Britannia Egypt (L.L.C)

Financial Statements and Auditor's Report
For the year ended March 31, 2025

Translation from Arabic

bakertilly
MOHAMED HILAL & WAHID ABDEL GHAFFAR

Contents

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Independent Auditor's Report

Translation from Arabic

To: The Quota holders of
Britannia Egypt L.L.C

Report on the financial statements

- We have audited the accompanying financial statements of Britannia Egypt L.L.C which comprise the financial position as of March 31, 2025, and the related statements of profit or loss, other comprehensive income, cash flows, and changes in quota holders for the year then ended, and summary of significant accounting policies and other disclosures.

Management's responsibility for the financial statements

- The financial statements are the responsibility of the Company's Management. The management is responsible for the preparation and fair presentation of these financial statements in accordance to Egyptian accounting standards and within the view of the current Egyptian laws and regulations, also management's responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements whether due to errors or fraud. The management's responsibility also includes selection and implementation of appropriate accounting policies and making accounting estimates that are reasonable in circumstances.

Auditor's responsibility

- Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Egyptian Auditing Standards and within the view of the current Egyptian laws and regulations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements in order to design 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 the management, as well as evaluating the overall presentation of the financial statements.

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

Opinion:

- In our opinion, the financial statements referred to above present fairly in all material respects. The financial position of Britannia Egypt L.L.C as of March 31, 2025 and its financial performance and its cash flows and the changes in quota holders for the year then ended in conformity with the Egyptian accounting standards within the view of the Egyptian laws and regulations.

Report on other legal and regulatory requirements:

- The company keeps proper accounting records which include all that is required by law and the statutes of the company and the accompanying financial statements are in agreement therewith.

- The financial information contained in the report of the company manager's report as required by the companies Law No. 159 for the year 1981 and its executive regulations, is in agreement with the company's accounting records within the limit that such information is recorded therein.

Ahmed Abdel Sattar Awad, ACCA, ESAA

Ahmed Abdel Sattar

R.A.A no. 25829

Baker Tilly Mohamed Hilal & Wahid Abdel Ghaffar

Cairo May 5, 2025

MOHAMED HILAL & WAHID ABDEL GHAFFAR

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Statement of Financial Position
As of March 31, 2025

Translation From Arabic

	Notes	31/3/2025 EGP	31/3/2024 EGP
Assets			
Current Assets			
Accounts receivables (Net)	3	9,022,763	9,415,156
Debtors and other debit balances	4	22,218,825	6,336,985
Cash at banks (Net)	5	3,328,097	17,174,503
Total Current Assets		**34,569,685**	**32,926,644**
Total Assets		**34,569,685**	**32,926,644**
Equity and Liabilities			
Quota holder's			
Capital	6	23,364,950	11,574,950
Amounts paid for capital increase	6	0	11,790,000
Legal reserve		235,153	59,708
Retained earnings		4,467,917	1,134,453
Net profit for the year		1,538,702	3,508,909
Total Quota holder's		**29,606,722**	**28,068,020**
Current Liabilities			
Provisions	7	7,000	7,000
Corporate income tax		492,332	1,825,921
Other credit balances	8	4,463,631	3,025,703
Total Current Liabilities		**4,962,963**	**4,858,624**
Total Liabilities		**4,962,963**	**4,858,624**
Total Quota Holders And Liabilities		**34,569,685**	**32,926,644**

The accompanying accounting principles and the notes to the financial statements from note no. (1) to (14) are integral part of these financial statements and must be read with them.

Auditor's report is attached

Company's Manager

BRITANNIA
CR 153062
BRITANNIA EGYPT L.L.C

Britannia Egypt L.L.C

Statement of Profit or Loss
For the year ended March 31, 2025

Translation From Arabic

		The year from April 1, 2024 to March 31, 2025	The year from April 1, 2023 to March 31, 2024
		EGP	EGP
Sales revenue		69,478,004	66,658,198
Less:			
Cost of goods sold	9	-62,419,072	-56,108,022
Gross Profit		**7,058,932**	**10,550,176**
Add (Less):			
General, administrative and marketing expenses	10	-5,222,436	-5,131,077
Social contribution		-174,574	-166,646
Currency differences gain		351,647	85,279
Reverse / charged expected credit losses	5-1	17,465	-2,902
Net profit before tax		**2,031,034**	**5,334,830**
Income tax		492,332-	1,825,921-
Net profit after tax		**1,538,702**	**3,508,909**
Earnings per quota	11	**1,086**	**3,509**

The accompanying accounting principles and the notes to the financial statements from note no. (1) to (14) are integral part of these financial statements and must be read with them.

Auditor's report is attached

Company's Manager

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Statement of Other comprehensive income
For the year ended March 31, 2025

Translation From Arabic

	The year from April 1, 2024 to March 31, 2025	The year from April 1, 2023 to March 31, 2024
	EGP	EGP
Net Profit after Tax	1,538,702	3,508,909
Total other comprehensive income after income tax	0	0
Total comprehensive income for the year	1,538,702	3,508,909

The accompanying accounting principles and the notes to the financial statements from note no. (1) to (14) are integral part of these financial statements and must be read with them.

Auditor's report is attached

Company's Manager

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Statement of Changes in Quota holders
For the year ended March 31, 2025

Translation From Arabic

	Issued and paid capital	Amounts paid for capital increase	Legal reserve	Retained earnings	Net profit for the year	Total
	EGP	EGP	EGP	EGP	EGP	EGP
Balance as of March 31, 2023	**3,894,950**	**7,680,000**	**0**	**392,635**	**801,526**	**12,769,111**
Proceeds for capital increase	7,680,000	7,680,000-	0	0	0	**0**
Amounts paid for capital increase	0	11,790,000	0	0	0	**11,790,000**
Transfer to retained earnings	0	0	59,708	741,818	801,526-	**0**
Net profit of the year	0	0	0	0	3,508,909	**3,508,909**
Balance as of March 31, 2024	**11,574,950**	**11,790,000**	**59,708**	**1,134,453**	**3,508,909**	**28,068,020**
Proceeds for capital increase	11,790,000	11,790,000-	0	0	0	**0**
Transfer to retained earnings	0	0	175,445	3,333,464	3,508,909-	**0**
Net profit of the year	0	0	0	0	1,538,702	**1,538,702**
Balance as of March 31, 2025	**23,364,950**	**0**	**235,153**	**4,467,917**	**1,538,702**	**29,606,722**

The accompanying accounting principles and the notes to the financial statements from note no. (1) to (14) are integral part of these financial statement and [illegible]

Auditor's report is attached

Company's Manager

BRITANNIA
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BRITANNIA EGYPT L.L.C

Statement of Cash Flows
For the year ended March 31, 2025

Translation From Arabic

	Notes	The year from April 1, 2024 to March 31, 2025	The year from April 1, 2023 to March 31, 2024
		EGP	EGP
Cash Flows From Operating Activities			
Net profit before tax		2,031,034	5,334,830
Adjustments to reconcile net profit to net cash provided from operating activities:			
Expected credit losses	5-1	17,465-	2,902
Operating profit before changes in working capital		**2,013,569**	**5,337,732**
Change in accounts receivables		407,667	1,184,835-
Change in other debit balances		15,881,840-	6,162,906-
Change in other credit balances		1,437,928	1,993,137-
(Paid) income tax		1,825,921-	381,586-
Net cash flows (used in) operating activities		**13,848,597-**	**4,384,732-**
Cash flow from financing activities:			
Proceeds from Paid for capital increase		0	11,790,000
Net cash flows provided from financing activities:		**0**	**11,790,000**
Net changes in cash and cash equivalents during the year		**13,848,597-**	**7,405,268**
Cash and cash equivalents at the beginning of the year		17,177,115	9,771,847
Cash and cash equivalents at the end of the year	5	**3,328,518**	**17,177,115**

The accompanying accounting principles and the notes to the financial statements from note no. (1) to (11) are integral part of these financial statements and must be read with them.

Auditor's report is attached

Company's Manager

Notes to the financial statements
For the year ended March 31, 2025

1. **Introduction**

A. **Company's Background**

- Accordingly to the Egyptian Laws the under signatories of this contract Agreement to establish (Britannia Egypt LLC) a limited Lability company and submitted this contract to the Investment Authority (Administrative reviewed the contract) The undersigned signatories of this Contract hereby acknowledge that each one of them has fulfilled the required legal capacity for the foundation of the Company, and that neither of them had verdicts pronounced against him either by a criminal penalty or by a dishonouring felony, or by any of the penalties stipulated upon in Articles (89), (162), (163) and (164) of Law No. 159/1981 during the five years preceding the date of submitting the foundation request or application (unless he has been rehabilitated), and that they are not employed by the Government or the Public Sector or the Public Business Sector.
- Furthermore, they have agreed amongst them as to the foundation of an Egyptian Limited Liability Company by license from the Government of the Arab Republic of Egypt, in accordance with the provisions of the prevailing Laws, and in particular the Companies Act No. 159/1981, it's Executive Statue and the provisions of this Contract.
- The company's duration is 25 years starting from the date of registration in the commercial register on August 31/8/2020 to 30/8/2045

B. **The Company's main activities are as follows:**

- To Establish and operate a Factory for the manufacturing and the packaging of food products, and all kinds of Biscuits, wafers filed and covered with Chocolate, with all kinds of flavours, and all kinds of Bakery products, Cakes, Sweets Bread, Dairy and Milk products, Snacks Meals and flavours and any other food product
- The Trade and the distribution, specify the Trade and the distribution of the food production of all kinds of Biscuits, wafers filed and covered with Chocolate, and with all kinds of flavours, and all kinds of Bakery products, Snacks, Bread, Cakes, Sweets, Dairy and Milk products, and flavours and any other food product.
- To trade and distribute in accordance to the Law with regards to the trade and distribution of Biscuits, wafers filed and covered with Chocolate, and with all kinds of flavours, and all kinds of Bakery products, Snacks, Bread, Cakes, Sweets, Dairy and Milk products, and flavours and any other food product.
- To manufacture products with any other third party.
- To export Biscuits, wafers filed and covered with Chocolate, and with all kinds of flavours, and all kinds of Bakery products, Snacks, Bread, Cakes, Sweets, Dairy and Milk products, and flavours and any other food product.

- The above-mentioned objective is without prejudice with any laws, regulations or Decisions and pursuant to the issuance of the required licensees for such activities.
- The Company may have interest, or associate in any form whatsoever with the Companies and others, which practice, works similar to its own, or which may assist it in achieving its object in Egypt or abroad. It may also merge in the précised entities, purchase the, or affiliate them, all of which shall be in accordance with the provisions of the Law and its Executive Statute, and the Company should obtain all the required licenses and permits to execute its activities.

C. Company's fiscal year:

- The Financial year begins on April 1 and ends on March 31 of each year.

2. Significant Accounting Policies:

2-1 Basis of preparation

- These financial statements have been prepared in accordance with Egyptian Accounting Standards and relevant Egyptian laws and regulations.
- The financial statements have been prepared on the historical cost basis and going concern assumption except financial assets available for sale which is measured by fair value.
- The preparation of financial statements in accordance with Egyptian Accounting Standards requires management to use personal judgment, estimates and assumptions that affect the application of policies and the presented values of assets, liabilities, revenues and expenses. Estimates and related assumptions are made in light of past experience and various other factors. Actual results may differ from those estimates.
- Estimates and related assumptions are reviewed periodically. A change in an accounting estimate is recognized in the period in which the estimate is changed if the change affects this period only, or in the period of the change and future periods if the change affects both.

2-2 Foreign Currency Exchange

- The company records all transactions in Egyptian pound. The Foreign currency transactions are evaluated based on the exchange rates declared at the date of transaction. At the date of the Standalone financial statements, monetary assets and liabilities are revaluated using the exchange rate declared as of the date of the Standalone financial statements, and the resulted foreign currency exchange differences are posted to the income statement.

2-3 Functional and Reporting Currency

- The financial statements are presented in Egyptian pounds (EGP) which is the company's functional currency.

2-4 Accounts receivable, debtors and other debit balances

- Balances of customers, receivables and other debit balances are presented at cost less the impairment in their value.

2-5 Cash flow statement

- The cash flows statement has been prepared using the indirect method. For the purpose of preparing the cash flows statement, cash and cash equivalents are comprised of cash on hand and at banks.

2-6 Creditors and other credit balances

- Creditors and other credit balances are recognized at their cost.

2-7 Financial Instruments

Business Model

- Upon initial recognition, the financial asset is classified as measured at depreciated cost or at fair value through other comprehensive income as investments in debt instruments and investments in equity instruments or at fair value through profit and loss.
- Financial assets are not reclassified after their first recognition unless the company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first financial reporting period after the change in business model.
- A financial asset is classified as valued at amortized cost if it meets the following two conditions and is not determined to be valued at fair value through profit or loss:
  - If the asset is to be held within a business model whose objective is to hold assets to collect contractual cash flows; And
  - In the event that the contractual terms of the financial assets give rise to cash flows on specified dates that are only principal and interest payments on the principal amount receivable.
- The investment in debt instruments is classified at fair value through other comprehensive income if it meets the following two conditions and is not determined to be valued at fair value through profit and loss:
  - It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling 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.
- On initial recognition of an investment in equity instruments that are not held for trading, the group can make an irrevocable choice to present in other comprehensive income, subsequent changes in the fair value of the investment, this choice is made for each instrument separately.
- Financial assets that are not classified as valued at amortized cost or valued at fair value through other comprehensive income are classified as fair value through profit and loss, and this includes all financial assets derivatives.
- Upon initial recognition, the company may irrevocably designate a financial asset that meets the requirements to be measured at amortized cost, at fair value through comprehensive income, or at fair value through profit or loss if doing so reduces or eliminates materially inconsistency in a measurement or recognition (sometimes referred to as an "accounting mismatch") that might otherwise arise.

Business Model Evaluation

- The company makes an assessment of the objective of the business model in which a financial asset is held at the portfolio level because this better reflects the way the business is run and information is presented to management. The information considered includes:
  - The stated policies and objectives of the portfolio and the operation of those policies in practice. This includes whether management's strategy focuses on earning contractual interest income, maintaining a certain interest rate profile, matching the term of financial assets to the term of any related liabilities or projected cash flows or realizing cash flows through the sale of assets;
  - how to evaluate the performance of the portfolio and report it to the company's management;
  - the risks that affect the performance of the business model (and the financial assets held in the business model) and how those risks are managed;
  - how the business managers are compensated - for example whether compensation is based on the fair value of the assets under management or contractual cash flows collected; And
  - The frequency, volume and timing of sales of financial assets in previous periods, the reasons for such sales, and expectations regarding future sales activity.

- Transfers of financial assets to third parties in transactions that do not qualify for disposal are not considered sales for this purpose, consistent with the Company's continued recognition of assets.
- Financial assets that are held for trading or managed, and whose performance is evaluated on a fair value basis, are measured at fair value through profit or loss.

Financial Assets - Assess whether the contractual cash flows are solely payments of principal and interest

- For the purposes of this assessment, the principal amount is the fair value of the financial asset on initial recognition and the interest is against the time value of money, against the credit risk associated with the original amount outstanding during a certain period of time and against other basic lending risks and costs (liquidity risk and administrative costs), in addition to a margin profit.
- When assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows so that it would not meet this condition. When making this assessment, the Company considers:
  - potential events that would change the amount or timing of cash flows;
  - terms that may modify the contractual coupon rate, including variable rate features;
  - Prepaid features and add-ons; And
  - Conditions that limit the company's claim to cash flows from identified assets (eg, non-refundable features).
  - The early settlement feature is aligned with payments of principal and interest only if the amount of the prepayment substantially represents the unpaid amounts of principal and interest on the principal amount owed, which may include reasonable compensation for early termination. Additionally, for financial assets obtained at a discount or premium over the contractual face value, a feature that permits or requires early payment in an amount substantially the contractual amount plus the contractual interest accrued (but not paid) (which may also include reasonable compensation for early termination) is treated as compliant with this Standard if the fair value of the early settlement feature is ineffective on initial recognition.

Financial Assets - Subsequent Measurement, Profits and Loss

Financial assets at fair value through profit or loss	Financial assets are subsequently measured at fair value, and changes in fair value, including any returns or dividends, are recognized in profit or loss.
Financial assets at amortized cost	Financial assets valued at amortized cost are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, exchange gains and losses and impairment are recognized in profit and loss, and gains and losses on disposal are recognized in profit and loss.
Debt instruments at fair value through other comprehensive income	Financial assets at fair value through comprehensive income are subsequently measured at fair value. Interest income is calculated using the effective interest method, gains and losses on currency differences and impairment are recognized in profit and loss. Other net gains and losses are recognized in comprehensive income. On disposal, the combined profit and loss in comprehensive income is reclassified to profit and loss.
Equity investments at fair value through other comprehensive income	Financial assets at fair value through comprehensive income are subsequently measured at fair value. Dividends are recognized as income in profit and loss unless the dividends clearly represent a recovery of part of the cost of the investment. Other net gains and losses that have been recognized in other comprehensive income are not reclassified at all to profit or loss.

Financial liabilities - classification and subsequent measurement, profits and losses

- Financial liabilities are classified as valued at amortized cost or at fair value through profit and loss.
- Financial liabilities are classified as valued at fair value through profit and loss if they are classified as held for trading purposes, or they are within financial derivatives, or they are classified at fair value through profit or loss upon initial recognition.
- Financial liabilities measured at fair value through profit and loss are measured at fair value, and net profits and losses, including interest expense, are recognized in profit and loss.
- Other financial obligations are subsequently measured at amortized cost using the effective interest method. Interest expense and gains and losses from changes in foreign exchange rates are recognized in profit and loss, and for gains and losses resulting from disposal are recorded in profit and loss.

De-recognition

Financial assets

- The company de-recognizes the financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset have been transferred, or in which the company does not transfer or It retains all the risks and rewards of ownership and does not retain control over the financial assets.
- The company enters into transactions whereby it transfers the assets recognized in its statement of financial position, but retains all the risks and benefits of the transferred assets. In this case, the transferred assets are not excluded.

Financial liabilities

- Financial obligations are derecognised when contractual obligations are paid, canceled or expired.
- The company also derecognises financial liabilities when their terms are modified and the cash flows of the modified obligations are fundamentally different, in which case the new financial liabilities are recognized on the basis of the modified terms at fair value.
- When financial liabilities are disposed of, the difference between the carrying amount and the consideration paid (including any transferred non-cash assets or assumed liabilities) is recognized in profit or loss.

Non-derivative financial assets and liabilities- Recognition and De-recognition

- The Company initially recognized loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognized on the trade date when the entity becomes a party to the contractual provisions of the instrument.
- The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive tl1e contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.
- The Company derecognized a financial liability when its contractual obligations are discharged or cancelled, or expire.
- Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Non-derivative financial assets- Measurement

First - Financial assets at fair value through profit or loss

- A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognized in profit or loss.

Second- Investment held to maturity

- These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Third -Loans and receivables

- These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Fourth- Available-for-sale financial assets

- These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments are recognized in OCI and accumulated in the fair value reserve. When these assets are derecognized, the gain or loss accumulated in equity is reclassified to profit or loss.

Non-derivative financial liabilities - Measurement

- A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense are recognized in profit or loss.
- Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

2-8 Impairment

- As allowed by EAS No. (47), the company applies the general approach impairment models for financial assets measured at amortized cost and FVOCI;
- The impairment loss for financial assets are measured in the consolidated statement of profit and loss within the credit loss expenses.

General Approach Model

- The general approach model impairment requirements of EAS No. (47) apply to all credit exposures that are measured at amortized cost or FVOCI, except the positions covered by simplified model as abovementioned.
- For purposes of the impairment policy below, these instruments are referred to as ("Financial Assets").
- The determination of impairment losses and allowances moves from an incurred credit loss model whereby credit losses are recognized when a defined loss event occurs under previous accounting standards, to an expected credit loss model under EAS No. (47), where allowances are taken upon initial recognition of the Financial Asset, based on expectations of potential credit losses at the time of initial recognition.
- The company uses three main components to measure ECL. These are Probability of Default ("PD"), Loss Given Default ("LGD") and Exposure at Default ("EAD").
- The probability of tripping the corresponding parties is derived from internal company assessment. The company allocates the probability of default for each exposure of the counterparty based on the economic environment in which the customer, considering the relevant quantitative and qualitative information and quality available.
- Loss estimates when you stumble are independent of the client's probability of default. Loss models when tripping ensure that the main drivers of losses, including the quality of warranty, are reflected in the loss factor when the specified stumble.
- Exposure when is stumble is defined as the expected amounts of credit risk to the counterparty at the time of its stumble. The exposure model is designed when you default on the life of the financial assets considering the expected payment files.

- EAS No. (47) Introduces a three-stage approach to impairment for Financial Assets that are not credit-impaired at the date of origination or purchase. This approach is summarized as follows:
  - **Stage 1:** The company recognizes a credit loss allowance at an amount equal to **12-month expected credit losses.** This represents the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date, if credit risk has not increased significantly after initial recognition.
  - **Stage 2:** The company recognizes a credit loss allowance at an amount equal to **lifetime expected credit losses** for those Financial Assets which are considered to have experienced a significant increase in credit risk since initial recognition. This requires the computation of ECL based on lifetime probability of default, lifetime loss given default and lifetime exposure at default that represents the probability of default occurring over the remaining lifetime of the Financial Asset. Allowance for credit losses are higher in this stage because of an increase in credit risk and the impact of a longer time horizon being considered compared to 12 months in stage 1.
  - **Stage 3:** The company recognizes a loss allowance at an amount equal to lifetime expected credit losses, via the expected recoverable cash for the asset, for those Financial Assets that are credit impaired. For further detail see following paragraph "Credit-impaired Financial Assets in Stage 3".
  - The company calculates expected credit losses for each financial asset individually. Similarly, the determination of the need for transfer between stages is made on an individual asset basis.

Significant Increase in Credit Risk

- Under EAS No. (47), when determining whether the credit risk (i.e., risk of default) of a Financial Asset has increased significantly since initial recognition, the company considers reasonable and supportable information that is relevant and available without undue cost of effort. This includes quantitative and qualitative information based on the company's historical experience, credit risk assessment and forward-looking information (including macro-economic factor). The assessment of significant credit deterioration is key in determining when to move from measuring an allowance based on 12-month ECLs to one that is based on lifetime ECLs (i.e., transfer from Stage 1 to Stage 2).

Credit-impaired Financial Assets in Stage 3

- At each reporting date, the company reviews the indicators for impairment of receivable balances, in order to take the necessary actions to account for impairment against the amounts that may not be collected from customers.
- The study is necessary to ensure that clients own and maintain a portfolio of shares to cover the debt owed to them – enabling the company to take necessary measures to preserve the company's right in case of any amounts due from customers and failure or delay in payment. The calculation using aging reports will not be applicable on brokerage receivables as there is no specified or expected time frame for clearing or collection, however a provision is to be formed for the difference between debit due balance and the value of owned shares (collateral).
- For financial Assets considered to be credit-impaired, the ECL allowance covers the amounts of loss the company is expected to suffer. The estimation of ECLs is done on a case-by-case basis for non-homogeneous portfolios, or by applying portfolio-based parameters to individual Financial Assets in these portfolios via the company's ECL model for homogeneous portfolios.
- Forecasts of future economic conditions when calculating ECLs are considered. The lifetime expected losses are estimated based on the probability-weighted present value of the difference between the contractual cash flows that are due to the company under the contract; and the cash flows that the company expects to receive.

Collateral for Financial Assets considered in the Impairment Analysis

- EAS No. (47) requires cash flows from collateral and other credit enhancement to be reflected in the ECL calculation. The following are key aspects with respect to collateral and guarantees:
- Eligibility of collateral, i.e. which collateral should be considered in the ECL calculation;
- Collateral evaluation, i.e. what collateral (liquidation) value should be used; and
- Projection of the available collateral amount over the life of a transaction.

Critical Accounting Estimates

- The accounting estimates and judgements related to the impairment of Financial Assets is a critical accounting estimates because the underlying assumptions used can change from period to period and may significantly affect the company's results pf operations.
- In assessing assets for impairment, management judgment is required, particularly in projecting future economic information and scenarios where circumstances of economic and financial uncertainty, when developments and changes to expected cash flows can occur both with greater rapidity and less predictability. The actual amounts of futures cash flows and their timing may differ from the estimates used by management and consequently may cause actual losses to differ from reported allowances.
- EAS No. (47) outlines regulations for the recognition of financial assets and liabilities and retained earnings in 1 January 2020 and the comparative figure did not adjust.

2-9 Provisions

- Provisions are recognized when the group has a legal or constructive current obligation as a result of a past event and it's probable that a flow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Provisions are reviewed at the financial position date and amended (when necessary) to represent the best current estimate.

2-10 Use of estimates and judgments

- Preparing these financial statements in accordance with Egyptian Accounting Standards, requires management using judgements, estimates and assumptions that affect the application of the accounting policies and the amounts of assets, liabilities, income and expenses. The estimates and assumptions depends on historical experience and other factors that company's management see. And the real results could be different from assumptions.

2-11 Revenue recognition and measurement

Revenue from contracts with customers

- Egyptian Accounting Standard No. (48) replaces the following Egyptian Accounting Standards:
- Egyptian Accounting Standard No. (8) "Construction Contracts" amended in 2015
- Egyptian Accounting Standard No. (11) "Revenue" as amended in 2015
- More specifically, Egyptian Accounting Standard No. (48) states that revenue recognition depends on the following five steps:

  1- Identifying the contract with a customer;
  2- Identifying the contractual obligation to transfer goods and/or services (known as performance obligations);
  3- Determining the transaction price.
  4- Allocating the transaction price to specific performance obligations based on the standalone selling price of each good or service
  5- Recognizing revenue when the related performance obligation is fulfilled.

- The company applies the International Accounting Standard No. (48) five-step model for revenue recognition in order to recognize fee and commission income, according to which income must be recognized when transferring services, and thus contractual performance obligations towards the customer have been fulfilled.
- Accordingly, after identifying the contract with the customer in the first step, the second step is to identify the performance obligation - or a series of distinct performance obligations - made to the customer. The company considers whether the service is capable of being distinctive and distinct in the context of the contract.
- A promised service is distinct if the customer can benefit from the service either alone or with other resources readily available to the customer, and the promise to transfer the service to the customer can be specified separately from other promises in the contract.
- The amount of income is measured based on the contractually agreed transaction price for the performance obligation specified in the contract. If the contract includes a variable consideration, the company estimates the amount of consideration to which it is entitled in exchange for transferring the promised services to the customer. Income is recognized in profit and loss when the specified performance obligation is satisfied.
- When adopting Egyptian Accounting Standard No. (48), fee and commission income is presented in the income statement separately from fee and commission expenses.
- Revenue from contracts concluded with customers is recognized when control of the required goods or services is transferred to the customer, in an amount that reflects the consideration that the company is expected to receive in exchange for those goods or services. Revenue is measured in return for fulfilling the performance obligation in the amount of the transaction price (after deducting variables) allocated to that performance obligation. These variables are estimated based on the expected outflow. Revenue is recognized (net of variables) only to the extent that it is probable that it will not be derecognized significantly.

2-12 Expenses

- General and administrative expenses are recognized in the income statement according to the accrual basis.

2-13 Lease contracts in which the company is a lessee

- On the start date of the lease contract, the "usufruct" asset and commitment to the lease contract is established, but the company cannot apply this, whether for short-term lease contracts or lease contracts in which the underlying asset is of low value, and in this case the associated lease payments are recorded these rents are considered an expense either on a straight-line basis over the lease term or on another regular basis. Another regular basis is applied if that basis is more reflective of the pattern of interest as a lessee.
- The company has long-term lease contracts for some exhibitions and workshops. The measurement and presentation of the related items of the financial statements are as follows:

2-13.1 Initial measurement of the "usufruct" origin:

- The cost of the "Right of Usufruct" asset consists of:
  a) The amount of the initial measurement of the lease liability, at the present value of the lease payments unpaid on that date. The lease payments are discounted using the interest rate implicit in the lease if that rate can be easily determined. If that rate cannot be determined, the lessee must use the lessee's additional borrowing rate.
  b) any lease payments made on or before the commencement date of the lease less any lease incentives received;
  c) any initial direct costs incurred by the lessee;
  d) An estimate of the costs to be incurred by the lessee in dismantling and removing the subject asset, restoring the site on which the asset is located, or returning the asset itself to the required condition in accordance with the terms and conditions of the lease, unless those costs will be incurred to produce the inventory. The lessee will incur obligations for those costs, whether at the start date of the lease contract or as a result of the use of the asset subject of the contract during a certain period.

2-13.2 Subsequent measurement of the asset of the "usufruct"

- After the start date of the lease contract, the "right of usufruct" asset is measured, and the cost model is applied, where the "right of usufruct" asset is measured at cost:
  - a) less any accumulated depreciation and any accumulated impairment losses;
  - b) As modified by any re-measurement of the lease obligation.

2-13.3 Initial measurement of lease liability

- At the start date of the lease, the lease liability is measured at the present value of the lease payments unpaid on that date. The lease payments are discounted using the interest rate implicit in the lease if that rate can be easily determined. If that rate cannot be easily determined, the lessee must use the incremental borrowing rate of the company as the lessee.

2-13.4 Subsequent measurement of lease obligation

- After the start date of the lease contract, the following shall be done:
  - a) the carrying amount of the liability increases to reflect the interest on the lease liability;
  - b) reduce the carrying amount of the liability to reflect the lease payments;
  - c) re-measurement the carrying amount of the liability to reflect any revaluation or lease modifications, or to substantially modified fixed lease payments.
- The right-of-use asset and lease liabilities are presented in the statement of financial position separately from other assets and liabilities.
- Lease contracts include the lessee's maintenance and insurance of the leased asset, and the lease contract does not include any arrangements for the transfer of ownership at the end of the lease period.
- For a contract that contains a lease component with one or more lease or non-lease components, (if any), consideration in the contract is allocated to each lease component on the basis of the proportionate stand-alone price of the lease component and the total stand-alone price of the non-lease components. As a practical means, and within the scope of what the standard allows, the company as a lessee can choose, according to the class of the asset subject of the contract, not to separate the non-lease components from the lease components, and then account for each lease component and any accompanying non-lease components as a single lease component.

2-14 Income Tax

- Income tax expense comprises current and deferred tax. It is recognized in the income statement except to the extent that it relates to a business combination in the same period or in different period, out of profit and losses either to be recognized directly in equity or in OCI or in business combination.
- Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years.

2-15 Deferred Tax

- The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends
- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.
- Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available, against which they can be used.

2-16 Earnings per share

- The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the income statement attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period/ year.

2-17 legal reserve

- The Company's statutes provide for deduction of a sum equal to 5% of the annual net profit for formation of the legal reserve. Such deduction will be ceased when the total reserve reaches an amount equal to half of the Company's issued capital and when the reserve falls below this limit, it shall be necessary to resume

3 Accounts receivables (Net)

	31/3/2025	31/3/2024
	EGP	EGP
Trade Receivables	9,048,940	9,456,607
Total	**9,048,940**	**9,456,607**
Expected Credit Loss	-26,177	-41,451
Net	**9,022,763**	**9,415,156**

4 Debtors and other debit balances

	31/3/2025	31/3/2024
	EGP	EGP
Advances to Suppliers	21,685,939	5,473,265
Withholding tax receivable	532,886	863,720
Total	**22,218,825**	**6,336,985**

5 Cash at banks (Net)

	31/3/2025	31/3/2024
	EGP	EGP
Bank - Current Accounts Local Currency	1,260,182	3,398,175
Bank - Current Accounts Foreign Currency	2,068,336	13,778,940
Total	**3,328,518**	**17,177,115**
Expected Credit Loss	-421	-2,612
Net	**3,328,097**	**17,174,503**

- The US Dollar was translated into Egyptian pounds using 50.51 EGP/US Dollar

5-1 - The below table is describing the movement of the expected credit loss:

	31/3/2025	31/3/2024
	EGP	EGP
Expected credit losses as of March 31	**44,063**	**41,161**
Expected credit loss in Cash & Bank Balances	-2,191	391
Expected credit loss in other debit balances	-15,274	2,511
Expected credit losses as of March 31	**26,598**	**44,063**

6 Capital

	31/3/2025	31/3/2024
	USD	USD
Number of Quotes	1,500	1,000
quota Par Value (U.S Dollar)	500	500
Capital (U.S Dollar)*	**750,000**	**500,000**

According to the Extraordinary General Assembly Meeting held on Mar 12, 2023. The quota holders approved to increase the company's capital from USD 250,000 to USD 500,000. And the company has completed the process of notarizing this capital increase in the commercial register , The capital is amounted to EGP 11,574,950.

According to the Extraordinary General Assembly Meeting held on Jan 29, 2024. The quota holders approved to increase the company's capital from USD 500,000 to USD 750,000. And the company has completed the process of notarizing this capital increase in the commercial register , The capital after the increase is amounted to EGP 23,364,950.

Capital Structure

Company Name	Nationality	Ownership%	Number of quota
Britannia & Associates (Dubai) PVT. Company Limited	Emirates	99%	1,485
Strategic Brands Holding Company Limited	Emirates	1%	15
		100%	**1,500**

7 Provisions

	31/3/2025	31/3/2024
	EGP	EGP
Provision	7,000	7,000
	7,000	**7,000**

8 Other credit balances

	31/3/2025	31/3/2024
	EGP	EGP
Trade payables	37,116	0
Accrued expenses	1,655,882	890,980
Accrued social contribution	419,030	244,455
Customers advances payments	2,351,603	1,890,268
Total	**4,463,631**	**3,025,703**

9 Cost of goods sold

	The year from April 1, 2024 to March 31, 2025	The year from April 1, 2023 to March 31, 2024
	EGP	EGP
Purchases during the year	60,778,207	54,590,512
Transportation cost	1,640,865	1,259,364
Others	0	258,146
Cost of Goods Sold	**62,419,072**	**56,108,022**

10 General, administrative and marketing expenses

	The year from April 1, 2024 to March 31, 2025	The year from April 1, 2023 to March 31, 2024
	EGP	EGP
Professional Fees	957,877	952,764
Salaries & Wages	59,644	60,112
Bank charge	30,024	20,312
Advertising and promotions	4,060,081	3,944,722
Others	114,810	153,167
Total	**5,222,436**	**5,131,077**

11 Earnings per quota

	The year from April 1, 2024 to March 31, 2025	The year from April 1, 2023 to March 31, 2024
	EGP	EGP
Net profit after tax	1,538,702	3,508,909
Number of weighted average quotas during the year	1,417	1,000
Total	**1,086**	**3,509**

12. Managing the risk related to financial instruments

12.1 The fair value

- In accordance with the valuation principles used in the valuation of the Company's assets and liabilities presented in the notes to the financial statements, the fair values of the financial instruments are not materially different from their carrying values at the balance sheet date.

12.2 Credit risk

- Customers' balances are considered to be financial assets at risk of credit risk. This risk is the inability of customers to pay their debts and the Company has created a provision to meet the potential for non-collection of customer debts.

12.3 Foreign currency risk

- Foreign currency risk is represented in foreign currency fluctuations in exchange rates affecting the Company's cash inflow and outflow in foreign currencies and also the exchange differences arising from translation of monetary assets and liabilities in foreign currencies.

12.4 Liquidity Risk:

- Liquidity risk is the risk that the company will not be able to meet its obligations when due, which is settled by cash or other financial assets. The company's management manages liquidity in a manner that ensures, to the extent possible, permanent possession of sufficient liquidity to meet its obligations when due in the normal and extraordinary circumstances, without incurring unacceptable losses or affects the company's reputation.

12.5 Interest Rate risk

- The interest rate risk is the risk of change in the value of the financial instrument due to the change in interest rates in the market, and this risk is considered limited due to the company's reliance on financing its financing needs to pay its current obligations and financing long-term assets on its resources.

13. Tax Position:

13.1 Corporate Income Tax

- The company is subject to the corporate income tax in accordance with the Egyptian tax law no.159 for year 1981
- The company's books have not been examined by the Tax Authority to date.

13.2 Payroll Tax

- The company implements the current laws and the Company books have not been examined by the Tax Authority to date.

13.3 Withholding Tax

- The company implements the current laws and the Company books have not been examined by the Tax Authority to date.

13.4 Value added tax

- The company implements the current laws and the Company books have not been examined by the Tax Authority to date.

13.5 Stamp tax

- The company implements the current laws and the Company books have not been examined by the Tax Authority to date.

14. Subsequent events:

- Decision No. 3527 of 2024 issued by the Prime Minister on October 23, 2024, added a new accounting standard (No. 51) for financial statements in hyperinflationary economies to the Egyptian Accounting Standards to deal with hyperinflationary economies for any entity or establishment whose reporting currency is in an economy with high inflation.
- The Egyptian Accounting Standard No. 51 aims to modify the financial statements to reflect the current purchasing power, which helps provide a more accurate and objective picture of the financial position and performance of the entity. The standard applies to financial statements prepared in the currency of an economy experiencing hyperinflation, whether independent or consolidated, including both parent companies and subsidiaries operating under the same economic conditions. The classification of economic transactions as involving hyperinflation is based on the characteristics of the economic environment, which include, but are not limited to, the following:

• A preference by most of the population to hold their wealth in non-monetary assets or in a relatively stable foreign currency.
• The general population measures amount of local currency in terms of a stable foreign currency, and prices may be announced in that foreign currency.
• The cumulative inflation rate over the past three years approaches 100% or more.

- The required transactions encompass all components of the financial statements, including the balance sheet, the statement of comprehensive income, and the cash flow statement, and these must be presented using a current unit of measurement appropriate to the end of the period. The standard will be implemented starting from October 24, 2024, and a decision will be issued by the Prime Minister or his designee to determine the start and end dates of the financial periods during which this standard should be applied.
- The standard requires the use of a general price index to measure changes in purchasing power. Assets, liabilities, expenses, and revenues will be adjusted according to this index. The Financial Regulatory Authority, in coordination with the Central Bank of Egypt and the Ministry of Finance, will issue a decision to determine the appropriate index to be used when applying this standard to the local currency. This procedure contributes to improving the comparability of financial periods, which helps in making more informed investment and management decisions. In addition, the standard requires the disclosure of the adjustment method and any estimates or judgments made to ensure transparency, as well as clarification of how inflation affects the items in the financial statements.
- There is no effect on the financial statements for the year ended March 31, 2025.

Decrease the Corridor rate

- On April 17, 2025; the CBE Monetary Policy Committee (MPC) of the Central Bank of Egypt (CBE) decided today to cut the CBE's overnight deposit rate, overnight lending rate, and the rate of the main operation by 225 basis points to 25.00 percent, 26.00 percent, and 25.50 percent, respectively. The Committee also decided to cut the discount rate by 225 basis points to 25.50 percent

Company's Manager

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