

**EGYPTIAN INTERNATIONAL
PHARMACEUTICAL INDUSTRIES “EIPICO “S.A.E“
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
WITH AUDITOR’S REPORT**

INDEX

Description	Pages
Auditor's Report	1-2
Consolidated Statement of Financial Position	3
Consolidated Statement of profit or loss	4
Consolidated Other Comprehensive Income Statement	5
Consolidated Statement of changes in Partner's equity	6
Consolidated Statement of Cash Flow	7
Consolidated Explanatory Notes to the Financial Statements	8-40

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*Translation of Auditor's Report
Originally Issued in Arabic*

AUDITOR'S REPORT

To the Shareholders of:

Egyptian International Pharmaceutical Industries Co. – EIPICO “S.A.E”

Report on Financial Statements

We have audited the accompanying consolidated financial statements of **Egyptian International Pharmaceutical Industries Co. – EIPICO “S.A.E”** that represented in consolidated statement of financial position as of December 31, 2024, and the consolidated statements of Profit or Loss, Other Comprehensive Income, Changes in Partners' equity and Cash Flows for the financial year ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing and applicable local Laws. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of 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 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 financial statements.

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

Basis for Qualified Opinion

We didn't provide by the financial statements of Al-Batterjee Factory for Pharmaceuticals and Medical Supplies in Saudi Arabia that included in investments in Associate Companies and the company's share of the change in Equity rights for the year ending on December 31, 2024, was not included.

Qualified Opinion

Except that mentioned in the previous paragraph and what resulting from expected effects on financial statements and partners' equity. In our opinion, the financial statements referred to above, present fairly, in all material respects, the consolidated financial position of "**Egyptian International Pharmaceutical Industries Co. – EIPICO "S.A.E"**" as of December 31, 2024, and of its financial performance and its cash flows for the year ended in accordance with Egyptian Accounting Standards and applicable local laws and regulations.

Report on Other Legal and Regulatory Requirements

The company maintains proper accounting records which include all that is required by Law and the statutes of the company, and the consolidated financial statements are in agreement therewith.

Cairo, February 27, 2025

Auditor
Dr. Ahmed Shawki
Forvis Mazars Mostafa Shawki



EGYPTIAN INTERNATIONAL PHARMACEUTICAL INDUSTRIES - EIPICO
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2024

(Amount expressed in LE)

	<u>Note</u> <u>No.</u>	<u>31/12/2024</u> <u>L.E</u>	<u>31/12/2023</u> <u>L.E</u>
<u>Non-Current Assets</u>			
Fixed assets (net)	(4)	1,045,230,507	963,645,369
Right of use assets (net)	(5)	9,566,507	2,022,754
Projects under construction	(6)	5,693,566,382	3,058,211,677
Intangible assets (net)	(7)	32,053,960	2,301,715
Investments in associates	(8.2)	465,263,725	466,490,873
Total non-current assets		7,245,681,081	4,492,672,388
<u>Current Assets</u>			
Inventory (net)	(9)	3,584,699,946	2,242,395,730
Accounts and notes receivable (net)	(10)	3,049,275,231	2,357,855,472
Non-current assets held for sale	(8.1)	12,330,000	12,330,000
Debtors and other debit balances	(11)	185,584,353	197,731,029
Cash and cash equivalents	(12)	1,295,386,860	675,798,245
Total current assets		8,127,276,390	5,486,110,476
Total Assets		15,372,957,471	9,978,782,860
<u>Equity</u>			
Capital	(13)	1,487,557,500	1,487,557,500
Reserves	(14)	1,919,226,893	1,835,139,939
Retained earnings	(15)	113,295,762	77,872,936
Dividends "EIACO"		37,972,000	34,520,000
Net profit for the year	(16)	1,095,717,079	822,317,715
Total equity (parent company)		4,653,769,234	4,257,408,090
Non-controlling interest		3,816,172	3,394,945
Total equity		4,657,585,406	4,260,803,035
<u>Non-Current Liabilities</u>			
long term loans	(17)	4,782,128,576	2,832,316,822
Lease liability – long term	(18)	10,706,509	134,716
Deferred tax	(19)	35,828,578	54,792,968
Total non-current liabilities		4,828,663,663	2,887,244,506
<u>Current Liabilities</u>			
Provisions	(20)	356,698,370	191,159,599
credit bank (facilities)	(21)	4,406,896,591	2,045,331,450
Suppliers and note payable	(22)	410,391,619	176,353,891
Dividends Payable		152,488	45,225
Creditors and other credit balances	(23)	367,421,180	230,675,384
Accrued Income tax	(24)	344,846,967	184,979,290
Lease liability – short term	(18)	301,187	2,190,480
Total current liabilities		5,884,708,402	2,830,735,319
Total liabilities		10,715,372,065	5,717,979,825
Total Liabilities & Equity		15,372,957,471	9,978,782,860

- The accompanying notes are an integral part of these financial statements.
- Auditor's Report.

Chief Financial Officer
Mohamed Taha Elswifi



Chairman and Managing Director
Dr. Ahmed Said Mohamed Kilani



EGYPTIAN INTERNATIONAL PHARMACEUTICAL INDUSTRIES - EIPICO
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts expressed in L.E.)

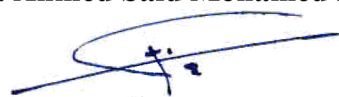
	<u>Note</u>	<u>31/12/2024</u>	<u>31/12/2023</u>
	<u>No.</u>	<u>L.E</u>	<u>L.E</u>
Net Sales	(25)	7,590,545,643	5,231,665,571
Cost of sales	(26)	(4,184,382,863)	(2,896,343,413)
Gross profit		3,406,162,780	2,335,322,158
Marketing expenses	(27)	(915,021,183)	(648,291,681)
Research and development expenses	(28)	(70,460,824)	(43,227,785)
General and Administrative expenses	(29)	(188,492,929)	(147,460,991)
Board of Directors allowances		(1,580,000)	(2,020,000)
Financing expenses	(30)	(960,131,966)	(407,705,200)
Formed from expected credit losses		(330,000,000)	(39,000,000)
Formed from impairment in inventory value		(60,000,000)	(87,000,000)
Formed provisions	(31)	(312,000,000)	(139,000,000)
Total Expenses		(2,837,686,902)	(1,513,705,657)
Add:			
profit of subsidiaries and associates	(33)	151,580,926	74,508,447
Credit interest		72,048,362	26,243,536
		223,629,288	100,751,986
Add/ (Deduct):			
Dividend distribution taxes		(4,468,933)	(4,123,733)
Capital gain		222,246	4,689,492
Differences in foreign currency exchange		699,879,896	139,625,936
Other income		42,631,725	20,695,305
Net profit for the year before taxes		1,530,370,100	1,083,255,484
Income tax		(430,792,372)	(249,772,423)
Deferred tax – Asset (Liabilities)	(35)	18,964,390	4,147,536
Takaful Contribution	(32)	(21,618,514)	(14,324,267)
Profit for the year after tax		1,096,923,604	823,306,330
Distributed as follows:			
Profits of the holding company		1,008,945,944	751,218,307
The share of the holding company from the subsidiary		86,771,135	71,099,408
The share of the holding company from the profits of the subsidiary		1,206,525	988,615
		1,096,923,604	823,306,330

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

Chief financial officer
Mohamed Taha Elswifi



Chairman and Managing Director
Dr. Ahmed Said Mohamed Kilani



EGYPTIAN INTERNATIONAL PHARMACEUTICAL INDUSTRIES - EIPICO
CONSOLIDATED OTHER COMPREHENSIVE INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts expressed in LE)


	<u>31/12/2024</u>	<u>31/12/2023</u>
	<u>L.E</u>	<u>L.E</u>
Profit for the year	1,096,923,604	823,306,330
<u>Comprehensive income of the year</u>		
Differences in foreign currency valuation	--	--
Adjustments on joint venture share	--	--
Total of comprehensive income of the year	<u>1,096,923,604</u>	<u>823,306,330</u>

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

Chief financial officer
Mohamed Taha Elswifi



Chairman and Managing Director
Dr. Ahmed Said Mohamed Kilani



EGYPTIAN INTERNATIONAL PHARMACEUTICAL INDUSTRIES - EIPICO
CONSOLIDATED STATEMENT OF CHANGES IN PARTNERS' EQUITY FOR YEAR ENDED DECEMBER 31, 2024

(Amounts expressed in LE)

<u>Description</u>	<u>Paid -up Capital</u>	<u>Legal Reserve</u>	<u>General Reserve</u>	<u>Capital Reserve</u>	<u>Expansions Reserve</u>	<u>Retained Earning</u>	<u>Total equity of the holding company</u>	<u>Non- controlling rights</u>	<u>Total</u>
	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>
Balance as of January 1, 2023	991,705,000	369,671,007	171,394,890	110,160,435	851,659,000	744,743,691	3,239,334,023	3,052,935	3,242,386,958
Increasing EIPICO's capital	495,852,500	--	--	--	--	--	495,852,500	--	495,852,500
Distributed Dividends	--	--	--	--	--	(670,598,324)	(670,598,324)	(799,960)	(671,398,284)
Retained earnings	--	--	--	--	--	3,727,569	3,727,569	114,462	3,842,031
Adjustments of 2023	--	--	--	(90,000,000)	90,000,000	--	--	--	--
Transferred to reserves	--	32,254,607	--	--	300,000,000	--	332,254,607	38,893	332,293,500
Dividends "EIACO"	--	--	--	--	--	34,520,000	34,520,000	--	34,520,000
Net profit for the year	--	--	--	--	--	822,317,715	822,317,715	988,615	823,306,330
Balance as of 31/12/2023	1,487,557,500	401,925,614	171,394,890	20,160,435	1,241,659,000	934,710,651	4,257,408,090	3,394,945	4,260,803,035
Balance as of 1/1/2024	1,487,557,500	401,925,614	171,394,890	20,160,435	1,241,659,000	934,710,651	4,257,408,090	3,394,945	4,260,803,035
Distributed Dividends	--	--	--	--	--	(934,710,651)	(934,710,651)	(1,103,077)	(935,813,728)
Retained earnings	--	--	--	--	--	113,295,762	113,295,762	351,390	113,647,152
Adjustments of 2024	--	--	(250,000,000)	--	--	--	(250,000,000)	--	(250,000,000)
Transferred to reserves	--	40,135,426	293,951,528	--	--	--	334,086,954	(33,611)	334,053,343
Dividends "EIACO"	--	--	--	--	--	37,972,000	37,972,000	--	37,972,000
Net profit for the year	--	--	--	--	--	1,095,717,079	1,095,717,079	1,206,525	1,096,923,604
Balance as of 31/12/2024	1,487,557,500	442,061,040	215,346,418	20,160,435	1,241,659,000	1,246,984,841	4,653,769,234	3,816,172	4,657,585,406

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

Chief financial officer

Mohamed Taha Elswifi



Chairman and Managing Director

Dr. Ahmed Said Mohamed Kilani



EGYPTIAN INTERNATIONAL PHARMACEUTICAL INDUSTRIES - EIPICO
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts expressed in L.E.)

	<u>31/12/2024</u>	<u>31/12/2023</u>
<u>Cash flows from operating activities:</u>	<u>L.E</u>	<u>L.E</u>
Net profit for the year before tax	1,532,370,100	1,083,255,484
Fixed assets depreciation	96,532,194	102,675,784
Amortization of right of use assets	2,361,230	2,082,510
Formed from expected credit losses	580,000,000	39,000,000
Formed from impairment in inventory value	60,000,000	87,000,000
Formed from Provisions	310,000,000	139,000,000
Used from expected credit losses	--	(2,224,193)
Used from impairment in inventory value	(45,712,692)	(83,019,370)
Used from Provisions	(396,461,227)	(63,233,768)
Amortization of intangible assets	3,918,430	491,451
Credit interest	(69,559,271)	(20,501,196)
Dividends	(126,853,045)	(18,853,419)
Revaluation Investments	(24,727,881)	(55,655,028)
Debit interest	922,950,901	388,524,107
Fixed assets sale's (profit) loss	(222,246)	(4,689,492)
Differences on foreign currency Exchange	(719,490,681)	(222,289,422)
Adjustments to retained earnings	37,972,000	34,520,000
	<u>2,163,077,812</u>	<u>1,406,083,448</u>
Change in account and notes receivables and other debit balances	(1,124,881,150)	(613,396,581)
Change in inventory	(1,359,248,300)	(84,576,937)
Change in suppliers and notes payables and other credit balances	57,315,970	(137,741,615)
Paid Interest	(922,950,901)	(388,524,107)
Paid tax	(87,801,566)	(89,360,456)
Net cash flows from (used in) operating activities	<u>(1,274,488,135)</u>	<u>90,354,492</u>
<u>Cash flows from investment activities:</u>		
	(29,700,000)	(84,000,000)
(Payments) for purchase fixed assets	(2,846,239,746)	(2,290,194,556)
Proceeds from the sale of fixed assets	498,486	5,199,988
Dividends	126,853,045	18,853,419
Credit interest	69,559,271	20,501,196
Net cash flows (used in) investment activities	<u>(2,679,028,944)</u>	<u>(2,329,639,953)</u>
<u>Cash flows from financing activities:</u>		
Payments for leasing contracts	(2,401,691)	(2,129,260)
Capital (treasury shares)	--	495,852,500
Dividends	(434,005,242)	(309,756,566)
Cash Credit bank	2,340,210,193	3,543,490
Cash out loan and change facilities	--	(76,512,181)
Cash in loans	1,949,811,753	2,096,697,659
Cash flows (used in) financing activities	<u>3,853,615,013</u>	<u>2,209,824,906</u>
Net change in cash and cash equivalents during the year	<u>(99,902,065)</u>	<u>(29,460,555)</u>
Cash and cash equivalents at the beginning of the year	<u>675,798,245</u>	<u>482,969,378</u>
Differences on foreign currency Exchange	719,490,681	222,289,422
Cash and cash equivalents at the end of the year	<u>1,295,386,860</u>	<u>675,798,245</u>

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

Chief financial officer
Mohamed Taha Elswifi



Chairman and Managing Director
Dr. Ahmed Said Mohamed Kilani



EGYPTIAN INTERNATIONAL PHARMACEUTICAL INDUSTRIES - EIICO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

1. BACKGROUND ABOUT SUBSIDIARIES COMPANIES

The Egyptian International Company for Ampoules (EIICO)

The company was established in accordance with the provisions of Investment Law No. (8) and its executive regulations for the purpose of manufacturing pharmaceutical ampoules.

2. THE MOST IMPORTANT ACCOUNTING POLICIES

2.1 Basis Of Preparing Consolidated Financial Statements:

The consolidated financial statements of the Egyptian International Pharmaceutical Industries were prepared from the independent financial statements of the Egyptian International Pharmaceutical Industries and its subsidiary company - the Egyptian International Company for Ampoules (EIICO) - and the company's contribution to it was 98.63%, and the rest was 1.37% by other shareholders.

The financial statements are prepared in accordance with Egyptian accounting standards and in accordance with the relevant Egyptian laws and regulations.

The financial statements are prepared using the historical cost basis and in accordance to Going concern assumption.

Accounting Estimates

The preparation of financial statements in accordance with Egyptian accounting standards requires that the best assumptions and estimates made by management be relied upon and what it deems appropriate to develop and apply accounting policies to reflect the economic substance and content of the transactions that are carried out and related to the company's underlying activity (current activity income, asset impairment, deferred taxes, fair value of financial instruments), and therefore those estimates and assumptions made in the light of the best data and information available to management may directly affect revenue values and costs. Related to these estimates and the values of the assets and related obligations in the event that the estimates set at the date of the preparation of the statements differ from the actual reality in the following financial periods, without compromising the extent to which the financial statements express the reality of the company's financial position and cash flows for the current period.

Consolidation Procedure

The consolidated financial statements are prepared by compiling the financial statements of the Egyptian Pharmaceutical Company for Pharmaceutical Industries with the financial statements of the subsidiaries in detail by compiling similar items of assets, liabilities, equity, revenues and expenses in order to present the consolidated financial statements financial information about the group as if it were a single entity and following the following steps when preparing the financial statements bundled:

- The book value of the holding company's investment in each subsidiary company is disposal with the holding company's share of equity in each subsidiary company.
- The rights of the non-controlling interest are determined in the net profit/loss of the subsidiaries.
- The rights of the non-controlling interest in the net assets of the consolidated subsidiaries are determined and presented in the financial statements independent of the equity of the shareholders of the parent company.
- Balances resulting from transactions exchanged between group companies as well as group transactions, including income (sales), expenses and dividends, are completely excluded, and profits or losses resulting from group transactions are completely excluded.
- Consolidated financial statements are prepared using uniform accounting policies for similar transactions and for events in the same circumstances.
- The distribution of the acquisition cost (investment cost) has been proven on the basis of the book cost of the assets and liabilities of the subsidiaries and not the fair value of those assets and liabilities, and what increased the acquisition cost over the parent company's share in the book value of the net assets of the subsidiary was recorded in the company's retained earnings (losses) for Holding company.

2.2 Measurement Currency and Translation of Transactions In Foreign Currencies.

a. Measurement currency

The financial statements are presented in Egyptian pounds, which is the company's measurement currency.

b. Translation of foreign currency transactions

Its group of books adheres to the Egyptian pound and foreign currency transactions during the period on the basis of the exchange rate recorded in the books on the appropriate exchange date and Asset balances and liabilities of a monetary nature in foreign currencies are assessed on the date of preparation of financial statements in accordance with the exchange rates prevailing within the free market for foreign exchange on that date, with the remeasure output included in the profit or loss statement.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Fixed assets and depreciation

Fixed assets are recorded at their historical cost - the cost of acquisition - and the asset shall be depreciated when available for use, i.e., when the asset becomes effectively operational in the manner specified by management.

EGYPTIAN INTERNATIONAL PHARMACEUTICAL INDDUSTRIES - EIPICO
Notes To the Consolidated Financial Statements for The Year Ended December 31, 2024

- The gain or loss resulting from the disposal of fixed assets is recognized in the profit or loss statement.
- The capitalization of expenses depends on the carrying amount of the asset when the asset reaches the location and condition in which it was acquired and capable of operating in the manner intended by the administration.
- Subsequent expenses are added to the book value of the asset or recognized separately - as the case may be - only when the use of this item is likely to bring future economic benefits to the Company, and the acquisition cost of this item can be measured with a high degree of accuracy, and repair and maintenance expenses are charged with the profit or loss statement for the fiscal period during which those expenses were incurred.

The remainder of the productive and expected age of the assets is periodically reviewed and if the remainder of the expected productive life differs substantially from the basic estimate, the netbook value is depreciated on the remaining productive life after adjustment.

In addition to recalculating the depreciation premium after deducting the impairment value of the net asset value over the remaining productive life, the depreciation value should be recalculated if the impairment is refunded as if the impairment had not been calculated before.

Subsequent expenses on asset acquisition

The main components of some fixed assets may need to be replaced at time intervals and these key components are treated as separate fixed assets because their productive life is different from the estimated production age of the underlying asset and therefore if these assets meet the terms of recognition of the asset, the use of this asset is likely to bring future economic benefits to the enterprise and the enterprise can measure the cost of acquiring the asset with a high degree of accuracy.

Expenses that occur to replace or renew asset components can be accounted for when acquired as new assets and the value of replaced or renewed assets is excluded from accounting records and books.

Subsequent expenditure on the acquisition are capitalized only if it is expected that it will result in an outflow of future economic benefit to the company.

Depreciation

The depreciable fixed asset value - which is the cost of the asset minus its residual value, is depreciated according to the straight-line method over the estimated useful life of each type of fixed asset, and the depreciation is charged to the profit or loss statement (land is not depreciated) and the following is a statement of ages Estimated productivity:

<u>Asset Description</u>	<u>Estimated Life in Years</u>
Administration Buildings & Structures	50
Factory Buildings & Structures	50
Production activity machines	15
Service Machines & Utilities	15
Means of Transportation	5
Tools	5
Office Furniture & Equipment	10

The depreciation method, useful lives and residual values of fixed assets are reviewed at the end of each financial period and adjusted if necessary.

The cost of replacing a component of a fixed asset is recognized within the cost of the asset after excluding the cost of that component when the company incurs that cost, if it is probable that future economic benefits will flow to the company as a result of such replacement, provided that its cost can be accurately measured. The future economic benefits of fixed assets, and all other expenses are recognized in the profit or loss statement as an expense when incurred.

3.2 Intangible Assets

They are the assets that the company controls and from which future economic benefits are expected to flow. These assets result from costs incurred to acquire intangible assets in the event that there is a high degree of certainty that the economic benefits will be realized.

The cost of an intangible asset includes its purchase costs or direct and indirect costs related to preparing the intangible asset for use in the purpose for which it was acquired. It has a specific useful life to verify impairment by comparing the recoverable amount to the book value annually, as well as when there is an indication of impairment of the value of the intangible asset, and any increase in the book value over the recoverable value is recognized as an impairment loss in the profit or loss statement.

3.3 Projects under construction:

All costs incurred by the Company in establishing fixed assets in building projects are proven under implementation and when the completion of the asset is completed, it is ready for use for the purpose for which the costs are converted to the fixed asset line.

3.4 Leasing contracts

Egyptian Accounting standard (49) replaces Egyptian Accounting Standard No (20) rules and standards related to financial leasing operations.

Lease Contract Obligations

At the commencement date of the lease , the company measures the lease liability at the present value of the unpaid lease payments on that date using the implicit interest rate in the lease contract , if the rate can be easily determined and other than that by using the interest rate on the company 's additional borrowing and then later the company increases the carrying amount of the obligation to reflect the interest of the lease commitment and the note book is reduced to reflect payments.

Right of use assets

The company recognizes right of use assets on the start date of the lease contract with the initial measurement amount of the lease in addition to the initial direct expenses , the advance payments paid to lessor and the lease incentives received from the lessor (if any) are subtracted and added the costs incurred by the company in dismantling and removing

the assets and returning the site where the assets were kept to it's original condition or return the assets to the required condition in accordance with the terms and conditions of the lease. After the starting date of the lease, the company measures the Right-of-use asset at cost less any cumulative impairment losses and accumulated depreciation, adjusted as a result of any reassessment of the lease obligations. The right of use asset is depreciated from the starting date of the lease contract until the end of the useful life of the asset, if the lease contract transfers the ownership of the underlying asset to the company at the end of the lease term or if the company will exercise the purchase option. Otherwise, the company consumes the right of use asset from the starting date of the lease contract to the end of the useful life of the right of use asset or the end of the lease term, whichever earlier.

The company chose not to apply the requirements of the standard to the short-term lease contracts and to contracts in which the underlying asset has a small value.

The Company as lessee

The Egyptian accounting standard No 49 provides the lessee with an accounting model , where the lessee recognizes the right to use the leased asset within the company's assets also recognizes the liability which presents the present value of the unpaid lease payments within the company's obligations , bearing in mind that the lease contracts for the lessee is not classified as an operating lease contract or financing lease contract and there are optional exemptions for short term lease contracts and lease contracts for low value assets.

3.5 Investments in subsidiaries

Investments are included in companies in which the company owns a significant percentage of the capital shares of those companies, which enable it to achieve control or control through financial and administrative influence or according to the criterion of the share ratio, and the right to vote within investments in subsidiaries, where those investments prove the cost - the cost of acquisition - at the date of issuance of the purchase order, and the cost of those investments is reduced by the value of the non-temporary decrease - if any - load on the profit or loss statement for each investment individually.

3.6 Investments in associate companies

Associate companies are those with which the Group exerts great influence. The big impact is the company's ability to participate in the financial and operational decisions of the company invested in it, but it is not common control or control over these policies.

Investments in associate companies are proven at cost, and in the event of a permanent decrease in the value of those investments, the book value is adjusted for this decrease and uploaded to the profit or loss statement for each investment individually.

The following is a statement of the group's associate companies:

	Contribution Nature	Contribution Percentage
EIPICO Tech Pharmaceutical Company (under liquidation)	Direct	98.6%

The results of the assets and obligations of associate companies are included in these financial statements using the equity method under which the investment in the associate company is recorded at cost in the statement of financial position and the cost is then adjusted so that the company's share in the profit or loss and other comprehensive income of the associate company is recorded. When the company's share in the associate company's losses exceed its ownership (which includes any long-term ownership that forms part of the company's net investment in the associate company), the company ceases to recognize its share of the additional losses and record additional losses only to the extent that the company incurs legal or contractual obligations or makes payments on behalf of the associate company. If the associate company subsequently registers profits, the company registers its share of these profits only when its share of the profits is equal to its share of the recognized losses.

Non-current assets held for sale

Assets held for sale are assets whose book value is expected to be recovered mainly from a sale and not continued to be used, with the probability of selling the asset high through a plan to sell and market the asset, and the non-current assets held for sale are measured on the basis of the book value of those assets and the loading of the profit or loss statement of losses resulting from the impairment of those assets, if any.

3.7 Financial investments at fair value through profit and loss

Investments at fair value through profit or loss are financial assets classified either as assets held for trading purposes and acquired for the purpose of selling in a short period of time, or financial assets that were classified upon initial recognition of fair value through profit or loss, and the initial recognition of those investments at fair value Through profits or losses at fair value, and investments are re-measured at fair value through profits or losses at fair value, and gains and (losses) of fair value differences are recognized in the consolidated-income statement.

3.8 Revenue Recognition

Revenue is measured at the fair value of the consideration received or owed to the company, minus the value of returns, trade discounts, and quantity discounts. The benefits and risks of ownership of the sold goods to the buyer upon receipt of the sold goods.

In the case of export sales, the transfer of risks and benefits to the goods is determined in accordance with the conditions of shipment.

Egyptian Accounting Standard No. 48 "Revenue from contracts with customers"

Egyptian Accounting Standard No. (48) replaces Egyptian Accounting Standard No. (8) "Construction Contracts" and Egyptian Accounting Standard No. (11) "Revenue." The standard shall be applied on or after January 1, 2021, and the new revenue standard introduced a five-step model based on accounting principles regarding the recognition of revenue when control of the goods is transferred to, or services are provided to the customer. These five steps are as follows:

Step 1: Determining the contracts concluded with clients, whether verbally or in writing, or in accordance with normal business practices.

Step 2: Specify the performance obligations in the contract, whether for the goods or services to be transferred.

Step 3: Determining the transaction price and payment terms for the goods or services to be transferred.

Step 4: Allocating the transaction price to the performance obligations.

Step 5: Revenue is recognized when the entity fulfills its performance obligations.

The standard requires entities to exercise an accounting estimate considering all relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the method of accounting for the incremental costs of obtaining a contract and costs directly related to fulfilling a contract.

The company has applied the new accounting policy set out in note (2-2), and there is no significant impact from the application of Egyptian Accounting Standard No. (48) "Revenue from contracts with customers" on the retained earnings on January 1, 2021, and on the method of proving the company's revenues.

3.9 Financial Instruments

The application of Egyptian Accounting Standard No. 47 Financial Instruments as of January 1, 2021, led to changes in accounting policies and resulted in adjustments to the amounts recognized in the financial statements as of December 31, 2020. The balances of profits were influenced by the opening phase on January 1, 2021.

Egyptian Accounting Standard No. 47 defines financial instruments as requirements for verifying and measuring financial assets, financial obligations and certain non-financial contracts except for rights and obligations under lease contracts to which Egyptian Accounting Standard No. 49 "Lease contracts" applies. However, the debtor's lease liabilities recognized by the lessor are subject to the requirements of de-recognition and depreciation in accordance with this standard, which replaces the Egyptian accounting standard no. 29 "financial instruments - recognition and measurement".

Initial recognition

The Company initially recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the financial instruments.

Classification and measurement of financial assets and financial obligations.

Egyptian Accounting Standard 47 Financial Instruments contains three main financial asset classification categories measured by consumable cost, fair value through other comprehensive income and fair value through profits or losses. The classification of financial assets under Egyptian accounting standard No. 47 financial instruments" generally depends on the business model in which the financial asset is managed and its contractual cash flow characteristics.

Egyptian Accounting Standard No. 47 eliminates financial instruments" Egyptian accounting standard No. 29 Financial Instruments - Recognition and Measurement" previously held up to maturity, loans and debits available for sale.

However, Egyptian accounting standard 47 Financial Instruments largely retains the current requirements in The Egyptian Accounting Standard No. 29 Financial Instruments - Recognition and Measurement" for the classification and measurement of financial obligations.

They are classified as follows:

Financial assets at amortized cost

The financial asset is kept within the business model of the financial assets held to collect contractual cash flows. The purpose of the business model is to retain the financial assets to collect the pure contractual flows that are presented in the principal amount of the investment and returns. The sale is an exceptional incidental concern for the purpose of this model and under the conditions set out in the standard of a deterioration in the credit capacity of the financial management source. Lowest sales in terms of cyclicity and value. A clear and reliable documentation process should be carried out for the justifications of each sale and its compatibility with the requirements of the standard.

Financial assets at fair value through comprehensive income

The financial asset is retained within the business model of the financial assets held to collect contractual cash flows and sell, both contractual cash flow collection and sale are integrated to achieve the model objective. Sales are high in cyclicity and value compared to the retained business model to load contractual cash flows.

Financial assets at fair value through profits and losses

The financial asset is retained among other business models that include trading, managing financial assets on a fair value basis, maximizing cash flows by sale. The objective of the business model is not to retain the financial asset, collect contractual cash flows or hold it to collect contractual cash flows and sell, collect contractual cash flows as an incidental event for the model objective.

Business Model Assessment

The Company assesses the business model in which the asset is held at a portfolio level because this best reflects the way the business is run, and information is presented to management. The information considered includes:

The announced policies and objectives of the portfolio and the mechanism of action of those policies in practice, and to find out whether the management strategy is based on earning contractual interest income or a competition for his financial assets, the duration of the financial obligations that finance those assets or the realization of cash flows through the sale of assets.

How to evaluate the performance of the portfolio and submit a report in this regard to the company's management.

The risks that affect the performance of the business model and the financial assets held in that business model and how these risks are managed.

The number of deals, the volume and timing of sales in previous periods, the reasons for these sales and their expectations regarding future sales activity. However, information about sales activity is not considered separately but rather as part of a comprehensive assessment of how the company's stated objective of managing financial assets is being achieved and how cash flows are achieved.

Financial assets that are held for trading or whose performance is evaluated on a fair value basis are measured at FVTPL because they are not held to collect contractual cash flows only and are not held to collect contractual cash flows with the sale of financial assets.

Financial assets held for trading or whose performance is assessed on a fair value basis are measured at fair value by profits and losses because they are not held to collect contractual cash flows only and are not held to collect contractual cash flows with the sale of financial assets.

Impairment of assets

Egyptian Accounting Standard 47 Financial Instruments replaces the incurred loss model in Egyptian Accounting Standard 29 Financial Instruments - Recognition and Measurement with the “Expected Credit Loss (ECL)” model. The new impairment model applies to financial assets measured at amortized cost and customers.

For impaired customer receivables, expected credit losses are estimated as the difference between all contractual cash flows due to the company in accordance with the contract and all cash flows that the company expects to receive, discounted at the original effective interest rate in accordance with the contract entered into.

Expected credit losses in a weighted estimate of credit losses. It is made taking into account the cash flows expected to be received, the probability of default and the loss rate at default (ie the size of the loss if there is a default) taken into account and the relevant assessment is based on historical delay data adjusted by specific customer factors and forward-looking information that includes macroeconomic factors.

The Company determines the ECL based on the number of days of delay, which is determined to be predictive of the risk of loss in accordance with Egyptian Accounting Standard No. 47 Financial Instruments.

The determinants of expected developmental losses result in three scenarios (Probability of Default - Vulnerability to ECL - Loss at Default).

Weighted ECL is calculated at three levels basic - best - worst for all three stages (12 months and lifetime ECL).

Customer indebtedness is written off (either partially or in full) when there is no reasonable expectation of recovery of all or part of the financial asset. This is generally the case when the company determines that the lessee does not have assets or sources of income that could generate sufficient cash flow to pay the amounts subject to the write-off.

This assessment is carried out on an individual level for each client. Recoveries of amounts that were previously written off are included in the “impairment losses of financial instruments” in the statement of profit or loss and other comprehensive income.

The financial assets that have been written off may remain subject to legal procedures in application of the company's procedures to recover the amounts due.

A three-stage approach is applied to measure the expected credit losses from financial assets recorded at amortized cost and debt instruments at fair value through other comprehensive income. The assets move between the following three stages based on the change in credit quality since its first recognition as follows:

Stage one: 12-month expected credit loss.

The first stage includes financial assets on initial recognition that do not have a significant increase in credit risk since initial recognition or that have relatively low credit risk. For these assets, 12-month expected credit losses are recognized, and interest is calculated on the total carrying amount of the assets (without deducting the provision for credit). ECL is the expected credit loss that may result from potential failures within 12 months after the date of the financial statements.

Stage Two: Lifetime Expected Credit Loss - With no credit impairment

The second stage includes financial assets that have a significant increase in credit risk from initial recognition, but there is no objective evidence of impairment. Expected credit losses are recognized over the life of the assets, but interest continues to be calculated on the total book value of the assets. Lifetime expected credit loss The expected credit loss arising from all possible failures over the expected life of the financial instrument.

Stage Three: Lifetime Expected Credit Loss - Credit Impairment

The third stage includes financial assets for which there is objective evidence of impairment at the date of the financial statements. For these assets, expected impairment losses are recognized over life.

Non-Financial Assets

The book values of the company's non-financial assets other than deferred tax assets are reviewed on the date of financial statements to determine whether there is an impairment indicator. Impairment loss is recognized if the book value of the asset or its cash-generating unit exceeds its recovery value. The cash-generating unit is the smallest identifiable set of assets that generate inward cash flows and are largely independent of cash flows from other assets or asset groups. The loss of impairment is recognized in the profit or loss statement. The recovery value of the asset or unit generating cash is its usage value or fair value, minus the sales costs, whichever is larger.

Impairment losses recognized in previous periods of other assets are reviewed in the financial statements 's history. If there are indications of a decrease or absence of loss. The impact of impairment losses is reversed within limits where the book value of the asset does not exceed Its value that would have been determined (after depreciation) if the loss of impairment hasn't been recognized.

The company relies on calculating the decrease in value based on a detailed balance and forecast calculations, which are prepared separately for each cash generating unit of the company where the individual asset is allocated covering the financial statements forecasts usually a period of one to five years, the long-term growth rate is calculated and applied to the future cash flows of the project after the fifth year.

Impairment losses are included in the independent comprehensive income statement among expenses that correspond to the low-value asset function.

De-Recognition of Financial Assets

The company only cancels the recording of financial assets when:

The expiration of contractual rights in the cash flow of the financial asset.

The transfer of contractual rights in receiving cash flows from the financial asset and transfers approximately all risks and rewards of ownership of the high asset or maintaining contractual rights to receive cash flows from the financial asset with a contractual obligation to pay cash flows to one or more recipients and transfer approximately all risks and rewards of ownership of the financial asset.

The transfer of contractual rights to receive cash flows from the financial asset without transferring or meeting approximately all risks and rewards for ownership of the financial asset if it has not retained control of the financial asset. Or maintaining contractual rights to receive cash flows from the financial asset, with a contractual obligation to pay cash flows to one or more recipients without transferring or to maintain approximately all risks and rewards for ownership of the financial asset if they have not maintained control of the financial asset.

When derecognizing the financial asset, the difference between the book value (measured on the date of cancellation)

The corresponding recipient (including any new asset obtained minus any new obligation that has been borne) is recorded in the profit or loss statement.

Financial Obligations

Financial obligations when they're first recorded are classified at fair value through profit or loss and the costs of direct transaction are recorded in the profit, loss and other comprehensive profit or loss statement when incurred. Financial obligations are measured at fair value through profits or losses at fair value and changes including any interest allowance are recorded in profit or loss and other comprehensive income non-derivative financial obligations are measured initially at fair value minus any direct transaction costs subsequent to the initial record of the obligation, which are measured at the cost consumed using the actual interest rate.

Classification And Subsequent Measurement

The Company categorizes all financial obligations as subsequently measured by the cost consumed except financial obligations at fair value through the profit, loss and other comprehensive income statement - financial obligations established when transferring an ineligible financial asset for exclusion or when applying the continuous participation method.

Financial Guarantee Contracts

All financial obligations of the Company are subsequently carried out at the cost consumed using the actual interest rate, the cost consumed is calculated by taking into account any discount or in addition to acquisition, fees or costs that are great parts of the actual interest rate, and the actual interest rate is included as financing costs in case of profit or loss.

De-recognition of financial obligations

The recording of financial obligations is cancelled when contractual obligations are paid, cancelled or expired, and when an existing financial obligation is replaced by another lender on completely different terms, or when the terms of a current obligation are fundamentally adjusted, such replacement or modification is treated as cancellation under the original financial obligation with the recording of the new obligation, the difference between the relevant book value in the statement of profit or loss and other comprehensive income is established.

Clearing financial instruments

Assets and financial obligations are cleared and net positioned on the financial position statement when there is a binding statutory right to settle the fixed amounts and when there is an intention to settle assets with net obligations in order to sell assets and pay off obligations simultaneously.

Managing Risks related to Financial Instruments

The financial tools for balance sheet accounts are cash, debit and credit balances and balances with banks. The following are the most important risks related to these financial tools and the most important procedures that the company follows to reduce the impact of these risks:

A. Credit Risk

Credit risk is the inability of one client to a financial asset to meet its obligations, causing a financial loss to the other client. To reduce this risk, the company distributes the indebtedness to many clients with strong and stable financial positions. The company also obtains, whenever possible, appropriate guarantees to reduce the credit risk to a minimum. Also, bank balances are deposited with financial institutions of good credit standing.

B. Liquidity Risk

The liquidity risk represents factors that could affect the full or partial repayment of the company's commitments when due. The company's approach is to ensure a sufficient level of liquidity is available to meet its liabilities when due.

C. Foreign Currency Risk

Foreign currency risk is the risk of loss resulting from changes in exchange rates. To minimize the effects of such risk, the company considers balancing its foreign currencies positions.

D. Capital Management Risk

The company's policy regarding capital management is to maintain a strong capital base to maintain equity, creditors and market confidence as well as the continued development of the company's activity in the future and to maintain the best structure for total investment.

3.10 Revenues and financing costs

The company's finances and revenues include the following:

- Credit interest (using the effective interest rate).
- Debit Interest (using the effective interest rate).
- Gains or losses from currency differences related to the translation of financial assets and liabilities.

3.11 Expense

All procurement and sales expenses, including general and administrative expenses, are recognized in accordance with the basis of maturity.

3.12 Income Tax

Current tax and deferred tax are recognized as revenue or as an expense in period profits or losses, except in cases where the tax arises from a process or event recognized - in the same period or in a different period - outside profits or losses either in other comprehensive income or within the rights of partners directly or grouping businesses.

Current income taxes

Current taxes are recognized for the current period and previous periods that have not yet been paid as a liability, but if taxes already paid in the current period and previous periods exceed the value due for these periods, this increase is recognized as an asset. Current tax liability values for the current period and previous periods are measured by the expected value of their return from tax administration, using tax rates or applicable tax laws or in the process of being issued at the end of the financial period.

Deferred Income Taxes

Deferred tax is recognized for temporary differences between the accounting basis of assets and liabilities and the tax basis of those assets and liabilities. Deferred tax is recognized for all temporary differences expected to be taxed except for the following:

First recognition of the asset or practical obligation that does not affect net accounting profit or tax profit (tax loss: temporary differences associated with investments in subsidiaries and associate companies and shares in joint ventures to the long term in which the timing of the reversal of those temporary differences can be controlled and it is likely that such differences will not be reversed in the foreseeable future

The tax asset arising from the deportation of tax losses, the right to unused tax deduction and temporary deductible differences is recognized when there is a strong possibility that taxable profits can be made in the future through which the asset can be used. Future tax profit is determined by the company's future business plan. The location of unrecognized deferred tax assets is revalued at the end of each financial period and recognizes previously unrecognized deferred tax assets to the extent to which a tax profit is likely in the future to accommodate the value of the deferred tax asset. Deferred tax is measured using tax rates expected to be applied when temporary differences are achieved using applicable or in the process of issuing tax rates - when measuring deferred tax at the end of the financial period, the tax effects of the company's procedures for recovery or payment of the book value of its assets and obligations are taken into account.

No clearing of tax assets and obligations is made unless certain conditions are met

Deferred tax assets of the facility are recognized when there is a strong possibility that taxable profits can be made in the future through which this asset can be used and the value of deferred tax assets is reduced by the value of the portion from which the expected tax benefit will not be realized in the following years.

3.13 Accounts Receivable, Debtors and other Debt Balances

Account receivable, debtors and other debit balances are recorded in the name value deducting any doubtful amounts which are estimated at the end of the year when not probably collected the full amount, also decreasing customer's value and debtors value when definite the poor debts, and other debit balances recorded in the cost deducting the impairment losses value.

3.14 Reserves

Legal Reserve

According to the company's articles of association, 5% of the net profit is set aside to form a legal reserve. This percentage is stopped to be set aside if this reserve reaches 100% of the paid-up capital, and when the reserve is short, it is necessary to return to the deduction.

Investment projects financing reserve

Formed according to what was stated in the company's articles of association Article (52) Clause (5) and carried forward on the proposal of the Board of Directors to the next year or allocated to the creation of reserve money or money for extraordinary consumption.

General Reserve

It shall be in accordance with Article (52) Clause (5) of the Articles of Association and this reserve is general to provide the company's self-financing to be invested in its various aspects of its activities, which leads to an increase in the company's working capital and the

Capital reserves

It represents the capital reserve and is formed by the value of the profits resulting from the sale of any fixed asset or compensation for it for more than its book value.

Other reserves

The general assembly may, on the proposal of the Board of Directors, create other reserves.

3.15 Creditors and other credit accounts

Creditors and other credit accounts are proven at face value and obligations (receivables) are recognized in future values for goods and services received.

3.16 Borrowing and credit facilities

Borrowing cost borrowing

The initial recognition of the loans and credit facilities obtained by the company at fair value less the cost of the transaction, and these loans and facilities are subsequently measured by the cost consumed, with the profit or loss statement recognized by the difference between cash receipts from loans (less the cost of the transaction) and the value to be repaid on the maturity date over the life of the loan or facilitation using the actual interest method.

Cost of borrowing

The cost of borrowing is recorded as expenses incurred on the year in which the company incurred this cost and the borrowing costs incurred to finance fixed assets during the construction period are capitalized until the asset is economically ready for use.

3.16.1 Start capitalization.

Start capitalization of the cost of borrowing as part of the cost of the qualifying asset to bear the cost of borrowing when:

- The asset is spent.
- The origin incurred a borrowing cost.
- Activities to prepare the asset for use for its specific purposes or sale to third parties are currently being implemented.

3.16.2 Capitalization suspension

You should stop capitalizing the cost of borrowing during periods when effective asset construction is disrupted.

3.16.3 Stop capitalization

The borrowing cost capitalization process must be completed when all the essential activities necessary to prepare the eligible asset are completed to bear the cost of borrowing for use for its specific purposes or to sell it to third parties.

When parts of the assets eligible for borrowing are completed and each part can be used as the construction of the rest of the other parts continues, the borrowing cost capitalization of the finished parts should be discontinued as long as all essential activities necessary to prepare these parts are completed for use for specific purposes or for sale to third parties.

3.17 Impairment of assets:

Financial assets

The book value of company-owned assets - other than inventory and deferred tax assets - is reviewed on budget date to determine whether there are any indications of a decrease in their value and if such indicators exist, studies are prepared to determine the expected recovery value.

If the redemption value of the asset is lower than its book value, the loss of the depreciation of the asset is included as an expense in the profit or loss statement, after deducting any surplus revaluation previously configured for the same asset, and if the asset's recovery value is higher than its book value, the increase value is added to the shareholders' equity, but after deducting the losses of the decrease of the same asset loaded as an allowance that has already been included in the profit or loss statement.

Non-financial assets

The amount of cancellation of asset impairment losses is recognized as income unless the related assets are registered at a revalued value, in which case this cancellation is treated as an increase in the result of the revaluation value.

Transactions with related parties

The relevant parties are partners, directors and senior management of the company, and also represent companies controlled or jointly controlled or influential influence by those relevant parties, and the pricing terms and policies of transactions with the relevant parties are adopted by the Board of Directors and on the same grounds as dealing with third parties.

3.18 Employee benefits

3.18.1 Insurance and pension system

The company has one type of pension system, namely the defined contribution system, in which the company pays its subscription to the General Authority for Social Insurance systems on a mandatory basis, and the company has no other obligations once it has paid its obligations and recognizes the normal contributions as a periodic cost in the year of maturity and is included within the cost of employment.

3.18.2 Employees' share of profits

According to the company's articles of association, a percentage of the net profits of the year is allocated for distribution to the company's employees and workers in accordance with the rules proposed by the company's board of directors and approved by the general assembly. No obligations are recorded for the employees' share of profits before the approval of the general assembly.

3.18.3 End of Service Benefits

The employee's end-of-service gratuity is due upon reaching the age of referral for the legal pension, and it is disbursed in accordance with the end-of-service gratuity regulation approved by the Board of Directors.

3.19 Amended Egyptian Accounting Standards

Minister of Investment Decision No. (110) of 2015 was issued on July 9, 2015 regarding the issuance of the Egyptian Accounting Standards, to be implemented as of January 1, 2016.

3.20 Other comprehensive income statement

Income and expenses items (including re tab adjustments that are not recognized in profits or losses include the "profit or loss statement" as required or permitted by other Egyptian accounting standards.

3.21 Total comprehensive income statement

It's the change in the rights of partners during the year resulting from other transactions and events except changes resulting from transactions with owners as such, and total comprehensive income includes all items of both "profits or losses" and "other.

3.22-Statement Of Cash Flows

The cash flow statement is prepared using the indirect method and includes cash and cash in its judgment on cash balances in the Fund, bank current accounts and short-term deposits.

3.23-Capital

Common stock

Transaction costs directly related to the issue of ordinary shares are accounted for by deducting from equity, income tax associated with transaction costs related to equity is accounted for in accordance with Egyptian Accounting Standard No. (24) "Income Taxes".

3.24 Cash and Cash Equivalents:

For the purpose of preparing the statement of cash flows, cash and cash equivalents comprise cash balances of banks, funds and demand deposits, as well as bank overdraft balances payable on demand, which form an integral part of the Company's money management system.

3.25 Dividends

Dividends are established as obligations in the fiscal year in which these distributions are approved by the General Assembly.

3.26 Earnings per share Profit (losses)

The basic share of profits (losses) is calculated by dividing the net profit or (losses) for the year / period by the weighted average number of shares outstanding during the year / period. The statement is as if this event took place at the beginning of the first financial period to be presented in the submitted financial statements. The employees' share of profits and the share of the board of directors shall be deducted from the net profit of the year. It is sufficient to show the clarification of the share's share of profits in the consolidated financial statements only, in application of paragraph No. (4) According to the Egyptian Accounting Standard No. (22).

EGYPTIAN INTERNATIONAL PHARMACEUTICAL INDDUSTRIES - EIPICO
Notes To the Consolidated Financial Statements for The Year Ended December 31, 2024

4. FIXED ASSETS (NET)

4.1 The balance of fixed assets (net) as of December 31, 2024, is as follows:

<u>Description</u>	<u>Land</u>	<u>Buildings</u>	<u>Machines and equipment</u>	<u>Transportation and vehicles</u>	<u>Tools & equipment's</u>	<u>Furniture</u>	<u>Total</u>
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Cost as of 1/1/2024	83,186,032	542,857,878	1,612,759,758	107,219,727	107,143,908	155,760,612	2,608,927,915
Additions during the year	--	568,440	89,213,113	495,900	44,303,813	42,633,099	177,214,365
Disposals	--	--	(57,282)	(133,990)	(342,014)	(506,791)	(1,040,077)
Costs as of 31/12/2024	83,186,032	543,426,318	1,701,915,589	107,581,637	151,105,707	197,886,920	2,785,102,203
Accumulated Depreciation at 1/1/2024	--	274,759,259	1,085,143,345	92,956,988	82,028,062	110,394,892	1,645,282,546
Depreciation of the year	--	8,242,759	58,483,752	2,615,683	14,211,395	11,993,482	95,547,071
Accumulated Depreciation of disposals	--	--	(57,282)	(57,456)	(342,014)	(501,160)	(957,921)
Accumulated Depreciation at 31/12/2024	--	283,002,018	1,143,569,815	95,515,206	95,897,443	121,887,214	1,739,871,696
Net cost at 31/12/2024	83,186,032	260,424,300	558,345,774	12,066,431	55,208,264	75,999,706	1,045,230,507
Net cost at 31/12/2023	83,186,032	268,098,619	527,616,413	14,262,739	25,115,846	45,365,720	963,645,369

EGYPTIAN INTERNATIONAL PHARMACEUTICAL INDUSTRIES - EPICO
Notes To the Consolidated Financial Statements for The Year Ended December 31, 2024

4.2 The balance of fixed assets (net) as of December 31, 2023, is as follows:

<u>Description</u>	<u>Land</u>	<u>Buildings</u>	<u>Machines and equipment</u>	<u>Transportation and vehicles</u>	<u>Tools & equipment's</u>	<u>Furniture</u>	<u>Total</u>
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Cost as of 1/1/2023	83,186,032	543,843,002	1,542,992,241	105,452,905	97,071,982	146,308,160	2,518,854,322
Additions during the year	--	--	71,870,546	4,387,406	11,085,809	9,752,173	97,095,934
Disposals during the year	--	(985,124)	(2,103,029)	(2,620,584)	(1,013,883)	(299,721)	(7,022,341)
Costs as of 31/12/2023	83,186,032	542,857,878	1,612,759,758	107,219,727	107,143,908	155,760,612	2,608,927,915
Accumulated Depreciation at 1/1/2023	--	266,648,127	1,016,637,536	92,689,690	74,545,357	98,419,505	1,548,940,215
Depreciation of the year	--	9,096,256	70,158,817	2,709,486	8,443,696	12,267,525	102,675,780
Accumulated Depreciation of disposals	--	(985,124)	(1,653,008)	(2,442,188)	(960,991)	(292,138)	(6,333,449)
Accumulated Depreciation at 31/12/2023	--	274,759,259	1,085,143,345	92,956,988	82,028,062	110,394,892	1,645,282,556
Net cost at 31/12/2023	83,186,032	268,098,619	527,616,413	14,262,739	25,115,846	45,365,720	963,645,369
Net cost at 31/12/2022	83,186,032	277,194,875	526,354,705	12,763,215	22,526,625	47,888,655	969,914,107

EGYPTIAN INTERNATIONAL PHARMACEUTICAL INDUSTRIES - EPICO
Notes To the Consolidated Financial Statements for The Year Ended December 31, 2024

5. RIGHT USE OF ASSETS (NET)

	<u>Right of use</u>	<u>Total</u>
	<u>assets</u>	
	<u>L.E.</u>	<u>L.E.</u>
Balance at 1/1/2024	5,974,046	5,974,046
Additions	9,904,984	9,904,984
Total cost of 31/12/2024	15,879,030	15,879,030
Accumulated Depreciation at 1/1/2024	(3,951,292)	(3,951,292)
Amortization during the year	(2,361,231)	(2,361,231)
Total Depreciation at 31/12/2024	(6,312,523)	(6,312,523)
Net cost at 31/12/2024	9,566,507	9,566,507
Net cost at 31/12/2023	2,022,754	2,022,754

6. PROJECTS UNDER CONSTRUCTION

Projects under construction represent what has been spent on them until they are completed, transferred to fixed assets, and their value on 31/12/2024 is L.E 5,693,566,382, as detailed below:

	<u>1/1/2024</u>	<u>Additional</u>	<u>Transferred</u>	<u>31/12/2024</u>
	<u>L.E.</u>	<u>during the</u>	<u>to fixed assets</u>	
		<u>period</u>		<u>L.E.</u>
	<u>L.E.</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E.</u>
Buildings	--	113,685	--	113,685
Machines and equipment	52,671,463	182,302,433	65,943,865	169,030,031
Tools & equipment	25,848,735	19,365,984	34,920,471	10,294,248
Decoration	7,673,548	19,768,204	27,441,751	--
Programs	48,685,886	2,297,460	39,899,115	11,084,231
EIPICO (3)	2,923,332,045	2,579,712,141	--	5,503,044,187
Total	3,058,211,677	2,803,559,907	168,205,202	5,693,566,382

- Capitalized interests on projects under construction amounted to L.E 381,335,878.
- The company capitalized the currency differences related to the foreign currency obligations associated with the purchase and construction of EIPICO Factory (3) in an amount of 1,843,125,627 Egyptian pounds on 31/12/2024.

EGYPTIAN INTERNATIONAL PHARMACEUTICAL INDUSTRIES - EPICO
Notes To the Consolidated Financial Statements for The Year Ended December 31, 2024

7. INTANGIBLE ASSETS (NET):

It arose because of the revaluation of assets and liabilities and the depreciation calculation upon the merger of the Egyptian Company for the Manufacture of Pharmaceutical Packaging into the Egyptian International Pharmaceutical Industries Company (EPICO) according to the evaluation that took place on 30/9/1999. Depreciation for goodwill is calculated on the basis of 5% annually and the depreciation was complete until 30/12/2019.

	<u>Good will</u>	<u>Programs</u>	<u>Total</u>
	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>
Balance at the beginning of the period	370,000,000	4,758,212	374,758,212
Additions during the period	--	33,670,676	33,670,676
Total cost of 31/12/2024	370,000,000	38,428,889	408,428,889
Accumulated amortization at the beginning of the year	(370,000,000)	(2,456,497)	(372,456,497)
Amortization during the period	--	(3,918,431)	(3,918,431)
Total Accumulated amortization at 31/12/2024	(370,000,000)	(6,374,928)	(376,374,928)
Net cost at 31/12/2024	--	32,053,960	32,053,960

8. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES COMPANIES AND NON-CURRENT ASSETS HELD FOR SALE:

8.1 Non-current assets held for sale:

	<u>31/12/2024</u>	<u>31/12/2023</u>
	<u>L.E.</u>	<u>L.E.</u>
EIPICO Tech Pharmaceutical Company (under liquidation)	12,330,000	12,330,000
	12,330,000	12,330,000

EIPICO Tech Pharmaceutical Company (under liquidation)

EIPICO Tech Pharmaceutical Company is a joint stock company established in accordance with Investment Law No. (8) for the year 1997. The purpose is to manufacture human, veterinary and chemical medicines, diagnostic preparations, serums, special foods, pesticides, cosmetics, detergents, and the manufacture of packaging materials for these products. The Egyptian International Pharmaceutical Industries Company (EIPICO) is the main shareholder. In the capital of this company, it contributes 98.6% and the remaining 1.4% is a contribution from some employees of the EIPICO Pharmaceutical Company. These investments are restricted by cost and amount to 12,330 thousand pounds, representing 25% of the capital and have no market value. EIPICO Tech Company has not engaged in any activity until now, and the amount paid to this company (capital) is represented in lands to establish the project and cash in Egyptian pounds in the bank.

The Extraordinary General Assembly of EIPICO Tech met and a decision was taken to liquidate, the liquidator and the auditor for the liquidation were appointed, and measures are being taken by it to liquidate the company.

EIPICO-tech has not engaged in any activity since its establishment until now. The company's assets are entirely in current assets in the form of cash in banks (current / deposits), which covers the equity of the capital, and accordingly, no impairment provision has been formed for this investment.

EGYPTIAN INTERNATIONAL PHARMACEUTICAL INDUSTRIES - EPICO
Notes To the Consolidated Financial Statements for The Year Ended December 31, 2024

8.2 Investments in associates

	<u>31/12/2024</u>	<u>31/12/2023</u>
	<u>L.E</u>	<u>L.E.</u>
Al-Batterjee Factory for Pharmaceuticals and Medical Supplies in Saudi Arabia	105,786,765	72,200,016
Medical Union Pharmaceuticals	329,776,960	394,290,857
Arab company for pharmaceuticals materials	29,700,000	--
	<u>465,263,725</u>	<u>466,490,873</u>

Al-Batterjee Factory for Pharmaceuticals and Medical Supplies:

The contract was signed with the Saudi side, and the percentage of EIPICO's participation is 30% of the capital, equivalent to 35,900,976 Egyptian pounds, and it was paid in full and it has percentage of voting by 30%. The company started its activities as of 2012 in the Kingdom of Saudi Arabia.

Medical union Pharmaceuticals (MUP):

- 4,780,000 shares were purchased and representing 9.77% of the shares of the medical union Pharmaceuticals (MUP) Company until 31/12/2019, with a value of 211,167,305.
- 112,331 shares were purchased from the shares of the of the medical union pharmaceuticals (MUP) Company at a price of 4,942,564 pounds, bringing the total number of shares acquired to 4,892,331 shares, at a rate of 10% Of the company's shares, MUP with a total value of 216,109,869 pounds, until 31/3/2020.
- 1,825,000 shares were purchased from the shares of the of the medical union pharmaceuticals (MUP) Company at a price of 74,825,000 In subtracting an increase in capital to bring the total investment 290,934,869 pounds in order for EIPICO to retain 10% of the shares of the medical union Pharmaceuticals (MUP) Company, fully paid until 31/12/2020.
- 2,000,000 shares were purchased of MUP Company's shares for an amount of 84,000,000 pounds in the capital increase offering, bringing the total investments to 374,934,869 pounds, so that EIPICO will maintain 10% of Al-Mahan Company's shares, fully paid until 30/12/2023

Arab Pharmaceutical Materials Company (Arab API)

- On 18/01/2024, the Arab Company for Pharmaceutical Materials was established subject to the Law of Economic Zones of a Special Nature (83) of 2002. It aims to manufacture active and ineffective raw materials and intermediate materials, and the participation rate of the Egyptian International Pharmaceutical Industries Company (EIPICO) is 30% of the capital.

EGYPTIAN INTERNATIONAL PHARMACEUTICAL INDUSTRIES - EPICO
Notes To the Consolidated Financial Statements for The Year Ended December 31, 2024

9. INVENTORY (NET):

	<u>31/12/2024</u>	<u>31/12/2023</u>
	<u>L.E.</u>	<u>L.E.</u>
Materials	1,542,165,497	730,455,350
Fuels, oils, and engines for operation	3,507,621	458,267
Spare Parts	192,398,108	139,771,683
Packing and warping material	803,116,982	567,270,630
Work in progress	189,925,040	276,870,362
Finished goods	597,653,844	265,395,859
Consignment goods	--	8,189,312
Letters of credit	332,849,795	316,613,899
Total	3,661,616,887	2,305,025,362
<u>Deduct:</u>		
Right-down in inventory value (*)	(76,916,941)	(62,629,632)
Net	3,584,699,946	2,242,395,730

(*) Write-down in inventory value

	<u>Cost at</u> <u>1/1/2024</u>	<u>Formed</u> <u>during</u> <u>period</u>	<u>Used</u> <u>during</u> <u>period</u>	<u>Cost at</u> <u>31/12/2024</u>
	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>
write-down in inventory value	62,629,632	60,000,000	45,712,692	76,916,940
	<u>62,629,632</u>	<u>60,000,000</u>	<u>45,712,692</u>	<u>76,916,940</u>

10. ACCOUNTS AND NOTES RECIEVABLE (NET):

	<u>31/12/2024</u>	<u>31/12/2023</u>
	<u>L.E.</u>	<u>L.E.</u>
Local customer	354,460,553	405,620,755
Export customer	1,684,709,701	875,801,448
Notes Receivable	1,718,105,872	1,204,434,164
Total	3,757,276,126	2,485,856,367
Expected credit losses (Accounts receivable) (*)	(708,000,895)	(128,000,895)
Net	3,049,275,231	2,357,855,472

(*) Expected credit losses (Accounts receivable)

	<u>Cost at</u> <u>1/1/2024</u>	<u>Formed</u> <u>during</u> <u>period</u>	<u>Used</u> <u>during</u> <u>period</u>	<u>Cost at</u> <u>31/12/2024</u>
	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>
Expected credit losses	128,000,895	580,000,000	--	708,000,895
	<u>128,000,895</u>	<u>580,000,000</u>	<u>--</u>	<u>708,000,895</u>

EGYPTIAN INTERNATIONAL PHARMACEUTICAL INDUSTRIES - EPICO
Notes To the Consolidated Financial Statements for The Year Ended December 31, 2024

11. DEBTORS AND OTHER DEBIT BALANCES:

	<u>31/12/2024</u>	<u>31/12/2023</u>
	<u>L.E.</u>	<u>L.E.</u>
Insurance with others	8,207,569	8,511,035
Advance payments (Taxes – insurance)	93,811,649	117,640,496
Advance payment suppliers	9,847,162	34,245,642
Compensation from insurance companies	--	670,107
Gas settlement	1,102,025	6,589,259
Other debit balances	72,615,948	30,074,490
Total	<u>185,584,353</u>	<u>197,731,029</u>

12. CASH AND CASH EQUIVALENT

	<u>31/12/2024</u>	<u>31/12/2023</u>
	<u>L.E.</u>	<u>L.E.</u>
Cash in hand	3,174,560	9,953,342
Bank – Local currency	55,484,040	94,197,738
Bank – Foreign currency	171,968,419	26,697,765
Bank deposits – Local currency	25,980,789	1,947,300
Bank deposits– Foreign currency	1,038,774,259	536,895,303
Bank Masr day by day account	4,793	6,106,797
Total	<u>1,295,386,860</u>	<u>675,798,245</u>

13. CAPITAL:

- The authorized capital of the company is 850 million pounds (eight hundred and fifty million Egyptian pounds) The issued and subscribed capital amounts to an amount 793,364,000 pounds Paid in full and worth 79,336,400 shares. The nominal value of the shares is 10 pounds.
- In accordance with the decision of the company’s general assembly held on 27/3/ 2010, it was approved to increase the capital from 721,240,000 to 793,364,000 With an increase of 72,124,000 pounds, financed from the profits distributed to shareholders by 10% From the issued and paid-up capital before the increase to finance the company’s expansions and investments with the amendment of Articles 6 and 7 of the company’s articles of association.
- The capital increase was entered in the commercial register on 24/6/2010.
- According to the decision of the Extraordinary General Assembly held on 30/4/2018, the authorized capital was increased from 850 million to 1500 million pounds. And approving the increase in the issued capital from 793,364,000 pounds to 991,705,000 pounds Where it was approved to increase the issued capital in the ordinary assembly on 30/4/2018, after the extraordinary general assembly enjoyed the distribution of a free share for every four original shares to be financed from the investment projects financing reserve, and the decision of the increase was approved on 1/2019.
- The capital increase was entered in the commercial register on 1/2019.
- In accordance with the decision of the company’s general assembly held on 1/4/2023, it was approved to increase the capital from 991,705,000 to 1,487,557,500 With an increase

EGYPTIAN INTERNATIONAL PHARMACEUTICAL INDUSTRIES - EPICO
Notes To the Consolidated Financial Statements for The Year Ended December 31, 2024

of 495,852,500 pounds, financed from the cash payment from shareholders by 50% From the issued and paid-up capital before the increase to finance the company's expansions and investments with the amendment of Articles 6 and 7 of the company's articles of association.

<u>Shareholders</u>	<u>Shares</u>	<u>Percentage</u>
	<u>No.</u>	<u>%</u>
Arab Company for Pharmaceutical Industries and Medical Appliances	74,387,504	50.01%
Medical Union investments	6,207,758	4.50%
Union of Medical Syndicate	5,203,485	3.50%
Other shareholders	62,957,003	41.99%
Total	148,755,750	100%

14. RESERVES

	<u>31/12/2023</u>	<u>Additional (Deductions)</u>	<u>31/12/2024</u>
	<u>L.E</u>	<u>L.E.</u>	<u>L.E</u>
Legal Reserves	401,925,614	40,135,426	442,061,040
General Reserves	171,394,890	43,951,528	215,346,418
Capital Reserves	20,160,435	--	20,160,435
Reserve for financing investment projects & expansions	1,241,659,000	--	1,241,659,000
Total	1,835,139,939	84,086,954	1,919,226,893

15. RETAINED EARNINGS

	<u>31/12/2024</u>	<u>31/12/2023</u>
	<u>L.E</u>	<u>L.E</u>
The balance at 31/12/2023	77,872,936	74,145,367
Retained Earnings from dividends	35,422,826	3,727,569
The balance at 31/12/2024	113,295,762	77,872,936

16. THE NET PROFIT FOR THE YEAR

	<u>31/12/2024</u>	<u>31/12/2023</u>
	<u>L.E</u>	<u>L.E</u>
The net profit for the year before dividends	1,095,717,079	822,317,715
Total	1,095,717,079	822,317,715

EGYPTIAN INTERNATIONAL PHARMACEUTICAL INDUSTRIES - EPICO
Notes To the Consolidated Financial Statements for The Year Ended December 31, 2024

17. LONG TERM LOANS

	<u>31/12/2024</u>	<u>31/12/2023</u>
	<u>L.E</u>	<u>L.E</u>
QNB Al Ahli Bank – dollar	3,051,188,274	2,002,447,740
NBK – Local currency	148,089,320	102,321,467
NBK – Euro	267,129,780	160,020,502
NBK – Dollar	31,522,722	21,302,885
Banque du Caire – local currency	317,486,089	--
Banque du Caire – Dollar	517,345,539	314,657,384
Abu Dhabi Islamic Bank – local currency	449,366,852	231,566,844
Total	<u>4,782,128,576</u>	<u>2,832,316,822</u>

- Loan to finance projects under construction.
- Terms: for a period of seven years (two years of grace – five years of payment)
- Guarantees: No guarantees and with the guarantee of saving vessels.

18. LEASE LIABILITY

	<u>Balance as of</u>	<u>Added</u>	<u>Paid</u>	<u>Interest</u>	<u>Balance as of</u>
	<u>31/12/2024</u>	<u>L.E</u>	<u>L.E.</u>	<u>L.E.</u>	<u>31/12/2024</u>
	<u>L.E.</u>	<u>L.E</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>
Long Term Lease Liability	134,716	10,571,793	--	--	10,706,509
Short Term Lease Liability	2,190,480	512,398	(2,401,691)	1,699,277	301,187
Total	<u>2,325,196</u>	<u>11,084,191</u>	<u>(2,401,691)</u>	<u>1,699,277</u>	<u>11,007,696</u>

Classified into:

Long Term Lease Liability	10,706,509
Short Term Lease Liability	301,187

19. DEFERRED TAX LIABILITIES

	<u>31/12/2024</u>	<u>31/12/2023</u>
	<u>L.E</u>	<u>L.E.</u>
Deferred tax liabilities	50,661,339	61,459,808
Deferred tax liabilities (End of service provision)	(14,832,761)	(6,666,840)
The balance of deferred tax liabilities	<u>35,828,578</u>	<u>54,792,968</u>

20. PROVISIONS

	<u>31/12/2023</u>	<u>Transaction</u>	<u>31/12/2024</u>	
	<u>L.E</u>	<u>during the period</u>	<u>L.E</u>	
	<u>L.E</u>	<u>Add</u>	<u>Used</u>	
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	
Disputed public taxes provisions	136,726,308	180,000,000	66,648,103	250,078,205
Claims Provisions	24,802,891	50,000,000	36,106,109	38,696,782
End of Services provision	29,630,400	82,000,000	43,707,017	67,923,383
Total	<u>191,159,599</u>	<u>312,000,000</u>	<u>146,461,229</u>	<u>356,698,370</u>

EGYPTIAN INTERNATIONAL PHARMACEUTICAL INDUSTRIES - EPICO
Notes To the Consolidated Financial Statements for The Year Ended December 31, 2024

*****Formed Provision on 31/12/2024**

	<u>31/12/2024</u>	<u>31/12/2023</u>
	<u>L.E</u>	<u>L.E</u>
Disputed public taxes provisions	180,000,000	75,000,000
Claims Provisions	50,000,000	29,000,000
End of Services provision	82,000,000	35,000,000
Total	<u>312,000,000</u>	<u>139,000,000</u>

* The provision for goods and the provision for the impairment of customer balances are deducted from their respective accounts on the assets side of the statement of financial position and are not recorded within the provisions included on the liabilities side of the statement of financial position.

21. CREDIT BANKS (FACILITIES)

	<u>31/12/2024</u>	<u>31/12/2023</u>
	<u>L.E</u>	<u>L.E</u>
Banque du Caire. Al-Azhar	599,795,709	294,617,330
QNB Al Ahli	546,296,275	62,328,485
Emirates National Bank of Dubai	508,801,986	144,342,866
Ahli United Bank	1,281,926,913	606,680,996
National bank of Kuwait	115,529,141	195,917,744
Suez Canal Bank	271,881,532	186,088,222
Abu Dhabi Islamic Bank	324,151,336	132,834,660
Al Baraka Bank Egypt	216,346,771	118,292,849
Egyptian Gulf Bank	458,695,086	152,580,046
QNB Al Ahli-dollar	83,471,842	151,648,252
Total	<u>4,406,896,591</u>	<u>2,045,331,450</u>

- Terms and Guarantees: at an interest rate of 8% and without guarantees.

22. SUPPLIERS AND NOTES PAYABLES

	<u>31/12/2024</u>	<u>31/12/2023</u>
	<u>L.E</u>	<u>L.E</u>
Local suppliers	183,444,725	80,618,881
Foreign suppliers	198,352,323	57,801,632
Notes Payables	28,594,571	37,933,378
Total	<u>410,391,619</u>	<u>176,353,891</u>

EGYPTIAN INTERNATIONAL PHARMACEUTICAL INDUSTRIES - EPICO
Notes To the Consolidated Financial Statements for The Year Ended December 31, 2024

23. CREDITORS AND OTHER CREDIT BALANCES

	<u>31/12/2024</u>	<u>31/12/2023</u>
	<u>L.E</u>	<u>L.E</u>
Other creditors (insurance to others – social insurance)	37,563,346	31,143,166
Other creditors (tax authority)	24,780,245	25,899,650
Other creditors	8,351,848	11,597,022
Other credit balances	131,235,195	116,698,122
Accrued and Specialized current expenses	69,749,557	31,022,914
Advanced payment receivables-local	74,071,786	33,896
Total	345,751,977	216,394,770
Takaful Contribution – social insurance	21,669,204	14,280,614
	367,421,181	230,675,384

24. ACCRUED INCOME TAX

	<u>31/12/2024</u>	<u>31/12/2023</u>
	<u>L.E</u>	<u>L.E</u>
Accrued Income Tax	344,846,967	184,979,290
Total	344,846,967	184,979,290

25. NET SALES

	<u>31/12/2024</u>	<u>Percentage</u>	<u>31/12/2023</u>	<u>Percentage</u>
	<u>L.E.</u>	<u>%</u>	<u>L.E.</u>	<u>%</u>
Direct local sales	1,756,966,065	23.26%	1,166,383,441	22.36%
Local sales "distributors"	2,674,363,238	35.40%	2,041,790,013	39.14%
(-) Incentives for local distributors	(10,824,144)	(0.14%)	(58,610,644)	(1.12%)
Local sales	634,048,710	8.39%	475,015,846	9.11%
Export	2,587,241,752	34.25%	1,630,849,275	31.26%
(-) Export distributors incentives	(87,085,807)	(1.15%)	(38,842,250)	(0.74%)
Total net sales	7,554,709,814	100%	5,216,585,681	100%
Other operating income	35,835,829		15,079,890	
Total sales revenue	7,590,545,643		5,231,665,571	

EGYPTIAN INTERNATIONAL PHARMACEUTICAL INDUSTRIES - EPICO
Notes To the Consolidated Financial Statements for The Year Ended December 31, 2024

26. COST OF SALES:

	<u>31/12/2024</u>	<u>31/12/2023</u>
Salaries & Wages	351,062,384	271,593,454
Benefits " Treatment Expenses - Nutrition for workers expenses"	50,124,683	38,794,495
Social Insurance	35,882,357	32,797,748
Commodity supplies "Materials"	2,360,742,957	1,460,691,093
Commodity requirements "Packing and Packaging"	1,109,268,987	893,431,340
Commodity requirements " Spare Parts and Equipment"	177,358,264	76,399,158
Commodity supplies "Purchased for Sale"	74,100	840,966
Commodity requirements "fuel, oils, electricity, water and lighting"	154,356,727	101,532,231
Commodity supplies "writing and office tools"	5,568,045	5,013,035
Service requirements "Maintenance Exp."	42,407,154	14,907,275
Service requirements "operations for others exp"	3,085,091	2,667,130
Service supplies "Experimental and research services"	6,133,651	2,693,309
Service requirements "transportation, transfers and travel allowance"	4,314,207	5,996,476
Service necessities "renting transportation"	2,117,477	1,576,799
Service necessities "Insurance expenses"	3,910,304	8,392,352
Service necessities "Daily workers"	17,990,144	7,878,217
Service requirements "other"	18,245,588	10,100,462
Taxes and duties	245,679	73,677
Depreciation	81,971,257	85,813,596
Actual Rent	--	28,460
(-) Sold production waste	--	(20,275,915)
Production cost	<u>4,424,859,056</u>	<u>3,000,945,358</u>
Change in inventory of finished and semi-finished cost	<u>(240,476,193)</u>	<u>(104,601,945)</u>
Cost of Sales	<u>4,184,382,863</u>	<u>2,896,343,413</u>

27. MARKETING EXPENSES:

	<u>31/12/2024</u>	<u>31/12/2023</u>
Salaries & Wages	305,328,223	247,534,568
Benefits " Treatment Expenses - Nutrition for workers expenses"	19,469,149	15,018,939
Social Insurance	33,615,115	30,626,070
Commodity supplies "marketing activities tasks"	25,209,991	9,025,569
Commodity supplies "packing and packaging materials"	2,000,300	2,359,714
Commodity requirements "fuel, oils, electricity and water"	22,125,091	16,265,684
Commodity supplies "writing and office tools"	2,046,205	1,906,204
Service requirements "Maintenance Expense"	5,356,330	5,899,007
Service supplies "seminars and conferences - marketing activities"	163,162,203	90,555,278
Service supplies "contribution to scientific offices"	9,046,744	7,619,116
Service requirements "transportation, transfers and travel allowance"	74,789,427	54,847,710
Service necessities "rental of vehicles"	494,751	324,647
Royalties	15,402,348	11,786,017
Shipping expenses	112,199,986	60,552,671
Selling insurance expenses	7,748,131	4,225,770
Insurance expenses "export"	--	5,526,705
Free samples	5,278,279	5,280,640
Other services	38,486,735	44,444,368
Merchandise taxes and duties	61,778,777	23,860,876
Depreciation of fixed assets	8,698,599	10,125,052
Actual rents	829,130	507,076
Compensation and fines	1,955,669	--
Total	<u>915,021,183</u>	<u>648,291,681</u>

EGYPTIAN INTERNATIONAL PHARMACEUTICAL INDUSTRIES - EPICO
Notes To the Consolidated Financial Statements for The Year Ended December 31, 2024

28. RESEARCH & DEVELOPMENT EXPENSES:

	<u>31/12/2024</u>	<u>31/12/2023</u>
Salaries & Wages	24,363,958	18,151,169
Benefits " Treatment Expenses - Nutrition for workers expenses"	1,637,080	1,234,096
Social Insurance	2,135,773	1,562,975
Commodity supplies "used materials"	13,514,065	6,274,423
Service requirements "Maintenance Expense"	609,794	906,657
Service requirements "transportation, transfers and travel allowance"	568,984	543,319
Service necessities "rental of means of transport"	69,450	37,813
Service supplies "experiments and research"	22,618,955	10,761,718
Other services	2,189,805	1,702,190
Merchandise taxes and duties	8,495	1,525
Depreciation of fixed assets	2,743,050	2,051,184
Actual rents	1,415	716
Total	<u>70,460,824</u>	<u>43,227,785</u>

29. GERNERAL & ADMINSTRATIVE EXPENSES:

	<u>31/12/2024</u>	<u>31/12/2023</u>
Salaries & Wages	108,024,790	92,970,263
Benefits " Treatment Expenses - Nutrition for workers expenses"	13,442,797	10,260,270
Social Insurance	8,888,433	8,039,777
Commodity supplies "used materials"	10,796,641	6,748,586
Service requirements "Maintenance Expense"	8,781,988	1,216,593
Service requirements "transportation, transfers and travel allowance"	3,539,073	3,857,007
Service necessities "rental of vehicles"	495,160	363,751
Allowance for "technical - review - legal" committees	510,000	720,000
Other services	25,059,004	13,670,942
Merchandise taxes and duties	57,132	61,642
Depreciation of fixed assets	5,688,245	3,248,173
Actual rent	9,967	35,849
Donations	3,193,299	6,227,448
Property taxes	6,400	40,693
Total	<u>188,492,929</u>	<u>147,460,991</u>

30. FINANCING EXPENSES:

	<u>31/12/2024</u>	<u>31/12/2023</u>
Debit Interest "credit facilities"	928,544,389	388,524,107
Commission and bank charges	31,587,577	17,398,449
Check cutting fees	--	1,782,644
Total	<u>960,131,966</u>	<u>407,705,200</u>

31. FORMED OF PROVISIONS

	<u>31/12/2024</u>	<u>31/12/2023</u>
	<u>L.E</u>	<u>L.E</u>
Provision of taxes	180,000,000	75,000,000
Provision claims	50,000,000	29,000,000
End of Services provision	82,000,000	35,000,000
Total	<u>312,000,000</u>	<u>139,000,000</u>

EGYPTIAN INTERNATIONAL PHARMACEUTICAL INDUSTRIES - EPICO
Notes To the Consolidated Financial Statements for The Year Ended December 31, 2024

32. TAKAFUL CONTRIBUTION – SOCIAL INSURANCE:

	<u>31/12/2024</u>	<u>31/12/2023</u>
	<u>L.E</u>	<u>L.E</u>
Takaful Contribution	21,618,514	14,324,267
Total	<u>21,618,514</u>	<u>14,324,267</u>

33. Profit from ASSOCIATES COMPANIES:

	<u>31/12/2024</u>	<u>31/12/2023</u>
	<u>L.E</u>	<u>L.E</u>
“Re-evaluation of the Batterjee Company in KSA” Standard No. 18	69,885,788	36,299,040
“Re-evaluation of the medical union Company” Standard No. 18	(45,157,907)	19,355,988
Saudi Batterjee Company	120,135,714	12,136,088
The medical union company	6,717,331	6,717,331
Total	<u>151,580,926</u>	<u>74,508,447</u>

34. DEFERRED TAX (TAX BURDEN):

Deferred tax liability: This burden represents the value of the tax due on temporary differences calculated in accordance with Egyptian Accounting Standard No. (24) and in accordance with the provisions of Tax Law No. 91 of 2005 and whose payment is deferred for subsequent periods.

35. TAX POSITION

The taxes owed by the company for the activity of the year are calculated in accordance with the applicable laws and instructions in this regard, and the necessary provision for tax obligations is formed after conducting the study considering the tax claims. The company pays the taxes due on it annually from the reality of tax returns.

a) First: - Corporate Tax

From the beginning of the activity until 2013

- The company was examined for those years and an internal committee was formed to settle the disputes and settle the tax differences.

The years from 2014 – 2015

- The company was examined for those years, and an objection was made to the examination, referral to the internal committee, settlement of disputes, and payment of tax differences in 2022.

From 1/1/2016 to 31/12/2019

- The company was inspected for this period, and 20 million L.E. were paid under account of tax differences, and the rest will be paid during the next period.

From 1/1/2020 to 31/12/2022

- The company is obligated to submit tax returns to the Senior Taxpayers Center in accordance with the forms prepared by the Tax Authority in accordance with the provisions of the law. The company has not been examined for those years to date, bearing in mind that the last tax decision was submitted in April 2024 for the year 2023.

b) Second: - Salary Tax

From the beginning of the activity until 31/12/2012

- The company was examined, internal committees were made, and all due differences were paid according to the decision of the internal committee.

From 1/1/2013 to 31/12/2019

- The company was examined for this period and the due differences were paid.

The period from 1/1/2020 to 31/12/2023

- The company deducts the taxes due on all employees in accordance with the law and delivers them on time. The company has not been examined for this period to date till now.

c) Third: - Stamp tax

From the beginning of the activity until 31/12/2021

- The company was examined, internal committees were made, the differences were paid and the file was settled.

Years from 1/1/2022 to 31/12/2023

- The company has not been examined for this period.

d) Fourth- VAT

Years till 31/12/2015

- The company was examined for those years and all due differences were paid.

Years from 1/1/2016 to 31/12/2020

- The company was examined for those years and all due differences were paid.

Years from 1/1/2020 till 31/12/2022

- The company pays the monthly returns on a regular basis, and the company has not been examined for that period to date, knowing that the company was registered according to the value-added law on legal dates.

Years from 1/1/2023 to 31/12/2023

- The company was examined for those years and all due differences were paid.

e) Fifth: -Withholding Tax

The company deducts the taxes due from all its dealers and pays them according to the tax card of each financier until September 31, 2024, to the Tax Authority of the Withholding Tax. The company was examined until the end of 2016 and all the due differences were settled, and payments were made until September 30, 2024, the period between 2017-2018 was examined and the due tax differences were paid.

f) Sixth: -Real Estate Tax

The company was claimed with real estate tax, EIPCO 1 and EPICO 2, for the period from July 1, 2013, to December 31, 2020, and it was objected to, and the company paid the tax until the year 2021 until the dispute is completed with reservations, as the company is exempt from real estate tax at April 24, 2024.

36. EFFECTS OF CENTRAL BANK DECISIONS

- On March 6, 2024, and in continuation of the policy of monetary restriction followed by the Central Bank, the Monetary Policy Committee decided in its extraordinary meeting to increase the overnight deposit and lending rates and the Central Bank's main operation rate by 27.75%, respectively. The credit rate was also raised by 28%. 25%, by 600 basis

EGYPTIAN INTERNATIONAL PHARMACEUTICAL INDUSTRIES - EPICO
Notes To the Consolidated Financial Statements for The Year Ended December 31, 2024

points, to reach 27.25%, and the discount, by 600 basis points, to reach 27.75%. The company is studying the impact on subsequent financial statements.

- On March 6, 2024, the Central Bank agreed to continue its hedging efforts towards a flexible framework for targeting inflation by adjusting interest rates for deposit, borrowing, and discount, as well as allowing the exchange rate to be determined according to market mechanisms, which has important future financial implications on the company's financial position, future business results, and property rights.

37. COMPARATIVE FIGURES

The comparative figures have been revised to be in line with the current presentation of the financial statements.