EGYPTIAN INTERNATIONAL PHARMACEUTICALS INDUSTRIES COMPANY (SAE)

FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2022
WITH LIMITED REVIEW REPORT

INDEX

mazars

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Translation of Limited review Report
Originally Issued in Arabic

LIMITED REVIEW REPORT

To the Board of Directors of:
Egyptian International Pharmaceutical Industries Co. – EIPICO "S.A.E"

Report on the Financial Statements

We have audited the accompanying financial statements of **Egyptian International Pharmaceutical Industries Co. – EIPICO "S.A.E"** as of June 30, 2021 and the related statements of income, comprehensive income, changes in equity and cash flows for the six months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of Limited Review

We conducted our limited review in accordance with the Egyptian Accounting Standards on review engagements No. (2410), "Limited Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A limited review of interim financial Statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the company, and applying analytical and other limited review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Egyptian on Standards Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these condensed Interim Financial Statements.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly in all material respects the financial position of the company as at June 30, 2021, and of its financial performance and its cash flows for the six months then ended in accordance with Egyptian Accounting Standards No. (30) for independent periodic financial statements.

Explanatory note

The company canceled using the option to display currency differences resulting from the liberalization of the exchange rate, which was implemented on March 31, 2022 and contained in paragraph (9) of Appendix (B) Egyptian Accounting Standard No. (13) as amended 2015 "The Effects of Changes in Foreign Exchange Rates and Return To the original treatment mentioned in the standard, which resulted in the transfer of currency differences from other comprehensive income in the amount of 53 065 540 Egyptian pounds and presented within the items of the income statement on June 30, 2022.

Cairo: August 9, 2022

Auditor

Dr. Ahmed Shawki

MAZARS MOSTAFA SHAWKI

Translation of Financial Statements
Originally issued in Arabic

EGYPTIAN INTERNATIONAL PHARMACEUTICALS INDUSTRIES COMPANY
"S.A.E"
FINANCIAL POSITION AS OFJUNE 30, 2022
(AMOUNTS EXPRESSED IN L.E.)

	Notes No.	30/6/2022 L.E	31/12/2021 L.E
Non-Current Assets			
Fixed Assets (net)	(4)	864 301 407	886 984 475
Right Of Use Assets (net)	(5)	2 738 310	--
Projects Under Construction	(6)	555 782 749	443 770 255
Intangible Assets (net)	(7)	943 473	--
Investments in subsidiaries and related companies	(8)	408 205 845	408 205 845
Total Non-Current Assets		**1 831 971 784**	**1 738 960 575**
Current Assets			
Inventory (net)	(9)	1 930 417 001	1 734 559 799
Account and Notes Receivables (net)	(10)	1 266 836 665	1 184 552 445
Debtors and other debit balances	(11)	291 113 002	225 143 980
Due from related parties	(12)	24 854 400	--
Cash and cash equivalents	(13)	475 436 506	279 431 213
Total Current Assets		**3 988 657 574**	**3 423 687 437**
Total Assets		**5 820 629 358**	**5 162 648 012**
Equity			
Capital	(14)	991 705 000	991 705 000
Reserves	(15)	1 409 896 921	1 355 701 023
Retained earnings	(16)	72 555 385	5 544 976
Net profit for the period /year	(17)	297 593 335	483 917 960
Total Equity		**2 771 750 641**	**2 836 868 959**
Non-Current Liabilities			
Long term loans	(18)	345 541 166	279 638 056
Long term facilities	(19)	154 317 402	249 427 444
The non-current portion of the lease liability	(20)	1 065 885	--
Deferred Tax	(21)	71 389 937	71 844 662
Total Non-Current Liabilities		**572 314 390**	**600 910 162**
Current Liabilities			
Provisions	(22)	90 751 933	69 735 974
Credit Banks (Facilities)	(23)	1 750 588 513	1 219 165 622
Suppliers and notes payables	(24)	145 183 885	119 965 001
The current portion of the lease liability	(20)	1 967 017	--
Dividends	(25)	149 573 107	--
Creditors and other credit balances	(26)	112 386 293	167 185 032
Due to related parties	(27)	40 814 161	38 199 893
Accrued income tax	(28)	185 299 418	110 617 369
Total Current Liabilities		**2 476 564 327**	**1 724 868 891**
Total Liabilities		**3 048 878 717**	**2 325 779 053**
Total Liabilities and Equity		**5 820 629 358**	**5 162 648 012**

- Limited review report attached.
- The accompanying notes are an integral part of the financial statements.

Chairman and Managing Director
Dr/ Ahmed Saeed Mohamed Killani

A. Killani

Financial Manager
Acc/ Mohamed Hassan Ibrahim

Translation of Financial Statements
Originally issued in Arabic

EGYPTIAN INTERNATIONAL PHARMACEUTICALS INDUSTRIES COMPANY
"S.A.E"
STATEMENT OF INCOME FOR THE OERIOD ENDED JUNE 30, 2022
(AMOUNTS EXPRESSED IN L.E.)

	Notes. No.	30/6/2022 L.E	30/6/2021 L.E
Net Revenues	(29)	1 690 961 702	1 507 595 923
Cost of sales	(30)	(954 449 349)	(865 953 646)
Gross Profit		**736 512 353**	**641 642 277**
Marketing expenses	(31)	(264 768 767)	(211 867 781)
Research and Development expenses	(32)	(22 600 923)	(14 072 408)
General and administrative expenses	(33)	(55 990 535)	(38 231 620)
Board of Directors allowances		(800 000)	(660 000)
Finance expenses	(34)	(83 316 590)	(86 036 090)
Provisions	(35)	(62 000 000)	(32 000 000)
Total Expenses		**(489 476 815)**	**(382 867 899)**
Profits of subsidiaries and related companies	(37)	40 126 120	43 365 383
Credit interest		8 489 486	15 171 550
		295 651 144	**317 311 311**
Add / (deduct):			
Capital gain		507 904	818 524
Foreign currency gain or losses	(38)	81 618 707	(2 487 688)
Other Revenues		2 107 885	33 839
Net profit for the period before tax		**379 885 640**	**315 675 986**
Income Tax	(21)	(78 274 880)	(62 661 424)
Deferred Tax	(21)	454 725	(4 094 486)
Takaful contribution	(36)	(4 472 150)	(3 929 125)
Net profit for the period after tax		**297 593 335**	**244 990 951**
Earnings per Share for the period		**3**	**2.51**

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

Chairman and Managing Director
Dr/ Ahmed Saeed Mohamed Killani

a. Kelani

Financial Manager
Acc/ Mohamed Hassan Ibrahim

Translation of Financial Statements
Originally issued in Arabic

EGYPTIAN INTERNATIONAL PHARMACEUTICALS INDUSTRIES COMPANY
"S.A.E"
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED JUNE 30, 2022
(AMOUNTS EXPRESSED IN L.E.)

	30/6/2022 L.E	30/6/2021 L.E
Net profit for the period	297 593 335	244 990 951
Other Comprehensive Income for the period		
Foreign Currency	--	--
Adjust for joint ventures shares	--	--
Total Other Comprehensive Income for the period	--	--
Total Comprehensive Income for the period	**297 593 335**	244 990 951

- The accompanying notes are an integral part of the financial statements

Chairman and Managing Director
Dr/ Ahmed Saeed Mohamed Killani

A. Kilani

Financial Manager
Acc/ Mohamed Hassan Ibrahim

EGYPTIAN INTERNATIONAL PHARMACEUTICALS INDUSTRIES COMPANY "S.A.E"
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED JUNE 30, 2022
(AMOUNTS EXPRESSED IN L.E.)

Description	Paid -up Capital	Capital "Treasury Shares"	Legal Reserve	General Reserve	Capital Reserve	Expansions Reserve	Retained Earning	Total
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.
Balance as of January 1, 2021	**991 705 000**	**(89 863 280)**	**325 545 340**	**200 783 613**	**20 160 435**	**911 659 000**	**5 544 976**	**2 365 535 084**
Adjustments 2021	--	89 863 280	--	--	--	--	--	**89 863 280**
Net profit of 2021	--	--	--	--	--	--	483 917 960	**483 917 960**
Used of Reserves	--	--	--	(102 447 365)	--	--	--	**(102 447 365)**
Balance as of December 31, 2021	**991 705 000**	--	**325 545 340**	**98 336 248**	**20 160 435**	**911 659 000**	**489 462 936**	**2 836 868 959**
Balance as of January 1, 2022	**991 705 000**	--	**325 545 340**	**98 336 248**	**20 160 435**	**911 659 000**	**489 462 936**	**2 836 868 959**
Adjustments of 2022	--	--	--	--	--	--	(9 318 338)	**(9 318 338)**
Net profit of 2022	--	--	--	--	--	--	297 593 335	297 593 335
Transferred from reserves	--	--	24 195 898	--	--	30 000 000	(54 195 898)	--
Dividends	--	--	--	--	--	--	(353 393 315)	**(353 393 315)**
Balance as of June 30, 2022	**991 705 000**	--	**349 741 238**	**98 336 248**	**20 160 435**	**941 659 000**	**370 148 719**	**2 771 750 641**

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

Chairman and Managing Director
Dr/ Ahmed Saeed Mohamed Killani

Financial Manager
Acc/ Mohamed Hassan Ibrahim

EGYPTIAN INTERNATIONAL PHARMACEUTICALS INDUSTRIES COMPANY
"S.A.E."
STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED JUNE 30, 2022
(AMOUNTS EXPRESSED IN L.E.)

	30/6/2022	30/6/2021
Cash flows from operating activities		
Net profit for the period	379 885 640	315 675 986
Adjustments to:		
Other Comprehensive income	--	--
Depreciation of assets	45 594 267	64 878 229
Amortization right of use assets	965 642	--
Provisions	29 498 077	7 234 530
Amortization of intangible Assets	49 656	--
Credit interest	(8 489 486)	(15 171 550)
Dividends and revaluation investments	(40 126 120)	(43 365 383)
Debit interest	66 512 325	67 364 167
Capital (gain)	(507 904)	(818 524)
Differences on foreign currency valuation	(81 618 707)	2 487 688
Payments on unusual items	(2 107 885)	(33 839)
Operating profit before changes in assets and liabilities	**389 655 505**	**398 251 304**
Change in Accounts Receivables and notes receivable and other debit balances	(163 434 303)	(319 087 444)
Change in inventory	(197 003 956)	(26 277 528)
Change in Suppliers and notes payable and creditors and other credit balances	(35 030 569)	(108 390 218)
Proceeds (Payments) unusual items	2 107 885	33 839
Lease liability contracts	(1 097 042)	--
Paid Interest	(66 512 325)	(67 364 167)
Adjustments on Retained Earnings (taxes)	(25 901 049)	(29 528 854)
Net cash flows (used in) operating activities	**(97 215 854)**	**(152 363 068)**
Cash flows from investing activities		
Re-evaluation financial investments	--	--
Payments for the purchase of fixed assets	(135 965 417)	(101 619 603)
Proceeds from the sale of fixed assets	556 500	818 524
Dividends	40 126 120	43 365 383
Collection interest	8 489 486	15 171 550
Net cash flows (used in) investing activities	**(86 793 311)**	**(42 264 146)**
Cash flows from financing activities		
Increase in capital	--	67 561 715
Dividends	(203 820 208)	(338 652 835)
Cash in Banks (long term loans)	531 422 891	--
Cash in Banks (long- and short-term facilities)	(95 110 042)	32 830 104
Long term loans	65 903 110	--
Net cash flows provided from (used in) financing activities	**298 395 751**	**(238 261 016)**
Net change in cash and cash equivalents	**114 386 586**	**(432 888 230)**
Cash and cash equivalents at the beginning of the period	279 431 213	628 907 406
Differences on foreign currency on cash and cash equivalents	81 618 707	(2 487 688)
Cash and cash equivalents at the end of the period	**475 436 506**	**193 531 488**

The accompanying notes are an integral part of the financial statements.

Chairman and Managing Director
Dr/ Ahmed Saeed Mohamed Killani

Financial Manager
Acc/ Mohamed Hassan Ibrahim

1- BACKGROUND

1.1 Legal Entity and Governing Laws

The Egyptian International Company for Pharmaceutical Industries (EIPICO) is an Egyptian joint stock company December 18, 1980 under the Law of Investment of Arab and Foreign Money and Free Zones promulgated by Law No. 43 of 1974 amended by Law No. 32 of 1977, the company manufactures medicines, medical and veterinary preparations and distributes its production inside and outside the Arab Republic of Egypt.

1.2 Purpose of the Company

The company is engaged in the manufacture of medicines, medical preparations, cosmetics, chemicals, veterinary preparations, manufacture of feed additives, concentrates and pesticides, registration and manufacture of nutritional supplements, medicinal plants, special foods, manufacture of empty glass ampoules, manufacture of packaging and pharmaceutical supplies From plastic, distributing, trading and exporting the company’s products, manufacturing to others and to third parties, and transporting hazardous wastes.

1.3 Duration of the company

The term of the company is 25 years from the date of registration in the commercial register, i.e., starting from December 3, 1980 to December 2, 2005, and on April 18, 2006, the company’s term was renewed to become from December 18, 2005 to December 17, 2030.

1.4 The company’s Location

First Industrial Zone B1, 10th of Ramadan City.

1.5 Egyptian Stock Exchange

The Securities Listing Committee of the Cairo and Alexandria Stock Exchanges approved the listing of the company's shares on September 27, 1995.

1.6 Financial Year

The Company’s financial year starts on January 1 until December 31.

1.7 Approval of the Financial Statements

The company's financial statements for the period ended on June 30, 2022 were approved by the company's Board of Directors held on 9 August 2022.

2- BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 The Financial Statement have been prepared in accordance with the Egyptian Accounting Standards amendments according to the decree issued by investment minister number 110 on 2015 outgoing in 9th July 2015 and amendment by investment minister decision number 69 for 2019 and outgoing in 7th April 2019 and relevant Egyptian laws and regulations that applied over the year except if mentioned unlike that and preparation the financial statement is responsibility of Management of the company.

2.2 The financial statements are prepared using the historical cost basis and in according to Going concern assumption, except for the following assets and liabilities which are measured using their fair value.

- The financial assets and liabilities are recorded using their fair value through profit and loss
- The financial assets and liabilities are recorded using their fair value through Other comprehensive income.
- Derivative financial instruments.
- The fair value of financial assets and liabilities are determined traded in an active market is determined on the basis of the financial statements, In absence of an active market to determine the fair value of the assets and liabilities is estimated using various valuation techniques taking into consideration the prices of the transactions occurred recently fair value or similar tools – discounted cash flow method or any other evolution to get resulting values that can rely on.

2.3 The preparation of financial statements in conformity with Egyptian Accounting Standards requires management to make judgments, estimates, and assumptions that may affect the reported amounts of assets and liabilities and disclosure of assets, liabilities, income and expenses. Although, these estimates are made based on management’s experience and best knowledge of current event and actions, actual results ultimately may differ from those estimates.

3- SIGNIFICANT ACCOUNTING POLICIES

3.1 A summary of the significant accounting policies are as follows:

3.1.1 Currency Display and Measurement

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

3.1.2 Accounting Estimates

The preparation of the financial statements according to the Egyptian Accounting Standards requires, in some cases, reliance on assumptions and estimates developed by the management as deemed appropriate, including the development and application of accounting policies to reflect the economic substance and the nature of the transactions related to the main activity of the company (revenue of activity, Impairment, Deferred

Tax, Fair value of financial statement) Accordingly, these estimates and assumptions are assessed based on best data and information available to the management, which may directly affect the revenues and the costs associated with those estimates, the values of the assets and related obligations. However, such estimations and assumptions applied for the current period may differ compared to the actual facts in the following periods nevertheless this will not affect the true value of the financial statements and the cash flow for the current period.

3.1.3 Changes in Accounting policies

Changes in Accounting principles, basis, rules , and practices that the firm apply when it prepare the financial statement and that when transfer from acceptable accounting policy to another acceptable accounting policy , in frame of Egyptian Accounting Standards, the volunteer application for new policy has the positive effect over expression of results of applying this policy on the essence of transaction and operations of the company and consequence of effects of financial position and results of business and approve effects that changes in policies retrospective and approve these effects in retained earning including in equity.(if any)

3.2 Foreign Currency Transaction

3.2.1 Transactions and Reporting Currency

Transactions in the books are recorded in the currency of the economic environment in which the enterprise conducts its main activities, which is the Egyptian pound. Transactions in foreign currencies are also recorded in the books by translating these transactions into the Egyptian pound according to the exchange rates in effect on the date of recording those transactions.

3.2.2 Transactions and Balances

The balances of assets and liabilities of monetary nature in foreign currencies on the date of preparing the financial statements are evaluated according to the prevailing exchange rates in the free foreign exchange market on that date, provided that the result of re-measurement is included in the income statement.

3.3 Fixed Assets & Depreciation

Items of fixed assets are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of fixed assets have different useful lives, they are accounted for as separate items (major components) of fixed assets.

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized of profit or loss statement.

- **Subsequent expenses for acquisition**

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The cost of day-to-day servicing and maintenance of the fixed assets is recognized in profit or loss as incurred.

- **Depreciation**

Depreciation of fixed assets are recognized in profit or loss on a straight-line basis over the estimated useful life of each type of asset.

The estimated useful lives for each type of fixed assets for the purpose of calculating the depreciation for the current and comparative period are as follows:

Assets item	Estimate useful life (Year)
Administration Buildings, Constructions	50
Factory Buildings, Constructions	50
Production Machinery	15
Service Machinery & Facilities	15
Vehicles	5
Tools & Equipment	5
Furniture and office 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 because 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 income statement as an expense when incurred.

3.4 Intangible Assets

They are the assets which the company controls and expects the flow of future economic benefits from those assets. Those assets result from incurred costs to acquire intangible assets in case there is a high degree of certainty of the economic benefits.

The intangible asset cost includes the cost of acquisition or the direct and the indirect cost related to the preparation of the intangible asset for its use. The cost charged to the intangible asset is ceased when the asset is in the condition required to operate. Intangible asset which has no identifiable useful life is tested for impairment by comparing the recoverable value of such asset to its book value annually and if there are any indications of impairment in the book value of such asset, when the recoverable value is less than the book value of the asset, that decline in the value is charged to the statement of income.

3.5 <u>Projects under construction</u>

Projects under construction include all expenditures directly attributable to acquire fixed assets to a working condition for its intended use. They are transferred to fixed assets when completed and ready for intended use.

3.6 <u>Leasing contracts</u>

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

<u>Leasing liabilities</u>

At the lease date, the Company recognizes lease liabilities that are measured at the present value of the lease payments to be paid over the lease term on that date using the interest rate implicit in the lease if that rate can be easily determined. To reflect the interest on the lease commitment and the carrying amount is reduced to reflect the lease payments.

<u>Right of use assets</u>

The company recognizes right of use assets at the start date of the lease contract with the initial measurement amount of the lease commitment in addition to the initial direct expenses, advance payments paid to the lessor, and the lease incentives received from the lessor (if any) are subtracted and the costs incurred by the company in dismantling and removing the assets and returning the site on which there is the assets return to the original condition or return the assets themselves to the required condition in accordance with the terms and conditions of the lease contract.

After the beginning of the lease date, the company measures the “right of use” asset at cost less any amortization depreciation and any accumulated impairment losses, adjusted for any re-measurement of the lease liability.

Right-of-use assets are amortized from the date of the start 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 amortizes the right of use assets from the date of the start 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 is earlier.

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

<u>The company as a lessee:</u>

Egyptian Accounting Standard No. (49) “Leasing Contracts” provides one accounting model for the lessee, where the lessee recognizes the right to use the leased asset within the company’s assets and recognizes the obligation, which represents the present value of the unpaid lease payments within the company’s obligations, bearing in mind that contracts are classified as the lease for the lessee is an operating lease or a finance lease. There are optional exemptions for short-term lease contracts and lease contracts for low-value assets.

3.7 Inventory

Inventory is stated at cost or net realizable value, whichever is lower. The net realizable value is the estimated selling price in the normal business, minus the estimated cost of completing the item in addition to the selling expenses required by the sale process.

The cost of inventory is the cost of purchase in addition to the costs associated with bringing the inventory to its location and in the condition in which it is usable. The cost of inventory is determined according to the following:

- Raw materials, spare parts, materials, and miscellaneous supplies at cost on a first-in-first-out basis (FIFO) method.
- Production in progress at the actual cost until the operating stage, which the production reached during the inventory counting, or the net realizable value, whichever is lower.
- Complete production at industrial cost, and indirect industrial expenses are charged based on the actual operating hour.

3.8 Provisions

Provisions are recognized when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and the liability can be reliably estimated.

Provision for post-retirement is calculated based on two months for each working year of service based on the last salary of the employee.

3.9 Investment Available for Sale

Available-for-sale investments are non-derivative financial assets that are classified as available-for-sale on acquisition and are not classified as loans and receivables, held to maturity investments or at fair value through profit or loss.

The initial recognition of these investments is carried out at cost (the cost of acquisition or purchase), provided that the investments available for sale are re-measured at fair value with the recognition of unrealized gains or losses directly in equity, until the financial asset is removed from the books, at which point the accumulated profits or (losses) are recognized recorded in equity in the statement of profit and loss, or determined to carry out the process of impairment, in which case the cumulative losses recorded in equity are recognized in the statement of profit and loss.

If it is not possible to determine or measure the fair value of the investments available for sale in a reliable manner, then those investments are measured at cost in the absence of sufficient information to determine the fair value, and the cost is the best estimate of the fair value in this case.

3.10 Investment in subsidiaries companies

Investments in subsidiaries companies are included in the company which owns a significant percentage of the capital shares of those companies, which enables it to achieve control or control through financial and administrative influence or according to the shareholding ratio criterion, and the right to vote are included within the investments in subsidiaries, where these investments are proven at cost - cost Acquisition - on the date of issuing the purchase order, and the cost of these investments is reduced by the value of the non-temporary decrease - if any - as a charge to the income statement for each investment separately.

3.11 Investment in related companies

Related companies are the companies which exercises significant influence. Significant influence is the company's ability to participate in the financial and operating decisions of the investee, but it is not control or joint control over these policies.

Investments in related companies are recorded at cost, and in the event of a permanent decrease in the value of these investments, the book value of this decrease is adjusted and charged to the income statement for each investment separately.

The assets and liabilities of the related companies are included in these financial statements by using the equity method, according to 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 related company is recorded. When the company's share of the associate's losses exceeds its ownership (which includes any long-term ownership that in substance constitutes part of the company's net investment in the associate), the company stops recognizing its share of additional losses and records the additional losses only to the extent that the company incurs legal, contractual, or other obligations She made payments on behalf of the related company. If, in a later period, the related company records profits, the company records its share of these profits only when its share of profits equals its share of recognized losses.

3.12 Non-Current Assets held for Sale

Assets held for sale are those assets whose book value is expected to be recovered principally from a sale transaction and not from continued use, provided that the possibility of selling the asset is high through a plan to sell and market the asset. Non-current assets held for sale are measured at the basis of the book value of those assets and the charge to the income statement of losses resulting from the impairment of the value of those assets - if any.

3.13 Investment At Fair Value Through Profit or Loss

Investments at fair value through profit or loss are financial assets classified as assets held for trading, acquired primarily for the purpose of sale within a short period of time or financial assets classified upon initial recognition at fair value through profit or loss.

Those investments are initially recognized at fair value including direct cost to acquire.

Investments at fair value through profit or loss are re-measured at fair value, valuation differences arising from changes in fair value are recognized in the statement of income - standalone.

3.14 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.

3.15 Financial Instruments

The application of the Egyptian Accounting Standard No. 47 Financial Instruments with effect from January 1, 2021 led to changes in accounting policies and resulted in adjustments to the amounts recognized in the financial statements as on December 31, 2020.

Egyptian Accounting Standard No. 47 Financial Instruments sets out requirements for the recognition and measurement of financial assets, financial liabilities and some contracts for the purchase or sale of non-financial items, except for rights and obligations under lease contracts to which Egyptian Accounting Standard No. 49 “Lease Contracts” applies. However, lease receivables recognized by the lessor are subject to derecognition and impairment requirements under this standard, which replaces IAS 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 liabilities.

The Egyptian Accounting Standard No. 47 Financial Instruments contains three main classification categories for financial assets measured at amortized cost, fair value through other comprehensive income and fair value through profit or loss. 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 “Financial Instruments” eliminates the previous Egyptian Accounting Standard No. 29 “Financial Instruments - Recognition and Measurement” fragments held to maturity and available-for-sale loans and receivables.

However, Egyptian Accounting Standard No. 47 “Financial Instruments” largely retains the existing requirements in Egyptian Accounting Standard No. 29 “Financial Instruments - Recognition and Measurement” for the classification and measurement of financial liabilities.

They are classified as follows:

- **Financial assets at amortized cost**

  The financial asset is held within a business model of financial assets held to collect contractual cash flows. The objective of the business model is to hold financial assets in order to collect the contractual cash flows represented in the principal amount of the investment and the returns. The sale is an exceptional accidental perjury in relation to the objective of this model and to the conditions contained in the criterion represented in the presence of a deterioration in the credit capacity of the financial management source.

  Fewer sales in terms of periodicity and value. There should be a clear and approved documentation process for the justifications for each sale and its compliance with the requirements of the standard.

- **Financial assets at fair value through other comprehensive income**

  The financial asset is held within the business model for the financial assets held to collect contractual cash flows and the sale, both the collection of contractual cash flows and the sale are complementary to achieve the objective of the model. High sales in terms of periodicity and value compared to a business model held to hold contractual cash flows

- **Financial assets at fair value through profit and loss**
  The financial asset is held within other business models that include trading, managing financial assets on a fair value basis, maximizing cash flows by selling. The objective of the business model is not to hold the financial asset to collect contractual cash flows or it is held to collect contractual cash flows and to sell, collection of contractual cash flows is a contingent event relative to the objective of the model

Business Model Evaluation

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.

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). 11-month 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 the life.

Non-financial assets

The carrying amounts of the company's non-financial assets other than deferred tax assets are reviewed at each balance sheet date to determine whether there is any indication of impairment.

An impairment loss is recognized if the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generate cash inflows that are independent of cash inflows from other assets or groups of assets. Impairment losses are recognized in the income statement.

The recoverable amount of an asset or a cash-generating unit is its value in use or its fair value less costs to sell, whichever is greater.

Impairment losses recognized in prior periods for other assets are reviewed at the balance sheet date. If there are indications of low or no loss. The effect of impairment losses is reversed to the extent that the carrying amount of the asset does not exceed its value that would have been determined (after deducting depreciation) had the impairment loss not been recognized.

In calculating the impairment, the company relies on a detailed budget and forecast calculations, which are prepared separately for each cash-generating unit of the company where the individual asset is allocated. The forecast budget usually covers a period of one to five years. The long-term growth rate is calculated and applied to the cash flows. Future cash for the project after the fifth year.

Impairment losses are recognized in the separate statement of comprehensive income within the expense lines consistent with the impairment function of the asset.

Derecognition of financial assets

The company derecognizes a financial asset only when:

The contractual rights to the cash flows from the financial asset have expired.

Transfer of the contractual rights to receive cash flows from the financial asset and transfer all the risks and rewards of ownership of the higher asset or maintaining the contractual rights to receive cash flows from the financial asset while assuming a contractual obligation to pay the cash flows to one or more Muslims and transferring nearly all of the risks and rewards of ownership of the financial asset.

Transfer of the contractual rights to receive cash flows from the financial asset without transferring or transferring nearly all of the risks and rewards of ownership of the financial asset if it has not retained control of the financial asset or maintaining the contractual rights to receive cash flows from the financial asset, while assuming a contractual obligation to pay the cash flows to one or more recipients without transferring and not retaining nearly all of the risks and rewards of ownership of the financial asset if you did not retain control of the financial asset.

When derecognizing a financial asset in its entirety, the difference between the book value (measured at the date of derecognition)

The consideration received (including any new asset acquired less any new liability incurred) is recognized in the income statement.

Financial liabilities

Financial liabilities are classified upon initial recognition at fair value through profit or loss and direct transaction costs are recognized in the statement of profit or loss and other comprehensive income when incurred. Financial liabilities are measured at fair value through profit or loss at fair value and changes, including any interest expense, and are recognized in profit or loss and other comprehensive income.

Non-derivative financial liabilities are initially measured at fair value less any direct transaction costs after initial recognition These liabilities are measured at amortized cost using the effective interest rate

Classification and subsequent measurement

The company classifies all financial liabilities as measured later in the following manner, except for financial liabilities at fair value through the statement of profit or loss and other comprehensive income - financial liabilities that arise when transferring a financial asset that does not qualify for disposal or when applying the continuous participation method.

Financial Guarantee Contracts

All financial obligations of the company are subsequently conducted at the amortized cost using the effective interest rate. The amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the girl's money. The simple interest rate is included as a financing cost in the wind or loss.

Derecognition of financial liabilities

Financial liabilities are canceled when contractual obligations are paid, canceled or expired, and when an existing financial obligation is replaced by another from the same lender on completely different terms, or when the terms of an existing obligation are substantially modified, such replacement or modification is treated as derecognition of the original financial obligation With the recognition of the new obligation, the difference between the related book value is recognized in the statement of profit or loss and other comprehensive income.

Financial Instruments Clearing

Financial assets and liabilities and net worth are offset in the statement of financial position when there is a legal right.

Obligated to settle the recognized amounts and when there is an intention to settle the assets with the liabilities on a net basis to sell the assets and pay off the liabilities simultaneously.

Managing Risks related to Financial Instruments

The financial tools for budget 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.

3.16 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.

3.17 Expenses

All expenses, purchases, and sales, including general and administrative expenses, are recognized on an accrual basis.

3.18 Income Tax

Income tax on profits or losses for the year includes both the tax for the year and the deferred tax, and it is recognized in the profit or loss statement, except for the income tax related to the items of equity, which is recognized directly in equity. The current tax is the expected tax on the taxable profit for the year using the rates The tax in effect at the date of the financial statements.

Current Income Taxes

Current taxes for the current period and previous periods that have not yet been paid are recognized as a liability, but if the taxes that have already been paid in the current and previous periods exceed the value due for these periods, this increase is recognized as an asset. The values of current tax liabilities (assets) for the current period and prior periods are measured at the value expected to be paid to (recovered from the tax administration, using tax rates or applicable tax laws or due to be issued at the end date of the financial period. Dividends are subject to tax as part of the current tax. No. The tax assets and liabilities are offset only when certain conditions are met.

3.19 Deferred Income Tax

Deferred tax is recognized for temporary differences between the accounting base of assets and liabilities and the tax base for those assets and liabilities. Deferred tax is recognized for all temporary differences that are expected to be taxable, except for the following:
Initial recognition of an asset or liability A transaction that affects neither the net accounting profit nor the taxable profit (tax loss: temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures to the extent that the timing of reversal of those temporary differences can be controlled and is likely to be such) These differences will not be reversed in the foreseeable future
The tax asset arising from the carry forward of tax losses and the right to unused tax credits and deductible temporary differences is recognized when there is a strong possibility that it will be possible to achieve future taxable profits from which the asset can be used. The future tax profit is determined by the company's future business plan. The location of unrecognized deferred tax assets is reassessed at the end of each financial period, and deferred tax assets that were not previously recognized are recognized to the extent that it is likely that there will be tax profit in the future that allows absorbing the value of the deferred tax asset. Deferred tax is measured using the tax rates expected to be applied when temporary differences are realized, using the tax rates that are in force or that are about to be issued.
Tax assets and liabilities are not offset only when certain conditions are met
Deferred tax assets are recognized for the facility when there is a strong possibility of achieving taxable profits in the future through which this asset can be used.

3.20 Customers and Debtors and Other Debit Balances

Customers are recognized with the amount of billing that is issued for them and less the value of amounts expected to be un-collectable when it is impossible to collect the whole amount. Customers, debtors, and other debit are deducted by the estimated irrecoverable amounts.

3.21 Reserves

3.21.1 Legal Reserves

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.

3.21.2 Investment Projects Financing Reserves

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.

3.21.3 General Reserves

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 strengthening of the financial position.

3.21.4 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.

3.21.5 Other Reserves

The General Assembly may, upon the proposal of the Board of Directors, create other reserves.

3.22 Suppliers, Creditors and Other Credit Balances

Creditors and other credit balances are recorded at nominal value while liabilities (accruals) are recognized with the amounts paid in the future against goods or services delivered.

3.23 Cost of Borrowing

Borrowing and credit facilities

The loans and credit facilities obtained by the company are initially recognized at fair value, minus the transaction cost. These loans and facilities are subsequently measured at amortized cost, provided that the income statement is recognized as the difference between cash receipts from loans (minus the transaction cost) and the value required to be repaid on the due date. Over the life of the loan or facility using the effective interest method.

Borrowing Cost

The cost of borrowing is recorded as an expense for 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 ready for economic use.

3.23.1 Start Capitalization

Capitalization of the borrowing cost as part of the cost of the qualifying asset begins when:

- The expenditure is made on the original.
- The origin incurred the cost of borrowing.

- The activities necessary to prepare the asset for use in the purposes specified for it or as a sale to third parties are currently being implemented.

3.23.2 <u>Capitalization Suspension</u>

Capitalization of borrowing costs should be discontinued during periods when the effective construction of the asset is disrupted.

3.23.3 <u>Stop Capitalization</u>

- The capitalization of the borrowing cost must be completed when all the substantial activities necessary to prepare the qualifying asset to bear the borrowing cost have been completed for its intended use or sale to a third party.
- When the construction of parts of an asset that qualifies to bear the cost of the borrowing has been completed and each part of these parts can be used while the construction of the remaining parts continues, capitalization of the borrowing cost on the completed parts shall be discontinued as long as all substantial activities necessary to prepare these parts have been completed for use for the specified purposes or for sale to others.

3.24 <u>Impairment Of Assets</u>

3.24.1 Financial Assets

- The book value of the assets owned by the company - other than inventory and deferred tax assets - is reviewed on the balance sheet date to determine if there are any indications of a decline in their value and if such indicators exist, studies are prepared to determine the expected recoverable value.
- If the recoverable value of the asset is less than its book value, the impairment losses in the asset value are recorded as an expense in the income statement, after deducting any revaluation surplus previously created for the same asset. After deducting the losses for the decrease in the same asset charged as an expense, which was previously included in the income statement.

3.24.2 Non-Financial Assets

- The impairment loss for an asset should only be recognized as income in the income statement unless the related assets are recorded at a revalued value of those related assets, in which case this cancellation is treated as an increase in the result of the revaluation value of those related assets.

<u>Related Parties Transactions</u>

Related parties transactions comprise of direct and indirect relation between the company and its affiliates or subsidiaries that have common interest, in addition to the relation between the company and the main members of top management or employees who have strong influence on decision making. The related parties' transactions comprise of all transactions, operations, services, and current accounts maintained with the related parties. These transactions are conducted according to the same basis as applied with other parties.

3.25 Employee benefits

3.25.1 Contribution in the social insurance

The company has one type of pension system, which is the defined contributions system, in which the company pays its contribution to the systems of the General Organization for Social Insurance on a mandatory basis. The company does not have any other obligations once it has paid its obligations. Ordinary contributions are recognized as a periodic cost in the year of their entitlement and included in the labor cost.

3.25.2 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.

3.25.3 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.

3.26 Revised 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.

3.27 Other Comprehensive Income

Includes items of income and expense (including reclassification adjustments that are not recognized in profit or loss in the "income statement" as required or permitted by other Egyptian accounting standards.

3.28 Total Comprehensive Income

It is the change in equity during the year resulting from transactions and other events except for changes resulting from transactions with owners in their capacity. Total comprehensive income includes all items of "profit or loss" and "other comprehensive income".

3.29 Statement of Cash Flows

The statement of cash flows is prepared in an indirect way, classified on each of the operating, investing, and financing activities. The tabulation by activity provides information that allows users of the financial statements to estimate the impact of those activities on the financial position of the facility and its cash balances and the like. This information can also be used to evaluate the relationships between those activities.

3.30 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”.

3.31 Cash and Cash Equivalents

Cash and cash equivalent includes all cash on hand and at banks, as well as short term investments which can be converted into cash in less than three months.

3.32 Dividends

The profits of the company that are decided to be distributed are recorded as liabilities in the financial period in which the distribution decision was announced after it was approved by the company’s ordinary general assembly.

3.33 Earnings (losses) per share

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 list is as if this event had taken 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).

4- FIXED ASSETS (NET)

Description	Lands	Buildings	Machines and equipment	Transportation	Tools and equipment	Furniture and office equipment	Total
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.
Cost as of 1 January 2022	81 059 818	507 819 533	1 356 496 433	95 593 416	89 249 858	129 160 373	**2 259 379 431**
Additions during the period	--	--	6 332 150	9 254 126	3 453 167	3 920 352	**22 959 795**
Disposal during the period	--	--	(522 621)	(65 313)	(252 028)	(554 798)	**(1 394 760)**
Cost as of 30 June 2022	**81 059 818**	**507 819 533**	**1 362 305 962**	**104 782 229**	**92 450 997**	**132 525 927**	**2 280 944 465**
Accumulated depreciation as of 1 January 2022	--	234 589 375	895 739 273	91 049 233	66 971 741	84 045 334	**1 372 394 956**
Depreciation for the period	--	3 648 544	30 338 468	1 370 093	3 947 189	6 289 973	**45 594 267**
Accumulated depreciation of Disposal		--	(474 025)	(65 313)	(252 028)	(554 798)	**(1 346 164)**
Accumulated depreciation as of 30 June 2022	--	238 237 919	925 603 716	92 354 013	70 666 902	89 780 509	**1 416 643 059**
Net cost as of 30 June 2022	**81 059 818**	**269 581 614**	**436 702 246**	**12 428 216**	**21 784 095**	**42 745 418**	**864 301 407**
Net cost as of 31 December 2021	**81 059 818**	**273 230 158**	**460 757 160**	**4 544 183**	**22 278 117**	**45 115 039**	**886 984 475**

	Note No.	
Assets transferred from projects under construction	(6)	19 599 055
Assets purchased during the period		3 360 740
Total Additions		**22 959 795**

The book value of the depreciated assets amounted to EGP **626 463 440** and represented:

Lands	Buildings	Machin and equipment	Transportation	Tools and equipment	Furniture and office equipment	Total
L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.
--	67 394 468	389 446 537	84 304 050	51 216 883	34 101 502	**626 463 440**

- There is no commercial mortgage on fixed assets or loans secured by these assets
- There are no fixed assets that are suspended from use

5- RIGHT IN USE ASSETS

	30/6/2022 L.E.
Cost at 1/1/2022	--
Additions during the period	3 703 952
Cost at 30/6/2022	**3 703 952**
Amortization at 1/1/2022	--
Amortization during the period	965 642
Accumulated Amortization at 30/6/2022	**965 642**
Net cost at 30/6/2022	**2 738 310**

6- PROJECTS UNDER CONSTRUCTION

Projects under implementation represent what has been spent on them until they are completed and transferred to fixed assets, and their value is on June 30, 2022, 555 782 749 Egyptian pounds, as per the following detail:

	Cost at 1/1/2022 L.E	Addition during the period L.E	Transferred to fixed assets L.E	Cost at 30/6/2022 L.E
Land	--	--	--	--
Equipment and machines	112 450 781	29 819 193	6 971 383	135 298 591
Transportation	2 760 000	7 139 285	8 517 800	1 381 485
Tools and equipment	2 941 503	2 658 249	2 316 354	3 283 398
Installation	13 477 325	879 690	1 724 748	12 632 267
SAP	718 641	9 789 129	68 770	10 439 000
Eipico factory (3)	311 422 005	81 326 003	--	392 748 008
	443 770 255	**131 611 549**	**19 599 055**	**555 782 749**

- The capitalized interest on machinery and equipment amounted to an amount 952 632 pounds
- According to Resolution No. 1568 of 2022 amending some provisions of Egyptian Accounting Standard No. 13, the effects of changes in foreign exchange rates, paragraph No. 7, the re-evaluation of Qatar's national loan amounted to 51 831 201 pounds, and the capitalized interest on the loan amounted to 1 266 827 pounds.

7- INTANGIBLE ASSETS (NET)

- The result of revaluation of assets and liabilities and depreciation account arose upon the merger of the Egyptian Company for the Pharmaceutical Packaging Industry in the Egyptian International Company for Pharmaceutical Industries (EPICO), according to an assessment that took place on 30/9/1999
- The depreciation for goodwill is calculated based on 5 % annually, and the depreciation was done in full until 30/9/2019.

	30/6/2022 L.E.	31/12/2021 L.E.
Cost of Goodwill	370 000 000	370 000 000
Computer software licenses	993 129	1 803 826
Total	**370 993 129**	**371 803 826**
(deduct):		
Accumulated Depreciation of Good will	(370 000 000)	(370 000 000)
Amortization of period - Computer software licenses	(49 656)	(1 803 826)
Total Amortization End of Period	**(370 049 656)**	**(371 803 826)**
Net	**943 473**	**--**

8- INVESTMENT IN SUBSIDRIES AND RELATED COMPANIES SUBSIDARIES COMPANIES

	30/6/2022 L.E	31/12/2021 L.E
The Egyptian International Company for Ampoules	69 040 000	69 040 000
Eipico Tech Pharmaceutical Company (under liquidation)	12 330 000	12 330 000
	81 370 000	**81 370 000**

The Egyptian International Company for Ampoules:

- Eiaco Ampoules Company is an Egyptian shareholding company subject to Investment Law No. 8 of 1997 and aims to manufacture pharmaceutical ampoules. The Egyptian International Company for Pharmaceutical Industries EIPICO is the main shareholder in the capital of this company, where it contributes 98.63% and the rest is 1.37% with a share of others.
- **Eipico Tech Pharmaceutical Company (Under liquidation)**
- Eipico Tech Pharmaceutical Company is an Egyptian joint stock company subject to the provisions of Investment Law No. 8 of 1997 and aims to manufacture human, veterinary and chemical medicines, diagnostic preparations, serums, controlled foods, insecticides, cosmetics and detergents, and the manufacture of packing and packaging materials necessary for these products. The Egyptian International Company for Pharmaceutical Industries It is the main shareholder in the capital of this company, as it contributes 98.6%, and the remaining 1.4% is a contribution from some employees of EIPICO Pharmaceutical Company. These investments are limited in cost and amount to 1233. Pound, It represents 25% of the capital represented in lands for the establishment of the project, and cash in Egyptian pounds in the bank
- The Extraordinary General Assembly of EIPICO Tech met and took its decision to liquidate the company. The liquidator and auditor were appointed for the liquidation, and measures are being taken by it to liquidate the company.
- Epico Tech has not practiced any activity since its establishment until now. The company's assets are represented entirely in current assets in the form of cash in banks (current /

deposits), which covers the equity from the capital and accordingly no impairment provision has been formed.

ASSOCIATE COMPANIES

	30/6/2022	31/12/2021
	L.E	L.E
Al-Batterjee Factory for Pharmaceuticals and Medical Supplies	35 900 976	35 900 976
Medical union Pharmaceuticals (MUP)	290 934 869	290 934 869
	326 835 845	**326 835 845**

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. The company started its activities as of 2021 in the Kingdom of Saudi Arabia.

Medical union Pharmaceuticals (MUP):

were purchased 4 780 0000 shares 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

were purchased 112 331 shares from the shares of the medical union Pharmaceuticals (MUP) Company at a price of 4 942 564 pounds, bringing the total number of shares acquired to 4892331 shares, at a rate of 10% Of the company's shares, MUP with a total value of 216 109 869 pounds, until 3/31/2020.

were purchased 1 825 000 shares 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 for EIPICO to retain 10% of the shares of the medical union Pharmaceuticals (MUP) Company, fully paid until 12/31/2020.

9- INVENTORY (NET)

	30/6/2022	31/12/2021
	L.E	L.E
Materials	715 317 345	628 224 269
fuels and oils	357 108	407 937
Spare parts	107 553 230	114 686 313
Packing	367 896 921	356 076 110
Work in process	161 588 999	101 367 749
Finish Goods	366 071 117	374 709 303
Goods for others	8 662 064	9 405 274
Letters of credit	214 494 783	160 060 656
Total	**1 941 941 567**	**1 744 937 611**
(Deduct):		
Impairment in inventory value	(11 524 566)	(10 377 812)
Net	**1 930 417 001**	**1 734 559 799**

10- ACCOUNTS AND NOTES RECEIVABLES

	30/6/2022 L.E	31/12/2021 L.E
Distributors	203 759 732	354 142 724
Direct Sales	107 692 629	151 666 736
Supplies and tenders	29 781 038	4 570 010
Export Receivables	488 215 082	369 460 834
Notes Receivables	505 613 272	365 601 865
Total	**1 335 061 753**	**1 245 442 169**
Deduct:		
Impairment of receivables balances	(68 225 088)	(60 889 724)
Net	**1 266 836 665**	**1 184 552 445**

11- DEBTORS AND DEBIT BALANCES

	30/6/2022 L.E	31/12/2021 L.E
Insurance for others	15 147 469	7 766 096
advance payments (Taxes – insurance)	169 971 001	122 709 883
Suppliers (advanced payments)	38 822 879	8 822 879
Suppliers (debit balances)	5 950 311	4 937 174
Compensation due from insurance companies	2 399 091	17 678 763
Refund of customs duties owed (Adjudication)	6 044 228	6 044 228
Gas value difference	12 053 727	13 240 725
Others debit balances	40 724 296	43 944 232
TOTAL	**291 113 002**	**225 143 980**

12- DUE FROM RELATED PARTS

	30/6/2022 L.E	31/12/2021 L.E
Debit Accounts – subsidiaries company	24 854 400	--
Total	**24 854 400**	--

13- CASH AND CASH EQUIVALENTS

	30/6/2022 L.E	31/12/2021 L.E
Cash	23 919 089	919 357
Current Local Accounts	36 867 278	96 625 333
Current foreign Accounts	100 578 453	91 420 835
Deposits local	120 862 363	85 862 363
Deposits foreign	188 400 000	--
Bank Masr	4 809 323	4 603 325
Total	**475 436 506**	**279 431 213**

14- CAPITAL

The authorized capital of the company is fifty-eight million pounds The issued and subscribed capital amounts to an amount 793 364 000 pounds Paid in full and worth 79 336 400 The nominal value of the share is 10 pounds.

In accordance with the decision of the company's general assembly held on JUNE 27, 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

Shareholders	**No. of Shares**	**Share Percentage %**
Arab Company for Drug Industries and Medical Appliances (ACDIMA)	49 585 095	50%
Mediacal Professions For Investing	5 142 282	5.185%
Saray Value Fund SPC	4 698 019	4.737%
Sustainable Capital Africa Master Fund	4 317 430	4.354%
RCKM Kimberlite frontier Africa Master	4 071 453	4.106%
Federation of Medical Professions Syndicates	3 468 990	3.498%
Coronation Africa Frontiers Fund Universal	3 309 717	3.337%
Other Share holders	24 577 514	24.783 %
Total	**99 170 500**	**100%**

15- RESERVES

	30/6/2022 L.E	**Additional During the period**	**31/12/2021 L.E**
Legal Reserves	349 741 238	24 195 898	325 545 340
General Reserves	98 336 248	--	98 336 248
Capital Reserves	20 160 435	--	20 160 435
Reserve for financing investment projects and expansions	941 659 000	30 000 000	911 659 000
Total	**1 409 896 921**	**54 195 898**	**1 355 701 023**

16- RETAINED EARNINGS

	30/6/2022
	L.E
The balance at 31/12/2021	5 544 976
The profit of period	483 917 960
Adjustment on Retained Earnings	(425 993)
Tax inspection difference	(8 892 345)
Transferred to reserved	(54 195 898)
Dividends	(353 393 315)
Expenses used from retained earnings from the year 2021	--
Total	**72 555 385**

17- THE NET PROFIT OF PERIOD / BEFORE DISTRIBUTION

	30/6/2022	31/12/2021
	L.E	L.E
The net profit of the period / year after tax	297 593 335	483 917 960
Total	**297 593 335**	**483 917 960**

18- LONG TERM LOANS

	30/6/2022	31/12/2021
	L.E	L.E
QNB Al Ahli Bank	345 541 166	279 638 056
Total	**345 541 166**	**279 638 056**

19- LONG TERM FACILITIES

	30/6/2022	31/12/2021
	L.E	L.E
QNB Al Ahli	91 221 402	136 269 442
National bank of Kuwait	63 096 000	113 158 002
	154 317 402	**249 427 444**

20- LEASE LIABILITY

	Total Contracts	Payment	Interest	30/6/2022
	L.E	L.E	L.E	L.E
Buildings	4 135 699	(1 233 787)	130 990	3 032 902
	4 135 699	**(1 233 787)**	**130 990**	**3 032 902**

The current portion of lease liability	1 967 017
The non- current portion of lease liability	1 065 885

21- DEFERRED TAX

21/1 DEFERRED TAX LIABILITIES

	30/6/2022 L.E
Accounting depreciation	45 643 923
Tax depreciation	(44 253 564)
Difference	1 390 359
Other temporary differences	630 639
Total	**2 020 998**
Tax rate (%)	**22.5%**
Deferred tax	**454 725**
The balance of tax liabilities 31/12/2021	**71 844 662**
The balance of tax liabilities 30/6/2022	**71 389 937**

21/2 INCOME TAX

	30/6/2022 L.E	31/12/2021 L.E
The net profit (before tax)	379 885 640	315 675 986
Accounting depreciation, provisions other than depreciation, allowance for attendance of the board of directors, cost of financing and investment for exempt revenues and expenses not supported by documents	118 780 296	103 698 387
Total	**498 665 936**	**419 374 373**
Tax depreciation and capital gains used from allowances, exempt credit interests, investment funds, and securities revenues after deducting the investment cost	(150 777 582)	(140 879 154)
Tax Base	**347 888 354**	**278 495 219**
Tax rate (%)	22.5%	22.5%
Income tax	**78 274 880**	**62 661 424**

22- PROVISIONS

	31/12/2021	Transaction		30/6/2022
	L.E	Add	Less	L.E
Other Provision	34 121 963	18 000 000	--	**52 121 963**
Impairment on the Account receivable provision	60 889 724	12 000 000	4 664 636	**68 225 088**
Impairment on the inventory provision	10 377 812	10 000 000	8 853 246	**11 524 566**
Claims Provision	15 989 020	7 000 000	4 614 679	**18 374 341**
End of service Provision	19 624 991	15 000 000	14 369 362	**20 255 629**
Impairment on the Account receivable	(60 889 724)	(12 000 000)	(4 664 636)	**(68 225 088)**
Impairment on the inventory	(10 377 812)	(10 000 000)	(8 853 246)	**(11 524 566)**
Total	**69 735 974**	**40 000 000**	**18 984 041**	**(90 751 933**

Formed Provision

	30/6/2022	31/12/2021
	L.E.	L.E.
others provision	18 000 000	13 000 000
Impairment of account receivable provision	12 000 000	13 000 000
Impairment on the inventory provision	10 000 000	40 000 000
Claims provision	7 000 000	13 000 000
End of service Provision	15 000 000	30 000 000
Total	**62 000 000**	**109 000 000**

23- CREDIT BANKS (FACILITIES)

	30/6/2022	31/12/2021
	L.E	L.E
Banque du Caire. Al-Azhar	200 445 567	128 997 778
QNB Al Ahli	481 132 125	274 482 721
Emirates National Bank of Dubai	101 312 436	51 705 826
Ahli United Bank	339 902 619	419 007 541
National bank of Kuwait	134 538 031	35 169 470
Suez Canal Bank	116 063 506	74 589 967
Abu Dhabi Islamic Bank	138 976 959	106 251 311
Al Baraka Bank Egypt	238 217 270	128 961 008
Total	**1 750 588 513**	**1 219 165 622**

24- SUPPLIERS AND NOTES PAYABLES

	30/6/2022	31/12/2021
	L.E	L.E
Local suppliers	114 473 091	99 340 441
Foreign suppliers	1 279 184	5 547 347
Notes Payables	29 431 610	15 077 213
Total	**145 183 885**	**119 965 001**

25- DIVIDENDS

	30/6/2022	31/12/2021
	L.E	L.E
Dividends	149 573 107	--
Total	**149 573 107**	**--**

26- CREDITORS AND OTHER CREDIT BALANCES

	30/6/2022	31/12/2021
	L.E	L.E
Other creditors (insurance to others – social insurance)	22 788 568	18 913 296
Other creditors (tax authority)	4 600 715	3 614 464
Other creditors	1 998 877	2 830 195
Other credit balances	42 282 307	77 289 110
Advanced payment receivables	13 697 654	28 553 421
Advanced payment receivables	22 546 022	27 494 456
Total	**107 914 143**	**158 694 942**
Takaful Contribution	4 472 150	8 490 090
	112 386 293	**167 185 032**

27- DUE TO RELATED PARTIES

	30/6/2022	31/12/2021
	L.E	L.E
Other credit balances to subsidiaries companies	40 814 161	38 199 893
Total	**40 814 161**	**38 199 893**

27/1 - TRANSACTIONS WITH SUBSIDARY COMPANY

	30/6/2022	31/12/2021
	L.E	L.E
Beginning of balance	38 199 893	33 909 900
Total purchasing of the period / year	105 985 055	154 378 302
Total payments of the period / year	(103 370 787)	(150 088 309)
The balance end of the period / year	**40 814 161**	**38 199 893**

28- ACCURRED INCOME TAX

	30/6/2022 L.E	31/12/2021 L.E
Income Tax	185 299 418	110 617 369
Total	**185 299 418**	**110 617 369**

29- NET SALES "REVENUES"

	30/6/2022 L.E.	Percentage %	30/6/2021 L.E.	Percentage %
Direct local sales	333 577 107	19.75%	293 065 579	19.47%
local sales "distributors"	803 675 080	47.58%	795 275 015	52.84%
Allowances for local distributors	(80 141 319)	(4.74%)	(25 778 246)	(1.71%)
Local sales "Tenders"	186 281 975	11.03%	84 008 045	5.58%
Export	465 516 702	27.56%	358 628 510	23.83%
(-) Export distributors allowance	(19 804 708)	(1.17%)	--	0.00%
Total net sales	**1 689 104 837**	**100%**	**1 505 198 903**	**100%**
Other operating revenues	1 856 865		2 397 020	
Total net sales "revenues"	**1 690 961 702**		**1 507 595 923**	

*** Distributors' allowances discounted from sales and the comparison year modified (according to Standard No. 48)

	Balance as of 30/6/2022	Balance as of 30/6/2021	Percentage %
Production value at selling price	1 918 057 694	1 556 749 300	%23.21
	1 918 057 694	**1 556 749 300**	%23.21

30- COST OF SALES

	30/6/2022	30/6/2021
Cost Of Goods Sold	L.E.	L.E.
Cash wages	114 912 418	96 415 386
Employees benefits “treatment & workers feeding expenses.”	13 273 023	10 151 688
Social insurance	13 615 149	12 607 531
Commodity supplies “raw”	456 208 890	380 028 944
Commodity supplies “packing and packaging”	303 244 614	218 796 422
Commodity supplies “purchased for sale”	15 950 376	--
Commodity supplies “spare parts, and supplies”	34 804 397	33 875 635
Commodity supplies “fuel, oils, electricity, water and lighting”	40 029 673	40 058 071
Commodity supplies “stationery”	779 453	780 257
Service supplies “maintenance”	4 945 413	5 133 072
Service supplies “operating expenses for others”	187 778	597
Service supplies “experimental and research services”	1 388 506	212 783
Service supplies “transportation, transfers and travel allowance”	507 052	685 049
Service supplies “transportation rental”	381 075	342 621
÷Insurance Expenses	1 963 219	--
Daily labor	2 040 503	--
Service supplies “others”	3 640 123	3 847 987
Taxes and fees	33 097	40 905
Depreciation	38 774 668	57 660 603
Rentals	--	446 805
(-) Waste of sold production	(5 174 393)	(3 852 904)
Cost of sales	**1 041 505 034**	**857 231 452**
Add or deduct change in inventory “finished good and work in process”	(87 055 685)	8 722 194
Cost Of Goods Sold	**954 449 349**	**865 953 646**

31- MARKETING EXPENSES

	30/6/2022 L.E.	30/6/2021 L.E.
Cash wages	106 923 324	96 952 995
Employees benefits “treatment & workers feeding expenses.”	5 835 806	5 835 682
Social insurance	12 725 942	11 422 868
Commodity supplies “Marketing requirements”	6 955 441	5 314 026
Commodity supplies “packing and packaging materials”	1 125 876	688 950
Commodity supplies “fuel, oils, electricity and water”	7 187 121	4 932 772
Commodity supplies “stationery”	713 742	270 839
Service supplies “maintenance”	1 614 582	1 384 326
Service supplies “seminars and conferences”	38 259 099	22 824 239
Service supplies “contribution to scientific offices”	2 197 633	2 268 002
Service supplies “transportation, transfers and travel allowance”	28 527 738	24 239 103
Service supplies “transportation rental”	196 129	125 491
Royalties	2 205 075	1 567 226
Shipping expenses	25 812 456	13 377 204
Insurance expenses “selling”	1 013 267	541 474
Insurance expenses “export”	1 908 084	2 088 219
Insurance expenses “	20 605	1 356 370
Free medical samples	2 772 620	--
Service supplies “other”	8 097 976	4 552 178
Taxes and fees	4 594 673	4 056 158
Depreciation	5 816 206	5 738 960
Rentals	265 372	692 093
Compensation and fines	--	1 638 606
Total	**264 768 767**	**211 867 781**

32- RESEARCH AND DEVELOPMENT EXPENSES

	30/6/2022 L.E.	30/6/2021 L.E.
Cash wages	8 184 836	7 257 707
Employees benefits “treatment & workers feeding expenses.”	457 355	250 341
Social insurance	733 352	606 861
Commodity supplies “used materials”	2 435 540	951 654
Service supplies “maintenance”	61 734	14 939
Service supplies “transportation, transfers and travel allowance”	78 078	31 607
Service supplies “transportation rental”	11 704	8 788
Service supplies “experiments and research”	9 483 497	3 581 443
Service supplies “other”	347 883	1 128 866
Taxes and fees	1 017	630
Depreciation	805 608	238 414
Rentals	319	1 158
Total	**22 600 923**	**14 072 408**

33- GENERAL AND ADMINISTRATIVE EXPENSES

	30/6/2022 L.E.	30/6/2021 L.E.
Cash wages	32 934 011	24 045 130
Employees benefits “treatment & workers feeding expenses.”	2 995 636	1 336 797
Social insurance	2 885 233	2 312 290
Commodity supplies “used materials”	2 728 348	1 239 541
Service supplies “maintenance”	584 678	302 620
Service supplies “transportation, transfers and travel allowance”	1 347 585	416 827
Service supplies “transportation rental”	86 744	46 106
Allowance for "technical - review - legal" committees	240 000	190 000
Service supplies “other”	3 273 781	2 600 032
Taxes and fees	8 509	101 391
Dividend taxes	3 433 334	4 063 541
Depreciation	1 213 084	1 240 253
Rentals	2 363	5 892
Donations	3 962 537	40 000
Property taxes	294 692	291 200
Total	**55 990 535**	**38 231 620**

The comparison year modified, and the qualitative committees transferred to general and administrative expenses consistent with the 2022 classification.

34- FINANCE EXPENSES

	30/6/2022 L.E.	30/6/2021 L.E.
Debit interests “Short- and long-term credit facilities “	66 512 325	67 364 167
Commission and bank charges	5 837 274	4 206 343
Check cutting fees	8 683 575	527 333
Finance cash discount	2 283 416	13 938 247
Total	**83 316 590**	**86 036 090**

35- PROVISIONS

	30/6/2022 L.E.	30/6/2021 L.E.
others provision	18 000 000	3 000 000
Impairment of Account receivables provision	12 000 000	2 000 000
Impairment of inventory provision	10 000 000	10 000 000
Claims provision	7 000 000	2 000 000
End Service provisions	15 000 000	15 000 000
	62 000 000	**32 000 000**

36- TAKAFUL CONTRIBUTION

	30/6/2022 L.E.	30/6/2021 L.E.
Takaful Contribution	4 472 150	3 929 125
	4 472 150	**3 929 125**

37- PROFITS OF SUBSIDIARIES AND ASSOCIATE COMPANIES

	30/6/2022 L.E.	30/6/2021 L.E.
Profits of subsidiaries – Eiaco Company	27 616 000	34 520 000
Profits and re-evaluation of Batterie Company in Saudi Arabia “Standard No. 18”	5 792 788	2 729 969
Profits and re-evaluation of Medical Union Pharmaceuticals “Standard No. 18”	6 717 332	6 115 414
Total	**40 126 120**	**43 365 383**

38- CURRENCY DIFFERENCES

	30/6//2022 L.E.	30/6/2021 L.E.
Profits (losses) of currency difference	39 683 052	(2 487 688)
Profits (losses) of currency difference unrealized “customer” *	41 935 655	
	81 618 707	**(2 487 688)**

* The Prime Minister's Decision No. 1568 of 2022 amending certain provisions of the Egyptian Accounting Standards by adding Annex B to the Egyptian Accounting Standard "triggered the change in foreign exchange rates on April 27, 2022 and the Company applied early paragraph No. (7).

The company canceled using the option to display currency differences resulting from the liberalization of the exchange rate, which was implemented on March 31, 2022 and contained in paragraph (9) of Appendix (B) Egyptian Accounting Standard No. (13) as amended 2015 “The Effects of Changes in Foreign Exchange Rates and Return To the original treatment mentioned in the standard, which resulted in the transfer of currency differences from other comprehensive income in the amount of 53 065 540 Egyptian pounds and presented within the items of the income statement on June 30, 2022.

39- EARNINGS PER SHARE DURING THE PERIOD

	30/6/2022 L.E.	30/6/2021 L.E.
Earnings Per share	297 593 335	244 990 951
No. of shares	99 170 500	99 170 500
	3	**2.51**

40- 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.

41- 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) 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 2021.

From 1/1/2016 to 31/12/2018

- The company is obligated to submit tax returns to the Senior Taxpayers Center according to the forms prepared by the Tax Authority in accordance with the Egyptian law (91) for the year 2005, and the taxes due were paid from the reality of the declarations on the legal dates.
- The company was notified of the form No. (19) taxes, and it was objected to on the legal dates, and the company has not been examined till this date.

From 1/1/2019 to December 31, 2021

- 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 2022 for the year 2021.

b) 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 JUNE 30, 2022

- 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)Stamp tax

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

- The company was examined, internal committees were made, and the differences due were paid according to the decisions of the internal committee, and the file for those years was settled.

Years from 2013 to 2017

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

Years from 1/1/2018 to 31/12/2019

- The company was examined for this period, all due differences were paid and the file was settled.

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

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

Years from 1/1/2021 to JUNE 30, 2022

- The company has not been examined for this period.

d) 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 31/12/2019

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

Years from 1/1/2020 till 30 JUNE 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

e)Withholding Tax

The company deducts the taxes due from all its dealers and pays them according to the tax card of each financier until December 31, 2021 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 December 31, 2021.

Comparative figures

Comparative figures have been adjusted to match the current year.