

Egyptian International Pharmaceutical Industries Company (EIPICO)



The Summarized Consolidated Financial Statements of The Egyptian International Pharmaceutical Industry Co. (EIPICO) S.A.E

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2022

(AMOUNTS EXPRESSED IN L.E.)

	30/06/2022 L.E.	31/12/2021 L.E.
NON-CURRENT ASSETS		
Fixed assets (net)	898 444 108	922 138 625
Right of use assets (net)	2 738 310	
Projects under progress	560 740 908	449 841 684
Intangible assets	943 473	
Investments in subsidiaries, associates and joint ventures	352 446 138	339 165 845
Total non-current assets	1 815 312 937	1 711 146 154
CURRENT ASSETS		
Inventory (net)	2 012 488 895	1 817 785 529
Accounts and notes receivable (net)	1 245 290 645	1 161 427 394
Debtors and other debit balances	294 326 951	232 942 176
Cash and cash equivalents	517 847 318	311 587 051
Total current assets	4 069 953 809	3 523 742 150
Total Assets	5 885 266 746	5 234 888 304
Equity		
Capital	991 705 000	991 705 000
Reserves	1 502 885 332	1 451 1 26 674
Retained earnings	74 281 386	40 064 976
Net profit for the period /year	304 092 153	487 752 080
Total equity (parent com pany)	2 872 963 871	2 970 648 730
NON-CONTROLLING RIGHTS	2 566 672	2 820 166
Total equity	2 875 530 543	2 973 468 896
Non-Current Liabilities		
Long term loans	345 541 166	279 638 056
Long term credit facilities	154 317 402	249 427 444
Lease liability — short term	1 967 01 7	0
Deferred tax	71 389 937	71 844 662
Total non-current liabilities	573 215 522	600 910 162
CURRENT LIABILITIES		
Provisions	94 801 262	73 785 303
Credit bank (facilities)	1 750 588 513	1 219 165 622
Suppliers and note payable	116 108 333	75 445 425
Dividends	163 432 430	0
Creditors and other credit balances	125 224 840	1 81 495 527
Accrued Income tax	185 299 418	1 10 617 369
Lease liability — Long term	1 065 885	0
Total current liabilities	2 436 520 681	1 660 509 246
Total Liabilities & Equity	5 885 266 746	5 234 888 304

The notes are an integral part of the financial statements and are read with it.

Financial Manager

Chairman and Managing Director

Acc/ Mohamed Hassan Ibrahim

Dr. Ahmed Saeed Mohamed Killani

CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022

(All Amount in Egyptian Pound)

Description	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)	806,664,569	1,734,039,164	747,710,795	1,548,094,341
Deduct (cost of sales)	(455,372,267)	(966,909,489)	(442,590,326)	(875,361,755)
Gross profit	351,292,302	767,129,675	305,120,469	672,732,586
Deduct				
Marketing expenses	(134,278,577)	(265,192,209)	(103,630,340)	(211,901,684)
Research and development (R&D)	(10,573,313)	(22,600,923)	(7,769,425)	(14,072,408)
General and administrative expenses	(32,380,818)	(60,768,809)	(20,154,790)	(42,732,867)
Allowances for members of the board of directors	(624,530)	(1,093,380)	(299,000)	(927,000)
Finance expense	(37,938,839)	(83,316,590)	(46,798,217)	(86,036,090)
Provisions other than depreciation	(32,000,000)	(62,000,000)	(13,000,000)	(32,000,000)
Total Expenses	(247,796,077)	(494,971,911)	(191,651,772)	(387,670,049)
Activity Profits	103,496,225	272,157,764	113,468,697	285,062,537
Add (deduct)				
Credit interest	6,857,147	9,059,241	8,750,514	19,563,514
Profits of sister companies	(8,853,865)	25,790,413	2,729,969	8,845,383
Total revenue	(1,996,718)	34,849,654	11,480,483	28,408,897
Net profit of the Activity	101,499,507	307,007,418	124,949,180	313,471,434
Add (deduct)				
Gain (loss) Capital	507,904	507,904	10,650	818,524
Gain (loss) Currency differences	65,789,727	81,618,707	(262,382)	(2,487,688)
Other Revenue	1,836,302	3,761,177	(321,999)	2,577,025
Total Revenue	68,133,933	85,887,788	(573,731)	907,861
Net profit (or loss) before income tax	169,633,440	392,895,206	124,375,449	314,379,295
Income tax	(37,237,313)	(84,427,566)	(24,914,983)	(70,107,057)
Deferred tax	269,894	454,725	(4,849,265)	(4,094,486)
Symbiotic contribution	(1,964,980)	(4,540,513)	(1,910,300)	(3,929,125)
Net Profit after income tax	130,701,041	304,381,852	92,700,901	236,248,627
To be distributed as follows:				
Holding company profits	124,982,951	283,257,628	77,797,344	210,470,951
Holding share of the subsidiary company (Deferred)	5,639,672	20,834,526	14,699,170	25,424,161
Minority share of the subsidiary (carried forward)	78,418	289,698	204,387	353,515
	130,701,041	304,381,852	92,700,901	236,248,627

CONSOLIDATED STATEMENT CHANGES EQUITY FOR THE PERIOD ENDED AT 30/6/2022

Description	Capital	Legal Reserve	General Reserve	Capital Reserve	Expansion Reserve	Retained earnings	Total equity of the holding company	Non-controlling rights of owners	Total
Balance at 31/12/2021	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
Adjustments 2022	0	26 113 604	(4 354 946)	30 000 000	0	(51 758 658)	0	26 664	26 664
Dividend	0	0	0	0	0	(388 202 374)	(388 202 374)	(407 992)	(388 610 366)
Transferred to reserves	0	0	0	0	0	(13 574 638)	(13 574 638)	(161 864)	(13 736 502)
Net profit of 2022	0	0	0	0	0	304 092 153	304 092 153	289 698	304 381 851
Balance as at June 30, 2022	991,705 000	369 671 007	171 394 890	110 160 435	851 659 000	378 373 539	2 872 963 871	2 566 672	2 875 530 543

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	(32,962,628)	(164,051,427)
Net outflow from investing activities	(115,042,335)	(43,683,045)
Net cash inflows from financing activities	272,646,523	(281,235,963)
Net increase (decrease) in cash, net	124,641,560	(488,970,435)
Cash balance first year	311,587,051	732,754,061
Foreign exchange gain (Losses) on	81,618,707	(2,487,688)
Cash balance at 30/6/2022	517,847,318	241,395,938

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

1-The legal entry for subsidiary Company

The Egyptian International Ampoules Company (ELACO) is an Egyptian joint stock company subject to the Investment Law No. (8) of 1997 and aims to manufacture pharmaceutical Industries (EIPICO) The main shareholder of this company, where it contributes 98,63% and 1,37% contribution from others.

2- Basis of Preparation

2/1 These consolidated financial statements for EIPICO and EIACO which started production in 2007 have been prepared in accordance with Egyptian Accounting Standards, and the Egyptian laws and regulation.

2/2- All assets, liabilities, equity, income and expenses of EIPICO and EIACO were consolidated.

2/3 Principles of consolidation and equity accounting as follow:

-Carrying amount of EIPICO investment in the subsidiary against its portion of equity of the subsidiary.

-Non-controlling interest in the net income and the retained earnings of its subsidiary, and presented it separately from the equity holders of EIPICO.

-Balances resulting from exchange transactions between EIPICO and its subsidiary have been eliminated

Fixed assets net:

It is represented in the following:

(All Amount in Egyptian Pound)

	Land	Buildings	Machinery & Equipment	Vehicles	Tools	Fixtures and Furniture	Total
Cost as of 30/6/2022	83,186,032	543,760,814	1,449,709,928	105,744,678	92,982,294	135,334,067	2,410,717,813
Accumulated Description 30/6/2022	0	262,099,263	994,237,471	92,698,970	70,973,178	92,264,823	1,512,273,705
Net Assets as of 30/6/2022	83,186,032	281,661,551	455,472,457	13,045,708	22,009,116	43,069,244	898,444,108

4-Projects under construction:

Projects under construction represent what was spent on them to be completed and transferred to fixed assets. Their value in 30/6/2022 amounts EGP 560,740,908 which includes the Latter of credits opened till 30/6/2022 for the purchases of fixed assets as follows:

(All Amount in Egyptian Pound)

Machinery and Equipment	140,256,750
Vehicles	1,381,485
Tools, utensils, furniture and office equipment	3,283,398
Fixtures	12,632,267
Software	10,439,000
EIPICO (3) Factory	392,748,008
Total	560,740,908

5- Inventory:

(All Amount in Egyptian Pound)

Inventory, commodity supplies, finished and incomplete production	1,797,320,321
Less : Allowance for impairment in inventory value	(11,524,566)
Total	1,785,795,755
Add documentary credits for the purchase of goods	226,693,140
Net Inventory	2,012,488,895

6- Trade and other receivables

(All Amount in Egyptian Pound)

Clients and receipts	1,313,515,733
Deduction: Provision for doubtful debts	(68,225,088)
Total	1,245,290,645
Receivables and accounts receivable	294,326,951
Net receivables	1,539,617,596

7-Cash on hand & Bank balances:

(All Amount in Egyptian Pound)

Current accounts with banks and fund	177,767,402
Bank deposits	332,073,245
Deposits with investment funds, etc	8,006,671
Total	517,847,318

8-Due to banks

(All Amount in Egyptian Pound)

Long term loans	345,541,166
Bank facilities (long term)	154,317,402
Total	499,858,568

9-Suppliers and Accounts Payable

(All Amount in Egyptian Pound)

Suppliers and Payment Papers	116,108,333
Accounts payable	125,224,840
Distribution payables	163,432,430
Income tax payable	185,299,418
Total	590,065,021

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 June 30, 2022 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. 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 at June 30, 2022, and of its financial performance and its cash flows for the six months then ended in accordance with Egyptian Accounting Standards No. (30) for consolidated periodic financial statements.

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

Cairo: August 9, 2022

Auditor
Dr. Ahmed Elshawki
MAZARS MOSTAFI EL SHAWKI
COSTA PA SHAWKI