Edita Food Industries S.A.E

The Separate Financial Statements

Together with Auditor's Report

For the Year Ended

December 31, 2023

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Translation of Auditor's Report

Originally issued in Arabic

Auditor's Report

To: The Shareholders of Edita Food Industries S.A.E

Report on the Separate Financial Statements

We have audited the accompanying Separate financial statements of Edita Food Industries S.A.E, which are comprised of the Separate financial position as of December 31, 2023, the Separate statements of profit or loss, the other comprehensive income, the cash flows and the change in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Separate Financial Statements

These Separate financial statements are the responsibility of the company's management. Management is responsible for the preparation and fair presentation of these Separate financial statements in accordance with the Egyptian Accounting Standards, and the prevailing Egyptian laws and regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Separate financial statements that are free from material misstatement, whether due to fraud or error; also this responsibility 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 Separate financial statements based on our audit. We conducted our audit in accordance with the Egyptian Auditing Standards and in the light of prevailing Egyptian laws. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the Separate financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Separate 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 Separate 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 Separate financial statements.

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

Saleh, Barsoum & Abdel Aziz
Grant Thornton

Opinion

In our opinion, the Separate financial statements referred to above present fairly, in all material respects, the Separate financial position of Edita Food Industries S.A.E as of December 31, 2023, and the results of its operations and its cash flows for the year ended December 31, 2023, in accordance with the Egyptian Accounting Standards and the applicable Egyptian laws and regulations related to the preparation of these Separate financial statements.

Report on the Legal Requirements and Other Regulations

The Company maintains proper books of accounts, which include all that is required by the law and by the statutes of the Company, and the accompanying separate financial statements are in agreement therewith. The Company applies proper costing accounts that meets its designated purpose. The inventories were counted by management in accordance with methods in practice.

The financial information referred to in the Board of Directors report, is prepared in compliance with the Companies Law No. 159 of 1981 and its executive regulations thereto and is in agreement with the books and records of the Company insofar as such information is recorded therein.

Cairo, March 3, 2024

K. Saleh

Kamel M. Saleh FCA
F.E.S.A.A. (R.A.A. 8510)
FRA Register No. "69"

Saleh, Barsoum, Abdel Aziz & Co.
Accountants & Auditors

EDITA FOOD INDUSTRIES S.A.E.

Separate Statement Of Financial Position As Of 31 December 2023

	Note	31 December 2023 EGP	31 December 2022 EGP
Assets			
Non-current assets			
Property, plant and equipment and projects under constructions	(5)	2 075 400 461	1 872 216 344
Intangible assets	(6)	179 713 137	185 533 682
Investments in subsidiaries	(7)	705 600 849	184 674 445
Total non-current assets		**2 960 714 447**	**2 242 424 471**
Current assets			
Inventories (net)	(8)	1 578 250 374	804 189 765
Debtors and other debit balances	(9)	446 660 282	330 175 733
Due from related parties	(10)	241 758 824	109 337 659
Treasury bills	(11)	346 432 739	894 641 441
Cash and bank balances	(12)	121 455 553	243 188 704
Total current assets		**2 734 557 772**	**2 381 533 302**
Total assets		**5 695 272 219**	**4 623 957 773**
Equity and liabilities			
Equity			
Issued and Paid-up capital	(13)	140 002 731	144 611 688
Legal reserve	(14)	72 536 290	72 536 290
Treasury Shares	(13)	-	(160 827 557)
Retained earnings		2 721 626 520	2 392 289 206
Total equity		**2 934 165 541**	**2 448 609 627**
Liabilities			
Non-current liabilities			
Borrowings	(15)	335 120 110	260 499 719
Deferred government grant	(15)	3 782 161	7 125 765
Employee benefit obligations	(16)	40 009 559	33 396 656
Deferred tax liabilities, net	(17)	200 088 020	186 357 278
Total non-current liabilities		**578 999 850**	**487 379 418**
Current liabilities			
Provisions	(18)	74 930 176	51 420 223
Bank overdraft	(19)	562 647 724	486 688 869
Trade and Notes Payable	(20)	792 471 975	548 223 717
Creditors Other Credit balances	(21)	212 421 311	176 173 966
Due to related parties	(10)	48 181 658	103 830 983
Borrowings	(15)	210 892 484	161 934 467
Deferred government grant - Current portion	(15)	3 003 960	4 111 485
Current income tax liabilities	(22)	277 557 540	155 585 018
Total current liabilities		**2 182 106 828**	**1 687 968 728**
Total liabilities		**2 761 106 678**	**2 175 348 146**
Total equity and liabilities		**5 695 272 219**	**4 623 957 773**

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

Mr. Sameh Naguib
Vice President - Finance

Eng. Hani Berzi
Chairman

- Auditor's report attached

EDITA FOOD INDUSTRIES S.A.E.
Separate Statement of Profit or Loss
For the year ended 31 December 2023

	Note	31 December 2023 EGP	31 December 2022 EGP
Revenue		9 813 415 684	6 256 686 611
Cost of sales	(27)	(7 228 255 574)	(4 516 041 243)
Gross profit		**2 585 160 110**	**1 740 645 368**
Other income	(23)	66 447 304	35 455 441
Other expenses	(23)	(24 533 539)	(15 641 717)
Distribution cost	(27)	(335 502 281)	(297 015 214)
Administrative expenses	(27)	(581 224 853)	(363 317 266)
Inventory write-down provision	(8)	(3 780 000)	(3 504 616)
Provisions		(24 378 345)	(31 765 226)
Employee benefit obligations provision	(16)	(3 846 458)	(11 850 024)
Interest income	(24)	211 805 510	110 848 816
Foreign Exchange Gain		33 873 681	42 007 194
Finance cost	(24)	(134 842 077)	(68 629 019)
Profit for the year before tax		**1 789 179 052**	**1 137 233 737**
Income tax expense	(25)	(409 605 174)	(261 236 401)
Net profit for the year		**1 379 573 878**	**875 997 336**
Basic earnings per share	(26)	1.91	1.16
Diluted earnings per share	(26)	1.91	1.16

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

EDITA FOOD INDUSTRIES S.A.E.

Separate Statement of Comprehensive Income

For the year ended 31 December 2023

	31 December 2023 EGP	30 December 2022 EGP
Net profit for the year	1 379 573 878	875 997 336
Other Comprehensive Income		
Items that will not be reclassified to profit or loss :-		
Re-measurements of post-employment benefit obligations	(3 132 985)	1 581 166
Income tax relating to this item	--	--
Other comprehensive income/losses for the year	(3 132 985)	1 581 166
Total comprehensive income for the year	**1 376 440 893**	**877 578 502**

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

EDITA FOOD INDUSTRIES S.A.E.
Separate Statement of Changes in Equity
For the year ended 31 December 2023

	Note	Share capital EGP	Legal reserve EGP	Treasury shares EGP	Retained earnings EGP	Total EGP
Balance at 1 January 2022		**144 611 688**	**72 536 290**	-	**1 755 460 704**	**1 972 608 682**
Change of equity in 2022					-	
Profit for the year		-	-	-	875 997 336	875 997 336
Re-measurements of post-employment benefit obligations		-	-	-	1 581 166	1 581 166
Total comprehensive income for the year		-	-	-	**877 578 502**	**877 578 502**
Total Shareholders transactions						
Acquisition of Treasury Shares		-	-	(160 827 557)	-	**(160 827 557)**
Dividends distribution for 2021		-	-	-	(240 750 000)	**(240 750 000)**
Balance at 31 December 2022		**144 611 688**	**72 536 290**	**(160 827 557)**	**2 392 289 206**	**2 448 609 627**
Balance at 1 January 2023		**144 611 688**	**72 536 290**	**(160 827 557)**	**2 392 289 206**	**2 448 609 627**
Change of equity in 2023						
Profit for the year		-	-	-	1 379 573 878	**1 379 573 878**
Re-measurements of post-employment benefit obligations		-	-	-	(3 132 985)	**(3 132 985)**
Total comprehensive income for the year		-	-	-	**1 376 440 893**	**1 376 440 893**
Total Shareholders transactions						
Acquisition of Treasury Shares		-	-	(105 184 979)	-	**(105 184 979)**
Treasury Shares Write-Off		(4 608 957)	-	266 012 536	(261 403 579)	-
Dividends distribution for 2022	(33)	-	-	-	(785 700 000)	**(785 700 000)**
Balance at 31 December 2023		**140 002 731**	**72 536 290**	**-**	**2 721 626 520**	**2 934 165 541**

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

EDITA FOOD INDUSTRIES S.A.E.
Separate Statement of Cash Flows
For the year ended 31 December 2023

	Notes	31 December 2023 EGP	31 December 2022 EGP
Cash flows from operating activities			
Profit for the year before income tax		1 789 179 052	1 137 233 737
Adjustments for:			
Provisions	(18)	32 214 026	31 972 963
Provisions no longer required	(18)	(7 835 681)	(207 737)
Provision for employee benefit obligation	(16)	3 846 458	11 850 024
Interest expenses	(24)	134 842 077	68 629 019
Interest income	(24)	(211 805 510)	(110 848 816)
Depreciation of property, plant and equipment	(5)	152 565 330	139 592 051
Amortization of intangible assets	(6)	7 221 952	5 883 032
Government grant income	(23)	(4 447 524)	(4 802 937)
write-down of slow moving inventory	(8)	3 780 000	3 504 616
Gain on disposal of property, plant and equipment	(23)	(7 215 888)	(5 914 974)
Foreign exchange (gain)		(33 873 681)	(42 007 194)
Operating income before changes in working capital		**1 858 470 611**	**1 234 883 784**
Changes in working Capital			
Inventories		(774 763 800)	(344 186 121)
Debtors and other receivables		(116 484 549)	(169 285 536)
Due from related parties**		3 858 907	(85 446 048)
Trade and other payables		245 511 216	239 077 200
Due to related parties		(55 649 325)	103 767 402
Provision utilized	(18)	(868 392)	(390 434)
Inventory write-down used	(8)	(3 076 809)	(766 190)
Payment of employee benefits obligation	(16)	(366 540)	(975 696)
Dividends paid to company's employees		(69 609 503)	(39 711 294)
Cash inflow from operating activities		**1 087 021 816**	**936 967 067**
Interest paid		(116 904 512)	(63 940 973)
Income taxes paid		(237 202 836)	(131 769 547)
Net cash inflow from operating activities		**732 914 468**	**741 256 547**
Cash flows from investing activities			
Payment of property, plant and equipment and projects under construction	(5)	(343 258 562)	(243 701 967)
Payment of intangible assets	(6)	(1 401 407)	(10 703 536)
Proceeds from disposal of property, plant and equipment	(5)	14 357 599	42 644 000
Additional Investment in subsidiary "Edita Frozen Foods"	(7)	(399 999 600)	(4 900 000)
Payment for acquisition of new subsidiary**		(257 206 876)	-
Interest received		214 370 669	111 923 219
Payment for purchase of treasury bills		(4 664 845 933)	(2 212 699 964)
Proceeds from treasury bills		5 207 775 393	2 069 590 682
Net cash (outflow) from investing activities		**(230 208 717)**	**(247 847 566)**
Cash flows from financing activities			
Proceeds from borrowings		240 479 154	66 870 439
Repayment of borrowings		(135 991 932)	(135 650 209)
Acquisition of Treasury Shares	(13)	(105 184 979)	(160 827 557)
Payment of dividends	(33)	(699 700 000)	(200 000 000)
Net cash outflow from financing activities		**(700 397 757)**	**(429 607 327)**
Net increase in cash and cash equivalents		**(197 692 006)**	**63 801 654**
Cash and cash equivalents at beginning of the year		(243 500 165)	(307 301 819)
Cash and cash equivalents at the end of the year	(12)	**(441 192 171)**	**(243 500 165)**

* The effect of payment of purchase of property, plant, and equipment amounted to EGP 19 632 596 had been eliminated as non cash transaction against the related increase in Trade and other payables.
** Payments for acquisition of new subsidiary includes EGP 136 280 072 represent the debt assignment from the old shareholders.
*** The effect of treasury shares - write off had been eliminated as non cash transaction against the related decrease in Paid-up capital and Retained Earning.

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

1. General information

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

The Company is located in Sheikh Zayed city - Central Axis, Giza.

The Company provides manufacturing, producing and packing of all food products and producing and packing of juices, jams, readymade food, dry goods, cakes, pastry, dairy products, meat, vegetables, fruits, chocolate, vegetarian products and other food products with all necessary ingredients, the company is registered in Egypt and London's stock exchange.

The main shareholders are Quantum Investment BV which owns 44.07% of the Company's share capital and the Bank of New York Mellon "depositary bank for shares traded in London Stock Exchange" which manages 8.43% of the Company share capital and Kingsway Fund Frontier Consumer Franchises which owns 10.55% of Company's share capital and RIMCO E G T Investment LLC which owns 7.22% of Company's share capital other shareholders owning 29.72% of company's share capital.

These separate financial statements have been approved by the Chairman on 3 March 2024, and the General Assembly of shareholders has the right to amend the separate financial statements after being approved.

2. Accounting policies

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

A. Basis of preparation of the separate financial statements

The separate financial statements have been prepared in accordance with Egyptian Accounting Standards (EASs) and applicable related laws and regulations. The separate financial statements have been prepared under the historical cost convention except for employees' end of services obligations, which is measured by the present value of the obligation.

The preparation of separate 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 Company's accounting policies areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the separate financial statements are disclosed in Note (4).

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

B. Foreign currency translation

(1) Functional and presentation currency

Items included in the separate financial statements of each of the company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency') (Egyptian Pounds). The separate financial statements are presented in Egyptian Pounds which is the company's functional and presentation currency.

(2) Transaction and balances

Transactions in foreign currency during the period are recognised at the initial recognition with the functional currency of the company 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 company 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 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.

C. Property, plant, and equipment

The company 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 company's management.

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

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.

Buildings	25 years
Machinery	20 years
Vehicles	5 years
Tools & equipment	5 years
Furniture & office equipment	4 – 5 years

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

F. Inventories

Inventories are stated at the lower of cost or net realizable value, The cost is determined on a moving weighted average basis including the cost of finished production and work-in-progress includes all raw materials, direct labor, other direct costs and incremental production costs (based on normal operating rates) and does not include borrowing costs. 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 with 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 moving average method.

ii. **Spare parts**

Cost is determined using the 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 separate 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 a separate 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.

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.

(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 separate 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 separate statements of profit or loss in accordance with EAS 47 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 separate statement of profit or loss.

G.1.2 Impairment of financial assets

The Company recognizes 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 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 of 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 separate 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 separate 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 flow 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 separate 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 separate 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 separate 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.
- 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 separate 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 separate 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 separate 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 separate statement of in profit or loss. The remaining amount of change in the fair value of liability is recognized in a separate statement of profit or loss.

Changes in fair value attributable to a financial liability's credit risk that are recognized in separate statement of comprehensive income are not subsequently reclassified to separate 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 separate 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.

Financial guarantee contract obligations

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the owner for a loss incurred because a specified debtor fails to make payments when due in accordance with the terms of the debt instrument.

Financial guarantee obligations are initially measured at their fair value and, if they are not designated at FVTPL and do not arise from the transfer of an asset, are subsequently measured as:

- The amount of the loss allowance determined in accordance with Egyptian Accounting Standard No. (47) see Financial Assets above; and
- The amount initially recognized less, where applicable, the cumulative amortization recognized in accordance with the revenue recognition policies described above.

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 separate 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 separate statement of financial position.

I. Share capital

Ordinary shares are classified as equity, special expenses directly attributable to the issuance of ordinary shares or equity instruments appear as a net amount after deduction of tax from their returns.

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. The 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 Dividends on ordinary share capital

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

J. Treasury Shares

When the company re-purchases the Company's equity shares 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. 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 Company recognizes all other borrowing costs in profit or loss in the period in which they are incurred.

L. Current and deferred income tax

The company 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 Company'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 separate 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 company and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the company is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the company 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.

M. Employee benefits

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

(1) **Pension obligations**

Defined contribution plan

For defined contribution plans, the company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The company 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 Company has a defined benefit plan which is a plan that defines an amount of benefits to be provided in the form of half month payment for each period they had worked for the Company 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 Company 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 and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

(2) **Termination benefits**

Termination benefits are payable when employment is terminated by the company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The company recognises termination benefits at the earlier of the following dates: (a) when the company 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.

(3) **Profit-sharing and bonus plans**

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

N. Provisions

Provisions are recognised when the Company 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 Company recognizes the necessary commitments for restructuring and non-related activities of the Company 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 separate 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 company, the Company recognize the recovered amount when it is certain that the recovery will take place if the company 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.

O. 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 premise 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:

a) The entity has a present right to payment for the asset.
b) The customer has legal title to the asset.
c) The entity has transferred physical possession of the asset.
d) The customer has the significant risks and rewards of ownership of the asset.
e) The customer has accepted the asset.

P. 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.

Q. Dividend income

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

R. 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.

S. Dividends distribution

Dividend distribution is recorded in the company's separate financial statements in the period in which they are approved by the Company's General assembly of Shareholders.

T. 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.

U. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker for the Company. 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 company.

3. Financial risk management

(1) Financial risk factors

The company's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The company's efforts are addressed to minimize potential adverse effects of such risks on the company's financial performance.

The company does not use any derivative financial instruments to cover specific risk.

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

A. Market risk

i. Foreign exchange risk

The company 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 at financial position date and net investments in foreign operations.

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

During the year, the following foreign exchange related amounts were recognized in profit or loss:

	31 December 2023	31 December 2022
Amounts recognized in profit or loss		
Net foreign exchange gain	33 873 681	42 007 194
Total	**33 873 681**	**42 007 194**

The following table shows the currencies position denominated in Egyptian Pounds at the date of the separate statement of financial position.

	31 December 2023			31 December 2022
	Assets	Liabilities	Net	Net
Euros	186 939 962	(140 623 212)	**46 316 750**	**(58 684 833)**
US Dollars	171 101 409	(138 704 093)	**32 397 316**	**219 617 392**
GBP	19	(21 543)	**(21 524)**	**(150 686)**

On 31 December 2023, if the Egyptian Pounds had weakened / strengthened by 10% against the Euro with all other variables held constant, profit for the year would change by have been EGP 4 631 675 (31 December 2022: EGP 5 868 483) higher / lower, mainly as a result of foreign exchange losses /gains on translation of Euro-denominated financial assets and liabilities.

On 31 December 2023, if the Egyptian Pounds had weakened / strengthened by 10% against the US Dollar with all other variables held constant, profit for the year would have been changed by EGP 3 239 732 (31 December 2022: EGP 21 961 739) lower, mainly as a result of foreign exchange losses on translation of US dollar-denominated assets and liabilities.

On 31 December 2023, if the Egyptian Pounds had weakened / strengthened by 10% against the GBP with all other variables held constant, profit for the year would have been changed by EGP 2 152 (31 December 2022: 15 069) lower, mainly as a result of foreign exchange losses on translation of US dollar-denominated assets and liabilities.

ii. Price risk

The Company has no investment 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 Company's interest rate risk arises from long-term Loans. Loans issued at variable rates expose the Company to cash flow interest rate risk. Which is partially offset by short term time deposits which are renewed with the applicable interest rate at the time of renewal. Loans measured at amortized cost with fixed rates do not expose the Company to fair value interest rate risk.

At 31 December 2023, if interest rates on Egyptian pound -denominated net interest bearing liabilities had been 1% higher/lower with all other variables held constant, profit for the year would have been changed EGP 8 299 745 (31 December 2022: EGP 5 868 121) lower/higher, mainly as a result of higher/lower interest expense on floating rate Loans

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

Borrowing at separate statement of financial position date as of 31 December 2023 with variable interest rate amounted to EGP 267 326 778 (31 December 2022: EGP 100 123 228).

Overdraft at the statement of financial position date as of 31 December 2023 amounted to EGP 562 647 724 (31 December 2022: EGP 486 688 869).

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

	2023		2022	
	Amount	% of total loans	Amount	% of total loans
Variable rate borrowings	267 326 778	49%	100 123 228	24%
Fixed rate borrowings	278 685 816	51%	322 310 958	76%
Total	**546 012 594**	**100%**	**422 434 186**	**100%**

B. Credit risk

Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, treasury bills, as well as credit exposures to wholesalers and retail customers, including outstanding accounts and notes receivables.

For banks and financial institutions, the Company is dealing with the banks which have a high independent rating and banks and financial institutions with a good reputation and subject to supervision of the Central Bank of Egypt.

For the wholesalers, the Credit Controllers assess the credit quality of the wholesale customer, taking into account its financial position, and their market reputation, past experience and other factors. Sales of the company are for a major customer (Edita For Trade and Distribution – company's subsidiary), which represent 90% of total company's sales.

For Treasury bills, the Company deals with governments, which are considered with a high credit rating (Egypt B-).

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

The maximum exposure to credit risk is the amount of receivables and the intercompany receivable, treasury bills as well as the cash and cash equivalents.

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

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

C. Credit quality of financial assets

Trade receivables

Counter parties without external credit rating:

	31 December 2023	31 December 2022
Trade receivables	34 548 467	23 712 083
Total	**34 548 467**	**23 712 083**

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are generally due for settlement within 90 days.

Outstanding trade receivables are current and not past due.

Cash at bank and short-term bank deposits:

All cash balances are deposited at banks that are subject to the supervision of the Central Bank of Egypt.

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

D. Liquidity risk

Management monitors rolling forecasts of the company'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 Company does not breach borrowing limits or covenants) on any of its borrowing facilities. Such forecasting takes into consideration the company debt financing plans, covenant compliance, compliance with internal statement of financial position ratio targets.

The table below summarizes the maturities of the Company's undiscounted financial liabilities at 31 December 2023 and 31 December 2022 based on contractual payment dates and current interest rates as we had excluded the taxes payable, advances from customers and social insurance:

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

	Less than 6 month	Between 6 month & 1 year	Between 1 & 2 years	More than 2 years
31 December 2023				
Borrowings	74 984 208	135 908 275	76 538 065	258 582 046
Future interest payments	32 576 051	12 710 027	20 374 101	23 022 044
Bank overdraft	562 647 724	--	--	--
Trade and other payables	835 899 769	--	--	--
Due to Related Parties	48 181 658	--	--	--
Notes payable	95 596 639	--	--	--
Total	**1 649 886 049**	**148 618 302**	**96 912 166**	**281 604 090**
31 December 2022				
Borrowings	78 427 091	83 507 376	87 334 946	173 164 773
Future interest payments	9 505 596	25 258 261	33 111 864	16 593 853
Trade and other payables	600 464 183	--	--	--
Due to related parties	103 830 983	--	--	--
Bank overdraft	486 688 869	--	--	--
Notes payable	50 536 622	--	--	--
Total	**1 329 453 344**	**108 765 637**	**120 446 810**	**189 758 626**

The amount of unused credit facility is 1 726 996 663 as of 31 December 2023 (31 December 2022: EGP 1 121 266 199).

(2) Capital management

The company's objectives when managing capital are to safeguard the company's 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 an optimum, the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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

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

The gearing ratio on 31 December 2023 and 31 December 2022 were as follows:

Description	**31 December 2023**	**31 December 2022**
Total Borrowings	546 012 594	422 434 186
Bank Overdraft	562 647 724	486 688 869
Total borrowings and overdraft	**1 108 660 318**	**909 123 055**
Less: Cash and bank balances	(121 455 553)	(243 188 704)
Net debt	**987 204 765**	**665 934 351**
Total equity	2 934 165 541	2 448 609 627
Total capital	**3 921 370 306**	**3 114 543 978**
Gearing ratio	**25%**	**21%**

The increase in the gearing ratio mainly results from the increase in Borrowings and overdraft and decrease in cash during the year.

Loan covenants:

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

- The debt-to-equity ratio must be not more than 1:1.
- Debt service ratio shall not fall below 1.25.
- Leverage ratio shall not exceed 1.5:1.
- Current ratio shall not be less than 1

As of 31 December 2023, the company 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 – for disclosure purposes – is estimates by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

4. Critical accounting estimates and judgments

Judgments and estimates are assessed on an ongoing basis based on past experience and other elements, including future events that are expected to occur and are appropriate to those circumstances.

The company makes estimates and assumptions about the future. The results of accounting estimates are rarely equal to the actual results.

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 6).

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

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 18 for details. Provisions are recognized by discounting the expected future cash flows at a current pre-tax rate that reflects the risks specific to the liability. The amortization of the discount is recognized as a finance cost in the consolidated statement of profit or loss.

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.

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.

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.

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.

(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								
January 1, 2022	**120 908 260**	**839 978 806**	**1 299 920 301**	**42 611 615**	**187 303 166**	**88 030 583**	**81 469 041**	**2 660 221 772**
Transferred from projects under constructions	-	19 923 043	218 817 458	-	25 047 275	4 582 963	(279 074 273)	(10 703 534)
Additions	-	-	2 124 681	12 772 051	15 262 647	6 678 445	228 469 452	265 307 276
Disposals	(14 194 133)	(827 195)	(18 262 325)	(7 333 298)	(2 824 973)	(54 213)	(11 424 715)	(54 920 852)
Cost as of December 31, 2022	**106 714 127**	**859 074 654**	**1 502 600 115**	**48 050 368**	**224 788 115**	**99 237 778**	**19 439 505**	**2 859 904 662**
Accumulated depreciation								
January 1, 2022	-	**(205 925 812)**	**(448 292 055)**	**(25 388 124)**	**(114 422 260)**	**(72 259 842)**	-	**(866 288 093)**
Depreciation for the year	-	(33 622 393)	(64 576 469)	(7 694 308)	(25 776 671)	(7 922 210)	-	(139 592 051)
Accumulated depreciation of disposals	-	143,380	11 568 483	6 022 288	403 462	54 213	-	18 191 826
As of December 31, 2022	-	**(239 404 825)**	**(501 300 041)**	**(27 060 144)**	**(139 795 469)**	**(80 127 839)**	-	**(987 688 318)**
Net book value as of December 31, 2022	**106 714 127**	**619 669 829**	**1 001 300 074**	**20 990 224**	**84 992 646**	**19 109 939**	**19 439 505**	**1 872 216 344**
Cost as of January 1, 2023	**106 714 127**	**859 074 654**	**1 502 600 115**	**48 050 368**	**224 788 115**	**99 237 778**	**19 439 505**	**2 859 904 662**
Transferred from projects under constructions	-	29 423 475	31 885 784	-	22 248 677	-	(83 557 936)	-
Additions	-	-	5 594 051	20 396 970	7 054 704	7 714 886	322 130 547	362 891 158
Disposals	-	-	(16 161 232)	(4 850 500)	(599 682)	(446 184)	(832,367)	(22 889 965)
Cost as of December 31, 2023	**106 714 127**	**888 498 129**	**1 523 918 718**	**63 596 838**	**253 491 814**	**106 506 480**	**257 179 749**	**3 199 905 855**
Accumulated depreciation								
As of January 1, 2023	-	**(239 404 825)**	**(501 300 041)**	**(27 060 144)**	**(139 795 469)**	**(80 127 839)**	-	**(987 688 318)**
Depreciation for the year	-	(34 131 008)	(71 795 077)	(9 505 450)	(28 785 530)	(8 348 265)	-	(152 565 330)
Accumulated depreciation of disposals	-	-	9 878 895	4 834 012	589 418	445 929	-	15 748 254
As of December 31, 2023	-	**(273 535 833)**	**(563 216 223)**	**(31 731 582)**	**(167 991 581)**	**(88 030 175)**	-	**(1 124 505 394)**
Net book value as of December 31, 2023	**106 714 127**	**614 962 296**	**960 702 495**	**31 865 256**	**85 500 233**	**18 476 305**	**257 179 749**	**2 075 400 461**

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

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

	31 December 2023	31 December 2022
Charged to cost of sales	133 581 586	122 125 045
Charged to administrative expenses	18 431 227	17 197 004
Charged to distribution costs	552 517	270 002
	152 565 330	**139 592 051**

The project under construction represents the following Categories:

	31 December 2023	31 December 2022
Buildings	13 317 977	332 421
Machinery and equipment	205 621 300	11 311 744
Tools and equipment	8 946 181	5 211 025
Technical and other installations	29 294 291	2 584 315
	257 179 749	**19 439 505**

*The capitalized interest for the year ended December 31, 2023: null (31 December 2022: 2 000 520)

Cash flow statement

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

	31 December 2023	31 December 2022
Net book value of the assets disposed	7 141 711	36 729 026
Losses / gain on sale of property, plant and equipment Note (23)	7 215 888	5 914 974
	14 357 599	**42 644 000**

6. Intangible assets

	31 December 2023			
	Trademark (A)	**Know how (B)**	**Software (C)**	**Total**
Cost	**131 480 647**	**31 430 995**	**33 626 739**	**196 538 381**
Accumulated Amortization	--	--	(11 004 699)	**(11 004 699)**
Transfer from PUC	--	--	--	**--**
Additions	--	--	1 401 407	**1 401 407**
Amortisation for the year	--	--	(7 221 952)	**(7 221 952)**
Balance as of	**131 480 647**	**31 430 995**	**16 801 495**	**179 713 137**

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

	31 December 2022			
	Trademark (A)	Know how (B)	Software (C)	Total
Cost	**131 480 647**	**31 430 995**	**22 923 203**	**185 834 845**
Accumulated Amortization	--	--	(5 121 667)	**(5 121 667)**
Transfer from PUC	--	--	10 703 536	**10 703 536**
Additions	--	--	--	--
Amortisation for the year	--	--	(5 883 032)	**(5 883 032)**
Balance as of	**131 480 647**	**31 430 995**	**22 622 040**	**185 533 682**

Intangible assets (continued)

A. Trademark

	Trademark (HOHOS, Twinkies & Tiger Tail)	
	31 December 2023	31 December 2022
Cost		
Opening Balance	131 480 647	131 480 647
Balance as of	**131 480 647**	**131 480 647**

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

B. Know how

	Know How	
Cost	31 December 2023	31 December 2022
Opening Balance	31 430 995	31 430 995
Balance as of	**31 430 995**	**31 430 995**

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

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

C. Software

	Software	
	31 December 2023	31 December 2022
Opening balance	**22 622 040**	**17 801 536**
Transfer from PUC	--	10 703 536
Additions for the year	1 401 407	--
Amortization expense for the year	(7 221 952)	(5 883 032)
Balance as of	**16 801 495**	**22 622 040**

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 company when testing the impairment of intangible assets as of 31 December 2023 as follows:

	2023
Average gross margin	35%
Sales growth rate	15%
Pre-tax discount rate	24.8%
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.

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

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 24.8%. 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 2023 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.

7. Investments in subsidiaries

	Country of Incorporation	% Interest held	31 December 2023	31 December 2022
Edita For Trade and Distribution	Egypt	99.80%	44 939 639	44 939 639
Edita Confectionary Industries*	Egypt	99.98%	134 820 782	134 820 782
Edita Participation Ltd.	Cyprus	100.00%	14 024	14 024
Edita Holding for Investments **	Egypt	98.00%	4 900 000	4 900 000
Edita Frozen Food Industries***	Egypt	100.00%	520 926 404	-
Balance at			**705 600 849**	**184 674 445**

*On 6 March 2019 the company signed an official agreement with Confindel LTD for the acquisition of 2 279 287 shares (22.27%) which is their total ownership in Edita Confectionary Industries for a total consideration of 55 297 782. The deal was finalized in June of 2019; and Edita Food Industries' share in Edita Confectionary Industries increased from 77.71% to 99.98%.

**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 purpose is establishment of companies that issue financial instruments or increase its share capital.

***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.

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

8. Inventories (net)

	31 December 2023	31 December 2022
Raw and packaging materials	1 437 426 669	710 716 838
Finished goods	38 023 894	35 395 312
Spare parts	49 947 818	24 863 693
Work in process	43 653 337	11 118 358
Consumables	16 377 852	28 571 569
Total	**1 585 429 570**	**810 665 770**
Less: write-down for slow moving and obsolete inventory	(7 179 196)	(6 476 005)
Net	**1 578 250 374**	**804 189 765**

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

Write-down for slow moving and obsolete inventory

	31 December 2023	31 December 2022
Balance on 1 January	6 476 005	3 737 579
Charged during the year	3 780 000	3 504 616
Utilized during the year	(3 076 809)	(766 190)
Ending Balance as of	**7 179 196**	**6 476 005**

The cost of inventory recognized as an expense and included in cost of sales amounted to EGP 6 230 241 747 during the year ended 31 December 2023 (2022: EGP 3 714 495 191).

9. Debtors and other debit balances

	31 December 2023	31 December 2022
Trade Receivables	34 548 467	23 712 083
Advances to suppliers	353 072 935	262 660 123
Prepaid expenses	30 648 813	11 848 876
Deposits with others	15 037 018	14 047 055
Export subsidies grant receivable	--	2 223 678
Other current assets	13 304 811	11 502 597
Letters of credit	--	4 081 148
Employee loans	48 238	100 173
Total	**446 660 282**	**330 175 733**

10. Related parties

The company 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 company'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 Company as related parties. The management decides the terms and conditions of transactions and services provided from / to related parties as well as other expenses. Below is the statement that shows the nature and values of transaction with related parties during the year and the balances due at the date of the financial statements.

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

a. Due from related parties

	31 December 2023	31 December 2022
Edita Participation Ltd.	144 856 856	31 851 019
Edita Food Industries Morocco.	96 901 968	77 436 640
Edita Confectionary Industries	--	50 000
Total	**241 758 824**	**109 337 659**

b. Due to related parties

	31 December 2023	31 December 2022
Edita Confectionary Industries	172 142	--
Edita For Trade and Distribution Company	48 009 516	103 830 983
Total	**48 181 658**	**103 830 983**

The following transactions were carried out with related parties:

Company	Relationship Nature	Nature of Transactions	Volume of Transactions 2023	2022
Edita Confectionary Industries**	Subsidiary	Purchases	(1 170 059)	(151 228)
		Money Transfer	1 483 601	550 776
		Payment on behalf	391 399	513 129
Edita Participation Limited	Subsidiary	Money Transfer	77 375 000	--
		Payment on behalf	27 559 923	14 710 288
		Foreign Exchange	8 070 914	7 832 456
Edita For Trade and Distribution**	Subsidiary	Sales	9 166 316 990	5 974 035 273
		Money Transfer	(9 109 340 199)	(6 087 392 788)
		Payment on behalf	(1 626 322)	(1 650 123)
Edita Food Industries Morocco	Subsidiary	Sales	26 497 185	46 553 176
		Money Transfer	11 202 671	--
		Payment on behalf	--	319 234
		Asset Sale*	--	15 190 471
		Foreign Exchange	4 170 812	12 134 545

* The company's gains on the sale of those fixed assets amounted to EGP 3 645 844.

** The Volume of Transactions between Companies are tax inclusive.

c. Key management compensation

During the year ended 31 December 2023 the Company paid an amount of EGP 193 657 156 as salaries to the key management members (31 December 2022: 130 720 019).

11. Treasury bills

	31 December 2023	31 December 2022
Treasury bills par value		
31 Days maturity	--	86 000 000
91 Days maturity	350 000 000	685 000 000
250- 364 Days maturity	--	150 000 000
	350 000 000	**921 000 000**
Unearned interest	(20 806 000)	(48 876 540)
Amount of treasury bills paid	**329 194 000**	**872 123 460**
Interest income recognized to profit or loss	17 238 739	22 517 981
Treasury bills balance	**346 432 739**	**894 641 441**

The average effective interest rate related to treasury bills is 21.21%.

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

12. Cash and banks balances

	31 December 2023	31 December 2022
Cash on hand	3 610 841	987 723
Cash at banks	56 277 035	39 124 136
Time Deposits	61 567 677	203 076 845
Cash and bank balances	**121 455 553**	**243 188 704**

The average rate on time deposit is 6% with a maturity of less than one month.

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

	31 December 2023	31 December 2022
Cash and bank balances	121 455 553	243 188 704
Bank overdraft (Note 19)	(562 647 724)	(486 688 869)
Total	**(441 192 171)**	**(243 500 165)**

Non-cash Investing and Finance Activities

- Transfer to Property plant and equipment from projects under construction (Refer note 5)
- Purchase of fixed assets on credit (Refer note 20)

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

13. Issued and paid-up capital

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

The issued and paid-up capital amounted to EGP 72 536 290 distributed on 362 681 450 shares (par value EGP 0.2 per share)

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 the treasury shares amounted 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.

On 26 November 2023 the extraordinary general assembly meeting approved to write off the treasury shares amounted 23 044 783. 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.

Accordingly the issued and paid-up capital as of 31 December 2023 amounted to EGP 140 002 7321 (par value EGP 0.2 per share) is distributed as follow:-

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 "depositary 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%**

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

The issued and paid-up capital as of 31 December 2022 amounted to EGP 144 611 688 (par value EGP 0.2 per share) is distributed as follow:-

Shareholders	No. of shares	Shares value	Percentage of ownership
Quantum Investment BV	308 527 188	61 705 438	42.67%
The Bank of New York Mellon "depositary bank for shares traded in London Stock Exchange"	84 594 650	16 918 930	11.70%
Kingsway Fund Frontier Consumer Franchises	65 896 445	13 179 289	9.11%
RIMCO E G T Investment LLC	38 685 105	7 737 021	5.35%
Treasury Shares	15 814 199	3 162 840	2.19%
Others (Public stocks)	209 540 852	41 908 170	28.98%
	723 058 439	**144 611 688**	**100%**

Treasury shares

On 4 April 2021 the extraordinary general assembly meeting approved to write off the treasury shares amounted 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 105 173 725 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 amounted 23 044 783. 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.

14. 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 company may stop such transfers when the legal reserve reaches 50% of the issued capital. The reserve is not eligible for distribution to shareholders.

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

15. Borrowings

	31 December 2023			31 December 2022		
	Current	Non-current	Total	Current	Non-current	Total
Fourth loan	20 357 361	--	**20 357 361**	40 000 000	20 000 000	**60 000 000**
Sixth loan	--	--	**--**	40 123 228	--	**40 123 228**
Seventh loan	54 544 317	4 227 158	**58 771 475**	34 762 943	40 702 977	**75 465 920**
Eighth Loan	41 022 947	49 594 457	**90 617 404**	15 258 754	83 857 170	**99 115 924**
Ninth loan	41 621 076	41 214 756	**82 835 832**	14 122 163	75 209 377	**89 331 540**
Tenth Loan	32 085 831	14 375 274	**46 461 105**	17 667 379	40 730 195	**58 397 574**
Eleventh Loan	11 498 958	190 000 000	**201 498 958**	--	--	**--**
Twelfth Loan	9 761 994	35 708 465	**45 470 459**	--	--	**--**
Total	**210 892 484**	**335 120 110**	**546 012 594**	**161 934 467**	**260 499 719**	**422 434 186**

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

	31 December 2023	31 December 2022
Balance due within 1 year	198 201 286	161 443 239
Accrued interest	12 691 198	491 228
Total	**210 892 484**	**161 934 467**

Borrower	Type of debt	Guaranties	Currency	Tenure	Interest rate
Fourth loan	Loan	Cross corporate guarantee Edita for Trade and Distribution 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.
Sixth loan	Loan		USD		4% above the USD Libor rate 6 months.
Seventh loan	Loan	Cross corporate guarantee Edita for Trade and Distribution Company	EGP	7 years with first installment in Nov 2022	8 %
Eighth loan	Loan	Cross corporate guarantee Edita for Trade and Distribution Company	EGP	7 years with first installment in July 2023	8 %
Ninth loan	Loan	Cross corporate guarantee Edita for Trade and Distribution 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 instalment 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

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

Deferred government grant

The Company 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 2023			31 December 2022		
	Current	Non-current	Total	Current	Non-current	Total
Seventh loan	1 858 544	2 614 040	**4 472 584**	2 281 071	4 057 431	**6 338 502**
Eighth loan	41 727	--	**41 727**	861 078	1 415 991	**2 277 069**
Ninth loan	475 935	698 953	**1 174 888**	588 420	1 200 392	**1 788 812**
Tenth loan	627 754	469 168	**1 096 922**	380 916	451 951	**832 867**
	3 003 960	**3 782 161**	**6 786 121**	**4 111 485**	**7 125 765**	**11 237 250**

16. Employee retirement benefit obligations

Employees of the company are entitled upon their retirement to get benefit 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 annually by using the projected credit unit method takes into consideration the principal actuarial assumptions as follows:

	31 December 2023	31 December 2022
Discount rate	15%	15.5%
Average salary increase rate	20%	15%
Turnover rate	13%	16%
Life table	49-52	49-52

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

	31 December 2023	31 December 2022
Present value of obligations	40 009 559	33 396 656
Liability at the statement of financial position	**40 009 559**	**33 396 656**

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

	31 December 2023	31 December 2022
Balance at beginning of the year	**33 396 656**	**24 103 494**
Interest expenses	5 009 498	3 736 042
Current service cost	(1 163 040)	8 113 982
Total amount recognised in profit or loss	**3 846 458**	**11 850 024**
Remeasurements: -		
Loss from change in assumptions	3 132 985	(1 581 166)
Total amount recognized in other comprehensive income	**3 132 985**	**(1 581 166)**
Paid during the year	(366 540)	(975 696)
Balance at end of the year	**40 009 559**	**33 396 656**

Sensitivity in Defined Benefit Obligation: -

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

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

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

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

17. Deferred tax liabilities net

Deferred income taxes represent tax expenses on the temporary differences between the tax basis of assets and liabilities and their carrying amounts in the separate financial statements.

	Fixed assets depreciation	Other Provisions	Unrealized foreign exchange loss	Net deferred tax liabilities 31 December 2023	Net deferred tax liabilities 31 December 2022
A. Deferred tax assets					
Balance on 1 January	--	16 205 481	7 841 993	24 047 474	11 001 837
Charged to separate statement of profit or loss	--	5 641 521	(10 770 220)	(5 128 699)	13 045 637
Ending balance as of	**--**	**21 847 002**	**(2 928 227)**	**18 918 775**	**24 047 474**
B. Deferred tax liabilities					
Balance on 1 January	(210 404 752)	--	--	(210 404 752)	(181 292 843)
Charged to separate statement of profit or loss	(8 602 043)	--	--	(8 602 043)	(29 111 909)
Ending balance as of	**(219 006 795)**	**--**	--	**(219 006 795)**	**(210 404 752)**
Net deferred tax liabilities	**(219 006 795)**	**21 847 002**	**(2 928 227)**	**(200 088 020)**	**(186 357 278)**
Balance on 1 January	(210 404 752)	16 205 481	7 841 993	(186 357 278)	(170 291 006)
Charged to statement of profit or loss (Note 25)	(8 602 043)	5 641 521	(10 770 220)	(13 730 742)	(16 066 272)
Net deferred tax liabilities	**(219 006 795)**	**21 847 002**	**(2 928 227)**	**(200 088 020)**	**(186 357 278)**

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

18. Provisions

	31 December 2023	31 December 2022
Balance on 1 January	51 420 223	20 045 431
Charged during the year	32 214 026	31 972 963
Utilized during the year	(868 392)	(390 434)
No longer required	(7 835 681)	(207 737)
Ending Balance as of	**74 930 176**	**51 420 223**

Provisions related to claims expected to be made by a third party in connection with the company 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.

19. Bank overdrafts

	31 December 2023	31 December 2022
Bank overdraft	562 647 724	486 688 869
Total	**562 647 724**	**486 688 869**

Bank overdraft is an integral part of the Company's cash management to finance its working capital. The average interest rate for bank overdraft was 15.33 % as of 31 December 2023 (31 December 2022: 8.23 %).

20. Trade and notes payables

	31 December 2023	31 December 2022
Trade payables	641 361 625	461 805 980
Payables from purchase of property plant and equipment	55 513 711	35 881 115
Notes payable	95 596 639	50 536 622
Total	**792 471 975**	**548 223 717**

21. Creditors and other credit balances

	31 December 2023	31 December 2022
Taxes payable	49 531 663	51 946 584
Accrued expenses	86 637 295	60 313 045
Other credit balances	29 586 110	25 841 164
Social insurance	4 276 193	4 566 778
Advances from customers	19 589 022	27 347 158
Dividends payable	16 390 497	1 038 706
Deposits from others	6 410 531	5 120 531
Total	**212 421 311**	**176 173 966**

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

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

22. Current income tax liabilities

	31 December 2023	31 December 2022
Balance on 1 January	155 585 018	44 269 394
Income tax paid during the year	(155 585 018)	(42 184 437)
Withholding tax receivable	(14 089 818)	(7 167 009)
Income tax for the year (Note 25)	359 175 358	225 024 215
Corporate income tax – advances	(64 813 917)	(60 939 144)
Tax on Treasury bills	-	(2 084 957)
Accrued interest – advances	(2 714 083)	(1 333 044)
Balance as of	**277 557 540**	**155 585 018**

23. Other income / (Expense)

	31 December 2023	31 December 2022
Export subsidies	50 555 320	20 805 217
Gain on disposal of property plant and equipment	7 215 888	5 914 974
Other income	4 228 572	3 932 313
Income from Government grant	4 447 524	4 802 937
Other Income	**66 447 304**	**35 455 441**
Solidarity contribution	(24 533 539)	(15 641 717)
Other Expenses	**(24 533 539)**	**(15 641 717)**
Total Net – Other Income	**41 913 765**	**19 813 724**

24. Finance income / (cost) – net

	31 December 2023	31 December 2022
Finance income		
Interest income	209 091 427	109 515 772
Interest income – Corporate tax advance payments	2 714 083	1 333 044
	211 805 510	**110 848 816**
Finance cost		
Interest expenses	(134 842 077)	(68 629 019)
	(134 842 077)	**(68 629 019)**
Finance Income – net	**76 963 433**	**42 219 797**

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

25. Income tax expense

The Company is subject to the corporate income tax according to tax law No. 91 of 2005 and its amendments at tax law 96 of 2015.

	31 December 2023	31 December 2022
Current income tax for the year	359 175 358	225 024 215
Deferred tax expense	13 730 742	16 066 273
Withholding tax – Treasury bills	36 699 074	20 145 913
Total	**409 605 174**	**261 236 401**
Profit before tax	**1 789 179 052**	**1 137 233 737**
Tax calculated based on applicable tax rates	402 565 287	255 877 591
Tax effect of non-deductible expenses	7 039 887	5 358 810
Income tax expense	**409 605 174**	**261 236 401**

26. Earnings per share

Basic

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

	31 December 2023	31 December 2022
Net Profit for the year	**1 379 573 878**	**875 997 336**
Employees Profit Share Distribution*	(42 300 000)	(52 638 939)
Net profit available after employees' profit share	**1 337 273 878**	**823 358 397**
Weighted average number of ordinary shares in issue		
Ordinary shares	723 058 439	723 058 439
Treasury Shares	(23 044 783)	(15 814 199)
Weighted average number of ordinary shares	**701 479 583**	**707 244 240**
Basic earnings per share	**1.91**	**1.16**

* Employees Profit Share Distribution is subject to the Board of Directors and General Assembly Meeting approval.

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 company 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.

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

27. Expenses by nature

	31 December 2023	31 December 2022
Cost of sales	7 228 255 574	4 516 041 243
Distribution cost	335 502 281	297 015 214
Administrative expenses	581 224 853	363 317 266
	8 144 982 708	**5 176 373 723**
Raw and packaging materials used	6 230 241 747	3 714 495 191
Salaries and wages	710 843 549	537 972 530
Advertising expense	297 097 537	272 543 733
Depreciation and Amortization	159 787 081	145 475 083
Miscellaneous and other expense	241 834 384	122 092 831
Fuel oil water and electricity	134 073 744	107 422 425
Employees benefits	116 181 669	86 377 702
Company's share in social insurance	36 790 421	31 564 366
Transportation expense	62 012 110	57 914 506
Maintenance	78 799 941	5 110 691
Consumables	66 944 030	53 272 444
Vehicle expense	10 376 495	42 132 221
Total cost of sales distribution costs and administrative expenses	**8 144 982 708**	**5 176 373 723**

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

28. Segment reporting

The Company operates across five segments in Egyptian snack food market offering nine distinct brands:

Segment	Brand	Product
Cake	Tiger tail, Twinkies, Todo, and HOHOS	Traditional rolled filled and layered cake as well as brownies and packaged donut
Croissants	Molto	Sweet and savoury croissants and strudels
Rusks	Bake Rolz, Bake Stix	Baked wheat salty snack
Wafer	Freska	Filled wafers
Biscuits	Oniro	Coated and Uncoated Lava Vanilla and Lava Chocolate and Cookies

(Amounts presented to the nearest thousands EGP)

	Cake		Croissant		Rusks		Wafer		Biscuits		Total	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Revenue	4 875 627	3 131 255	3 483 695	2 134 699	463 146	324 730	918 806	633 452	72 142	32 551	9 813 416	6 256 687
Gross profit	1 491 570	896 404	767 892	606 082	88 651	60 751	232 259	176 465	4 788	944	2 585 160	1 740 646
Operating profit	**981 978**	**607 333**	**485 363**	**378 165**	**63 404**	**45 697**	**145 648**	**84 385**	**(7 961)**	**(35 266)**	**1 668 432**	**1 080 314**

Operating profit reconciles to net profit as follows:

	31 December 2023	31 December 2022
Operating profit	1 668 432	1 080 313
Foreign Exchange Gain/Losses	33 874	42 0007
Finance cost	(134 842)	(68 629)
Finance income	211 806	110 849
Other income	9 909	(27 306)
Income tax	(409 605)	(261 236)
Net profit	**1 379 574**	**875 997**

Segment reporting (continued)

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

- Management has determined the operating segments based on the information reviewed by the chief operating decision makers of the Company 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 Company 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 year.
- 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 Company.

29. 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 separate 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.

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

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 2023		31 December 2022	
	Fair value at reporting date	**Carrying amount**	**Fair value at reporting date**	**Carrying amount**
Seventh loan	63 177 684	58 771 475	80 431 297	75 465 920
Eighth loan	87 619 229	90 617 405	95 257 062	99 115 924
Ninth loan	79 758 634	82 835 830	86 579 417	89 331 540
Tenth loan	46 252 152	46 461 105	58 779 116	58 397 574

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.

30. Contingent liabilities

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

The banks have issued letters of credit and guarantee in favor of Edita Foods Industries amounted to EGP 267 893 918 (2022: EGP 312 623 934).

IFC Loan

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 no amounts withdrawn by Edita Food Industries from the said loan.

31. Tax position

Due 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 company as of the date of the separate financial statements date.

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

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.
- For the years 2020 – 2022 the Company submitted the tax return according to law No. 91 of 2005 in its legal period and has not been inspected yet.

b) **Payroll tax**

- The payroll tax inspection was performed till 31 December 2019 and company paid tax due.
- The years 2020 till 2023 the tax inspection has not been performed and the company is submitting the tax forms and annual 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.
- The years from 2021 till 2023 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 2023 tax inspection has not been performed.

32. Commitments

Capital commitments

The Company has capital commitments as of 31 December 2023 of EGP 832 M (31 December 2022: EGP 74 M) in respect of the capital expenditure.

33. Financial instrument by category

	31 December 2023	31 December 2022
	Financial Assets Total	
Financial Assets as per separate statement of financial position		
Debtors and other debit balances (excluding non- financial assets) *	62 938 534	55 666 734
Due from related parties	241 758 824	109 337 659
Treasury Bills	346 432 739	894 641 441
Cash and bank balances	121 455 553	243 188 704
Total	**772 585 650**	**1 302 834 538**

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

	31 December 2023	31 December 2022
	Financial Liabilities	
	Total	
Financial Liabilities as per separate statement of financial position		
Borrowings *	546 012 594	422 434 186
Trade and other payables (excluding non-financial liabilities) *	931 496 408	640 537 163
Due to related parties	48 181 658	103 830 983
Bank overdraft	562 647 724	486 688 869
Total	**2 088 338 384**	**1 653 491 201**

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

- Trade and other receivables presented above excludes prepaid expenses, advances to supplies and taxes.
- Trade and other payables presented above excludes taxes payables, advances from customers, deferred government grant and social insurances.

34. Significant events during the year:

- On March 28, 2023, the ordinary general assembly of the company's shareholders was held, and it approved the financial statements for the year ended December 31, 2022 and approved the dividends distribution to shareholders of EGP 400 million and employee dividend distribution of EGP 52.7 million.
- The Monetary Policy Committee of the Central Bank of Egypt decided, in its meeting on Thursday, March 30, 2023, 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 18.25, 19.25 and 18.75%, respectively. The credit and discount rate were also raised by 200 basis points to reach my rate 18.75%
- The Board of Directors agreed, in its session on May 29, 2023, the purchase of 100% of "Fancy Foods Company for Food Industries S.A.E.", with a total purchase price of EGP 120 926 903. 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 (Note 7).
- The Monetary Policy Committee of the Central Bank of Egypt decided, in its meeting on Thursday, August 3, 2023, to raise the overnight deposit and lending yield and the price of the main operation of the Central Bank by 100 basis points, to reach 19.25, 20.25 and 19.75%, respectively. The credit and discount rate were also raised by 100 basis points to reach my rate 19.75%.
- During the current period the company signed a loan agreement with National Bank of Kuwait with total amount of EGP 200 000 000 to finance "Edita Frozen foods S.A.E" CAPEX expenditure. The loan has not been disbursed until the separate financial statement date.
- The Board of Directors agreed, in its session on October 10, 2023, to reduce the capital of the Company from EGP 144 611 688 to EGP 140 002 731 through write off treasury shares of the company in total of 23,044,783 share.

- On November 5, 2023, the ordinary general assembly of the company's shareholders was held, and it approved the profit share distribution from the retained earning appearing on the financial statements for the year ended December 31, 2022, to shareholders of EGP 299 700 000 million and employee dividend distribution of EGP 33 300 000 million.

- On November 26, 2023, the extra ordinary general assembly of the company's shareholders was held and approve the write off of the treasury share of 23 044 783 shares. Also, it had approved the change of 3rd, 6th and 7th of the article of association of the company.

35. Subsequent Events

- The Central Bank's Monetary Policy Committee decided at its meeting on Thursday, February 1, 2024, to raise the overnight deposit and lending rates and the central bank main transaction by 200 basis points to 21.25%, 22.25% and 21.75%, respectively. Also, credit and discount rates were raised by 200 basis points to reach 21.75%.