EGYPTIAN INTERNATIONAL PHARMACEUTICALS INDUSTRIES COMPANY (S.A.E)

FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2023
WITH LIMITED REVIEW REPORT

INDEX

mazars

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Translation of Limited Review Report
Originally Issued in Arabic

LIMITED REVIEW REPORT

To the chairman and member of the board of:
Egyptian International Pharmaceutical Industries Co. – EIPICO "S.A.E"

Report on the Financial Statements

We have audited the accompanying financial statements of **Egyptian International Pharmaceutical Industries Co. – EIPICO "S.A.E"** as of June 30, 2023 and the related statements of income, comprehensive income, changes in equity and cash flows for the six months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of Limited Review

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

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly in all material respects the financial position of the company as of June 30, 2023, and of its financial performance and its cash flows for the six months then ended in accordance with Egyptian Accounting Standards No. (30) for independent periodic financial statements.

Cairo: 13 August 2023

Auditor

Dr. Ahmed Shawki
MAZARS MOSTAFA SHAWKI

Mazars
MOSTAFA SHAWKI

Translation of Financial Statements
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EGYPTIAN INTERNATIONAL PHARMACEUTICALS INDUSTRIES COMPANY "S.A.E"

FINANCIAL POSITION AS OF JUNE 30, 2023

(Amounts Expressed in L.E.)

	Notes No.	30/6/2023 L.E	31/12/2022 L.E
Non-Current Assets			
Fixed Assets (net)	(4)	912,148,477	938,004,332
Right Of Use Assets (net)	(5)	900,778	1,835,170
Projects Under Construction	(6)	2,385,919,423	861,202,627
Intangible Assets (net)	(7)	1,857,522	1,567,040
Investments in subsidiaries companies	(8/1)	69,040,000	69,040,000
Investments in associated companies	(8/3)	326,835,845	326,835,845
Total Non-Current Assets		**3,696,702,045**	**2,198,485,014**
Current Assets			
Inventory (net)	(9)	2,163,760,417	1,993,428,755
Account and Notes Receivables (net)	(10)	2,223,182,042	1,839,507,689
Non-current assets held for sale	(8/2)	12,330,000	12,330,000
Debtors and other debit balances	(11)	147,243,817	122,288,893
Cash and cash equivalents	(12)	515,621,049	432,987,176
Total Current Assets		**5,062,137,325**	**4,400,542,513**
Total Assets		**8,758,839,370**	**6,599,027,527**
Equity			
Capital	(13)	991,705,000	991,705,000
Reserves	(14)	1,739,354,443	1,409,896,921
Retained earnings	(15)	69,640,994	72,555,385
Net profit for the period /before dividends	(16)	468,950,300	589,150,436
Total Equity		**3,269,650,737**	**3,063,307,742**
Non-Current Liabilities			
Long term loans	(17)	2,145,805,046	735,619,163
Long term facilities	(18)	11,680,491	76,512,181
The non-current portion of the lease liability	(19)	324,573	794,054
Deferred Tax		56,430,498	58,940,504
Total Non-Current Liabilities		**2,214,240,608**	**871,865,902**
Current Liabilities			
Provisions	(21)	179,516,352	111,344,038
Credit Banks (Facilities)	(22)	2,354,930,462	2,032,647,352
Suppliers and notes payables	(23)	193,806,048	166,640,209
The current portion of the lease liability	(19)	658,379	1,390,308
Dividends creditors	(24)	100,011,668	--
Creditors and other credit balances	(25)	242,499,353	183,349,572
Due to related parties	(26)	105,740,354	61,664,411
Accrued income tax	(27)	97,785,409	106,817,993
Total Current Liabilities		**3,274,948,025**	**2,663,853,883**
Total Liabilities		**5,489,188,633**	**3,535,719,785**
Total Liabilities and Equity		**8,758,839,370**	**6,599,027,527**

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

Acting as chief financial officer
Acc/ Mohamed Taha Elswify

Chairman and Managing Director
Dr/ Ahmed Saeed Mohamed Killani

EGYPTIAN INTERNATIONAL PHARMACEUTICALS INDUSTRIES COMPANY
"S.A.E"
STATEMENT OF INCOME
FOR THE PERIOD ENDED JUNE 30, 2023
(Amounts Expressed in L.E.)

	Notes. No.	30/6/2023 L.E	30/6/2022 L.E
Net Sales "Revenues"	(28)	2,165,009,430	1,690,961,702
Cost of sales	(29)	(1,168,791,889)	(954,449,349)
Gross Profit		**996,217,541**	**736,512,353**
Marketing Expenses	(30)	(310,916,334)	(264,768,767)
R&D expenses	(31)	(22,240,860)	(22,600,923)
General and administrative expenses	(32)	(63,318,447)	(55,990,535)
Board of Directors allowances		(1,000,000)	(800,000)
Finance expenses	(33)	(167,135,238)	(83,316,590)
Formed from expected credit losses		(8,000,000)	(12,000,000)
Formed from impairment in inventory value		(15,000,000)	(10,000,000)
Formed from the provision	(34)	(97,000,000)	(40,000,000)
Total Expenses		**(684,610,879)**	**(489,476,815)**
Profits of subsidiaries and associated companies	(36)	41,237,331	40,126,120
Credit interest		18,663,057	8,489,486
		59,900,388	**48,615,606**
Capital gain or losses		14,930	507,904
Currency differences	(37)	231,401,037	81,618,707
Other Revenues		1,598,193	2,107,885
Net profit for the period before tax		**604,521,210**	**379,885,640**
Income Tax	(20)	(131,973,554)	(78,274,880)
Deferred Tax		2,510,006	454,725
Takaful contributions – Social insurance	(35)	(6,107,362)	(4,472,150)
Net profit for the period after tax		**468,950,300**	**297,593,335**
Earning per share		**4,73**	**3**

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

Acting as chief financial officer
Acc/ Mohamed Taha Elswify

Chairman and Managing Director
Dr/ Ahmed Saeed Mohamed Killani

Translation of Financial Statements
Originally issued in Arabic

EGYPTIAN INTERNATIONAL PHARMACEUTICALS INDUSTRIES COMPANY
"S.A.E"
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED JUNE 30, 2023

(Amounts Expressed in L.E.)

	30/6/2023 L.E	30/6/2022 L.E
Net profit for the period	468,950,300	297,593,335
Other Comprehensive Income for the period		
Foreign Currency	--	--
Adjust for joint ventures shares	--	--
Total Comprehensive Income for the period	**--**	**--**
Total Comprehensive Income for the period	**468,950,300**	**297,593,335**

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

Acting as chief financial officer
Acc/ Mohamed Taha Elswify

Chairman and Managing Director
Dr/ Ahmed Saeed Mohamed Killani

EGYPTIAN INTERNATIONAL PHARMACEUTICALS INDUSTRIES COMPANY "S.A.E"
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED JUNE 30, 2023
(Amounts Expressed in L.E.)

Description	Paid -up Capital L.E.	Legal Reserve L.E.	General Reserve L.E.	Capital Reserve L.E.	Expansions Reserve L.E.	Retained Earning L.E.	Total L.E.
Balance as of January 1, 2022	991,705,000	325,545,340	98,336,248	20,160,435	911,659,000	489,462,936	**2,836,868,959**
Adjustments Of 2022	--	--	--	--	--	(9,318,338)	**(9,318,338)**
Transferred to reserves	--	24,195,898	--	--	30,000,000	(54,195,898)	--
Dividends	--	--	--	--	--	(353,393,315)	**(353,393,315)**
Net profit of the year	--	--	--	--	--	589,150,436	**589,150,436**
Balance as of December 31, 2022	**991,705,000**	**349,741,238**	**98,336,248**	**20,160,435**	**941,659,000**	**661,705,821**	**3,063,307,742**
Balance as of January 1, 2023	**991,705,000**	**349,741,238**	**98,336,248**	20,160,435	**941,659,000**	**661,705,821**	**3,063,307,742**
Transferred to reserves	--	29,457,522	--	--	300,000,000	(329,457,522)	--
Dividends	--	--	--	--	--	(262,607,305)	**(262,607,305)**
Net profit of the period	--	--	--	--	--	468,950,300	**468,950,300**
Balance as of June 30, 2023	**991,705,000**	**379,198,760**	**98,336,248**	**20,160,435**	**1,241,659,000**	**538,591,294**	**3,269,650,737**

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

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Acc/ Mohamed Taha Elswify

Chairman and Managing Director
Dr/ Ahmed Saeed Mohamed Killani

EGYPTIAN INTERNATIONAL PHARMACEUTICALS INDUSTRIES COMPANY "S.A.E."
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED JUNE 30, 2023

	30/6/2023	30/6/2022
Cash flows from operating activities		
Net profit for the period before tax	604,521,210	379,885,640
Depreciation of assets	48,746,533	45,594,267
Amortization right of use assets	934,392	965,642
Formed from provisions	120,000,000	62,000,000
Used from provisions	(34,717,404)	(32,501,923)
Amortization of intangible assets	217,331	49,656
Credit interest	(18,663,057)	(8,489,486)
Dividends and revaluation investments	(41,237,331)	(40,126,120)
Debit interest	157,641,794	66,512,325
Gain / loss Sales of assets	(14,930)	(507,904)
Differences on foreign currency valuation	(231,401,037)	(81,618,707)
Payments on unusual items	(1,598,193)	(2,107,885)
Operating profit before changes in assets and liabilities	**604,429,308**	**389,655,505**
Change in Accounts Receivables	(386,842,458)	(163,434,303)
Change in inventory	(179,441,944)	(197,003,956)
Change in Suppliers and notes payable and creditors and other credit	(16,721,937)	(35,030,569)
Cash in (Cash out) unusual items	1,598,193	2,107,885
Lease liability contracts	(1,201,410)	(1,097,042)
Paid Interest	(157,641,794)	(66,512,325)
Paid Taxes	(29,786,819)	(25,901,049)
Net cash flows provided from operating activities	**(165,608,861)**	**(97,215,854)**
Cash flows from investing activities		
(Paid) for purchase of fixed assets	(22,951,153)	(135,965,417)
(Paid) for purchase projects under construction	(1,525,224,609)	--
Proceeds from the sale of fixed assets	75,405	556,500
Collection Dividends	41,237,331	40,126,120
Collection interest	18,663,057	8,489,486
Net cash flows (used in) investing activities	**(1,488,199,969)**	**(86,793,311)**
Cash flows from financing activities		
Dividends	(162,595,637)	(203,820,208)
Cash in Banks (Bank Facilities)	322,283,110	531,422,891
Cash in Banks (long term facilities)	(64,831,690)	(95,110,042)
Cash in Banks (Long Term Loans)	1,410,185,883	65,903,110
Net cash flows provided from (used in) financing activities	**1,505,041,666**	**298,395,751**
Net change in cash and cash and cash equivalents	**(148,767,164)**	**114,386,586**
Cash and cash equivalents at the beginning of the period	432,987,176	279,431,213
Differences on foreign currency on cash and cash equivalents	231,401,037	81,618,707
Cash and cash equivalents at the end of the period	**515,621,049**	**475,436,506**

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

Acting as chief financial officer
Acc/ Mohamed Taha Elswify

Chairman and Managing Director
Dr/ Ahmed Saeed Mohamed Killani

EGYPTIAN INTERNATIONAL PHARMACEUTICALS INDUSTRIES COMPANY
"S.A.E."
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2023

1- BACKGROUND

1.1 Legal Entity and Governing Laws

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

1.2 Purpose of the Company

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

1.3 Duration of the company

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

1.4 The company's Location

First Industrial Zone B1, 10th of Ramadan City.

1.5 Egyptian Stock Exchange

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

1.6 Financial Year

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

1.7 Approval of the Financial Statements

The company's financial statements for the year ended on June 30, 2023 were approved by the company's Board of Directors held on 13Augest 2023.

2- BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

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

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

3- SIGNIFICANT ACCOUNTING POLICIES

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

3.1.1 Currency Display and Measurement

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

3.1.2 Accounting Estimates

The preparation of the financial statements according to the Egyptian Accounting Standards requires, in some cases, reliance on assumptions and estimates developed by the management as deemed appropriate, including the development and application of accounting policies to reflect the economic substance and the nature of the transactions related to the main activity of the company (revenue of activity, Impairment, Deferred Tax, Fair value of financial statement) Accordingly, these estimates and assumptions are assessed based on best data and information available to the management, which may directly affect the revenues and the costs associated with those estimates, the values of the assets and related obligations. However, such estimations and assumptions applied for the current period may differ compared to the actual facts in the following periods nevertheless this will not affect the true value of the financial statements and the cash flow for the current period.

3.1.3 Changes in Accounting policies

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

3.2 Foreign Currency Transaction

3.2.1 Transactions and Reporting Currency

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

3.2.2 Transactions and Balances

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

3.3 Fixed Assets & Depreciation

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

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

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

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

Subsequent expenses for acquisition

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

Depreciation

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

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

Assets item	**Estimate useful life (Year)**
Administration Buildings, Constructions	50
Factory Buildings, Constructions	50
Production Machinery	15
Service Machinery & Facilities	15
Vehicles	5
Tools & Equipment	5
Furniture and office equipment	10

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

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

3.4 Intangible Assets

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

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

3.5 <u>Projects under construction</u>

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

3.6 <u>Leasing contracts</u>

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

<u>Leasing liabilities</u>

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

<u>Right of use assets</u>

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

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

Right-of-use assets are amortized from the date of the start of the lease contract until the end of the useful life of the asset if the lease contract transfers the ownership of the underlying asset to the company at the end of the lease term, or if the company will exercise the purchase option. Otherwise, the company amortizes the right of use assets from the date of the start of the lease contract to the end of the useful life of the right of use asset or the end of the lease term, whichever is earlier.

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

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

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

3.7 Inventory

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

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

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

3.8 Provisions

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

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

3.9 Investments at fair value through other comprehensive income

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

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

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

3.10 Investment in subsidiaries companies

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

3.11 Investment in related companies

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

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

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

Non-Current Assets held for Sale

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

3.12 Investment At Fair Value Through Profit or Loss

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

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

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

3.13 Revenue Recognition

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

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

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

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

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

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

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

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

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

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

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

3.14 Financial Instruments

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

Egyptian Accounting Standard No. 47 Financial Instruments sets out requirements for the recognition and measurement of financial assets, financial liabilities and some contracts for the purchase or sale of non-financial items, except for rights and obligations under lease contracts to which Egyptian Accounting Standard No. 49 “Lease Contracts” applies. However, lease receivables recognized by the lessor are subject to derecognition and impairment requirements under this standard, which replaces IAS 29 Financial Instruments - Recognition and Measurement.

<u>Initial recognition</u>

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

Classification and measurement of financial assets and financial liabilities.

The Egyptian Accounting Standard No. 47 Financial Instruments contains three main classification categories for financial assets measured at amortized cost, fair value through other comprehensive income and fair value through profit or loss. The classification of financial assets under Egyptian Accounting Standard No. 47 "Financial Instruments" generally depends on the business model in which the financial asset is managed and its contractual cash flow characteristics.

Egyptian Accounting Standard No. 47 "Financial Instruments" eliminates the previous Egyptian Accounting Standard No. 29 "Financial Instruments - Recognition and Measurement" fragments held to maturity and available-for-sale loans and receivables.

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

They are classified as follows:

- **<u>Financial assets at amortized cost</u>**

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

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

- **<u>Financial assets at fair value through other comprehensive income</u>**

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

- **<u>Financial assets at fair value through profit and loss</u>**

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

<u>Business Model Evaluation</u>

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

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

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

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

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

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

Impairment of assets

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

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

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

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

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

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

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

This assessment is carried out on an individual level for each client. Recoveries of amounts that were previously written off are included in the "impairment losses of financial instruments" in the statement of profit or loss and other comprehensive income. The financial assets that have been written off may remain subject to legal procedures in application of the company's procedures to recover the amounts due.

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

Stage one: 12-month expected credit loss

The first stage includes financial assets on initial recognition that do not have a significant increase in credit risk since initial recognition or that have relatively low credit risk. For these assets, 12-month expected credit losses are recognized and interest is calculated on the total carrying amount of the assets (without deducting the provision for credit). 11-month ECL is the expected credit loss that may result from potential failures within 12 months after the date of the financial statements.

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

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

Stage Three: Lifetime Expected Credit Loss - Credit Impairment

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

Non-financial assets

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

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

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

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

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

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

Derecognition of financial assets

The company derecognizes a financial asset only when:

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

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

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

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

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

Financial liabilities

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

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

Classification and subsequent measurement

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

Financial Guarantee Contracts

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

Derecognition of financial liabilities

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

Financial Instruments Clearing

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

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

Managing Risks related to Financial Instruments

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

A. Credit Risk

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

B. Liquidity Risk

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

C. Foreign Currency Risk

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

D. Capital Management Risk

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

3.15 Revenues and financing costs

The company's finances and revenues include the following:

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

3.16 Expenses

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

3.17 Income Tax

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

Current Income Taxes

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

Deferred Income Tax

Deferred tax is recognized for temporary differences between the accounting base of assets and liabilities and the tax base for those assets and liabilities. Deferred tax is recognized for all temporary differences that are expected to be taxable, except for the following:

Initial recognition of an asset or liability A transaction that affects neither the net accounting profit nor the taxable profit (tax loss: temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures to the extent that the timing of reversal of those temporary differences can be controlled and is likely to be such) These differences will not be reversed in the foreseeable future.

The tax asset arising from the carry forward of tax losses and the right to unused tax credits and deductible temporary differences is recognized when there is a strong possibility that it will be possible to achieve future taxable profits from which the asset can be used. The future tax profit is determined by the company's future business plan. The location of unrecognized deferred tax assets is reassessed at the end of each financial period, and deferred tax assets that were not previously recognized are recognized to the extent that it is likely that there will be tax profit in the future that allows absorbing the value of the deferred tax asset. Deferred tax is measured using the tax rates expected to be applied when temporary differences are realized, using the tax rates that are in force or that are about to be issued.

Tax assets and liabilities are not offset only when certain conditions are met

Deferred tax assets are recognized for the facility when there is a strong possibility of achieving taxable profits in the future through which this asset can be used.

3.18 Customers and Debtors and Other Debit Balances

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

3.19 Reserves

3.19.1 Legal Reserves

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

3.19.2 Investment Projects Financing Reserves

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

3.19.3 General Reserves

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

3.19.4 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.

3.19.5 Other Reserves

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

3.20 Suppliers, Creditors and Other Credit Balances

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

3.21 Cost of Borrowing

Borrowing and credit facilities

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

Borrowing Cost

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

3.21.1 Start Capitalization

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

- The expenditure is based on the original.
- The origin incurred the cost of borrowing.
- The activities necessary to prepare the asset for use in the purposes specified for it or as a sale to third parties are currently being implemented.

3.21.2 Capitalization Suspension

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

3.21.3 Stop Capitalization

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

3.22 Impairment Of Assets

Financial Assets

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

Non-Financial Assets

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

3.23 Related Parties Transactions

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

3.24 Employee benefits

3.24.1 Contribution in the social insurance

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

3.24.2 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.

3.24.3 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.

3.25 Revised Egyptian Accounting Standards

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

3.26 Other Comprehensive Income

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

3.27 Total Comprehensive Income

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

3.28 Statement of Cash Flows

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

3.29 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".

3.30 Cash and Cash Equivalents

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

3.31 Dividends

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

3.32 Earnings (losses) per share

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

4- FIXED ASSETS (NET)

Description	Lands	Buildings	Machines and equipment	Transportation	Tools and equipment	Furniture and office equipment	Total
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.
Cost as of 1 January 2023	81,059,818	507,819,533	1,455,588,275	104,490,456	96,527,867	145,147,030	**2,390,632,979**
Additions during the period	--	-	17,394,457	-	3,757,802	1,798,894	**22,951,153**
Disposal during the period	--	(985,124)	(3,850)		(65,224)	(47,292)	**(1,101,490)**
Cost as of June 30, 2023	**81,059,818**	**506,834,409**	**1,472,978,882**	**104,490,456**	**100,220,445**	**146,898,632**	**2,412,482,642**
Accumulated depreciation as of 1 January 2023	--	241,885,962	946,757,965	92,111,068	74,197,298	97,676,354	**1,452,628,647**
Depreciation for the period	--	3,647,540	33,440,487	1,252,077	4,324,544	6,081,885	**48,746,533**
Accumulated depreciation of Disposal	--	(985,124)	(3,850)	-	(12,332)	(39,709)	**(1,041,015)**
Accumulated depreciation as of June 30, 2023	--	**244,548,378**	**980,194,602**	**93,363,145**	**78,509,510**	**103,718,530**	**1,500,334,165**
Net cost as of June 30, 2023	**81,059,818**	**262,286,031**	**492,784,280**	**11,127,311**	**21,710,935**	**43,180,102**	**912,148,477**

* The period's depreciation burden was distributed among the various expenditure items according to the relationship between the fixed assets items and the various departments of the company, as follows:

	Notes No.	30/6/2023
Cost of sales	(29)	41,439,073
Marketing expenses	(30)	5,057,884
Research and development expenses	(31)	929,705
General and administrative expenses	(32)	1,319,871
		48,746,533
		Disclosure No.6
Transferred from PUC to fixed assets	(6)	20,889,433
Purchased Assets during the period		2,061,720
Total Additions during the period		**22,951,153**

The book value of the depreciated assets amounted to L.E 674,667,102 and represented:

Lands	Buildings	Machine and equipment	Transportation	Tools and equipment	Furniture and office equipment	Total
L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.
--	**67,394,468**	**402,111,158**	**87,283,340**	**62,323,527**	**55,554,609**	**674,667,102**

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

5- RIGHT IN USE ASSETS (NET)

	30/6/2023
	L.E.
Cost at 1/1/2023	3,703,952
Additions during the period	--
Cost at 30/6/2023	**3,703,952**
Amortization at 1/1/2023	(1,868,782)
Amortization during the period	(934,392)
Accumulated Amortization at 30/6/2023	**(2,803,174)**
Net cost at 30/6/2023	**900,778**

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 June 30, 2023, L.E 2,385,919,423, as per the following detail:

	Cost at 1/1/2023	Additions during the period	Transferred to fixed assets	Cost at 30/6/2023
	L.E	L.E	L.E	L.E
Equipment and machines	55,773,794	20,812,404	(17,336,065)	**59,250,133**
Transportation	176,535	1,547	--	**178,082**
Tools and equipment	6,026,066	10,346,165	(3,514,868)	**12,857,363**
Installation	7,444,711	1,045,821	--	**8,490,532**
Software programs	11,962,406	17,811,581	(38,500)	**29,735,487**
Eipico factory (3)	779,819,115	1,495,588,711	--	**2,275,407,826**
Total	**861,202,627**	**1,545,606,229**	**(20,889,433)**	**2,385,919,423**

- The capitalized interest on Project under Construction amounted to L.E 48,996,828

7- INTANGIBLE ASSETS (NET)

As a result of the re-evaluation of assets and liabilities and the depreciation account at the merger of the Egyptian Company for the Manufacturing of Pharmaceutical Packaging into the Egyptian International Company for Pharmaceutical Industries (EPICO) according to the assessment that took place on 9/30/1999.

	30/6/2023 L.E	31/12/2022 L.E.
Cost	373,532,086	371,803,826
Additions during the period/year	507,813	1,728,260
Total	**374,039,899**	**373,532,086**
(deduct):		
Accumulated Amortization at the beginning of the period	(371,965,046)	(371,803,826)
Amortization of the period	(217,331)	(161,220)
Total Amortization at the end of the period	**(372,182,377)**	**(371,965,046)**
Net	**1,857,522**	**1,567,040**

8- INVESTMENT IN SUBSIDRIES AND RELATED COMPANIES SUBSIDARIES COMPANIES

8.1 Related Companies

	30/6/2023 L.E	31/12/2022 L.E
The Egyptian International Company for Ampoules	69,040,000	69,040,000
	69,040,000	**69,040,000**

The Egyptian International Company for Ampoules:

Eiaco Ampoules Company is an Egyptian shareholding company subject to Investment Law No. 8 of 1997 and aims to manufacture pharmaceutical ampoules. The Egyptian International Company for Pharmaceutical Industries EIPICO is the main shareholder in the capital of this company, where it contributes 98.63% and the rest is 1.37% with a share of others.

8.2 Non-current assets held for sale

	30/6/2023 L.E	31/12/2022 L.E
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 an Egyptian joint stock company subject to the provisions of Investment Law No. 8 of 1997 and aims to manufacture human, veterinary and chemical medicines, diagnostic preparations, serums, controlled foods, insecticides, cosmetics and detergents, and the manufacture of packing and packaging materials necessary for these products. The Egyptian International Company for Pharmaceutical Industries It is the main shareholder in the capital of this company, as it contributes 98.6%, and the remaining 1.4% is a contribution from some employees of EIPICO Pharmaceutical Company. These investments are limited in cost and amount to L.E 12,330. Pound, It represents 25% of the capital represented in lands for the establishment of the project, and cash in Egyptian pounds in the bank
- The Extraordinary General Assembly of EIPICO Tech met and took its decision to liquidate the company. The liquidator and auditor were appointed for the liquidation, and measures are being taken by it to liquidate the company.
- Eipico Tech has not practiced any activity since its establishment until now. The company's assets are represented entirely in current assets in the form of cash in banks (current / deposits), which covers the equity from the capital and accordingly no impairment provision has been formed.

8.3 Associate Companies

	30/6/2023	31/12/2022
	L.E	L.E
Al-Batterjee Factory for Pharmaceuticals and Medical Supplies	35,900,976	35,900,976
Medical union Pharmaceuticals (MUP)	290,934,869	290,934,869
	326,835,845	**326,835,845**

Al-Batterjee Factory for Pharmaceuticals and Medical Supplies:

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

Medical union Pharmaceuticals (MUP):

were purchased 4 780 0000 shares and representing 9.77% of the shares of the medical union Pharmaceuticals (MUP) Company until 31/12/2019, with a value of 211 167 305.

were purchased 112 331 shares from the shares of the medical union Pharmaceuticals (MUP) Company at a price of 4 942 564 pounds, bringing the total number of shares acquired to 4 892 331 shares, at a rate of 10% Of the company's shares, MUP with a total value of 216 109 869 pounds, until 31/3/2020.

were purchased 1 825 000 shares from the shares of the of the medical union Pharmaceuticals (MUP) Company at a price of 74 825 000 In subtracting an increase in capital to bring the total investment 290 934 869 pounds for EIPICO to retain 10% of the shares of the medical union Pharmaceuticals (MUP) Company, fully paid until 12/31/2020.

9- INVENTORY (NET)

	30/6/2023 L.E	31/12/2022 L.E
Materials	844,923,235	720,242,176
fuels and oils	318,045	302,594
Spare parts	116,751,723	111,544,100
Packing	555,119,300	420,634,627
Work in process	196,974,008	234,804,124
Finish Goods	317,966,114	231,369,677
Goods for others	11,263,302	12,120,439
Letters of credit	188,203,974	321,060,020
Total	**2,231,519,701**	**2,052,077,757**
(Deduct):		
Impairment in inventory value	(67,759,284)	(58,649,002)
Net	**2,163,760,417**	**1,993,428,755**

10- ACCOUNTS AND NOTES RECEIVABLES (NET)

	30/6/2023 L.E	31/12/2022 L.E
Distributors	314,648,250	363,469,199
Direct Sales	41,701,661	41,837,001
Supplies and tenders	101,661,174	11,853,018
Export Receivables	952,299,439	667,253,099
Notes Receivables	912,096,606	846,320,460
Total	**2,322,407,130**	**1,930,732,777**
Impairment of receivables balances (ECL)	(99,225,088)	(91,225,088)
Net	**2,223,182,042**	**1,839,507,689**

11- DEBTORS AND DEBIT BALANCES

	30/6/2023 L.E	31/12/2022 L.E
Insurance for others	8,046,227	6,420,356
advance payments (Taxes – insurance)	67,284,704	52,853,231
Suppliers (advanced payments)	9,685,734	10,414,854
Suppliers (debit balances)	9,666,992	6,636,382
Compensation due from insurance companies	2,641,285	12,700,979
Refund of customs duties owed (Adjudication)	6,044,228	6,044,228
Gas value difference	8,864,280	10,419,563
Others debit balances	35,010,367	16,799,300
Total	**147,243,817**	**122,288,893**

12- CASH AND CASH EQUIVALENTS

	30/6/2023 L.E	31/12/2022 L.E
Cash	33,403,515	7,379,973
Current Local Accounts	14,891,052	42,114,769
Current foreign Accounts	42,715,070	15,938,493
Deposits -local Currency	862,737	40,862,737
Deposits -foreign Currency	418,313,416	321,620,000
Bank Masr	5,435,259	5,071,204
Total	**515,621,049**	**432,987,176**

13- CAPITAL

The authorized capital of the company is Eight hundred 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 27/3/ 2010, it was approved to increase the capital from 721 240 000 to 793 364 000 With an increase of 72 124 000 pounds, financed from the profits distributed to shareholders by 10% From the issued and paid-up capital before the increase to finance the company's expansions and investments with the amendment of Articles 6 and 7 of the company's articles of association.
The capital increase was entered in the commercial register on 24/6/2010.
According to the decision of the Extraordinary General Assembly held on 30/4/2018, the authorized capital was increased from 850 million to 1500 million pounds. And approving the increase in the issued capital from 793,364,000 pounds to 991,705,000 pounds Where it was approved to increase the issued capital in the ordinary assembly on 30/4/2018, after the extraordinary general assembly enjoyed the distribution of a free share for every four

original shares to be financed from the investment projects financing reserve, and the decision of the increase was approved on 1/2019
The capital increase was entered in the commercial register on 1/2019

Shareholders	No. of Shares	Share Percentage %
Arab Company for Drug Industries and Medical Appliances	49,585,095	50%
Medical Professions For Investing	5,154,308	5.20%
Federation of Medical Professions Syndicates	3,468,990	3.50%
Other Share holders	40,962,107	41.30%
Total	**99,170,500**	**100%**

14- RESERVES

	1/1/2023	Transaction during the period		30/6/2023
	L.E	Formed	Used	L.E
Legal Reserves	349,741,238	29,457,522	--	**379,198,760**
General Reserves	98,336,248	--	--	**98,336,248**
Capital Reserves	20,160,435	--	--	**20,160,435**
Reserve for financing investment projects and expansions	941,659,000	300,000,000	--	**1,241,659,000**
Total	**1,409,896,921**	**329,457,522**	--	**1,739,354,443**

15- RETAINED EARNINGS

	30/6/2023
	L.E
The balance at 31/12/2022	72,555,385
The Dividends of year 2022	(2,914,391)
The balance at 30/6/2023	**69,640,994**

16- THE NET PROFIT OF YEAR BEFORE DISTRIBUTION

	30/6/2023	31/12/2022
	L.E	L.E
The net profit of the period/Year after tax	468,950,300	589,150,436
Total	**468,950,300**	**589,150,436**

17- LONG TERM LOANS

	30/6/2023	31/12/2022
	L.E	L.E
QNB Al Ahli Bank - Dollar	1,671,713,064	539,511,563
National bank of Kuwait – Local currency	114,239,716	123,354,000
National bank of Kuwait – Euro	108,997,236	72,753,600
National bank of Kuwait – Dollar	5,066,515	--
Banque du Caire – Dollar	209,396,063	--
Abu Dhabi Islamic Bank – local currency	36,392,452	--
Total	**2,145,805,046**	**735,619,163**

* Loan financing EPPCO 3 Tenth of Ramadan Factory.
* Conditions: for a period of seven years (two years grace-five years repayment)
* Warranties: No warranty

18- LONG TERM FACILITIES

	30/6/2023	31/12/2022
	L.E	L.E
QNB Al Ahli - Dollar	11,680,491	55,480,181
National bank of Kuwait	--	21,032,000
	11,680,491	**76,512,181**

* Terms and guarantees at an interest rate of 8% and without guarantees.

19- LEASE LIABILITY

	Total Contracts	Payment	Interest	30/6/2023
	L.E	L.E	L.E	L.E
Buildings	2,184,362	(1,274,094)	72,684	982,952
	2,184,362	**(1,274,094)**	**72,684**	**982,952**
Classified into:				
The current portion of lease liability				658,379
The non- current portion of lease liability				324,573
				982,952

20- INCOME TAX

	30/6/2023 L.E	30/6/2022 L.E
The net profit (before tax)	604,521,210	379,885,640
Accounting depreciation, provisions other than depreciation, allowance for attendance of the board of directors, cost of financing and investment for exempt revenues and expenses not supported by documents	179,925,233	118,780,296
Total	**784,446,443**	**498,665,936**
Tax depreciation and capital gains used from allowances, exempt credit interests, investment funds, and securities revenues after deducting the investment cost	(197,897,315)	(150,777,582)
Tax Base	**586,549,128**	**347 888 354**
Tax rate (%)	22.5%	22.5%
Income tax	**131,973,554**	**78,274,880**

21- PROVISIONS

	31/12/2022	Transaction		30/6/2023
	L.E	Add	Less	L.E
Other Provision	57,676,979	53,000,000	--	110,676,979
Claims Provision	24,501,733	17,000,000	(10,244,238)	31,257,495
End of service Provision	29,165,326	27,000,000	(18,583,448)	37,581,878
Total	**111,344,038**	**97,000,000**	**(28,827,686)**	**179,516,352**

*** Formed Provisions on June 30, 2023

	30/6/2023 L.E.	31/12/2022 L.E.
Other Provision	53,000,000	32,000,000
Claims Provision	17,000,000	47,000,000
End of service Provision	27,000,000	41,000,000
Total	**97,000,000**	**120,000,000**

22- CREDIT BANKS (FACILITIES)

	30/6/2023	31/12/2022
	L.E	L.E
Banque du Caire. Al-Azhar	298,644,631	235,065,228
BLOM Bank	5,048,175	7,238,976
QNB Al Ahli	199,347,277	469,014,627
Emirates National Bank of Dubai	195,679,150	90,379,155
Ahli United Bank	552,498,192	368,837,276
National bank of Kuwait	221,837,756	95,440,136
Suez Canal Bank	160,026,270	160,630,328
Abu Dhabi Islamic Bank	228,008,225	284,055,480
Al Baraka Bank Egypt	285,863,216	220,790,349
Egyptian Gulf Bank	66,984,582	--
QNB Al Ahli - US Dollar	140,992,988	101,195,797
Total	**2,354,930,462**	**2,032,647,352**

23- SUPPLIERS AND NOTES PAYABLES

	30/6/2023	31/12/2022
	L.E	L.E
Local suppliers	159,221,347	146,034,605
Foreign suppliers	10,843,386	5,923,511
Notes Payables	23,741,315	14,682,093
Total	**193,806,048**	**166,640,209**

24- DIVIDENDS CREDITORS

	30/6/2023	31/12/2022
	L.E	L.E
Dividends creditors	100,011,668	--
Total	**100,011,668**	**--**

25- CREDITORS AND OTHER CREDIT BALANCES

	30/6/2023	31/12/2022
	L.E	L.E
Other creditors (insurance to others – social insurance)	30,089,531	25,758,736
Other creditors (tax authority)	9,196,480	4,429,807
Different Creditors	4,549,193	1,867,405
Employee funds	3,333,528	3,061,124
Accrual incentives	150,253,542	75,741,832
Other creditor balances	10,474,440	10,130,022
Accrual Expenses	28,461,381	52,050,463
Advanced payment receivables	33,896	29,536
Total	**236,391,991**	**173,068,925**
Takaful Contribution	6,107,362	10,280,647
	242,499,353	**183,349,572**

26- DUE TO RELATED PARTIES

	30/6/2023	31/12/2022
	L.E	L.E
Other credit balances to subsidiaries companies (26/1)	105,740,354	61,664,411
Total	**105,740,354**	**61,664,411**

26.1 Transactions with Subsidiary Company

	30/6/2023	31/12/2022
	L.E	L.E
Beginning balance	61,664,411	38,199,893
Total purchasing of the period / year	182,242,418	248,452,509
Total payments of the period / year	(138,166,475)	(224,987,991)
The balance end of the period / year	**105,740,354**	**61,664,411**

27- ACCURRED INCOME TAX

	30/6/2023	31/12/2022
	L.E	L.E
Income Tax	97,785,409	106,817,993
Total	**97,785,409**	**106,817,993**

28- NET SALES "REVENUES"

	30/6/2023 L.E	30/6/2022 L.E.
Direct local sales	386,364,703	333,577,107
Local Sales "Distributors"	839,505,882	803,675,080
Allowances for local distributors	(45,000,000)	(80,141,319)
Local sales "Tenders"	203,050,628	186,281,975
Export	797,731,315	465,516,702
(-) Export distributors allowance	(18,796,253)	(19,804,708)
Total sales	**2,162,856,275**	**1,689,104,837**
Other operating revenues	2,153,155	1,856,865
Total	**2,165,009,430**	**1,690,961,702**

29- COST OF SALES

	30/6/2023 L.E	30/6/2022 L.E.
Cash wages	134,606,039	114,912,418
Employees benefits “treatment & workers feeding expenses.”	16,651,757	13,273,023
Social insurance	16,264,574	13,615,149
Commodity supplies “raw”	562,092,999	456,208,890
Commodity supplies “packing and packaging”	342,487,427	303,244,614
Commodity supplies “purchased for sale”	--	15,950,376
Commodity supplies “spare parts, and supplies”	30,638,135	34,804,397
Commodity supplies “fuel, oils, electricity, water and lighting”	45,229,888	40,029,673
Commodity supplies “stationery”	2,379,663	779,453
Service supplies “maintenance”	4,444,194	4,945,413
Service supplies “operating expenses for others”	1,310,028	187,778
Service supplies “experimental and research services”	1,355,465	1,388,506
Service supplies “transportation, transfers and travel allowance”	1,883,341	507,052
Service supplies “transportation rental”	585,814	381,075
Insurance Expenses	1,662,990	1,963,219
Daily labor	2,607,623	2,040,503
Service supplies “others”	3,244,043	3,640,123
Taxes and fees	25,936	33,097
Depreciation	42,057,044	38,774,668
Rentals	12,959	--
(-) Waste of sold production	(8,797,100)	(5,174,393)
Cost of sales	**1,200,742,819**	**1,041,505,034**
Add or deduct change in inventory “finished good and work in process”	(31,950,930)	(87,055,685)
Cost Of Goods Sold	**1,168,791,889**	**954,449,349**

30- MARKETING EXPENSES

	30/6/2023 L.E.	30/6/2022 L.E.
Cash wages	122,349,180	106,923,324
Employees benefits “treatment & workers feeding expenses.”	7,352,415	5,835,806
Social insurance	15,418,643	12,725,942
Commodity supplies “Marketing requirements”	3,107,528	6,955,441
Commodity supplies “packing and packaging materials”	841,657	1,125,876
Commodity supplies “fuel, oils, electricity and water”	7,060,532	7,187,121
Commodity supplies “stationery”	972,427	713,742
Service supplies “maintenance”	1,760,117	1,614,582
Service supplies “seminars and conferences”	43,918,993	38,259,099
Service supplies “contribution to scientific offices”	2,997,500	2,197,633
Service supplies “transportation, transfers and travel allowance”	26,431,061	28,527,738
Service supplies “transportation rental”	136,860	196,129
Royalties	3,600,000	2,205,075
Shipping expenses	30,473,716	25,812,456
Insurance expenses “selling”	1,087,158	1,013,267
Insurance expenses “export”	3,217,693	1,908,084
Service supplies “other”	21,824	20,605
Free Sample	2,385,617	2,772,620
Other	20,895,581	8,097,976
Taxes and fees	11,082,597	4,594,673
Depreciation	5,591,637	5,816,206
Rentals	213,598	265,372
Total	**310,916,334**	**264,768,767**

31- RESEARCH AND DEVELOPMENT EXPENSES

	30/6/2023 L.E.	30/6/2022 L.E.
Cash wages	8,665,800	8,184,836
Employees benefits “treatment & workers feeding expenses.”	588,565	457,355
Social insurance	777,592	733,352
Commodity supplies “used materials”	2,538,079	2,435,540
Service supplies “maintenance”	608,869	61,734
Service supplies “transportation, transfers and travel allowance”	124,559	78,078
Service supplies “transportation rental”	17,197	11,704
Service supplies “experiments and research”	6,920,680	9,483,497
Service supplies “other”	1,068,965	347,883
Taxes and fees	423	1,017
Depreciation	929,705	805,608
Actual Rents	426	319
Total	**22,240,860**	**22,600,923**

32- GENERAL AND ADMINISTRATIVE EXPENSES

	30/6/2023 L.E.	30/6/2022 L.E.
Cash wages	40,257,868	32,934,011
Employees benefits “treatment & workers feeding expenses.”	3,746,863	2,995,636
Social insurance	3,622,252	2,885,233
Commodity supplies “used materials”	1,633,892	2,728,348
Service supplies “maintenance”	366,575	584,678
Service supplies “transportation, transfers and travel allowance”	1,989,113	1,347,585
Service supplies “transportation rental”	128,290	86,744
Allowance for "technical - review - legal" committees	314,000	240,000
Service supplies “other”	4,718,111	3,273,781
Taxes and fees	2,968	8,509
Dividend taxes	3,452,000	3,433,334
Depreciation	1,319,871	1,213,084
Rentals	32,141	2,363
Donations	1,720,735	3,962,537
Property taxes	13,768	294,692
Total	**63,318,447**	**55,990,535**

33- FINANCE EXPENSES

	30/6/2023 L.E.	30/6/2022 L.E.
Debit interests "Short- and long-term credit facilities "	157,641,794	66,512,325
Commission and bank charges	7,710,800	5,837,274
Check cutting fees	1,782,644	8,683,575
Finance cash discount	--	2,283,416
Total	**167,135,238**	**83,316,590**

34- FORMED PROVISIONS

	30/6/2023 L.E.	30/6/2022 L.E.
Other Provision	53,000,000	18,000,000
Claims Provision	17,000,000	7,000,000
End of service Provision	27,000,000	15,000,000
Total	**97,000,000**	**40,000,000**

35- TAKAFUL CONTRIBUTION

	30/6/2023 L.E.	30/6/2022 L.E.
Takaful Contribution	6,107,362	4,472,150
	6,107,362	**4,472,150**

36- PROFITS OF SUBSIDIARIES AND ASSOCIATE COMPANIES

	30/6/2023 L.E.	30/6/2022 L.E.
Profits of subsidiaries – Eiaco Company	34,520,000	27,616,000
Profits and re-evaluation of Batterie Company in Saudi Arabia	--	5,792,788
Profits and re-evaluation of Medical Union Pharmaceuticals	6,717,331	6,717,332
Total	**41,237,331**	**40,126,120**

37- CURRENCY DIFFERENCES

	30/6/2023 L.E.	30/6/2022 L.E.
Profits of currency difference	231,401,037	81,618,707
	231,401,037	**81,618,707**

38- 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.

39- TAX POSITION

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

a) First: - Corporate Tax

From the beginning of the activity until 2013

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

The years from 2014 – 2015

- The company was examined for those years, and an objection was made to the examination, referral to the internal committee, settlement of disputes, and payment of tax differences in 2021.

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

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

From 1/1/2020 to June 30, 2023

- The company is obligated to submit tax returns to the Senior Taxpayers Center in accordance with the forms prepared by the Tax Authority in accordance with the provisions of the law. The company has not been examined for those years to date, bearing in mind that the last tax decision was submitted in April 2023 for the year 2022.

b) Second: - Salary Tax

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

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

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

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

The period from 1/1/2020 to 30/6/2023

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

c)Third: - Stamp tax

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

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

Years from 1/1/2022 to June 30, 2023

- The company has not been examined for this period.

d) Fourth- VAT

Years till 31/12/2015

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

Years from 1/1/2016 to 31/12/2019

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

Years from 1/1/2020 till June 30, 2023

- 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)Fifth: -Withholding Tax

The company deducts the taxes due from all its dealers and pays them according to the tax card of each financier until December 31, 2022 to the Tax Authority of the Withholding Tax. The company was examined until the end of 2016 and all the due differences were settled and payments were made until June 30, 2023, the period between 2017-2018 was examined and the due tax differences were paid.

40- COMPARATIVE FIGURES

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