

# Egyptian International Pharmaceutical Industries Company (EIPICO)



An Egyptian Joint Stock Company S.A.E Under the Provisions of Investment Law  
 Commercial Register No, 11116 - Ismailia  
 Headquarter and Factories Address: First Industrial Zone - B1, 10th of Ramadan City  
 Authorized Capital 1,500 Million EGP - Issued and Paid-In Capital 991,705 Million EGP

## FINANCIAL POSITION AS OF JUNE 30, 2022

(Amounts expressed in L.E.)

Notes No.	30/6/2022	31/12/2021
<b>Assets</b>		
<b>Non-Current Assets</b>		
Fixed Assets (net)	864 301 407	886 984 475
Right Of Use Assets (net)	2 738 310	--
Projects Under Construction	555 782 749	443 770 255
Intangible Assets (net)	943 473	--
Investments in subsidiaries and related companies	408 205 845	408 205 845
<b>Total Non-Current Assets</b>	<b>1 831 971 784</b>	<b>1 738 960 575</b>
<b>Current Assets</b>		
Inventory (net)	1 930 417 001	1 734 559 799
Account and Notes Receivables (net)	1 266 836 665	1 184 552 445
Debtors and other debit balances	291 113 002	225 143 980
Due from related parties	24 854 400	--
Cash and cash equivalents	475 436 506	279 431 213
<b>Total Current Assets</b>	<b>3 988 657 574</b>	<b>3 423 687 437</b>
<b>Total Assets</b>	<b>5 820 629 358</b>	<b>5 162 648 012</b>
<b>Equity</b>		
Capital	991 705 000	991 705 000
Reserves	1 409 896 921	1 355 701 023
Retained earnings	72 555 385	5 544 976
Net profit for the period/year	297 593 335	483 917 960
<b>Total Equity</b>	<b>2 771 750 641</b>	<b>2 836 868 959</b>
<b>Non-Current Liabilities</b>		
Long term loans	345 541 166	279 638 056
Long term facilities	154 317 402	249 427 444
The non-current portion of the lease liability	1 065 885	--
Deferred Tax	71 389 937	71 844 662
<b>Total Non-Current Liabilities</b>	<b>574 281 407</b>	<b>600 910 162</b>
<b>Current Liabilities</b>		
Provisions	90 751 933	69 735 974
Credit Banks (Facilities)	1 750 588 513	1 219 165 622
Suppliers and notes payables	145 183 885	119 965 001
The current portion of the lease liability	149 573 017	--
Dividends	112 386 293	167 185 032
Creditors and other credit balances	40 814 161	38 199 893
Due to related parties	185 299 418	110 617 369
<b>Total Current Liabilities</b>	<b>2 474 597 310</b>	<b>1 724 868 891</b>
<b>Total Liabilities and Equity</b>	<b>5 820 629 358</b>	<b>5 162 648 012</b>

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

Financial Manager

Chairman and Managing Director

Acc/ Mohamed Hassan Ibrahim Dr. Ahmed Saeed Mohamed Killani

## STATEMENT OF INCOME FOR THE PERIOD ENDED JUNE 30, 2022

(AMOUNTS EXPRESSED IN L.E.)

	2022		2021	
	From 1/4/2022 to 30/6/2022	From 1/1/2022 to 30/6/2022	From 1/4/2021 to 30/6/2021	From 1/1/2021 to 30/6/2021
Net Sales (Activity Revenue)	791,627,591	1,690,961,702	721,946,419	1,507,595,923
(Less) Cost of sales	(449,679,232)	(954,449,349)	(437,968,859)	(865,953,646)
Gross Profit	341,948,359	736,512,353	283,977,560	641,642,277
Less				
Marketing expenses	(133,966,621)	(264,768,767)	(103,008,925)	(211,867,781)
Research and Development expenses	(10,573,313)	(22,600,923)	(7,769,425)	(14,072,408)
General and Administrative expenses	(29,828,580)	(55,990,535)	(17,485,841)	(38,231,620)
Board of Directors allowances	(500,000)	(800,000)	(200,000)	(660,000)
Finance expenses	(37,938,839)	(83,316,590)	(46,798,217)	(86,036,090)
Provisions	(32,000,000)	(62,000,000)	(13,000,000)	(32,000,000)
Total Expenses	(244,807,353)	(489,476,815)	(188,262,408)	(382,867,899)
Activity profits	97,141,006	247,035,538	95,715,152	258,774,378
Add				
Profits of sister companies	(22,134,158)	40,126,120	2,729,969	43,365,383
Interests credited to banks	6,647,489	8,489,486	6,900,388	15,171,550
Total revenue	(15,486,669)	48,615,606	9,630,357	58,536,923
Net activity profits	81,654,337	295,651,144	105,345,509	317,311,311
Add & Less				
Capital gains or losses	507,904	507,904	10,650	818,524
Profit (or loss) for currency differences	65,789,727	81,618,707	(262,382)	(2,487,688)
Other Revenue	1,078,069	2,107,885	21,534	33,839
Net profit (or loss) before income taxes	149,030,037	379,885,640	105,115,311	(315,675,986)
Income tax	(35,558,795)	(78,274,880)	(20,558,402)	(62,661,424)
Deferred tax	269,894	454,725	(4,849,265)	(4,094,486)
Takaful contribution	(2,038,478)	(4,472,150)	(1,910,300)	(3,939,135)
Net profit (or loss) after income taxes	111,702,658	297,593,335	77,797,344	244,990,951

The accompanying notes are an integral part of the financial statements

## STATEMENT CASH FLOW FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

(AMOUNTS EXPRESSED IN L.E.)

Description	30/6/2022	30/6/2021
Net cash inflow from operation activities	(97,215,854)	(152,363,068)
Net outflow from investing activities	(86,793,311)	(42,264,146)
Net cash inflows from financing activities	298,395,751	(238,261,016)
Net increase (decrease) in cash, net	114,386,586	(432,888,230)
Cash balance first year	279,431,213	628,907,406
Foreign exchange gain (Losses) on cash balance at 30/6/2022	81,618,707	(2,487,688)
	475,436,506	193,521,488

## STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022

(Amounts expressed in L.E.)

	Capital	Legal reserve	General reserve	Capital reserve	Expansion reserve	Retained earnings	Total equity
Balance at 1 January 2021	991,705,000	325,545,340	200,783,613	20,160,435	911,659,000	5,544,976	2,455,398,264
Adjustments of year 2021	-	-	--	-	-	-	-
Profit for the year 2021	-	-	--	-	-	483,917,960	483,917,960
Transferred to reserves	-	-	(102,447,365)	-	-	-	(102,447,365)
Balance at 31 December 2021	991,705,000	325,545,340	98,336,248	20,160,435	911,659,000	489,462,936	2,836,868,959
Adjustments of year 2022	-	-	--	-	-	(9,318,338)	(9,318,338)
Net Profit for the Period	-	-	--	-	-	297,593,335	297,593,335
Amounts transferred to reserves	-	24,195,898	--	-	20,000,000	(54,195,898)	-
Dividends	-	-	--	-	-	(353,393,315)	(353,393,315)
Balance at 30/6/2022	991,705,000	349,741,238	98,336,248	20,160,435	941,659,000	370,148,720	2,771,750,641

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

Financial Manager

Chairman and Managing Director

Acc/ Mohamed Hassan Ibrahim Dr. Ahmed Saeed Mohamed Killani

## NOTES TO THE FINANCIAL STATEMENT AS OF JUNE 30, 2022

### (1) Company activity

The Egyptian Company for Pharmaceutical Industries (an Egyptian joint stock company) was established on December 18, 1980 under the investment law. The company manufactures medicines and medical preparations and distributes its production inside and outside the Arab Republic of Egypt.

### (2) Significant Accounting Policies

The financial statements were prepared in accordance with the accounting principles and Egyptian the Financial statement consistent with international accounting standards, in light of the applicable local laws.

### (3) Significant Accounting policies

3/1 The Company's functional and reporting currency is the Egyptian pounds.

3/2 Transactions denominated in foreign currencies are translated using the exchange rates prevailing at the date of transaction. At year-end, monetary assets and monetary liabilities denominated in foreign currencies are retranslated to the Egyptian pound at the ruling exchange rates at the banks.

3/3 Inventory count is executed accounting to the proper producers Accounting to the following:

\* Inventory of raw materials and supplies and work in progress (WIP) at cost.

\* Finished Goods at cost or net sales value, whichever is less.

3/4 Property, plant and equipment valued at their historical

3/5 Fixed Assets Depreciation

Fixed assets are depreciation using the straight-line method using the rates in force in the pharmaceutical industry.

Depreciation of additives during year is calculated by the period ration for quarterly periods

Fixed assets are shown in the balance sheet at the cost of the assets, the depreciation pool and the net book value.

3/6 Project in Progress

record at the cost until the assets becomes ready for use, then it transferred to the fixes assets and depreciation.

Income Tax

The tax currently payable based on tax rates (and tax laws) that have been enacted the necessary provision for the tax liabilities is formed and the company pays the taxes due on it annually based on the tax returns.

### (4) Fixed Assets:

(AMOUNTS EXPRESSED IN L.E.)

Description	Land	Buildings	Machinery & Equipment	Vehicles	Tools	Fixtures and Furniture	Total
At 31/12/2021	81,059,818	273,230,159	460,757,159	4,544,181	22,278,117	45,115,040	886,984,474
At 30/6/2022	81,059,818	269,581,615	436,702,246	12,428,214	21,784,095	42,745,419	864,301,407

### (2) Project in Progress:

Projects under Construction represent what was spent on them to be completed and transferred to fixed assets. Their value in 30/6/2022 amounts to EGP 555,782,749, which includes the Letter of credits opened till 30/6/2022 for the purchase of fixed assets as follows:-

(AMOUNTS EXPRESSED IN L.E.)

Description	
Machinery & Equipment	135,298,591
Vehicles	1,381,485
Tools, utensils, furniture and office equipment	3,283,398
Combinations	12,632,267
Software	10,439,000
EIPICO (3) Faculty	392,748,008
Total	555,782,749

### Other long-term assets

It is represented in the following

(AMOUNTS EXPRESSED IN L.E.)

Description	31/12/2021	30/6/2022
Contribution to subsidiary and sister companies (4)	408,205,845	408,205,845
Goodwill (after depreciation) (3)	0	0
Total	408,205,845	408,205,845

3 - Goodwill: the cost of goodwill at the date of the merger (30/9/1999) is an amount of 370 million pounds, and the amortization is done on a regular basis over its useful life according to the best estimate of the period during which are expected to benefit from the business combination, which was estimated at 5% annually. And the fame expired on 30/9/2019.

4/1 Egyptian International Company for Ampoules:

The Egyptian International Company for Ampoules is an Egyptian joint stock company subject to Investment Law No. (8) for the year 1997, it aims to manufacture pharmaceutical ampoules, and the Egyptian International Company for Pharmaceutical Industries (EIPICO) is the main shareholder in the capital of this company, as it contributes 63.88% and these investments are limited by cost.

4/2 - Eipico Tech Pharmaceutical Company: An Egyptian joint stock company subject to the Investment Law (8) for year 1997, for the manufacture human, veterinary and chemical medicines. The main shareholder is the Egyptian International Company for Pharmaceutical Industries - EIPICO with 98.6% and the rest, 1.4%, from EIPICO employees, these investments are recognized at cost and not have market value. The company is currently under liquidation.

4/3 - Saudi Factory (Batterjee Pharma): EIPICO share 30% of capital fully paid

4/4 - Medical Union Pharmaceuticals (MUP): EIPICO share 10% of capital fully paid

### (5) Inventory :

(AMOUNTS EXPRESSED IN L.E.)

	30/6/2022
Raw materials	715,317,345
Spare parts & Fuels	107,910,338
Packing materials	376,896,921
Work in progress	161,588,999
Finished products	366,071,117
Consignment goods	8,662,064
letters of credits to purchased goods	214,494,783
Deduct : Provision of goods	(11,524,566)
Net Inventory	1,930,417,001

### (9) Cash and cash equivalents :

(AMOUNTS EXPRESSED IN L.E.)

	30/6/2022
Cash on hand & Bank balances	161,364,820
Time Deposit	309,262,363
investment funds and others	4,809,323
Total	475,436,506

### (6 / 7 / 8) Trade and other receivables :

(Amounts expressed in L.E.)

Description	30/6/2022
Client	829,448,481
Receipt papers	505,613,272
Debt and balance a city	291,113,002
Accounts receivable with holding companies and sister companies	24,854,400
Total	1,651,529,155
Deduct : Provision for doubtful debts	(68,225,088)
Net Receivable	1,582,804,067

### (15) Provisions:

The total provisions other than depreciation on June 30, 2022 amount to 62,000,000 as follows:

(AMOUNTS EXPRESSED IN L.E.)

Description	30/6/2022
Other allowances	18,000,000
Provisions for impairment of customer balances	12,000,000
Provisions for impairment in inventory value	10,000,000
Provision for quitting service bonus	15,000,000
Custom Claims	7,000,000
Total	62,000,000

### 16- Due to banks

(AMOUNTS EXPRESSED IN L.E.)

Description	30/6/2022
Long term loans	345,541,166
Long term credit facilities	154,317,402
Total	499,858,568

### (17 : 21) Trade and other payables

(AMOUNTS EXPRESSED IN L.E.)

	30/6/2022
Suppliers and bills of exchange	145,183,885
Credit banks and credit facilities	1,750,588,513
Distribution Creditors	149,573,107
Other credit balances	27,260,718
Various creditors	1,998,877
Other payables	42,282,307
Accrued expenses	13,697,654
Advances from customers	22,546,022
Trade payables due to related party	40,814,161
Other tax payables	4,600,715
Income taxes payables	185,299,418
Total	2,383,845,377

### (10/1) Paid-in capital :