated statement of changes in equity
For the year ended 31 December 2024

	Paid up capital	Legal reserve	Cumulative translation reserve	Transactions with non-controlling interest	Treasury Shares	Retained earnings	Total Owners of the parent	Non-controlling interest	Total owners' equity
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance at 1 January 2023	144 611 688	78 953 630	(42 435 638)	(32 132 098)	(160 827 557)	2 687 811 227	2 675 981 252	40 997 184	2 716 978 436
Net profit for the year	-	-	-	-	-	1 631 794 504	1 631 794 504	(18 284 848)	1 613 509 656
Reverse of Subsidiaries Legal Reserve	-	(6 417 341)	-	-	-	6 417 341	-	-	-
Other comprehensive income for the year	-	-	(8 796 073)	-	-	(3 951 159)	(12 747 232)	26 690 779	13 943 547
Total comprehensive income for the year	-	(6 417 341)	(8 796 073)	-	-	1 634 260 686	1 619 047 272	8 405 931	1 627 453 203
Shareholders transactions									
Payment under capital increase - Edita Morocco	-	-	-	-	-	-	-	24 800 009	24 800 009
Acquisition of Treasury Shares	-	-	-	-	(105 184 979)	-	(105 184 979)	-	(105 184 979)
Write off of Treasury Shares	(4 608 957)	-	-	-	266 012 536	(261 403 579)	-	-	-
Dividends Distribution for 2022	-	-	-	-	-	(816 100 000)	(816 100 000)	-	(816 100 000)
Total shareholders transactions	(4 608 957)	-	-	-	160 827 557	(1 077 503 579)	(921 284 979)	24 800 009	(896 484 970)
Balance at 31 December 2023	140 002 731	72 536 289	(51 231 711)	(32 132 098)	-	3 244 568 334	3 373 743 545	74 203 124	3 447 946 669
Balance at 1 January 2024	140 002 731	72 536 289	(51 231 711)	(32 132 098)	-	3 244 568 334	3 373 743 545	74 203 124	3 447 946 669
Net profit for the year	-	-	-	-	-	1 633 729 383	1 633 729 383	(27 001 685)	1 606 727 698
Other comprehensive income for the year	-	-	(159 010 243)	-	-	1 822 034	(157 188 209)	54 882 988	(102 305 221)
Total comprehensive income for the year	-	-	(159 010 243)	-	-	1 635 551 417	1 476 541 174	27 881 303	1 504 422 477
Shareholders transactions									
Dividends Distribution for 2023	-	-	-	-	-	(794 800 000)	(794 800 000)	-	(794 800 000)
Total shareholders transactions	-	-	-	-	-	(794 800 000)	(794 800 000)	-	(794 800 000)
Balance at 31 December 2024	140 002 731	72 536 289	(210 241 954)	(32 132 098)	-	4 085 319 751	4 055 484 719	102 084 427	4 157 569 146

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

EDITA FOOD INDUSTRIES S.A.E.
Consolidated statement of cash flows
For the year ended 31 December 2024

	Notes	31 December 2024	31 December 2023
		EGP	EGP
Cash flows from operating activities			
Profit for the year before income tax		2 163 025 380	2 157 556 311
Adjustments for:			
Provisions Formed	22	62 913 619	38 728 138
Provisions no longer required	22	(20 229 836)	(8 148 635)
Employee benefit obligation	19	23 800 197	18 535 914
Interest expense	28	376 398 830	195 775 875
Interest expense - Leases assets	28	25 922 858	16 113 015
Amortization -Lease	6	23 078 685	21 094 430
Government Grant income	27	(3 409 851)	(4 447 524)
Interest income	28	(159 835 892)	(210 632 251)
Interest income - Corporate Tax advance payments	28	(8 429 387)	(2 955 127)
Depreciation of property, plant and equipment	5	339 398 313	255 757 872
Amortization of intangible assets	7	11 060 520	7 553 869
Provision of slow moving inventory	8	13 403 634	10 543 416
Gain from sale of property, plant and equipment	35	(4 196 751)	(4 770 586)
Foreign exchange gains		(100 318 882)	(44 119 455)
		2 742 581 437	2 446 585 262
Change in working capital			
Inventories		(1 119 014 154)	(890 423 304)
Trade receivables and other debit balances		51 501 837	(226 059 957)
Trade and other payables		244 761 343	328 940 444
Provision utilized	22	(48 757 877)	(1 601 262)
Inventory provision used	8	(6 406 578)	(4 530 012)
Payments of employee benefit obligations	19	(1 859 182)	(740 128)
Dividends paid to Company's employees		(75 611 527)	(97 416 949)
Cash generated from operating activities		1 787 195 299	1 554 754 094
Interest paid		(230 918 487)	(156 953 069)
Income tax paid		(589 026 271)	(329 531 910)
Net cash flows generated from operating activities		967 250 541	1 068 269 115
Cash flows from investing activities			
Payment for purchase of property, plant and equipment and Intangible assets (*)		(1 201 197 616)	(572 147 343)
Payment for purchase of Intangible assets	7	(44 971 763)	(2 326 940)
Proceeds from sale of property, plant and equipment	35	6 096 820	6 035 663
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
Consideration paid for acquisition of new subsidiary "Edita Frozen Food Industries"	10	--	(257 206 976)
Cash and Cash equivalent under business combination - "Edita Frozen Food Industries"		--	(1 489 428)
Net cash flows used in investing activities		(1 539 670 939)	(68 294 073)
Cash flows from financing activities			
Lease Payments		(39 424 688)	(30 098 582)
Payments of borrowings		(193 737 275)	(936 135 351)
Proceeds from borrowings		802 325 677	1 166 800 225
Proceeds from non-controlling interest for Edita Food Industries Morocco capital increase		--	24 800 009
Payments for acquisition of treasury shares		--	(105 184 979)
Dividends paid to shareholders		(700 000 000)	(699 700 000)
Net cash flows used in financing activities		(130 836 286)	(579 518 678)
Net increase in cash and cash equivalents		(703 256 684)	420 456 364
Cash and cash equivalents at beginning of the year	14	413 181 001	(7 275 363)
Cash and cash equivalents at end of the year	14	(290 075 683)	413 181 001

*The effect of non-cash of purchase of property, plant, and equipment amounted to EGP 40 746 556 had been eliminated as non cash transaction against the related increase in Trade and other payables.

*The effect of non-cash of purchase of property, plant, and equipment amounted to EGP 46 452 147 has been eliminated as non cash transaction which represents the capitalized interest against the paid interest.

*The effect of non-cash of purchase of dividends payable amounted to EGP 35 456 433 had been eliminated from Trade and other payables.

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

1. General information

Edita Food Industries S.A.E. was established in July 9, 1996, under the investment Law No. 230 of 1989 which had been replaced by law No. 8 of 1997 and the money market Law No. 95 of 1992 and is registered in the commercial register under number 692 Cairo. The company's period is 25 years, and the company's period have been extended by 25 years ending July 7, 2046.

The Group provides manufacturing, producing and packing of all food products and producing and packing of juices, jams, readymade food, cakes, pastry, milk products, meat, vegetables, fruits, chocolate, vegetarian products and other food products with all necessary ingredients.

The Group's financial year start on 1 January and ends on 31 December each year.

The main shareholders are Quantum Investment BV which owns 45.07% of the Company's share capital and Kingsway Fund Frontier Consumer Franchises which owns 12.48% of Company's share capital and RIMCO E G T Investment LLC which owns 10.08% of Company's share capital other shareholders owning 32.37% of company's share capital.

These consolidated financial statements have been approved by Chairman and Managing Director on 9 March 2025.

Edita Food Industries SAE:

Edita food industries is the holding company. The company provides manufacturing, producing and packing of all food products and producing and packing of readymade food, cakes, pastry, milk, chocolate and other food products with all necessary ingredients and sell the products to Edita for Trade & Distribution (previously Edita for Trade & Distribution).

The company's shares/GDRs are listed in the Egyptian and London stock exchanges.

The company's activities include wholesale and retail trading in all consumable goods and acts as distributor for local and foreign companies and factories and also imports and exports in accordance with law and regulations.

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

Edita for Trade & Distribution (previously Digma for Trading):

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

Edita Confectionery Industries:

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

Edita participation limited:

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

Edita Food Industries Morocco:

The company's main purpose is to build and operate a factory for production, sales and distribution of cakes, pastry, wafer and other confectionary products. Edita Morocco incorporated in 2019, with 51% stake owned by Edita Food Industries (S.A.E.). The stake was increased to 77% in April 2022. Later in November 2023 the group share increased to 78.36% of Edita Food Industries Morocco .

Edita for Food Investment (Previously Edita Holding for Investment)

The principal activities of the company are to participate in establishment of companies that issue financial instruments or increase its share capital. On 8 December 2022, Edita Holding for Investments had been established as Stock Authorised Enterprise with authorized and issued share capital of EGP 5 000 000.

The company's activity had been changed to production and manufacturing all food products, packaging and wrapping them, external manufacturing and manufacturing for others, general trade and distribution, import and export, and participation and contribution in establishing companies and projects according to the Extraordinary General Assembly held on December 31, 2023.

The Financial Regulatory Authority approved the company's exit from the umbrella of Law No. 95 of 1992 and became subject to the umbrella of Law No. 159 of 1981 and its executive regulations on May 27, 2024.

Edita Frozen Foods Industries (previously Fancy Foods S.A.E)

The company's purpose is to operate a factory for production, sales, and distributions of frozen pastries and bakery. On 29 May 2023, the company signed a Sell Purchase agreement with Fancy Foods S.A.E Shareholders for the acquisition of 2 000 000 shares (100%) which is their total ownership in Fancy Foods S.A.E for a total purchase price of EGP 120 926 804. The deal was Closed on 13 June 2023.

On 1 August 2023, Edita Frozen Food Industries' board of directors has approved to increase the company paid-up capital by EGP 400 000 000 to be EGP 600 000 000. Article (6) and (7) has been amended accordingly.

The paid-up capital increase had been fully paid according to bank certificate issued by National Bank of Kuwait.

2. Accounting policies

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

A. Basis of preparation of the consolidated financial statements

These consolidated financial statements have been prepared in accordance with Egyptian Accounting Standards (EASs) and applicable related laws and regulations. The consolidated financial statements have been prepared under the historical cost convention except for employees' post-employment defined benefit obligations that are measured at the present value of the obligation using the projected credit unit method.

The preparation of consolidated financial statements in conformity with Egyptian Accounting Standards (EAS) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note (4).

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES**Notes to the consolidated financial statements for the year ended 31 December 2024**

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

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

Percentage of ownership in subsidiaries

The group consists of the below companies as of 31 December 2024 and 31 December 2023 unless otherwise was noted and the percentage of the Group's share of the companies in is the direct ownership of the ordinary shares of the paid-up capital only.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
Edita for Trade and Distribution	Egypt	99.8%	99.8%	0.20%	0.20%
Edita Confectionery Industries	Egypt	99.98%	99.98%	0.02%	0.02%
Edita Participation Limited	Cyprus	100%	100%	--	--
Edita food Industries -Morocco	Morocco	78.36%	78.36%	21.64%	21.64%
Edita Holding for Investment	Egypt	100%	100%	0.00%	0.00%
Edita Frozen Food Industries	Egypt	100%	100.0%	--	0.00%

Financial information about the subsidiaries of the group as of 31 December 2024 as follows:

Name of subsidiary	Total Assets	Total Liabilities	Total Equity	Total Sales	Net Profit / (loss)
Edita for Trade and Distribution	1 782 989 699	673 459 215	1 109 530 484	14 215 519 561	429 640 422
Edita Confectionery Industries	368 662 433	107 283 201	261 379 233	467 062 727	73 792 655
Edita Participation Limited	494 064 508	1 097 348 289	(603 283 781)	10 258 592	(91 745 419)
Edita Food Industries Morocco	1 092 513 580	713 474 309	298 294 186	475 597 011	(128 822 846)
Edita Holding for Investment	6 227 140	463 269	5 763 781	-	346 497
Edita Frozen Food Industries	314 384 241	79 971 189	234 413 502	62 333 319	(87 773 079)

Financial information about the subsidiaries of the group as of 31 December 2023:

Name of subsidiary	Total Assets	Total Liabilities	Total Equity	Total Sales	Net Profit / (loss)
Edita for Trade and Distribution	1 120 974 814	424 600 462	696 374 352	10 728 977 832	365 624 957
Edita Confectionery Industries	273 498 390	85 953 486	187 544 905	289 623 504	44 702 185
Edita Participation Limited	561 421 465	771 014 689	(209 593 225)	-	(23 462 819)
Edita Food Industries Morocco	769 054 852	494 237 518	274 817 333	326 160 783	(87 204 396)
Edita Holding for Investment	5 515 576	98 201	5 417 374	-	321 027
Edita Frozen Food Industries	328 797 186	21 730 561	307 066 626	14 031 844	(46 453 523)

B. Basis of consolidation**1) Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

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

1.1 Acquisition method

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

The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquire and the equity interests issued by the group.

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

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

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

1.2 Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

1.3 Disposal of subsidiaries

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

1.4 Goodwill

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

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

1.5 Measurement period:

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

2) Investment in Joint Venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint venturers.

2.1 Equity accounting method

Investments in joint ventures are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition from the change of the group's share from the joint venture's net assets. The group's share of post-acquisition profit or loss is recognized in the statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment with the group's share of the changes in equity after acquisition date.

2.2 Changes in owner's equity

If an entity's ownership interest in an associate or a joint venture is reduced, but the investment continues to be classified either as an associate or a joint venture respectively, the entity shall reclassify to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

2.3 The losses of a joint venture

When the group's share of losses in an joint venture equals or exceeds its interest in the joint venture, the group does not recognise further losses, and after the group's share reduced to zero, any additional losses and liabilities are recognized only to the limit it has incurred legal or constructive obligations or made payments on behalf of the joint venture. When the joint venture start to generate profits in the upcoming periods, the group continues to recognize their share in these profits, only after their share of profits equals their share of unrecognized losses.

2.4 Transactions with joint venture

Profits and losses resulting from upstream and downstream transactions between the group (including the subsidiaries) and the joint venture are recognised in the group's financial statements only to the extent of other investor's interests in the joint venture.

2.5 Goodwill arisen from investments in joint venture

Goodwill represents the excess of the consideration transferred, of the group's share in the fair value of the net identifiable assets and liabilities acquired at the acquisition date

Goodwill arises from the investment in joint venture is included within the cost of the investment in joint venture after deduction of impairment losses in joint venture and it does not presented separately, and the goodwill impairment is not tested separately. In addition to the impairment test is performed on the carrying amount of total investments – as an individual asset, by comparing the carrying value with the recoverable amount of the asset, and the impairment losses recognized at this case are not allocated to any asset, therefore, any reversed settlement for the impairment losses are recognized to the extent that the recoverable amount will increase to the extent it will not exceed the amount of the impairment losses previously recognized.

C. Foreign currency translation

(1) Functional and presentation currency

Items included in the consolidated financial statements each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). All entities in Egyptian Pound except for Edita Participation Limited which is in Euro.

(2) Transactions and balances

Transactions in foreign currency during the period are recognised at the initial recognition with the functional currency of the group on the basis of translation of foreign currency which is the transaction is recorded with using the exchange intraday prevailing rate between the functional currency and the foreign currency at the date of the transaction, as well as monetary items translated or translation of items in foreign currency using the closing rate at the end of each fiscal period. And the group recognizes foreign currency revaluation differences resulting from the settlement of monetary items or for the translation of monetary items - by using the exchange rates different from those used in the translation at initial recognition in the same period or in previous consolidated financial statements - and within profit or loss in the period in terms of where these differences arise except when the postponement of the currency translation differences on the nature of the non-monetary items in the other comprehensive income, which is an effective part of the process to cover the net investment in a foreign currency or the effective portion of cash flow to cover the risk.

The Group recognize Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognized in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the available-for-sale reserve within other comprehensive income.

(3) Group companies

The results and financial position of all the group entities (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 as follows:

Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that statement of financial position.

Income and expenses for each income statement 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); and

All resulting exchange differences are recognised in other comprehensive income.

In the consolidated financial statements, it is recognized in the statement of comprehensive income the value of the currency revaluation differences resulting from the translation of the net investment in foreign entities, as well as loans or financial instruments assigned to cover this investment in foreign currency differences and when the investment in the foreign entity excluding the currency differences stage to property rights are recognized as part of the profits and losses on disposal of this investment 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.

D. Property, plant, and equipment

The group applies the historical cost model at measuring Property, plant, and equipment. All property, plant, and equipment are stated at historical cost less accumulated depreciation. Historical cost includes all costs associated with acquiring the asset and bringing it to a ready-for-use condition by the group's management. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. Depreciation is calculated by using the straight-line method to allocate the cost of each asset to its residual value over the estimated useful lives of assets except land, which is not depreciated.

Estimated useful lives of assets are as follows:

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

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

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

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

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

E. Intangible assets

Trademarks and Know How

Intangible assets (Trademarks & know how) have indefinite useful lives as there is no foreseeable limit of time over which the brands are expected to exist and generate cash flows to the group and are carried at cost less impairment losses. Historical cost includes all expenses associated with the acquisition of an intangible asset. The trademark and know how is recognized as an indefinite intangible asset as the license are perpetual, irrevocable, and exclusive including the trademark in the territory related to cake products. The brand has an established presence in the territory since 1990s. In addition, the group has a strong historic financial track-record and forecasts continued growth also, the know-how of perpetual license not exposed to typical obsolescence as it relates to food products. The brand remains popular in the Middle East and the group does not foresee any decline in the foreseeable future.

Computer software

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

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

F. Inventories

Inventories are stated at the lower of cost or net realizable value, Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. And the provision for obsolete inventory is created in accordance to the management's assessment. The following basis is used in determining the cost of all the inventories categories:

i. Raw and packaging materials

Cost is determined using the weighted moving average method.

ii. Spare parts

Cost is determined using the weighted moving average method.

iii. Finished products and work in progress

The cost of finished goods and work in progress comprises raw materials, packing materials, direct labor, direct utilities, other direct costs, and related production overheads (based on normal operating capacity) but excludes borrowing costs. Cost is determined applying the standard cost method, and variances between standard and actual cost are accounted for.

G. Financial instruments

Financial assets and financial liabilities are recognized in the Company's consolidated statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in consolidated statement of profit or loss.

G.1 Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. All recognized financial assets are subsequently measured in their entirety at amortized cost or fair value through other comprehensive or fair value through profit and loss, depending on the classification of the financial assets.

G.1.1 Classification of financial assets**(i) Debt instruments designated at amortized cost**

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For financial instruments other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

Amortized cost and effective interest rate method

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Company recognizes interest income by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit impaired.

(ii) Debt instruments designated at FVTOCI

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Equity instruments designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the fair value reserve. The cumulative gain or loss will not be reclassified to consolidated statement of profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in consolidated statement of profit or loss unless the dividends clearly represent a recovery of part of the cost of the investment.

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at FVTPL. Specifically:

Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in the consolidated statement of profit or loss.

G.1.2 Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortized cost or at FVTOCI, trade and other receivables, contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company recognizes lifetime ECL for trade and other receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

For financial guarantee contracts, the date that the Company becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Company considers the changes in the risk that the specified debtor will default on the contract.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Company employs statistical models to analyze the data collected and generate estimates of probability of default ("PD") of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Company. For trade receivables, the average credit terms are 30-90 days.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

significant financial difficulty of the issuer or the borrower;

a breach of contract, such as a default or past due event;

the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or

the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default and the exposure at default.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

For a financial guarantee contract, as the Company is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Company expects to receive from the holder, the debtor or any other party.

The Company recognizes an impairment gain or loss in consolidated statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

(v) Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

G.1.3 Derecognition of financial assets

The Company de-recognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in consolidated statement of profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified to consolidated statement of profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the fair value reserve is not reclassified to consolidated statement profit or loss but is transferred to retained earnings.

A financial asset (or, where applicable a part of a financial asset or part of a Company of similar financial assets) is derecognized where:

- The contractual rights to receive cash flows from the asset have expired. Or
- The Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- The Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

G.2 Financial liabilities

All financial liabilities are measured either at FVTPL or at amortized cost using the effective interest method.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognized in the consolidated statement of profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognized in the consolidated statement profit or loss incorporates any interest paid on the financial liability.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in consolidated statement of comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch consolidated statement of in profit or loss. The remaining amount of change in the fair value of liability is recognized in consolidated statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in consolidated statement of comprehensive income are not subsequently reclassified to consolidated statement of profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Company that are designated by the Company as at FVTPL are recognized in consolidated statement of profit or loss.

Financial liabilities measured at amortized cost

Financial liabilities, that are not designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in consolidated statement of profit or loss.

H. Cash and cash equivalents

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

I. Share capital

I.1 Ordinary shares

Ordinary shares are classified as equity. The bonus shares and rights issued during the year are shown as an addition to the share capital. Issue of bonus shares are deducted from the accumulated retained earnings of the Company. Any share premium on rights issue is accounted in compliance with local statutory requirements.

I.1 Dividend on ordinary share capital

Dividend distributions to the Company's shareholders are recognized as a liability in the consolidated financial statements in the period in which the dividend is approved by the shareholders. Dividend for the year that are approved after the reporting date of the consolidated financial statements are considered as an event after the reporting date.

J. Treasury Shares

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

K. Leases

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

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

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

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

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

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

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

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

L. Borrowings costs

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

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

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

M. Current and deferred income tax

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

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

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

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

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

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

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

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

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

N. Employee benefits

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

a. Pension obligations

Defined contribution plan

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

Defined benefit plan

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

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

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

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

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

b. Termination benefits

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

c. 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 a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

O. Provisions

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

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

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

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

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

P. Contingent assets

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

Q. Revenue recognition

Revenue is measured in accordance with the new Egyptian Standard No. (48) "Revenue from contracts with customers" on the basis of the consideration specified in the contract with the customer. The Company recognizes 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 Company expects to be entitled in exchange for those goods or services.

The company recognizes 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 company 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 company will allocate the transaction price to each performance obligation in an amount depicts the amount of consideration to which the company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize 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.

Sales Revenue

Performance obligations are when they are satisfied at a point in time as the company fulfills the performance obligation at a point in time. To determine the point in time at which a customer obtains control of a promised asset and the entity satisfies a performance obligation, the entity shall consider the requirements for control. In addition, an entity shall consider indicators of the transfer of control, which include, but are not limited to, the following:

The entity has a present right to payment for the asset.

The customer has legal title to the asset.

The entity 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 recognized when control of the products has transferred, being when the products are delivered to the wholesalers, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products.

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

The products are often sold with retrospective volume discounts for export sales based on aggregate sales over a 3 months period. Revenue from these sales is recognized 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 recognized to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognized 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. A receivable is recognized 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.

Interest income

Interest income is recognized on a time-proportion basis using the effective interest method. When a receivable is impaired, the company reduces the carrying amount to its recoverable amount.

Dividend income

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

Export Subsidy

The Company obtains a subsidy against exporting some of its production. The subsidy is calculated based on a percentage from the total exports invoices determined by the Export Development Fund related to the Commercial and Industry Ministry. Export subsidy is recognized in the statement of profit or loss as other income after meeting all required criteria.

R. Dividend Distribution

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

S. Government Grants

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

T. Operating Segments

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

3. Financial risk management

(1) Financial risk factors

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

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

Risk	Exposure arising from	Measurement	Management
Market risk – foreign exchange	Future commercial transactions Recognized financial assets and liabilities not denominated in Egyptian pounds	Cash flow forecasting. Sensitivity analysis	by local banks that the Company deals with in official 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 term treasury bills
Market risk – security prices	No investment in a quoted equity securities.	Not applicable	Not applicable
Credit risk	Cash and cash equivalents, trade receivables and held-to-maturity investments	Aging analysis. Credit ratings	Diversification of bank deposits, credit limits and governmental treasury bills
Liquidity risk	Loans and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

(A) Market risk

(i) Foreign currency exchange risk

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

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

Amounts recognised in profit or loss

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

	31 December 2024	31 December 2023
Amounts recognised in profit or loss		
Net foreign exchange (loss) gain	100 318 882	44 119 455
	100 318 882	44 119 455
Net losses recognised in comprehensive income		
Exchange differences on translation of foreign operations	(104 127 255)	17 894 706
	(104 127 255)	17 894 706

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

	31 December 2024			31 December 2023
	Assets	Liabilities	Net	Net
Euros	154 904 677	(81 494 997)	73 409 680	52 040 118
US Dollars	444 463 156	(1 287 450 013)	(842 986 857)	(397 220 690)
Moroccan Dirham	165 807 057	(349 239 264)	(183 432 207)	(443 341 454)
GBP	5 449 958	(670 208)	4 779 750	(21 525)

Sensitivity analysis

As shown in the table above, the group is primarily exposed to changes in US/EGP and Euro/EGP exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from Euro and US-dollars denominated financial instruments and the impact on profit for the year components arises from contracts designated financial liabilities.

Euro/EGP

On 31 December 2024, if the Egyptian Pounds had weakened / strengthened by 10% against the Euro with all other variables held constant, post-tax profit for the year would have been EGP 7 340 968 (31 December 2023: EGP 5 204 012) higher / lower, mainly as a result of foreign exchange gains/losses on translation of Euro-denominated financial assets and liabilities.

USD/EGP

On 31 December 2024, if the Egyptian Pounds had weakened / strengthened by 10% against the US Dollars with all other variables held constant, post-tax profit for the year would have been EGP 84 298 686 (31 December 2023: EGP 39 722 069) higher / lower, mainly as a result of foreign exchange gains/losses on translation of US dollar-denominated financial assets and liabilities.

Moroccan Dirham/EGP

On 31 December 2024, if the Egyptian Pounds had weakened / strengthened by 10% against the Moroccan Dirham with all other variables held constant, post-tax profit for the year would have been EGP 18 343 221 (31 December 2023: EGP 44 334 145) higher / lower, mainly as a result of foreign exchange gains/losses on translation of Dirham-denominated financial assets and liabilities.

Sterling Pound/EGP

On 31 December 2024, if the Egyptian Pounds had weakened / strengthened by 10% against the Sterling Pound with all other variables held constant, post-tax profit for the year would have been EGP 447 975 (31 December 2023: EGP 2 152) higher / lower, mainly as a result of foreign exchange gains/losses on translation of Dirham-denominated financial assets and liabilities.

(ii) Price risk

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

(iii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by short term treasury bills which are renewed with the applicable interest rate at the time of renewal. Borrowings measured at amortized cost with fixed rates do not expose the company to fair value interest rate risk.

On 31 December 2024, if interest rates on Egyptian pound-denominated net interest bearing liabilities had been 1% higher/lower with all other variables held constant, post-tax profit for the year would have been EGP 29 952 569 (31 December 2023: EGP 15 427 452) lower/higher interest expense on floating rate borrowings.

Borrowings at the financial position date with variable interest rate amounted to EGP 2 186 887 887 (31 December 2023: EGP 946 022 734)

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

(B) Credit risk

(i) Risk management

Credit risk is managed on group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analyzing the credit 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.

(ii) Security

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

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

(iii) Credit quality

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

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties except for the impairment of accounts receivables presented in (Note 11).

The maximum exposure to credit risk is the amount of receivables, cash balances and Treasury Bills.

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

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

Trade receivables

Counter parties without external credit rating:

	31 December 2024	31 December 2023
Trade and notes receivables	174 828 115	105 537 703
Total	174 828 115	105 537 703

Outstanding trade receivables are current and not impaired.

Cash at bank and short-term bank deposits:

All current accounts and deposits are held at Egyptian banks subject to the supervision of the Central Bank of Egypt except Edita Participation Limited and Edita Food Industries Morocco.

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

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)	A+
Arab Bank of Egypt (ABE)	BB
Ahli United Bank (AUB)	BB+
Attijariwafa bank	BB
Banque De Caire	B
HSBC Bank	A+
Bank of Cyprus	BB+
BNP Paribas – Morocco	A+
Banque Misr (BM)	B
National Bank of Egypt (NBE)	B

(C) Liquidity risk

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

The table below summarizes the maturities of the Group's undiscounted financial liabilities at 31 December 2024 and 31 December 2023 based on contractual payment dates and current interest rates as we had excluded the taxes payable, advances from customers and social insurance:

	Less than 6 month	Between 6 month & 1 year	Between 1 & 2 years	More than 2 years
At 31 December 2024				
Loans	191 568 859	181 321 286	924 173 755	1 357 883 311
Payments for future interests	202 638 169	203 820 629	667 790 470	654 398 015
Creditors and other credit balances	492 561 200	--	--	--
Bank overdraft	808 368 965	--	--	--
Trade and notes payable	989 684 681	--	--	--
Lease liabilities	22 495 930	22 927 000	91 286 731	327 725 621
Total	2 707 317 804	408 068 915	1 683 250 956	2 340 006 947

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES**Notes to the consolidated financial statements for the year ended 31 December 2024**

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

At 31 December 2023

Loans	123 243 865	174 513 631	386 729 911	742 553 835
Payments for future interests	37 662 036	15 636 473	41 558 911	8 615 588
Creditors and other credit balances	271 986 445	--	--	--
Bank overdraft	596 722 472	--	--	--
Trade and notes payable	960 343 470	--	--	--
Lease liabilities	14 674 941	13 289 330	49 259 523	164 445 945
Total	2 004 633 229	203 439 434	477 548 345	915 615 368

The amount of unused credit facility amounted to EGP 4 229 098 757 as of 31 December 2024 (31 December 2023: EGP 2 799 903 800).

(2) Capital risk 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 overdraft less cash and cash equivalents. Total capital is calculated as equity, plus net debts.

The gearing ratio on 31 December 2023 and 31 December 2024 were as follows:

	31 December 2024	31 December 2023
Total borrowings	2 654 947 211	1 427 041 242
Bank Overdraft	808 368 965	596 722 472
Total Loans and overdraft	3 463 316 176	2 023 763 714
Less: Cash and bank balances	(518 293 282)	(1 009 903 473)
Net debt	2 945 022 894	1 013 860 241
Total equity	4 157 569 146	3 447 946 669
Total capital	7 102 592 040	4 461 806 910
Gearing ratio	41%	23%

Loan covenants

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

- The bank debt-to-equity ratio must be not more than 1:1.
- Debt service ratio shall not fall below 1.25
- Leverage ratio shall not exceed 1:2.
- Current ratio shall not be less than 1
- Liabilities to Tangible Net Worth Ratio Not to exceed 1:2
- Net Financial Debt to EBITDA Ratio of not more than 1.8
- Peak Debt Service Coverage Ratio Not Less than 1.4
- Net Financial Debt to EBITDA not more than 2.5

As of 31 December 2024, the Group was in compliance with the debt covenants.

(3) Fair value estimation

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

4. Critical accounting estimates and judgments

1. Critical accounting estimates and assumptions

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

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

Recognition of revenue

Management considers recognizing revenue over time, if one of the following criteria is met, otherwise revenue will be recognized at a point in time:

- a) the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs;
- b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- c) the Company's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Principal versus agent

Significant judgments are made by management when concluding whether the Company is transacting as an agent or a principal. The assessment is performed for each separate revenue stream in the Company. The assessment requires an analysis of key indicators, specifically whether the Company:

- carries any inventory risk;
- has the primary responsibility for providing the goods or services to the customer;
- has the latitude to establish pricing; and
- bears the customer's credit risk.

These indicators are used to determine whether the Company has exposure to the significant risks and rewards associated with the sale of goods or rendering of services. For example, any sale relating to inventory that is held by the Company, not on consignment, is a strong indicator that the Company is acting as a principal.

1. Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i. Provisions

In respect of provisions including decommissioning provision, the Company provides for anticipated outflows of resources considered probable. Estimates are used in assessing the likely amount of the settlement. The ultimate liability may vary from the amounts provided and would be dependent on the eventual outcome. (See Note 22).

ii. Useful lives for property and equipment

The annual depreciation and amortization charge is sensitive to the estimated lives allocated to each type of asset. Assets lives are assessed annually and changed where necessary to reflect current circumstances in light of technological change, network investment plans and physical conditions of the assets concerned.

iii. Write-down in inventories

Inventories are held at the lower of cost and net realizable value. When inventories become old or obsolete, an estimate is made of their net realizable value. For individually significant amounts, this estimation is performed on an individual basis. Inventories which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

iv. Deferred tax assets

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilized. The Company believes that sufficient taxable profit will be available to allow or part of the deferred tax assets to be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

v. Impairment of infinite life intangible assets (Trademark & Know How)

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

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

vi. Employee benefit retirement obligation

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

The Company determines the appropriate discount rate of cash flows at the end of each financial period. 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 Company considers the discount rate at the end of the financial period on market returns on the government bonds denominated in the currency and the period estimated for the defined benefits obligations.

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

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

Notes to the consolidated financial statements for the year ended 31 December 2024

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

5. Property, plant and equipment and projects under constructions

	Land	Buildings	Machinery and Equipment	Vehicles	Tools & Equipment	Furniture and Office Equipment	Projects under construction*	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost								
Cost as of January 1, 2023	106 714 128	1 119 966 917	1 789 646 950	368 329 286	272 791 918	159 141 122	39 405 730	3 855 996 051
Transferred from projects under constructions	-	51 276 581	52 236 719	-	32 533 044	-	(136 518 407)	(472 063)
Acquisition Through Business Combination	42 436 000	64 549 590	193 883 462	1 817 858	5 629 240	326 084	90 671 959	399 314 193
Translation differences	-	39 956 110	45 097 902	-	5 468 500	1 044 736	(34 298)	91 532 950
Additions	-	-	13 179 134	172 598 152	15 735 788	23 253 353	370 770 125	595 536 552
Disposals	-	-	-	(10 650 385)	(646 521)	(575 471)	(832 366)	(12 704 743)
Cost as of December 31, 2023	149 150 128	1 275 749 198	2 094 044 167	532 094 911	331 511 969	183 189 824	363 462 743	4 929 202 940
Accumulated depreciation								
Accumulated Depreciation as of January 1, 2023	-	(288 100 855)	(548 107 184)	(197 822 922)	(160 235 338)	(119 015 077)	-	(1 313 281 376)
Depreciation for the year	-	(54 325 296)	(87 796 642)	(52 699 529)	(39 977 447)	(20 958 958)	-	(255 757 872)
Accumulated depreciation of disposals	-	-	-	10 227 937	636 258	575 471	-	11 439 666
Accumulated Depreciation as of December 31, 2023	-	(342 426 151)	(635 903 826)	(240 294 514)	(199 576 527)	(139 398 564)	-	(1 557 599 582)
Net book value as of December 31, 2023	149 150 128	933 323 047	1 458 140 341	291 800 397	131 935 442	43 791 260	363 462 743	3 371 603 358
Cost								
Cost as of January 1, 2024	149 150 128	1 275 749 198	2 094 044 167	532 094 911	331 511 969	183 189 824	363 462 743	4 929 202 940
Transferred from projects under constructions	-	219 889 044	735 399 205	-	61 111 930	20 518 446	(1 081 662 388)	(44 743 763)
Translation differences	-	103 755 963	117 107 902	-	12 553 516	2 712 916	3 529	236 133 826
Additions	-	-	3 272 706	321 208 559	49 552 104	39 415 026	855 983 019	1 269 431 414
Disposals	-	(1 243 515)	(191 591)	(7 900 790)	(1 699 928)	(526 613)	-	(11 562 437)
Cost as of December 31, 2024	149 150 128	1 598 150 690	2 949 632 389	845 402 680	453 029 591	245 309 599	137 786 903	6 378 461 980
Accumulated depreciation								
Accumulated Depreciation as of January 1, 2024	-	(342 426 151)	(635 903 826)	(240 294 514)	(199 576 527)	(139 398 564)	-	(1 557 599 582)
Depreciation for the year	-	(69 971 792)	(102 170 308)	(94 426 951)	(49 625 412)	(23 203 850)	-	(339 398 313)
Accumulated depreciation of disposals	-	836 079	154 868	7 535 055	712 846	423 520	-	9 662 368
Accumulated Depreciation as of December 31, 2024	-	(411 561 864)	(737 919 266)	(327 186 410)	(248 489 093)	(162 178 894)	-	(1 887 335 527)
Net book value as of December 31, 2024	149 150 128	1 186 588 826	2 211 713 123	518 216 270	204 540 498	83 130 705	137 786 903	4 491 126 453

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES
Notes to the consolidated financial statements for the year ended 31 December 2024

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

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

	31 December 2024	31 December 2023
Cost of sales	215 258 297	174 884 741
Distribution costs	91 488 787	57 923 485
Administrative expenses	36 651 229	22 949 646
	339 398 313	255 757 872

* The project under construction represents the following Categories:

	31 December 2024	31 December 2023
Buildings	11 262 853	93 585 983
Machinery and equipment	60 360 487	219 166 801
Tools and equipment	5 386 438	10 030 476
Technical and other installations	60 777 125	40 679 483
	137 786 903	363 462 743

During the year, the group has capitalized borrowings costs amounting to 46 252 147 (2023: null) on qualified assets. The capitalization rate used to determine the amount of borrowing cost to be capitalized is the interest rate applicable to the group's specific borrowings during the year was 28.70%

6. Right of use assets

	31 December 2024	31 December 2023
Balance as of 1 January	122 057 438	102 879 883
Acquisition Through Business Combination	--	2 318 978
Disposal during the year	(119 653)	(2 318 978)
Additions during the year	69 518 836	27 323 330
Amortization expenses	(23 078 686)	(21 094 430)
Translation of foreign operations	33 707 667	12 948 655
Balance	202 114 513	122 057 348

7. Intangible assets

	31 December 2024			
	Trademark (A)	Know how (B)	Software (C)	Total
Cost	131 480 647	31 430 995	37 635 396	200 547 038
Accumulated Amortization	--	--	(18 709 775)	(18 709 775)
Transfer from PUC	--	--	44 743 763	44 743 763
Additions during the year	--	--	228 000	228 000
Amortization for the year	--	--	(11 060 520)	(11 060 520)
Translation of foreign operations	--	--	393 945	393 945
Balance as of	131 480 647	31 430 995	53 230 809	216 142 451

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES
Notes to the consolidated financial statements for the year ended 31 December 2024

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

	31 December 2023			
	Trademark (A)	Know how (B)	Software (C)	Total
Cost	131 480 647	31 430 995	34 836 393	197 748 035
Accumulated amortization	--	--	(11 155 906)	(11 155 906)
Transfer from PUC	--	--	472 063	472 063
Additions	--	--	2 326 940	2 326 940
Amortisation for the year	--	--	(7 553 869)	(7 553 869)
Balance as of	131 480 647	31 430 995	18 925 621	181 837 263

A. Trademark

	31 December 2024	31 December 2023
Cost		
HOHOS, Twinkies & Tiger Tail	131 480 647	131 480 647
Balance as of	131 480 647	131 480 647

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

B. Know how

	31 December 2024	31 December 2023
Cost		
Technical assistance for certain Hostess products	31 430 995	31 430 995
Balance as of	31 430 995	31 430 995

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

C. Software

	31 December 2024	31 December 2023
Opening balance	37 635 396	34 836 393
Accumulated amortization	(18 709 775)	(11 155 906)
Transfer from projects under construction	44 743 763	472 063
Additions during the year	228 000	2 326 940
Amortization expense for the year	(11 060 520)	(7 553 869)
Translation of foreign operations	393 945	--
Balance as of	53 230 809	18 925 621

D. Impairment test for infinite life intangible assets

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

E. Recoverable amount of cake segment

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

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

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

Assumptions used by the Group when testing the impairment of intangible assets as of 31 December 2024 as follows:

	2024
Average gross margin	34.67%
Sales growth rate	21.6%
Pre-tax discount rate	22.8%
Terminal growth rate	5%

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

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

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

Sensitivity of recoverable amounts

The growth rate in the forecast period has been estimated to be 5%. If all other assumptions kept the same a reduction of this growth rate by 1% would give a value in use exceed the current carrying amount.

The discount rate in the forecast period has been estimated to be 22.8%. If all other assumptions kept the same and the discount rate had increased / decreased by 1% would give a value in use exceed the current carrying amount.

At 31 December 2024, if the gross profit rate had increased / decreased by 1% with all other variables held constant the recoverable amount is higher than the carrying amount therefore there will be no need to make an impairment.

8. Inventories

	31 December 2024	31 December 2023
Raw and packaging materials	2 643 398 830	1 598 551 501
Finished goods	231 791 352	131 491 903
Spare parts	95 886 651	74 762 406
Work in process	54 103 304	55 145 282
Consumables	29 165 596	20 356 530
Total	3 054 345 733	1 880 307 622
Less: write-down for slow moving and obsolete inventory	(20 320 201)	(13 323 145)
Net	3 034 025 532	1 866 984 477

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

Write-down for slow moving and obsolete inventory:

	31 December 2024	31 December 2023
Balance as of 1 January	13 323 145	7 309 741
Charged during the year	16 565 554	10 543 416
Utilized during the year	(6 406 578)	(4 530 012)
No longer required	(3 161 920)	--
Ending Balance as of the year	20 320 201	13 323 145

The cost of inventory recognized as an expense and included in cost of sales amounted to EGP 9 494 643 133 during the year ended 31 December 2024 (2023: EGP 6 971 942 026).

9. Goodwill

On April 21, 2022, the group's management obtained control over Edita Food Industries Morocco. Where both parties signed an amendment agreement where reserved matters related to joint control has been removed following non-exercise of the call option by DISLOG. The group management completed the fair value study for identified assets and liabilities related to the acquisition of Edita Food Industries Morocco and revaluation of goodwill and intangible assets at date of step acquisition of Edita Food Industries Morocco.

On May 29, 2023, the group's management purchased 100% of "Fancy Foods Company for Food Industries S.A.E.". The deal was closed on June 13, 2023, through registering the sale and transfer of "Fancy Foods Company for Food Industries S.A.E." purchased shares to "Edita Food Industries S.A.E" before the EGX in accordance with the applicable laws and regulations. The group management completed the fair value study for identified assets and liabilities related to the acquisition of "Fancy Foods Company for Food Industries S.A.E." and revaluation of goodwill and intangible assets at date of acquisition of "Fancy Foods Company for Food Industries S.A.E.".

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	31 December 2024	31 December 2023
Balance as of 1 January	81 397 483	41 956 386
Goodwill resulting from acquisition of subsidiary (note 10)	--	11 295 552
Goodwill Translation from foreign operation	45 530 901	28 145 545
Ending Balance as of the year	126 928 384	81 397 483

10. Business Combinations

On May 29, 2023, Edita Food Industries S.A.E acquired 100% of "Fancy Foods Company for Food Industries S.A.E.". The group's management has applied the requirements of The Egyptian Standard (No.29) with regard to accounting for business combination and the group's management has measured the Net assets at fair value at the date of control.

The fair value of identifiable assets acquired, liabilities and potential liabilities assumed resulting from the acquisition of Fancy foods S.A.E. has been determined, and the fair value of the net assets acquired at the date of the acquisition was EGP 245 911 425 represented below: -

Non-current assets

Property, plant, and equipment	394 914 980
Right of use assets	2 318 978
Total non-current assets	397 233 958

Current assets

Inventories	1 075 426
Cash and Cash Equivalents	440 012
Trade and other receivables	5 195 662
Total current assets	6 711 100
Total assets	403 945 058

Non-current liabilities

Deferred tax liabilities	(30 724 596)
Borrowing	(95 055 818)
Lease liabilities	(1 570 288)
Total non-current liabilities	(127 350 702)

Current liabilities

Trade and other payables	(25 210 099)
Bank overdraft	(1 929 441)
Provisions	(3 543 392)
Total current liabilities	(30 682 932)
Total Liabilities	(158 033 634)

Fair Value for Net Identifiable Assets	245 911 424
Consideration Paid	257 206 976
Goodwill arisen from acquisition	11 295 552

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Non-Cash Transactions

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

	EGP
Property, Plant and Equipment and Projects under constructions	394 914 980
Right of Use Assets	2 318 978
Inventory	1 075 426
Trade Receivables and Other Debit Balances	5 195 662
Loans	(95 055 818)
Lease Liability	(1 570 288)
Bank overdraft	(1 929 441)
Provisions	(3 543 392)
Trade Payable	(25 210 099)

11. Trade and other receivables

	31 December 2024	31 December 2023
Trade receivables	174 509 410	101 632 255
Notes receivable	318 705	3 905 448
	174 828 115	105 537 703
Less: Expected credit loss of trade receivables	--	--
Total	174 828 115	105 537 703

12. Debtors and other debit balances

	31 December 2024	31 December 2023
Advances to suppliers	343 694 055	467 610 451
Prepaid expenses	67 015 762	45 622 157
Deposits with others	38 382 907	24 213 630
Other debit balances	14 836 834	16 137 507
Withholding taxes	1 926 383	3 149 697
Withholding taxes-Morocco	37 086 143	46 060 325
Export Subsidies grant receivable	23 000 000	--
Government Grant-Edita Morocco	4 402 016	--
Letters of credit	2 642 542	500 004
Letters of guarantee	3 100 000	--
Employee loans	21 733	237 520
Total	536 108 374	603 531 291

13. Treasury bills

	31 December 2024	31 December 2023
Treasury bills par value		
31 Days maturity	212 500 000	--
91 Days maturity	--	350 000 000
91- 182 Days maturity	639 250 000	--
Total	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 recognized to profit or loss	39 114 078	17 238 739
Treasury bills balance	805 867 012	346 432 739

The average effective interest rate related to treasury bills is 27.46%.

Based on Prime Minister decision number 4575 for the year 2023, the debt instruments issued by the Egyptian government and in Egyptian currency is exempted from Expected credit losses measurement.

14. Cash and bank balances

	31 December 2024	31 December 2023
Cash at banks and on hand	308 399 230	669 815 464
Time deposit*	50 197 260	265 184 932
Time deposit – Foreign currency**	159 696 792	74 903 077
Cash and bank balances	518 293 282	1 009 903 473

* The average rate on time deposit is 18% with maturity less than a month.

** The average rate on time deposit is 4.5% with maturity less than 3 months.

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

	31 December 2024	31 December 2023
Cash and bank balances	518 293 282	1 009 903 473
Bank overdraft (Note 25)	(808 368 965)	(596 722 472)
Total	(290 075 683)	413 181 001

15. Share capital

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

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

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

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

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

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

On 26 November 2023 the extraordinary general assembly meeting approved to write off treasury shares by a total number of 23 044 783 shares. Accordingly, the share capital has been reduced by the par value of the treasury shares and the difference between the par value and the consideration paid to acquire those shares was absorbed in retained earnings.

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Then the issued and paid-up capital amounted to EGP 140 002 731 (par value EGP 0.2 per share) is distributed as follow as of 31 December 2024

Shareholders	No. of Shares	Shares value	Percentage of ownership
Quantum Investment BV	315 527 188	63 105 438	45.07%
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)	226 546 864	45 309 373	32.37%
	700 013 656	140 002 731	100.00%

The issued and paid-up capital amounted to EGP 140 002 731 (par value EGP 0.2 per share) is distributed as follow as of 31 December 2023

Shareholders	No. of shares	Shares value	Percentage of ownership
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	29.72%
	700 013 656	140 002 731	100%

Treasury shares

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

According to Board of Director resolution on 2 August 2022 and 18 October 2022 the group purchased 15 814 199 shares from the stock market and held in treasury for a total consideration of EGP 160 827 557 the consideration paid has been accounted for as a reserve in the statement of shareholders' Equity.

According to Board of Director resolution on 16 March 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 reserve in the statement of shareholders' Equity.

On 26 November 2023 the extraordinary general assembly meeting approved to write off the treasury shares by a total number of 23 044 783 shares. Accordingly, the share capital has been reduced by the par value of the treasury shares and the difference between the par value and the consideration paid to acquire those shares was absorbed in retained earnings.

16. Legal reserve

In accordance with Company Law No. 159 of 1981 and the Company's Articles of Association, 5% of annual net profit is transferred to the legal reserve. The Group may stop such transfers when the legal reserve reaches 50% of the issued capital. The reserve is not eligible for distribution to shareholders.

17. Transactions with non-controlling interest

17.a Changes in ownership interest in subsidiaries without change in control

On 6 March 2019, Edita food industries signed an official agreement with Confidel LTD for the acquisition of 2 279 287 shares (22.27%) which is their total ownership in Edita Confectionary Industries for the total consideration of EGP 55 297 782. The acquisition was completed in June 2019 and accordingly Edita Food Industries' share in Edita Confectionary Industries increased from 77.71% to 99.98%. The effect on the equity attributable to the owners of Parent during the year is summarized as follows:

	<u>31 December 2024</u>	<u>31 December 2023</u>
Carrying amount of non-controlling interest acquired	23 165 685	23 165 685
Consideration paid to non-controlling interest	<u>(55 297 783)</u>	<u>(55 297 783)</u>
Excess of consideration paid recognised in the transactions	(32 132 098)	(32 132 098)
with non-controlling interests reserve within equity	<u><u>(32 132 098)</u></u>	<u><u>(32 132 098)</u></u>

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17.b non-controlling interest

	Paid up capital	Legal reserves	Assets revaluation reserve	Retained earnings	31 December 2024	31 December 2023
Balance as of 1 January	60 025 033	593 603	38 162	13 546 326	74 203 124	40 997 184
Non-controlling share in profit of subsidiaries	--	--	--	(27 001 685)	(27 001 685)	(18 284 848)
share capital – Edita Morocco	--	--	--	--	--	24 800 009
Non-controlling share in cumulative translation reverser	--	--	--	54 882 988	54 882 988	26 690 779
Total comprehensive income for the year	--	--	--	27 881 303	27 881 303	33 205 940
Balance at year end	60 025 033	593 603	38 162	41 427 629	102 084 427	74 203 124

18. Loans

	31 December 2024			31 December 2023		
	Non-current			Non-current		
	Current portion	portion	Total	Current portion	portion	Total
Loans	372 890 145	2 282 057 066	2 654 947 211	297 757 496	1 129 283 746	1 427 041 242
	372 890 145	2 282 057 066	2 654 947 211	297 757 496	1 129 283 746	1 427 041 242

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

	31 December 2024	31 December 2023
Balance due within 1 year	266 408 562	275 413 659
Accrued interest	106 481 583	22 343 837
	372 890 145	297 757 496

(1) IFC loan obtained by Edita Participation Limited

	2024			2023		
	Current portion	Non-current portion	Total	Current portion	Non-current portion	Total
IFC loan	95 604 568	939 323 077	1 034 927 645	6 998 953	619 000 000	625 998 953
	95 604 568	939 323 077	1 034 927 645	6 998 953	619 000 000	625 998 953

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

	2024	2023
Balance due within 1 year	78 276 923	--
Accrued interest	17 327 645	6 998 953
	95 604 568	6 998 953

On 30 September 2023, Edita Food Industries S.A.E, Edita Participation Cyprus Limited and Edita For Trade & Distribution S.A.E "The Co-Borrowers" signed a loan agreement with International Finance Corporation with total amount of USD 45 million. to finance (i) the Group's working capital and capital expenditure program in Egypt and Morocco (ii) the Group's expansion plan in Egypt and internationally, and (iii) the refinancing of up to \$10 million Dollars of the loan provided by IFC to the Co-Borrowers under the loan agreement (the "2019 Loan Agreement") entered among the parties and dated May 26, 2019.

According to the loan Agreement, each of the Co-Borrowers shall be jointly and severally liable for all obligations of all the Co-Borrowers, If any Event of Default occurs and is continuing.

As of the financial statements date the outstanding balance as per Edita Participation Cyprus Limited amounted to USD 20 340 559.

Terms of payments:

The group is obligated to repay the withdrawn amounts on 13 equal semi-annual instalments. The first instalment is due in October 2025 and the last in October 2031.

Interest:

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

Fair value:

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

(2) Edita Food Industries

	31 December 2024			31 December 2023		
	Current	Non-current	Total	Current	Non-current	Total
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	49 594 457	90 617 404
Ninth loan	17 662 815	47 611 025	65 273 840	41 621 076	41 214 756	82 835 832
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	35 708 465	45 470 459
Thirteen loan	735 974	28 798 991	29 534 965	--	--	--
Fourteen loan	67 542 597	564 526 686	632 069 283	--	--	--
Total	166 134 614	969 992 766	1 136 127 380	210 892 484	335 120 110	546 012 594

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

	31 December 2024	31 December 2023
Balance due within 1 year	81 043 739	198 201 286
Accrued interest	85 090 875	12 691 198
Total	166 134 614	210 892 484

Borrower	Type of debt	Guaranties	Currency	Tenure	Interest rate
Fourth loan	Loan	Cross corporate guarantee Edita Trade and Distribution Trading Company amounted to LE 220,000,000 and 6,000,000 Euro	EGP/USD	7 years with first installment in May 2017	0.5% above mid corridor rate of Central Bank of Egypt and average 4% above USD Libor rate 6 months.
Seventh loan	Loan	Cross corporate guarantee Edita Trade and Distribution Trading Company	EGP	7 years with first installment in Nov 2022	8 %
Eighth loan	Loan	Cross corporate guarantee Edita Trade and Distribution Trading Company	EGP	7 years with first installment in July 2023	8 %
Ninth loan	Loan	Cross corporate guarantee Edita Trade and Distribution Trading Company	EGP	7 years with first installment in Sep 2023	8 %
Tenth loan	Loan	--	EGP	7 years with first installment in June 2022	8%
Eleventh Loan	Loan	--	EGP	7 years with first installment in March 2024	0.5% above mid corridor rate of Central Bank of Egypt
Twelfth Loan	Loan	Cross corporate guarantee Edita for Trade and Distribution Company	EGP/USD	5 years with first instalment in July 2023	1% above mid corridor rate of Central Bank of Egypt and average 3% above USD SOFR rate 3 months
Thirteenth loan	Loan	Cross corporate guarantee Edita for Trade and Distribution Company	EGP	7 years with first instalment in May 2026	0.5% above mid corridor rate of Central Bank of Egypt
Fourteenth loan	Loan	Cross corporate guarantee Edita for Trade and Distribution Company	EGP	8 years with first instalment in June 2026	0.45 % above mid corridor rate of Central Bank of Egypt

Fourteenth Loan

During the second quarter Edita food industries S.A.E has signed a loan agreement with Banque Misr to be used to finance new production lines to enhance production. Total loan amount to 990 million Egyptian pound. EGP 564 526 686 has been withdrawn as of the consolidated financial statements of 31 December 2024.

(3) Edita for Trade and Distribution (Previously Digma For Trading)

	31 December 2024			31 December 2023		
	Current portion	Non-current portion	Total	Current portion	Non-current portion	Total
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	--	--	--
	20 744 169	209 000 000	229 744 169	36 015 897	16 681 106	52 697 003

The due current portion is according to the following schedule:

	31 December 2024	31 December 2023
Balance due within 1 year	16 681 106	33 362 211
Accrued interest	4 063 063	2 653 686
	20 744 169	36 015 897

First Loan

The company obtained a loan from a financial institution based on a cross corporate guarantee issued from Edita Food Industries Company amounted to EGP 155 million.

Terms of payments:

Edita Trade and Distribution is obligated to pay the loan on 9 semi-annual instalments amounted to 16 681 106 and the first instalments is due on 27 August 2021 and the last instalments is due on 27 February 2025

Interest:

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

Fair value:

Fair value is approximately equal to book value.

Second Loan

The company obtained a loan from a financial institution based on a cross corporate guarantee issued from Edita Food Industries Company amounted to EGP 230 million.

Terms of payments:

Edita Trade and Distribution is obligated to pay the loan on 8 semi-annual instalments amounted to 28 750 000 and the first instalments is due on 30 June 2026 and the last instalments is due on 30 December 2029.

As of the consolidated financial statement date the company withdrawn 209 million EGP.

Interest:

The rate is 0.5% above Central Bank of Egypt mid corridor rate.

Fair value:

Fair value is approximately equal to book value.

(4) Edita Food Industries Morocco:

31 December 2024			31 December 2023		
Non-current			Current	Non-current	
Current portion	portion	Total	portion	portion	Total
90 406 794	163 741 223	254 148 017	43 850 162	158 482 530	202 332 692
90 406 794	163 741 223	254 148 017	43 850 162	158 482 530	202 332 692

The due current portion is according to the following schedule:

	31 December 2024	31 December 2023
Balance due within 1 year	90 406 794	43 850 162
	90 406 794	43 850 162

Pledge on the business goodwill for an amount of MAD 104 000 000 (EGP 522 080 000)

Pledge on the equipment for an amount of MAD 38 374 676 (EGP 192 640 874)

Deferred government grant

The Group obtained a loan facility of EGP 441 million from commercial banks under the central bank of Egypt initiative to support the Egyptian manufacturing companies, according to the initiative, the loan was obtained at interest rate of 8 % that is lower than the prevailing market rate of similar loans and recognized in the profit or loss over the year necessary to match them with the costs that they are intended to compensate.

The Deferred government grants is according to the following schedule:

	31 December 2024			31 December 2023		
	Current	Non-current	Total	Current	Non-current	Total
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	475 935	698 953	1 174 888
Tenth loan	424 270	10 626	434 896	627 754	469 168	1 096 922
	2 181 684	1 194 586	3 376 270	3 003 960	3 782 161	6 786 121

Government Grant – Investment subsidy –Edita Food Industries Morocco

31 December 2024			31 December 2023		
Non-current			Non-current		
Current portion	portion	Total	Current portion	portion	Total
1 510 363	18 148 515	19 658 878	--	13 434 277	13 434 277
1 510 363	18 148 515	19 658 878	--	13 434 277	13 434 277

19. Employee retirement benefit obligations

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

	<u>31 December 2024</u>	<u>31 December 2023</u>
Discount rate	20.3%	15%
Average salary increase rate	20%	15%
Turnover rate	10.3%	14%
Life table	52-49	52-49

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

	<u>31 December 2024</u>	<u>31 December 2023</u>
Present value of obligations	75 262 582	55 143 601
Liability at the statement of financial position	75 262 582	55 143 601

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

	<u>31 December 2024</u>	<u>31 December 2023</u>
Balance at beginning of the year	55 143 601	33 396 656
Interest expenses	11 166 579	5 009 498
Current service cost	12 633 618	13 526 416
Total amount recognised in profit or loss	23 800 197	18 535 914
Remeasurements: -		
Loss(gain) from change in assumptions	(1 822 034)	3 951 159
Total amount recognized in other comprehensive income	(1 822 034)	3 951 159
Paid during the year	(1 859 182)	(740 128)
Balance at end of the year	75 262 582	55 143 601

Sensitivity in Defined Benefit Obligation: -

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

	<u>Change in assumption</u>	<u>Increase in assumption</u>	<u>Decrease in assumption</u>
Discount rate	1%	Decrease by 10%	Increase by 10%
Salary increase	0.5%	Increase by 5%	Decrease by 5%
Mortality age	1%	Increase by 11%	Decrease by 11%

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

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20. Deferred income tax liability

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

Net deferred tax liabilities									

21. Lease Liabilities

	31 December 2024	31 December 2023
Commitments in relation to leases are payable as follows:		
Within one year	45 422 930	27 964 271
Later than one year	232 640 876	114 294 984
Later than five year	186 371 476	99 410 484
Minimum lease payments	464 435 282	241 669 739
The present value of lease liabilities are as follows:		
Within one year	7 854 699	10 817 949
Lease Liability - Current	7 854 699	10 817 949
Later than one year	61 493 833	46 594 675
Later than five year	169 223 359	86 110 933
Lease Liability – Non-current	230 717 192	132 705 608
Total Lease Liability	238 571 891	143 523 557

22. Provisions

	31 December 2024	31 December 2023
Balance at 1 January	105 601 704	72 714 381
Acquisition of new subsidiary	–	3 543 392
Additions during the year	62 913 619	38 728 138
Utilized during the year	(48 757 877)	(1 601 262)
Provision no longer required	(20 229 836)	(8 148 635)
Currency translation – Morocco	74 258	365 690
Ending Balance as of	99 601 868	105 601 704

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

23. Bank overdraft

	31 December 2024	31 December 2023
Bank overdraft	808 368 965	596 722 472
Total	808 368 965	596 722 472

Bank overdraft is an integral part of the Group's cash management to finance its working capital. The average interest rate for bank overdraft was 24.99% as of 31 December 2024 (31 December 2023: 15.33%).

24. Trade and notes payables

	31 December 2024	31 December 2023
Trade payables	923 580 598	800 619 528
Fixed assets payables	40 746 566	63 708 678
Notes payable	25 357 517	96 015 264
Total	989 684 681	960 343 470

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

25. Creditors and other credit balances

	31 December 2024	31 December 2023
Other credit balances	249 656 217	92 318 129
Accrued expenses	167 045 845	136 957 964
Taxes payable	61 760 366	55 821 890
Social insurance	15 482 146	10 159 886
Dividends payable	38 171 524	18 983 051
Deposits from others	15 814 506	7 355 312
Contract liabilities – accrued customer rebates	21 873 108	16 371 989
Advances from customers	73 895 920	19 944 824
Total	643 699 632	357 913 045

26. Current income tax liabilities

	31 December 2024	31 December 2023
Balance at 1 January	388 769 823	198 667 784
Income tax paid during the year	(387 958 520)	(198 667 784)
Withholding tax receivable	(21 724 236)	(19 583 872)
Income tax for the year (Note 29)	448 446 699	481 879 027
Corporate income tax – advance payments	(170 721 764)	(70 570 205)
Accrued interest – advance payments	(8 429 387)	(2 955 127)
Balance at	248 382 615	388 769 823

27. Other income / expense

	31 December 2024	31 December 2023
Export subsidies ^{*(2)}	23 000 000	50 555 320
Gain from disposal of property plant and Equipment	4 196 751	4 770 586
Income from government grant ^{*(1)}	3 409 851	4 447 524
Other income	66 387 720	11 306 516
Total-Other Income	96 994 322	71 079 946
Solidarity contribution	(37 950 112)	(28 617 940)
Total Other expense	(37 950 112)	(28 617 940)
Net	59 044 210	42 462 006

Government Grants

1. Reduced interest loans grants

The Group receives government grants in form of loan at below market rate of interest. Government grants are initially recognized within other liabilities at fair value when there is reasonable assurance that it will be received, and the Group will comply with the conditions associated with the grant.

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

2. Government export subsidy

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

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

28. Finance income / (cost) – net

	31 December 2024	31 December 2023
28.a Finance income		
Interest income	159 835 892	210 632 251
Interest income – corporate tax advance payment	8 429 387	2 955 127
	168 265 279	213 587 378
28.b Finance cost		
Interest expense	(376 398 830)	(195 775 875)
Lease interest expenses	(25 922 858)	(16 113 015)
	(402 321 688)	(211 888 890)
Finance income/cost - net	(234 056 409)	1 698 488

29. Income tax expense

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

	31 December 2024	31 December 2023
Income tax for the year	448 446 699	481 879 027
Deferred tax expense for the year	83 198 198	25 468 555
Income Tax on Treasury Bills	24 652 785	36 699 073
Total	556 297 682	544 046 655

30. Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the period.

	31 December 2024	31 December 2023
Profit attributed to owners of the parent	1 633 729 383	1 631 794 504
Employees' profit share*	(110 800 000)	(56 800 000)
	1 522 929 383	1 574 994 504
Weighted average number of ordinary shares in issue		
Ordinary shares	700 013 656	723 058 439
Treasury shares (Note 15)	--	(23 044 783)
Weighted average number of ordinary shares	700 013 656	701 479 583
Basic earnings per share	2.18	2.25

* The Employees profit share is subject to the approval of the Board of Directors and General Ordinary assembly Meeting

Diluted

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

31. Expenses by nature

	31 December 2024	31 December 2023
Cost of sales	11 158 878 123	8 151 309 352
Distribution cost	1 623 244 053	1 100 567 099
Administrative expenses	1 046 817 212	745 185 400
	13 828 939 388	9 997 061 851
Raw and packaging materials used	9 494 643 133	6 971 942 028
Salaries and wages	1 508 265 089	1 101 916 132
Advertising expense	744 418 338	496 625 939
Depreciation and amortization	373 537 519	284 406 181
Employees benefits	232 580 810	167 930 391
Other expenses	452 920 390	300 084 871
Gas, water, and electricity	211 948 183	154 960 673
Company's share in social insurance	122 281 059	71 001 508
Logistics expense	147 959 651	105 143 664
Transportation expense	119 070 751	74 249 255
Vehicle expense	152 870 755	95 788 620
Maintenance	152 120 928	91 158 820
Consumable materials	116 322 782	81 853 169
Total cost of sales, distribution costs, and administrative expenses	13 828 939 388	9 997 061 851

32. Related parties

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

a. Due from related parties

	31 December 2024	31 December 2023
La Marocaine De Distribution De Logistiquis (Dislog S.A)	136 103 684	54 057 426
Total	136 103 684	54 057 426

La Marocaine De Distribution De Logistiquis (Dislog S.A) is considered a related party as the Company is a Joint controlling shareholder in Edita Food Industries Morocco (Joint venture).

b. Key management compensation

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

	31 December 2024		31 December 2023	
	Non-executive / independent board members	Key management personnel	Non-executive / independent board members	Key management personnel
Salaries and compensation	8 437 500	276 045 511	7 000 000	229 213 469
Allowances	--	2 253 173	--	2 114 800
Other benefit	--	330 792	--	272 506

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

	Cake		Croissant		Rusks		Wafer		Candy		Biscuits		Other		Total
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2023
Revenue	8 272 208	6 032 533	4 657 379	4 066 624	726 815	545 041	1 734 775	1 079 002	484 822	307 717	195 896	80 139	74 650	14 941	12 125 997
Gross profit	2 790 101	2 149 061	1 334 764	1 226 187	178 270	155 187	523 232	354 642	144 998	87 687	36 656	14 815	(20 353)	(12 891)	3 974 689
Profit from operations	1 822 082	1 247 086	100 538	616 398	110 514	80 522	302 539	184 969	63 237	46 063	(9 830)	(10 110)	(71 474)	(35 993)	2 128 935

Operating profit reconciles to net profit as follows:

(Amounts presented in thousand EGP)

	<u>31 December 2024</u>	<u>31 December 2023</u>
Operating profit	2 317 606	2 128 935
Foreign Exchange Gain/Losses	100 319	44 116
Finance cost	(402 322)	(211 889)
Finance income	168 265	213 587
Other income/expenses	(20 843)	(17 197)
Income tax	(556 298)	(544 047)
Net profit	<u><u>1 606 727</u></u>	<u><u>1 613 507</u></u>

The segment information disclosed in the table above represents the segment information provided to the chief operating decision makers of the Group.

Management has determined the operating segments based on the information reviewed by the chief operating decision makers of the group for the purpose of allocating and assessing resources.

The chief operating decision makers consider the business from products perspective. Although Rusks, Wafer, and Candy do not meet the quantitative threshold required by EAS 41 for reportable segments, management has concluded that these segments should be reported as it is closely monitored by the chief operating decision makers as it is expected to materially contribute to the Group revenue in the future.

The chief operating decision makers assesses the performance of the operating segments based on their operating profit.

There were no inter-segment sales made during the period.

Finance income and finance cost are not allocated to segments, as this type of activity is driven by the central treasury function which manage the cash position of the group.

34. Fair value measurement

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

In the principal market for the asset or liability, or

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

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

The table below shows the financial assets and liabilities at fair value in the consolidated financial statements at 31 December 2023 within the hierarchy of the fair value, based on the input levels that are considered to be significant to the fair value measurement as a whole:

Level 1 - Inputs of quoted prices (unadjusted) in active markets for identical assets or liabilities, which the Company can have access to at the date of measurement.

Level 2- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3- Unobservable inputs of the asset or the liability.

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

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

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

Fair value of bank loans:

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

Fixed interest-bearing loans:

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

The fair value is determined to be as follows:

	31 December 2024		31 December 2023	
	Fair value at reporting date	Carrying amount	Fair value at reporting date	Carrying amount
Seventh loan	36 863 514	40 538 276	47 838 528	58 771 475
Eighth loan	53 990 368	74 177 512	63 121 691	90 617 404
Ninth loan	47 526 368	65 273 840	56 983 549	82 835 832
Tenth loan	26 632 273	33 921 679	34 490 563	46 461 105

Fair value of investment at fair value through profit or loss was determined using market comparison technique.

The valuation model is based on identical instruments in an inactive market. This is a level 2 recurring Fair value measurement using significant observable input.

35. Cash flow information

Non-cash Investing and Finance Activities: -

- Transfer to Property, Plant and Equipment from Projects under construction. (Refer note 5).
- Acquisition of Right-of-Use-Assets. ((Refer note 6).
- Purchase of property, plant, and equipment on credit. (Refer note 24).
- Dividends declared not yet settled.

The proceeds from disposal of fixed assets amount in the cash flow comprise as follows:

	31 December 2024	31 December 2023
Net book value of the assets disposed	1 900 069	1 265 077
Gain on disposal of property, plant, and equipment (Note 27)	4 196 751	4 770 586
	6 096 820	6 035 663

36. Contingent liability

(1) Edita Food Industries Company

The Company guarantees Edita for Trade & Distribution company and Edita Confectionary Industries against third parties in borrowing from Egyptian Banks.

The Company had contingent liabilities in respect of letters of guarantee and letters of credit arising from ordinary course of business amounted to EGP 308 910 495 as of 31 December 2024, (31 December 2023: EGP 267 893 918).

(2) Edita for Trade & Distribution Company

The Company guarantees Edita Food Industries against third parties in borrowing from Egyptian Banks.

The Company had contingent liabilities in respect of letters of guarantee and letters of credit as at 31 December 2024 EGP 2 700 000 (31 December 2023: EGP 1 250 000).

(3) Edita Confectionary Industries Company

On 31 December 2024, the Company had contingent liabilities in respect of letters of guarantee and letters of credit arising from ordinary course of business amounted to EGP null (31 December 2023: EGP 3 509 983).

37. Capital Commitments

The Group has capital commitments as of 31 December 2023 of EGP 368 million (31 December 2023: EGP 988 M) in respect of capital expenditure.

38. Tax position

Due to the nature of the tax assessment process in Egypt, the final outcome of the assessment by the Tax Authority might not be realistically estimated. Therefore, additional liabilities are contingent upon the tax inspection and assessment of the Tax Authority. Below is a summary of the tax status of the group as of the date of the consolidated financial statements date.

Edita Food Industries Company

a) Corporate tax

- The company is tax exempted for a period of 10 years ending 31 December 2007 in accordance with Law No. 230 of 1989 and Law No. 59 of 1979 related to New Urban Communities. The exemption period was determined to start from the fiscal year beginning on 1 January 1998. The company submits its tax returns on its legal period.
- The tax inspection was performed for the period from the company's inception till 31 December 2016 and all due tax amounts paid.
- For the years 2017 - 2019 tax inspection is finalized the inspection and the file transferred to the internal committee and settled.
- For the years 2020 – 2023 the Company submitted the tax return according to law No. 91 of 2005 in its legal period and has not been inspected yet.

b) Payroll tax

- The payroll tax inspection was performed till 31 December 2022 and company paid tax due.
- As for the years 2023 till 2024 the tax inspection has not been performed and the company is submitting the tax forms and quarterly payroll reconciliations on due time to the Tax Authority.

c) Value added tax

- The company is submitting the monthly forms on time according to law 67 for the year 2016 and its regulations.
- The sales tax inspection was performed till 31 December 2020 and tax due was paid.
- For the year 2021 - 2024 the tax inspection has not been performed and the company is submitting monthly tax returns on due time to the Tax Authority.

d) Stamp duty tax

- The stamp duty tax inspection was performed till 2020 and all due tax amounts paid.
- The years from 2021 to 2024 tax inspection has not been performed.

Edita for Trade & Distribution Company

a) Corporate tax

- The company is subject to the corporate income tax according to tax law No, 91 of 2005 and amendments.
- The tax inspection was performed by the Tax Authority for the year from the Company's inception until year 2019 and the tax resulting from the tax inspection were settled and paid to the Tax Authority.
- The years 2020-2022 tax inspection is finalized the inspection and the file transferred to the internal committee
- The company hasn't been inspected for the year 2023 and the company submits its tax returns on due dates according to law No. 91 for the year 2005.

b) Payroll tax

- The tax inspection was performed until 31 December 2022 and the tax resulting from the tax inspection and assessment were settled and paid to the Tax Authority.
- As for the years 2023 till 2024 the tax inspection has not been performed and the company is submitting quarterly tax forms on due time to the Tax Authority.

c) Value added tax

- The tax inspection was performed until 31 December 2020 and the tax resulting from the tax inspection and assessment were settled and paid to the Tax Authority.
- The years 2021 and 2024 the Company submits its monthly sales VAT return on due date.

d) Stamp tax

- The tax inspection was performed for the year from the Company's inception until 31 December 2020 and the tax resulting from the tax inspection and assessment were settled and paid to the Tax Authority
- For the year 2021 and 2023 the Company paid the tax due.
- For the year 2024, the tax inspection has not been performed yet.

Edita Confectionary Industries Company

a) Corporate tax

- The Company is subject to corporate income tax according to tax Law No. 91 of 2005 and adjustments.
- The corporate tax inspection was performed till 2019 and the difference was settled and paid.
- The year 2020-2021 the tax inspection has been performed and file transferred to internal committee.
- The company hasn't been inspected for the years from 2022 to 2023 and the Company submitted its tax returns to Tax Authority on due dates.

b) Payroll Tax

- The payroll tax inspection was performed till 2020 and the tax due was paid to the Tax Authority.
- The company hasn't been inspected for the years from 2021 to 2024.

c) Value added tax

- The tax inspection was performed for the year from the Company's inception until 2020 and the tax resulting from the tax inspection and assessment were settled and paid to the Tax Authority.
- The company hasn't been inspected for the years from 2021 -2024 and the Company submits its monthly VAT tax return on due date.

-

d) Stamp Tax

- The stamp tax inspection was performed from 2009 to 2020 and the tax due was paid to the Tax Authority.
- The Company has not been inspected for the years from 2021 and 2024.

Edita Frozen Foods Industries Company

a) Corporate tax

- The Company is subject to the corporate income tax according to tax Law No. 91 of 2005 and adjustments.
- The corporate tax inspection was not performed for the years from 2015 to 2023 as the company has a carry forward loss.

b) Payroll Tax

- The payroll tax inspection was performed for the years from 2015 to 2021 and the tax due was paid to the Tax Authority.
- The company hasn't been inspected for the years 2022 – 2024.

c) Value added tax

- The company has been inspected for the years from 2015 -2022.
- The company has not been inspected for the years 2023 - 2024 the Company submits its monthly VAT tax return on due date.

d) Stamp Tax

- The stamp tax inspection was performed from 2015 to 2022 and settled.
- The inspection had not been inspected for the years 2023- 2024

39. Significant events during the period:

- On March 28, 2024, the ordinary general assembly of the company's shareholders was held, and it approved the financial statements for the year ended December 31, 2023, and approved the dividends distribution to shareholders of EGP 300 million to be distributed in the form of cash dividend of EGP 0.428 per share and employee dividend distribution of EGP 42.3 million.
The general assembly also approved allocation of an amount of EGP 140 002 731 from the retained earnings for the year ended 31 December 2023 to be distributed by way of free shares, for which, the legal counsel for the company is seeking necessary approvals from the Financial Regulatory Authority "FRA" are underway.
- The Monetary Policy Committee of the Central Bank of Egypt decided, in its meeting on Thursday, February 1, 2024, to raise the overnight deposit and lending yield and the price of the main operation of the Central Bank by 200 basis points, to reach 21.25, 22.25 and 21.75%, respectively. The credit and discount rate were also raised by 200 basis points to reach my rate 21.75%.
- The Monetary Policy Committee of the Central Bank of Egypt decided, in its meeting on Wednesday, March 6, 2024, to raise the overnight deposit and lending yield and the price of the main operation of the Central Bank by 600 basis points, to reach 27.25, 28.25 and 27.25%, respectively. The credit and discount rate were also raised by 600 basis points to reach my rate 27.75%.
- Edita food industries S.A.E has signed an agreement to obtain a medium-term loan with a term of 8 years which amounted to 990 million Egyptian pound with an interest rate of 0.45% above corridor rate with a semi-annual payment plan each installment amounting to 82.5 million EGP, the first installment is due in April 2026, this loan will be used to finance new production lines to enhance production.
- On April 3, 2024, the ordinary general assembly of Edita for Trade and Distribution's shareholders was held, and it approved the financial statements for the year ended December 31, 2023, and approved distribution of the employees' profit share of EGP 17 million.

- On November 6, 2024, the ordinary general assembly of the company's shareholders was held, and it approved the dividends distribution to shareholders of EGP 400 million to be distributed in the form of cash coupons amounted to EGP 0.571 per share and employee dividend distribution of EGP 35.5 million.

40. Subsequent Events

- On 16th of January 2025, Edita Food Industries S.A.E. signed a partnership agreement with Tuama Jebur Abbas (TJA), based in Iraq. This strategic partnership includes the acquisition of a 49% stake in TJA for a value of 8 million US dollars, through a capital increase, the establishment of Edita's first factory in Iraq is considered an important step in the company's regional expansion strategy.