

**EGYPTIAN INTERNATIONAL
PHARMACEUTICAL INDUSTRIES CO. "EIPICO " S.A.E
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2023
WITH LIMITED REVIEW REPORT**

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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 consolidated financial statements of **Egyptian International Pharmaceutical Industries Co. – EIPICO “S.A.E”** as of March 31, 2023 and the related statements of income, comprehensive income, changes in equity and cash flows for the three 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 No. (30). 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 consolidated financial statements do not present fairly in all material respects the financial position of the company as of March 31, 2023, and of its financial performance and its cash flows for the three months then ended in accordance with Egyptian Accounting Standards No. (30) for consolidated periodic financial statements.

Cairo: ~~May 23, 2023~~

Auditor

Dr. Ahmed Shawki
MAZARS MOSTAFA SHAWKI

*Translation of Financial Statements
Originally Issued in Arabic*

EGYPTIAN INTERNATIONAL PHARMACEUTICAL INDUSTRIES - EIPICO
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF MARCH 31, 2023

(Amount expressed in LE)

	<u>Note No.</u>	<u>31/3/2023 L.E</u>	<u>31/12/2022 L.E</u>
<u>NON-CURRENT ASSETS</u>			
Fixed assets (net)	(4)	945 591 385	969 914 107
Right of use assets (net)	(5)	1 367 974	1 835 170
Projects under construction	(6)	1 346 648 281	866 160 786
Intangible assets	(7)	1 969 326	1 567 040
Investments in subsidiaries, associates, and joint ventures	(8)	355 815 679	352 342 033
Total non-current assets		2 651 392 645	2 191 819 136
<u>CURRENT ASSETS</u>			
Inventory (net)	(9)	2 246 684 470	2 161 799 424
Accounts and notes receivable (net)	(10)	1 960 632 949	1 794 422 644
Non-current assets held for sale		12 330 000	12 330 000
Holding and associate companies debit balances		34 520 000	
Debtors and other debit balances	(11)	176 053 998	130 569 216
Cash and cash equivalents	(12)	699 425 923	482 969 378
Total current assets		5 129 647 340	4 582 090 662
Total Assets		7 781 039 985	6 773 909 798
<u>Equity</u>			
Issued and paid-up capital	(13)	991 705 000	991 705 000
Reserves	(14)	1 505 682 417	1 502 885 332
Retained earnings	(15)	671 811 404	74 145 367
Dividends "Eiaco"		34 520 000	27 616 000
Net profit for the period / Year	(16)	188 255 768	642 982 324
Total equity (parent company)		3 391 974 589	3 239 334 023
Non-controlling interest		2 587 407	3 052 935
Total equity		3 394 561 996	3 242 386 958
<u>Non-Current Liabilities</u>			
long term loans	(17)	1 296 437 629	735 619 163
long term credit facilities	(18)	29 791 798	76 512 181
Lease liability – long term	(19)	412 699	794 054
Deferred tax liabilities	(20)	57 894 193	58 940 504
Total non-current liabilities		1 384 536 319	871 865 902
<u>CURRENT LIABILITIES</u>			
Provisions	(21)	129 688 649	115 393 367
credit bank (facilities)	(22)	2 235 165 003	2 032 647 352
Suppliers and notes payable	(23)	159 362 357	200 245 865
Dividends Creditors		35 045 225	
Creditors and other credit balances	(24)	220 370 995	203 162 053
Holding and associate companies credit balances		90 851 831	
Accrued Income tax	(25)	130 411 521	106 817 993
Lease liability – short term	(19)	1 046 089	1 390 308
Total current liabilities		3 001 941 670	2 659 656 938
Total Liabilities		4 386 477 989	3 531 522 840
Total Liabilities & Equity		7 781 039 985	6 773 909 798

- The accompanying notes are an integral part of these financial statements.
- Limited Review Report Attached.

Acting as chief financial officer
Mohamed Taha Elswify

Chairman and Managing Director
Dr. Ahmed Said Mohammed Kilani




Translation of Financial Statements
Originally Issued in Arabic

EGYPTIAN INTERNATIONAL PHARMACEUTICAL INDUSTRIES - EIPICO
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED MARCH 31, 2023

(Amounts expressed in LE)

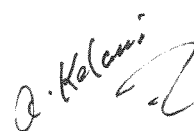
	<u>Note</u>	<u>31/3/2023</u>	<u>31/3/2022</u>
	<u>No.</u>	<u>L.E</u>	<u>L.E</u>
Cost of sales	(26)	992 420 563	927 374 595
Gross profit	(27)	(501 565 456)	(511 537 222)
Deduct:		490 855 107	415 837 373
Marketing expenses	(28)	(151 718 922)	(130 913 632)
Research and development expenses	(29)	(10 841 741)	(12 027 610)
General and Administrative expenses	(30)	(34 316 215)	(28 387 991)
Salaries And Attendance Allowances for Members of The Board Of Directors		(790 000)	(468 850)
Financing expenses	(31)	(78 547 793)	(45 377 751)
Formed from Expected credit losses		(8 000 000)	(6 000 000)
Formed from impairment in inventory value		(5 000 000)	(4 000 000)
Formed provisions	(32)	(27 000 000)	(20 000 000)
Total Expenses		(316 214 671)	(247 175 834)
Add:			
Dividends of associates Companies	(34)	35 697 165	34 644 278
Credit interest		7 493 358	2 202 094
		43 190 523	36 846 372
Add/ (Deduct):			
Capital gain		14 930	--
Differences on foreign currency exchange		(113 015)	15 828 980
Other income		3 291 460	1 924 875
Net profit for the year before taxes		221 024 334	223 261 766
Income tax for the period		(30 966 091)	(47 190 253)
Deferred tax – Asset (Liabilities)	(35)	1 046 311	184 831
Takaful Contribution	(33)	(2 693 762)	(2 575 533)
Profit for the year after tax		188 410 792	173 680 811
Distributed as follows:			
Profits of the holding company		177 106 746	158 274 677
The share of the holding company from the Associated Company		11 149 022	15 194 854
Minority Share of Associated Companies Profits		155 024	211 280
		188 410 792	173 680 811

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Mohamed Taha Elswify



Chairman and Managing Director
Dr. Ahmed Said Mohammed Kilani



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EGYPTIAN INTERNATIONAL PHARMACEUTICAL INDUSTRIES - EIPICO
CONSOLIDATED OTHER COMPREHENSIVE INCOME STATEMENT
FOR THE PERIOD ENDED MARCH 31, 2023

(Amounts expressed in LE)

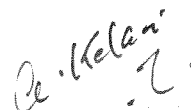
	<u>31/3/2023</u>	<u>31/3/2022</u>
	<u>L.E</u>	<u>L.E</u>
Net profit for the Period before taxes	188 410 792	173 680 811
<u>Other comprehensive income:</u>		
Differences on foreign currency exchange	--	53 065 510
Entity's share from Other Comprehensive income of associated companies	--	214 280
Total of comprehensive income of the Period	<u>188 410 792</u>	<u>226 960 601</u>

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Dr. Ahmed Said Mohammed Kilani



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EGYPTIAN INTERNATIONAL PHARMACEUTICAL INDUSTRIES - EIPICO

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE PERIOD ENDED MARCH 31, 2023

(Amounts expressed in LE)

	<u>31/3/2023</u>	<u>31/3/2022</u>
	<u>L.E</u>	<u>L.E</u>
<u>Cash flows from operating activities:</u>		
Net profit for the period before tax	221 024 334	223 261 766
Other comprehensive income	--	53 279 790
Fixed assets depreciation	25 638 371	24 248 534
Amortization of right of use assets	467 196	498 446
Formed from expected credit losses	8 000 000	6 000 000
Formed from impairment in inventory value	5 000 000	4 000 000
Formed from Provisions	27 000 000	20 000 000
Used from expected credit losses	(1 437 252)	(3 313 287)
Used from impairment in inventory value	(12 704 718)	(10 051 856)
Amortization of intangible assets	105 527	--
Credit interest	(6 336 775)	(1 841 997)
Dividends	(6 717 331)	(34 858 558)
Revaluation Investments	(28 979 834)	--
Debit interest	72 358 560	34 482 009
Fixed assets sale's (profit) loss	(14 930)	--
Differences on foreign currency Exchange	(28 675 489)	(68 894 490)
Adjustments on retained earnings	34 520 000	--
	309 247 659	246 810 357
Change in account and notes receivables and other debit balances	(251 712 209)	(132 482 682)
Change in inventory	(88 447 794)	(77 378 994)
Change in suppliers and notes payables and other credit balances	89 653 289	11 671 995
Payments for leasing contracts	(725 576)	(687 750)
Payments Interest	(72 358 560)	(34 482 009)
Payments tax	--	(8 892 345)
Net cash flows from (used in) operating activities	(14 343 191)	4 558 572
<u>Cash flows from investment activities:</u>		
(payments) for financial investment	--	(34 858 558)
(Payments) for purchase fixed assets and Projects under construction.	(482 310 955)	(93 007 994)
Proceeds from the sale of fixed assets	14 930	--
Dividends	6 717 331	34 858 558
Credit interest	6 336 775	1 841 997
Net cash flows (used in) investment activities	(469 241 919)	(91 165 997)
<u>Cash flows from financing activities:</u>		
Dividends	(45 249 567)	(41 193 051)
Cash Credit bank	232 309 448	48 973 641
Cash in loan and change facilities	(76 512 181)	175 582 010
Cash in loans (Long Term)	560 818 466	--
Cash flows (used in) financing activities	671 366 166	183 362 600
Net change in cash and cash equivalents during the period	187 781 056	96 755 175
Cash and cash equivalents at the beginning of the period	482 969 378	311 587 051
Differences on foreign currency Exchange	28 675 489	68 894 490
Cash and cash equivalents at the end of the period	699 425 923	477 236 716

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EGYPTIAN INTERNATIONAL PHARMACEUTICAL INDUSTRIES - EIPICO
CONSOLIDATED STATEMENT OF CHANGES IN PARTNERS' EQUITY
FOR THE PERIOD ENDED MARCH 31, 2023

(Amounts expressed in LE)

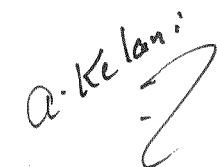
<u>Description</u>	<u>Paid-up Capital</u>	<u>Legal Reserve</u>	<u>General Reserve</u>	<u>Capital Reserve</u>	<u>Expansions Reserve</u>	<u>Retained Earning</u>	<u>Total equity of the holding company</u>	<u>Non- controlling rights</u>	<u>Total</u>
	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>
Balance as of 1/1/2022	991 705 000	343 557 403	175 749 836	80 160 435	851 659 000	527 817 056	2 970 648 730	2 820 166	2 973 468 896
Retained earnings	--	--	--	--	--	(388 202 374)	(388 202 374)	(407 992)	(388 610 366)
Adjustments of 2022	--	26 113 604	(4 354 946)	30 000 000	--	(51 758 658)	--	24 773	24 773
Transferred to reserves	--	--	--	--	--	(13 710 657)	(13 710 657)	(161 864)	(13 872 521)
Dividends "EIACO"	--	--	--	--	--	27 616 000	27 616 000	--	27 616 000
Net profit of the year	--	--	--	--	--	642 982 324	642 982 324	777 852	643 760 176
Balance as of 31/12/2022	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
Balance as of 1/1/2023	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
Retained earnings	--	--	--	--	--	597 666 037	597 666 037	140 515	597 806 552
Distributed Dividends	--	--	--	--	--	(670 598 324)	(670 598 324)	(799 960)	(671 398 284)
Adjustments of 2023	--	--	--	(90 000 000)	90 000 000	--	--	--	--
Transferred to reserves	--	2 797 085	--	--	--	--	2 797 085	38 893	2 835 978
Dividends "EIACO"	--	--	--	--	--	34 520 000	34 520 000	--	34 520 000
Net profit of the Period	--	--	--	--	--	188 255 768	188 255 768	155 024	188 410 792
Balance as of 31/3/2023	991 705 000	372 468 092	171 394 890	20 160 435	941 659 000	894 587 172	3 391 974 589	2 587 407	3 394 561 996

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

Acting as chief financial officer
Mohamed Taha Elswify



Chairman and Managing Director
Dr. Ahmed Said Mohammed Kilani



EGYPTIAN INTERNATIONAL PHARMACEUTICAL INDUSTRIES - EIPICO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2022

1 BACKGROUND ABOUT SUBSIDIARIES COMPANIES

The Egyptian International Company for Ampoules (EIACO)

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 (EIACO) - 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 light of the relevant Egyptian laws and regulations.

The financial statements are prepared using the historical cost basis and in according 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 lists 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.

EGYPTIAN INTERNATIONAL PHARMACEUTICAL INDUSTRIES - EIPICO
Notes To the Consolidated Financial Statements for The Period Ended March 31, 2023

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 the financial information about the group as if it were a single entity and following the following steps when preparing the consolidated financial statements :

- 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) of Holding.

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

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 income list.

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.

- 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.

EGYPTIAN INTERNATIONAL PHARMACEUTICAL INDUSTRIES - EIPICO
Notes To the Consolidated Financial Statements for The Period Ended March 31, 2023

-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 income list for the fiscal year 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 net book 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 expenditures 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 income 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

EGYPTIAN INTERNATIONAL PHARMACEUTICAL INDUSTRIES - EIPICO
Notes To the Consolidated Financial Statements for The Period Ended March 31, 2023

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 income 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 its 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

EGYPTIAN INTERNATIONAL PHARMACEUTICAL INDUSTRIES - EIPICO
Notes To the Consolidated Financial Statements for The Period Ended March 31, 2023

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.

The Company as lessor

The lessor must classify each of its lease contracts either as an operating lease or as a finance lease contract. A lease contract is classified as a finance lease contract if it essentially transfers nearly all the risks and benefits resulting from owning the assets listed in the contract. A lease contract is classified as an operating lease contract if it essentially transfers nearly all the risks and benefits resulting from owning the assets listed in the contract.

Finance lease

The lessor must recognize the assets held under finance lease in the statement of financial position and present them as amounts that are receivable in an amount equal to the net investments in the contract.

And the company uses the interest rate implicit in the lease contract to measure the net investments in the contract. The rent payments listed in measuring the net investments in the contract consist of payments arising from the right to use the underlying asset during the lease term that have not been received at the start of the contract. The company recognizes finance income over the term of the lease, on a pattern that reflects a constant periodic rate of return of the lessor's net investments.

Operating lease

The lessor shall recognize lease payments from operating lease contracts as an income either by straight line method or in any organized method.

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.

EGYPTIAN INTERNATIONAL PHARMACEUTICAL INDUSTRIES - EIPICO
Notes To the Consolidated Financial Statements for The Period Ended March 31, 2023

3.6 Investments in associates

Associate companies are those on 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 a common control or control over these policies.

Investments in sister 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 income statement for each investment individually.

The following is a list 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 sister company is recorded at cost in the list 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 exceeds 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 sister company. If the sister 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.

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3.8 Revenue Recognition

Egyptian accounting standard no.48 replaces Egyptian accounting standard no.8 "construction contracts " and Egyptian standard no.11 " revenue ". the standard is applied on or after January 1, 2021 and the new revenue standard has introduced a five step model based on accounting principles regarding Egyptian accounting standard No. (48) replaces Egyptian accounting standard No. (8) Construction Contracts" and Egyptian Accounting Standard No. (11") Revenues " The standard applies on or after January 1, 2021, and the new revenue standard has introduced a five-step model based on accounting principles on revenue recognition when the control of goods is transferred to or the services are provided to the customer :

1. Determine the contracts concluded with customers, whether verbally, or in writing or in accordance with standard business practices.
2. Determine performance obligations in the contract both for goods and services that will be transferred.
3. Determine the price of the transaction and the terms of payment for the goods or services that will be transferred.
4. Allocate the transaction price to each performance obligation.
5. Recognize revenue when each performance obligation is satisfied.

The standard requires enterprises to exercise an accounting assessment taking into account all relevant facts and circumstances when applying each step of the model to contracts conclude with their customers. The standard also determines how additional costs for obtaining a contract are accounted for and costs directly related to the fulfilment of the contract.

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

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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 consumable 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 evaluates the business model in which the asset is held at the portfolio level because this best reflects the way the business is managed and information is provided to management, including the information being considered:

Policies and stated objectives of the portfolio and the mechanism of operation of such policies in practice, particularly to see whether the management strategy is based on the earning of contractual interest income or a competition for financial assets extending the financial obligations that finance those assets or achieving cash flows through the sale of assets.

How to evaluate the performance of the portfolio and report to the management of the company;

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Risks affecting the performance of the business model and the financial assets held in this business model and how these risks are managed.

The number of transactions, volume and timing of sales in previous periods, the reasons for these sales and their expectations for future sales activity. However, information on sales activity is not considered separately but is part of a comprehensive assessment of how the company's stated goal of managing financial assets is achieved and how to achieve cash flows.

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 for financial instruments replaces the loss model incurred in The Egyptian Accounting Standard No. 29 for Financial Instruments - Recognition and Measurement with the "Expected Credit Losses" (ECL) model. The new impairment model applies to financial assets measured by the cost consumed and customers.

For customer debts that have decreased in value, the 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, less the principle of the actual interest rate in accordance with the contract.

Expected credit losses in a weighted estimate of credit losses. Taken into account the expected cash flows, the probability of stumbles and the loss rate at the time of stumble (i.e., the size of the loss if there is a stumble) the relevant assessment is based on historical delay data adjusted by specific customer factors and future information that includes macroeconomic factors.

The company determines the values that are subjected to credit losses based on the number of days delayed that are determined to be a risk-loss forecast in accordance with Egyptian Accounting Standard No 47 Financial Instruments.

The expected affiliated losses determinants result in three scenarios (probability of stumble - value exposed to expected credit losses - loss rate at stumble).

Weighted expected credit losses are calculated at three basic levels - the best - worst for all three stages (12 months and expected credit loss over a lifetime).

Customer indebtedness (either partially or entirely) is written off when there is no reasonable expectation of recovering the entire financial asset or part of it. This is generally the case when the company decides that the lessee has no assets or sources of income that can generate sufficient cash flows to pay off the amounts subject to write-off.

This assessment is made at an individual level for each client. Previously written-off refunds are included in the Financial Instrument Impairment Loss in the statement of profit, losses and other comprehensive income.

The financial assets that have been written off may remain subject to legal procedures in accordance with the company's procedures for recovering the amounts due.

A three-stage approach is applied to measure projected credit losses with consumable cost and debt instruments at fair value through other comprehensive income. The assets go

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through the following three stages based on the change in the quality of credit since their first recognition as follows:

Phase 1: Expected credit loss over 12 months

The first phase includes financial assets at the initial recognition that do not involve a substantial increase in the credit risk from the first recognition or involve relatively low credit risk. For these assets, expected credit losses are recognized over 12 months and interest is calculated on the total book value of the assets (without the credit allocation discount). The expected 11-month losses are projected credit losses that may result from potential failures within 12 months after the date of the financial statements.

Phase 2: Life-long expected credit loss - with no impairment

Includes financial assets with a substantial increase in credit risk from the initial recognition, but there is no objective evidence of impairment, and expected lifetime loss of assets is recognized, but the interest still being calculated on the total book value of the assets. Life-long credit loss in projected credit losses resulting from all possible failures over the life expectancy of the financial instrument.

Phase 3: Life-long expected credit loss - credit impairment

includes financial assets with objective evidence of impairment in the history of financial statements for these assets, and life-long losses are recognized.

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 income 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' 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 asset when:

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

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The transfer of contractual rights in receiving cash flows from the financial asset and transfer 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 income statement.

Financial Obligations

Financial obligations when it's 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 income 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

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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 list 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.

Financial Instruments and Risk Management

Fair Value of Financial Instruments

The company's financial instruments represent financial assets and obligations, and financial assets include bank and customer cash balances and some accounts owed, as well as financial obligations include suppliers, some creditors, credit accounts, loans and advances.

According to the valuation grounds used to evaluate the company's assets and obligations contained in the complementary statements of financial statements, the fair value of the financial instruments is not materially different from its book value at the date of preparation of financial statements.

Credit risk

The risk of credit is that the customers granted credit are unable to pay their dues, and this risk is limited as the company distributes credit risk to a multiple quality of customers consisting of a large number of reputable customers besides legal arrangements and documents when executing the transaction minimize the risk of credit.

Liquidity risk

Prudent liquidity risk management requires maintaining a sufficient level of cash and providing financing through sufficient amounts of available credit facilities and due to the dynamic nature of the core activities, the company's management aims to maintain flexibility in financing by maintaining enhanced credit lines available.

Foreign exchange risk

The risk of foreign exchange is exchanging rate changes that affect foreign exchange receipts and payments as well as the valuation of foreign currency assets and obligations.

Interest rate risk

The risk of interest is a change in interest rates that may have an impact on business results, and this risk is limited as the loans and credit facilities granted to the company at a fixed interest rate.

Capital management Risk

The company's policy with regard to 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.

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3.10 Revenues and financing costs

The company's finances and revenues include the following:

- Credit interest (using the effective interest rate).
- Interest receivable (using the effective interest rate rate).
- Gains or losses of currency differences associated with 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 sister 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.

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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 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

3.14.1 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.

3.14.2 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.

3.14.3 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 financial position.

3.14.4 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.

3.14.5 Other Reserves

The general assembly may, upon 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.

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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 income list 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 asset 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 income list, 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

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deducting the losses of the decrease of the same asset loaded as an allowance that has already been included in the income list.

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 "income list" as required or permitted by other Egyptian accounting standards.

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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 list 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 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).

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Notes To the Financial Statements for The Year Ended March. 31, 2023

4- FIXED ASSETS (Net)

<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 period	--		424 274	--	118 666	772 709	1 315 649
Disposals during the period	--	(985 124)	(3 850)	--	(12 332)	(34 293)	(1 035 599)
Costs as of 31/3/2023	83 186 032	542 857 878	1 543 412 665	105 452 905	97 178 316	147 046 576	2 519 134 372
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 period	--	2 274 061	17 408 613	732 963	2 127 800	3 094 934	25 638 371
Accumulated of Disposals	--	(985 124)	(3 850)	--	(12 333)	(34 292)	(1 035 599)
Accumulated Depreciation at 31/3/2023	--	267 937 064	1 034 042 299	93 422 653	76 660 824	101 480 147	1 573 542 987
Net cost in 31/3/2023	83 186 032	274 920 814	509 370 366	12 030 252	20 517 492	45 566 429	945 591 385
Net cost in 31/12/2022	83 186 032	277 194 875	526 354 705	12 763 215	22 526 625	47 888 655	969 914 107

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5- RIGHT USE OF ASSETS (NET)

	<u>Right of use of buildings</u>	<u>Total</u>
	<u>L.E</u>	<u>L.E</u>
Balance at 1/1/2023	3 703 952	3 703 952
Additions during the period	--	--
Disposals during the period	--	--
Total cost at 31/3/2023	3 703 952	3 703 952
Accumulated depreciation at 1/1/2023	(1 868 782)	(1 868 782)
Depreciation during the period	(467 196)	(467 196)
Total Accumulated depreciation at 31/3/2023	(2 335 978)	(2 335 978)
Net cost at 31/3/2023	1 367 974	1 367 974
Net cost at 31/12/2022	1 835 170	1 835 170

6- PROJECTS UNDER CONSTRUCTION

Projects under Construction represent what has been spent on them until they are completed and transferred to fixed assets, and their value is on March 31, 2023, 1 346 648 281 Egyptian pounds, as per the following detail:

	<u>31/12/2022</u>	<u>Transaction during the Period</u>		<u>31/3/2023</u>
		<u>Additions</u>	<u>Transferred to fixed assets</u>	
	<u>L.E.</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E.</u>
Buildings	--	--	--	--
Machines and equipments	60 731 953	31 094 996	(359 937)	91 467 012
Cars	176 535	1 547	--	178 082
Tools & equipments	6 026 066	5 380 914	--	11 406 980
Decoration	18 688 476	256 371	--	18 944 847
SAP program	718 641	11 941 583	--	12 660 224
Eipico 3	779 819 115	432 172 021	--	1 211 991 136
	866 160 786	480 847 432	(359 937)	1 346 648 281

- Capitalized interests on machinery and equipment amounted to 777 356 Egyptian pounds.
- Capitalized interests on Loan 15 505 554 Egyptian Pounds

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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 (EIPICO), 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.

	Good will	Program	<u>Total</u>
	<u>L.E.</u>		<u>L.E.</u>
Balance at 1/1/2023	370 000 000	3 532 086	373 532 086
Additions during the period	--	507 813	507 813
Total cost at 31/3/2023	370 000 000	4 039 899	374 039 899
Accumulated depreciation at 1/1/2023	(370 000 000)	(1 965 046)	(371 965 046)
Amortization during the period	--	(105 527)	(105 527)
Total Accumulated Amortization at 31/3/2023	(370 000 000)	(2 070 573)	(372 070 573)
Net cost at 31/3/2023	--	1 969 326	1 969 326

8- INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

	<u>31/3/2023</u>	<u>31/12/2022</u>
	<u>L.E.</u>	<u>L.E.</u>
Investments in subsidiaries		
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 and this investments recorded in cost 12 330 thousand pound and represent 25% of capital and don't have market value and don't practice any activity until now and the payment for The company (the capital) is represented in the lands for the establishment of the project, and the cash in the Egyptian pound is 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-Tec 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

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covers the equity of the capital, and accordingly, no impairment provision has been formed for this investment.

	<u>31/3/2023</u>	<u>31/12/2022</u>
	<u>L.E.</u>	<u>L.E.</u>
<u>Investments in associates</u>		
Al-Batterjee Factory for Pharmaceuticals and Medical Supplies in Saudi Arabia	64 880 810	56 057 306
Medical Union Pharmaceuticals	290 934 869	296 284 727
	<u>355 815 679</u>	<u>352 342 033</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. The company started its activities as of 2012 in the Kingdom of Saudi Arabia.

Medical union Pharmaceuticals (MUP):

were purchased 4 780 000 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 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 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 In order for EIPICO to retain 10% of the shares of the Medical union Pharmaceuticals (MUP) Company, fully paid until 12/31/2020.

9- INVENTORY (NET):

	<u>31/3/2023</u>	<u>31/12/2022</u>
	<u>L.E.</u>	<u>L.E.</u>
Materials	922 213 181	867 416 725
Fuels, oils and engines for operation	2 644 428	1 821 739
Spare Parts	114 851 851	116 827 052
Packing and warping material	472 236 502	422 815 833
Production in progress	213 472 777	234 804 124
Finished Goods	275 823 003	240 072 146
Consignment goods	11 030 136	12 120 439
Letters of credit	296 624 342	324 570 368
Total	<u>2 308 896 220</u>	<u>2 220 448 426</u>
Impairment in inventory value (*)	<u>(62 211 750)</u>	<u>(58 649 002)</u>
Net	<u>2 246 684 470</u>	<u>2 161 799 424</u>

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(*) Impairment in inventory value

	<u>Cost at</u> <u>1/1/2023</u>	<u>Transaction during the period</u>		<u>Cost at</u> <u>31/3/2023</u>
		<u>formed</u> <u>during period</u>	<u>used</u> <u>during period</u>	
Impairment inventory value	58 649 002	5 000 000	(1 437 252)	62 211 750
	<u>58 649 002</u>	<u>5 000 000</u>	<u>(1 437 252)</u>	<u>62 211 750</u>

10- ACCOUNTS AND NOTES RECEIVABLE (NET):

	<u>31/3/2023</u> <u>L.E.</u>	<u>31/12/2022</u> <u>L.E.</u>
Distributor	191 668 927	301 804 788
Direct sale	41 709 922	56 893 432
Contradictions	8 024 204	11 853 018
Export clients	975 132 970	667 253 099
Notes Receivable	843 322 014	847 843 395
Total	2 059 858 037	1 885 647 732
Impairment Expected credit losses (customers) (*)	(99 225 088)	(91 225 088)
Net	1 960 632 949	1 794 422 644

(*) Impairment in Expected credit losses (customers)

	<u>Cost at</u> <u>1/1/2023</u>	<u>Transaction during the period</u>		<u>Cost at</u> <u>31/3/2023</u>
		<u>Formed</u> <u>during</u> <u>period</u>	<u>Used</u> <u>during period</u>	
Impairment Expected credit losses (customers)	91 225 088	8 000 000	--	99 225 088
	<u>91 225 088</u>	<u>8 000 000</u>	<u>--</u>	<u>99 225 088</u>

11- DEBTORS AND OTHER DEBIT BALANCES:

	<u>31/3/2023</u> <u>L.E.</u>	<u>31/12/2022</u> <u>L.E.</u>
Insurance For others	8 519 585	6 864 564
advance payments (Taxes – insurance)	55 963 335	52 853 231
Advance payment suppliers	10 179 234	10 414 854
Suppliers (Debtors Balance)	18 088 844	6 636 382
Compensation Due From Insurance Company	7 525 410	12 700 979
Refund of customs duties owed (Adjudication)	6 044 228	6 044 228
Gas settlement	9 683 780	10 419 563
Other debit balances	60 049 582	24 635 415
	<u>176 053 998</u>	<u>130 569 216</u>

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12- CASH AND CASH EQUIVALENT

	<u>31/3/2023</u>	<u>31/12/2022</u>
	<u>L.E.</u>	<u>L.E.</u>
Cash in hand	31 829 746	7 446 492
Bank – Local currency	190 408 073	76 092 848
Bank – Foreign currency	67 994 297	16 017 866
Bank deposits – Local currency	1 862 737	43 973 237
Bank deposits– Foreign currency	402 090 000	321 620 000
Bank Masr day by day account	5 241 070	7 610 036
Treasury bills	--	10 208 899
Total	699 425 923	482 969 378

13- CAPITAL:

The authorized capital of the company is Eight Hundered And Fifty 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

Capital Structure:

<u>Shareholders</u>	<u>No. of</u> <u>Shares</u>	<u>Percentage</u> <u>%</u>
Arab Company for Pharmaceutical industries and Medical Appliances (ACDIMA)	49 585 095	50%
Medical Professions for Investing	5 154 308	5.20%
Seventh Saudi Investment Company	4 572 564	4.61%
Federation of Medical Professions Syndicates	3 468 990	3.50%
RCKM Kimberlite frontier Africa Master	3 229 541	3.26%
Other Share holders	33 160 002	33.43%
Total	99 170 500	100%

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14- RESERVES

	<u>31/12/2022</u>	<u>Additional</u> <u>(Deductions)</u>	<u>31/3/2023</u>
	<u>L.E</u>	<u>L.E.</u>	<u>L.E</u>
Legal Reserves	369 671 007	2 797 085	372 468 092
General Reserves	171 394 890	--	171 394 890
Capital Reserves	20 160 435	--	20 160 435
Reserve for financing investment projects and expansions	941 659 000	--	941 659 000
Total	1 502 885 332	2 797 085	1 505 682 417

15- RETAINED EARNINGS

	<u>31/3/2023</u>
	<u>L.E</u>
The balance at 31/12/2022	74 145 367
Dividends	8 515 602
Surplus 2022 (under distribution)	589 150 435
Total	671 811 404

16- THE NET PROFIT FOR THE YEAR BEFORE DIVIDENDS

	<u>31/3/2023</u>	<u>31/12/2022</u>
	<u>L.E</u>	<u>L.E</u>
The net profit for the year before dividends	188 255 768	642 982 324
Total	188 255 768	642 982 324

17- LONG TERM LOANS

	<u>31/3/2023</u>	<u>31/12/2022</u>
	<u>L.E</u>	<u>L.E</u>
QNB Al Ahli Bank	1 089 296 313	539 511 563
NBK – local currency	114 239 716	123 354 000
NBK - Euro	92 901 600	72 753 600
Total	1 296 437 629	735 619 163

* Terms: for a period of seven years (two years of grace - five years of payment).

* Warranties: Without guarantees.

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18- LONG TERM CREDIT FACILITIES

	<u>31/3/2023</u>	<u>31/12/2022</u>
	<u>L.E</u>	<u>L.E</u>
QNB Al Ahli	29 791 798	55 480 181
NBK	--	21 032 000
	<u>29 791 798</u>	<u>76 512 181</u>

* Terms and Guarantees: At an interest rate of 8% and without collateral.

19- LONG TERM LEASE LIABILITY

	<u>Total</u>	<u>Paid</u>	<u>Interest</u>	<u>Balance as of</u>
	<u>Contracts</u>			<u>31/12/2022</u>
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Lease contract	2 184 362	(769 168)	43 594	1 458 788
Total	<u>2 184 362</u>	<u>(769 168)</u>	<u>43 594</u>	<u>1 458 788</u>

Classified into:

Short term Lease Liability	1 046 089
Long term Lease Liability	412 699
	<u>1 458 788</u>

20- DEFERRED TAX LIABILITIES

	<u>31/3/2023</u>	<u>31/12/2022</u>
	<u>L.E</u>	<u>L.E</u>
The balance of tax liabilities	64 390 935	65 502 703
<u>Add/ Less:</u>		
Deferred tax liabilities (severance allowance) of the Period	(6 496 742)	(6 562 199)
The balance of tax liabilities	<u>57 894 193</u>	<u>58 940 504</u>

21- PROVISIONS

	<u>31/12/2022</u>	<u>Transaction during</u>		<u>31/3/2023</u>
		<u>the Period</u>		
	<u>L.E</u>	<u>Add</u>	<u>Used</u>	<u>L.E</u>
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Other Provision	61 726 308	10 000 000	--	71 726 308
Provisions Claims	24 501 733	7 000 000	(2 413 802)	29 087 931
End of Services provision	29 165 326	10 000 000	(10 290 916)	28 874 410
Total	<u>115 393 367</u>	<u>27 000 000</u>	<u>(12 704 718)</u>	<u>129 688 649</u>

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Formed Provision

	<u>31/3/2023</u>	<u>31/12/2022</u>
	<u>L.E</u>	<u>L.E</u>
Other Provision	10 000 000	32 000 000
Provisions Claims	7 00 000	47 000 000
End of Services provision	10 000 000	41 000 000
Total	27 000 000	120 000 000

22- CREDIT BANKS (FACILITIES)

	<u>31/3/2023</u>	<u>31/12/2022</u>
	<u>L.E</u>	<u>L.E</u>
Banque du Caire. Al-Azhar	222 074 103	235 065 228
Bloom Egypt	7 238 976	7 238 976
QNB Al Ahli	370 527 617	469 014 627
Emirates National Bank of Dubai	132 146 739	90 379 155
Ahli United Bank	429 564 349	368 837 276
National bank of Kuwait	249 517 359	95 440 136
Suez Canal Bank	170 875 976	160 630 328
Abu Dhabi Islamic Bank	293 485 474	284 055 480
Al Baraka Bank Egypt	220 113 127	220 790 349
Egyptian Gulf Bank	17 558 774	--
QNB Al Ahli – USD	122 062 509	101 195 797
Total	2 235 165 003	2 032 647 352

* Terms and Guarantees: At an interest rate of 8% and without collateral.

23- SUPPLIERS AND NOTES PAYABLE

	<u>31/3/2023</u>	<u>31/12/2022</u>
	<u>L.E</u>	<u>L.E</u>
Local suppliers	138 784 759	67 040 370
Foreign suppliers	3 065 781	118 523 402
Notes Payable	17 511 817	14 682 093
Total	159 362 357	200 245 865

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24- CREDITORS AND OTHER CREDIT BALANCES

	<u>31/3/2023</u>	<u>31/12/2022</u>
	<u>L.E</u>	<u>L.E</u>
Other creditors (insurance to others – social insurance)	29 039 681	26 607 836
Other creditors (tax authority)	32 675 724	20 347 202
Other creditors	4 224 502	3 894 042
Other credit balances	130 804 972	113 312 180
Accrued and Specialized current expenses	10 617 811	28 054 115
Advanced payment receivables – local	33 896	29 536
Total	207 396 586	192 244 911
Takaful Contribution	12 974 409	10 917 142
	220 370 995	203 162 053

25- ACCRUED INCOME TAX

	<u>31/3/2023</u>	<u>31/12/2022</u>
	<u>L.E</u>	<u>L.E</u>
Accrued Income Tax	130 411 521	106 817 993
Total	130 411 521	106 817 993

26- NET SALES “SALES REVENUE”

	<u>31/3/2023</u>	<u>Percentage</u>	<u>31/3/2022</u>	<u>Percentage</u>
	<u>L.E.</u>	<u>%</u>	<u>L.E.</u>	<u>%</u>
Local sales “direct”	217 282 440	21.92%	200 773 375	21.67%
Local sales "distributors"	317 746 504	32.05%	428 393 825	46.25%
(-) Incentives for local distributors	(2 100 000)	(0.21%)	(25 529 220)	(2.76%)
Local sales (tenders)	87 965 242	8.87%	105 661 133	11.41%
Export	388 473 674	39.18%	219 536 188	23.70%
(-) Export Distributors Incentives	(17 900 000)	(1.81%)	(2 504 988)	(0.27%)
Total net sales	991 467 860	100%	926 330 313	100%
Other operating income	952 703		1 044 282	
Total sales revenue	992 420 563		927 374 595	

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27- COST OF SALES:

	<u>31/3/2023</u>	<u>31/3/2022</u>
	<u>L.E.</u>	<u>L.E.</u>
Salaries & Wages	69 000 479	58 509 190
Benefits " Treatment Expenses - Nutrition for workers expenses"	8 061 711	7 573 289
Social Insurance	8 406 495	6 949 733
Commodity supplies "Materials"	233 065 346	234 320 930
Commodity requirements "Packing and Packaging"	141 838 052	153 431 649
Commodity requirements " Spare Parts and Equipment"	9 444 911	17 968 523
Commodity supplies "Purchased for Sale"	--	93 030
Commodity requirements "fuel, oils, electricity, water and lighting"	21 479 516	19 157 936
Commodity supplies "stationery and stationery"	1 221 783	1 510 350
Service requirements "Maintenance Exp."	2 444 537	2 606 784
Service requirements "operations for others exp"	42 280	20 655
Service supplies "Experimental and research services"	806 875	781 309
Service requirements "transportation, transfers and travel allowance"	579 880	447 160
Service necessities "renting transportation"	438 975	172 745
Service necessities "Insurance expenses"	718 978	--
Service companies	1 202 102	--
Service requirements "other"	1 922 745	3 928 261
Taxes and duties	16 473	34 688
Depreciation	21 162 056	19 615 057
Actual Rent	5 242	3 598
(-) Sold production waste	(3 549 586)	(2 368 264)
Production cost	518 308 850	524 756 623
<u>Add or (subtract):</u>		
Change in inventory of finished and semi-finished cost	(16 743 394)	(13 219 401)
Cost of Sales	501 565 456	511 537 222

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28- MARKETING EXPENSES:

	<u>31/3/2023</u>	<u>31/3/2022</u>
	<u>L.E.</u>	<u>L.E.</u>
Salaries & Wages	61 630 867	52 366 855
Benefits " Treatment Expenses - Nutrition for workers expenses"	3 364 902	2 930 821
Social Insurance	7 703 651	6 432 814
Commodity supplies "marketing activities tasks"	1 599 297	3 730 992
Commodity supplies "packing and packaging materials"	321 526	491 542
Commodity requirements "fuel, oils, electricity and water"	2 795 728	3 505 012
Commodity supplies "stationery and stationery"	429 952	409 630
Service requirements "M. Maintenance"	820 303	734 342
Service supplies "seminars and conferences - marketing activities"	20 871 852	21 513 299
Service supplies "contribution to scientific offices"	1 762 500	1 101 164
Service requirements "transportation, transfers and travel allowance"	12 258 982	14 463 437
Service necessities "rental of vehicles"	72 919	158 368
Royalties	2 100 000	1 050 000
Shipping expenses	14 043 852	9 821 096
Selling insurance expenses	441 508	552 797
Insurance expenses "export"	1 834 990	509 906
Other services	21 824	88 505
Free medical samples	1 252 533	1 595 070
Service requirements "others"	10 850 160	4 509 566
Merchandise taxes and duties	4 499 937	1 863 159
Depreciation of fixed assets	2 942 876	2 922 930
Actual rents	98 763	162 327
Total	<u>151 718 922</u>	<u>130 913 632</u>

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29- RESEARCH & DEVELOPMENT EXPENSES:

	<u>31/3/2023</u>	<u>31/3/2022</u>
	<u>L.E.</u>	<u>L.E.</u>
Salaries & Wages	4 249 553	4 044 886
Benefits " Treatment Expenses - Nutrition for workers expenses"	269 683	243 427
Social Insurance	382 270	362 779
Commodity supplies "used materials"	958 552	1 393 129
Service requirements "M. Maintenance"	42 246	17 907
Service requirements "transportation, transfers and travel allowance"	69 286	41 086
Service necessities "rental of means of transport"	12 933	5 260
Service supplies "experiments and research"	3 690 993	5 433 578
Other services	699 803	83 769
Merchandise taxes and duties	112	630
Depreciation of fixed assets	466 138	401 048
Actual rents	172	111
Total	10 841 741	12 027 610

30- GERNERAL & ADMINSTRATIVE EXPENSES:

	<u>31/3/2023</u>	<u>31/3/2022</u>
	<u>L.E.</u>	<u>L.E.</u>
Salaries & Wages	22 764 137	17 968 296
Benefits " Treatment Expenses - Nutrition for workers expenses"	1 837 849	1 939 719
Social Insurance	2 108 566	1 506 379
Commodity supplies "used materials"	658 167	1 530 208
Service requirements "M. Maintenance"	168 869	233 934
Service requirements "transportation, transfers and travel allowance"	1 241 141	897 772
Service necessities "rental of vehicles"	95 897	56 461
Allowance for "technical - review - legal" committees	152 000	100 000
Other services	3 103 266	1 393 424
Merchandise taxes and duties	783	4 669
Depreciation of fixed assets	780 287	576 534
Actual rent	1 210	819
Donations	1 390 275	2 025 598
Property taxes	13 768	154 178
Total	34 316 215	28 387 991

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31- FINANCING EXPENSES:

	<u>31/3/2023</u>	<u>31/3/2022</u>
	<u>L.E.</u>	<u>L.E.</u>
Debit Interest "credit facilities"	72 358 560	34 482 009
Commission and bank charges	4 406 589	2 388 218
Check cutting fees	1 782 644	6 224 108
Finance cash discount	--	2 283 416
Total	78 547 793	45 377 751

32- FORMED PROVISIONS OTHER THAN DEPRECIATION:

	<u>31/3/2023</u>	<u>31/3/2022</u>
	<u>L.E.</u>	<u>L.E.</u>
Provision for disputed general taxes	10 000 000	8 000 000
Provision claims	7 000 000	3 000 000
End of Services provision	10 000 000	9 000 000
Total	27 000 000	20 000 000

33- TAKFUL CONTRIBUTION:

	<u>31/3/2023</u>	<u>31/3/2022</u>
	<u>L.E.</u>	<u>L.E.</u>
Takful Contribution	2 693 762	2 575 533
Total	2 693 762	2 575 533

34- DIVIDENDS OF SUBSIDIARIES AND ASSOCIATES

	<u>31/3/2023</u>	<u>31/3/2022</u>
	<u>L.E.</u>	<u>L.E.</u>
Saudi Batterjee Company	28 979 834	20 156 330
the medical professions company	6 717 331	14 487 948
Total	35 697 165	34 644 278

35- 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.

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36- TAX POSITION:

The taxes due on 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, in light of the tax claims, and the company pays the taxes due on it annually from the reality of tax returns.

A. Corporate tax

Years 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 and referral to the internal committee, settlement of disputes and payment of tax differences in 2021

The period 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 provisions of the law 91 for the year 2005, and the taxes due were paid from the reality of the declarations on the legal dates, and the company was notified of the form of 19 taxes, and it was objected to on the legal dates, and the company has not been examined to date

From 1/1/2019 to 31 December 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, noting that the last tax decision was submitted in April 2022 for the year 2021

B. Salary and wages tax

Years 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 March 31, 2023

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

C. Stamp tax

Years from the beginning of the activity until 31/12/2012

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

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Years 2013-2017

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

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

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

Years 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 1/1/2021 to December 31, 2022

The company has not been examined for this period.

D. Sales tax / VAT

Years up to 12/31/2015

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

Years 1/1/2016-31/12/2019

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

Years 1/1/2020-31 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. Deduction and addition tax and advance payments

The company deducts the taxes due from all its dealers and pays them according to the tax card of each financier to his office until June 31, 2022. The company was examined until the end of 2016 and all due differences were settled and payments were made until March 31, 2023.

37- COMPARATIVE FIGURES:

Comparative figures have been adjusted to conform to the current presentation of the financial statements.