

# **Egyptian International Pharmaceuticals Industries Company (EIPICO)**



**Financial Statements**  
**For the year ended 31 December**  
**2020**

**Standalone Balance sheet**  
**For the year ended 31 December 2020**

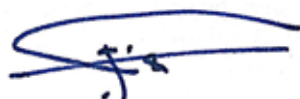
All Amount in Egyptian Pound

	Note	31/12/2020	31/12/2019
<b>Assets</b>	-		
<b>Non-current assets</b>	-		
Property, plant and equipment	1	803,851,396	757,015,224
Projects under construction	2	185,685,244	164,043,127
Goodwill	3	0	0
Investment in associates and joint ventures	4	408,205,845	328,438,281
<b>Total Non-current assets</b>		<b>1,397,742,485</b>	<b>1,249,496,632</b>
<b>Current assets</b>	-		
Inventories	5	1,735,036,053	1,379,398,579
Trade and notes receivable (net)	6	867,740,682	1,049,102,813
other receivables	7	252,337,494	71,143,341
Accounts receivable with holding and sister companies	8	0	0
Cash and cash equivalents	9	628,907,406	526,683,751
<b>Total Current assets</b>		<b>3,484,021,635</b>	<b>3,026,328,484</b>
<b>Total assets</b>		<b>4,881,764,120</b>	<b>4,275,825,116</b>
<b>Equity</b>	-		
Paid-in capital	1/10	991,705,000	991,705,000
Paid Capital (Treasury stocks )	2/10	(89,863,280)	0
Reserves	11	1,377,006,780	1,193,293,914
Retained earnings	12	3,880,187	39,703,091
Net income for the year	13	422,832,155	611,546,639
<b>Total equity</b>		<b>2,705,560,842</b>	<b>2,836,248,644</b>
<b>Non-current liabilities</b>	-		
Deferred tax liabilities	14	51,859,817	53,391,484
<b>Total Non-current liabilities</b>		<b>51,859,817</b>	<b>53,391,484</b>
<b>Current liabilities</b>	-		
Provisions	15	51,734,251	150,865,603
Short-term financial debts	16	1,779,446,468	989,578,028
Trade and notes payable	17	99,381,793	96,159,213
Dividends payable	18	0	0
Other current liabilities	19	89,643,233	122,568,364
Accounts payable with holding and sister companies	20	33,909,900	23,041,380
Income taxes payables	21	70,227,816	3,972,400
<b>Total Current liabilities</b>		<b>2,124,343,461</b>	<b>1,386,184,988</b>
<b>Total equity and liabilities</b>		<b>4,881,764,120</b>	<b>4,275,825,116</b>

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

Chairman of the Board and Managing Director

Dr/ Ahmed Said Mohamed Kelani



Chief Financial Officer

Accountant/ Mohamed Hassan Ibrahim




# Annual Report 2020

## Standalone income statement

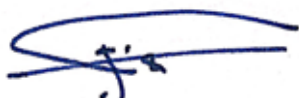
For the year ended 31 December 2020

Amount in Egyptian Pound All

2019	Description	Partial	Total
3,220,648,533	Revenue	2,814,129,749	
(2,040,167,232)	Cost of sales	(1,684,439,575)	
1,180,481,301	Gross Profit		1,129,690,174
	<b>Deduct</b>		
(433,741,486)	Sales and Marketing	(473,041,939)	
(80,613,961)	General and Administrative	(84,296,812)	
(910,000)	BOD Remuneration	(1,400,000)	
(61,689,441)	Financing (Expense)	(109,542,359)	
(6,492,487)	Provisions expense	(50,000,000)	
(583,447,375)	Total expenses		(718,281,110)
	<b>Added</b>		
45,829,231	Share of profit (loss) of associates and joint ventures	37,183,414	
9,660,276	Financing Income investment funds	7,821,879	
49,666,771	Financing Income	27,740,397	
105,156,278			72,745,690
702,190,204	Net Profit		484,154,754
	<b>Add (Less)</b>		
26,402,351	Provisions no longer required	0	
3,135,533	Gain/(loss) Sale of (Fixed assets)	3,804,248	
21,790,471	Gain/(loss) Foreign exchange	(11,545,573)	
9,529,041	Other Income	35,303,277	
60,857,396			27,561,952
763,047,600	Profit before tax		511,716,706
(145,996,691)	Taxes	(83,223,083)	
2,649,980	Deferred tax	1,531,667	
(143,346,711)	Profit for the period		(81,691,416)
(8,154,250)	Symbiotic contribution		(7,193,135)
611,546,639	Net income (losses) after tax		422,832,155

Chairman of the Board and Managing Director

Dr/ Ahmed Said Mohamed Kilani




Chief Financial Officer

Accountant/ Mohamed Hassan Ibrahim



## Standalone Cash Flow Statement

For the year ended 31 December 2020

In Thousands Egyptian Pounds

	2020	2019
Net profit before taxes	511,717	763,048
Adjustments to reconcile net profit cash flows from operating activities	19,196	(55,834)
Operating profits before changes in capital	<b>530,913</b>	<b>707,214</b>
Changes in working capital	(448,244)	(458,480)
Net cash in flows from operating activities	<b>82,669</b>	<b>248,734</b>
Net cash out flows from investing activities	(205,248)	(273,389)
Net cash from financing activities	236,348	(09,927)
Net increase or (decrease) in cash	<b>113,769</b>	<b>(34,582)</b>
Cash flow during the period	526,684	539,476
cash equivalents & Foreign exchange gain (loss) on cash	(11,546)	21,790
Cash and cash equivalents at 31/12/2020	<b>628,907</b>	<b>526,684</b>

## Statement of Proposed Dividends for The Year 2020

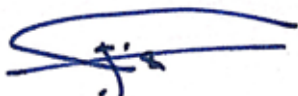
In Thousands Egyptian Pounds

Statement	2020	2019
Net income for the year	422,832	611,547
Retained Earnings	3,880	39,703
-	<b>426,712</b>	<b>651,250</b>
Distributed as follows		
Shareholders' Equity	292,712	396,682
Employees share	42,814	62,475
Remuneration for the directors	4,500	4,500
Reserves	81,141	183,713
Forwarded profits	5,545	3,880
Total	<b>426,712</b>	<b>651,250</b>

The proposed cash distribution is EGP 3 per share

Chairman of the Board and Managing Director

Dr/ Ahmed Said Mohamed Kilani




Chief Financial Officer

Accountant/ Mohamed Hassan Ibrahim



# Annual Report 2020

Standalone statement of changes in equity

For the year ended 31 December 2020

	Capital	Capital (Treasury stocks )	Legal reserve	General reserve	Capital reserve	Expansion reserve	Retained earnings	Total equity
Balance at 1/1/2019	793,364,000	0	273,826,400	200,783,613	17,024,902	900,000,000	39,703,091	2,224,702,006
Adustment of year 2019	198,341,000	0	0	0	0	(198,341,000)	0	0
Profits for the year 2019	0	0	0	0	0	0	611,546,639	611,546,639
Transferred to reserves	0	0	30,577,332	0	3,135,533	150,000,000	(183,712,865)	0
Dividends	0	0	0	0	0	0	(463,656,678)	(463,656,678)
Balance at 31/12/2019	991,705,000	0	304,403,732	200,783,613	20,160,435	851,659,000	3,880,187	2,372,591,967
Adjustments of year 2020	0	(89,863,280)						(89,863,280)
Profits in 2020							422,832,155	422,832,155
Transferred to reserves								
Dividends								
Balance at 31/12/2020	991,705,000	(89,863,280)	304,403,732	200,783,613	20,160,435	851,659,000	426,712,342	2,705,560,842

Chairman of the Board and Managing Director

Dr/ Ahmed Said Mohamed Kilani

Chief Financial Officer

Accountant/ Mohamed Hassan Ibrahim



## Summary of The Board of Directors Report

previous years 2018/2019 following is a summary of the achievements of the year 2020 compared to the The

Description	2020	2019	2018	% Growth	
				2019	2018
<b><u>Production</u></b>					
Company	3326.5	3077.9	2638.8	8.1 %	26.1 %
Contracts	185.7	169.5	165.5	10 %	12.2 %
Pharmaceutical samples	8.7	34.1	72.6	(74.5) %	(88.0) %
	<b>3520.9</b>	<b>3281.5</b>	<b>2876.9</b>	<b>7.3 %</b>	<b>22.4 %</b>
<b><u>Sales</u></b>					
Local Sales	2177.0	2580.5	2093.0	(15.64) %	4.0 %
Export Sales	635.4	640.1	654.0	(0.7) %	(2.8) %
	<b>2812.4</b>	<b>3220.6</b>	<b>2747.0</b>	<b>(12.67) %</b>	<b>2.4 %</b>
Toll Manufacturing	2.1	0.0	0.4	100 %	425 %
Total activity revenues	<b>2814.5</b>	<b>3220.6</b>	<b>2747.5</b>	<b>(12.61) %</b>	<b>2.4 %</b>
Total production	<b>371</b>	<b>353</b>	<b>347</b>	<b>5.1 %</b>	<b>7 %</b>
Inventory	1735.0	1384.1	1507.2	25 %	15.1 %
Total assets	4881.8	4326.1	3843.3	12.8 %	27.0 %
Total liabilities	2176.2	1489.8	1155.1	46 %	88.4 %
Equities	2705.6	2836.3	2688.2	(4.61) %	0.6 %
Reserves	1377.0	1193.3	1198.6	15 %	14.9 %
Provisions	103.9	201.1	289.0	(48.3) %	(64.0) %
Net Profit (Before Taxes)	<b>511.7</b>	<b>763.0</b>	<b>817.4</b>	<b>(32.9) %</b>	<b>(37.4) %</b>
Net Profit (After Taxes)	<b>422.8</b>	<b>611.5</b>	<b>651.8</b>	<b>(30.9) %</b>	<b>(35.1) %</b>

# Notes to the Standalone financial statements

## 1) Company's background:

The Egyptian International Pharmaceutical Industries (EIPICO) was established as an Egyptian joint company on December 18, 1980 under Law No. 43 of 1974

The Company manufactures medicines and distributes its products inside and outside The Arab Republic of Egypt.

## 2) Basics of Preparation:

Financial statements are prepared in accordance with the Egyptian accounting standard, in light of the applicable local laws.

## 3) Significant Accounting Policies:

3/1 Financial statement of the entity are measured using the functional currency which is Egyptian Pound.

3/2 Transactions in foreign currencies are measured using functional currencies using the spot exchange rate at the date of the transactions.

At each reporting date, balances of monetary assets and liabilities denominated in foreign currencies are retranslated by applying the closing exchange rates at reporting date, the foreign currency gain or loss on monetary items during the year and on the balance sheet date are recognized in the income statement.

3/3 Recording revenues and expenditures according to the principle of accrual, and the revenue

is recognized according to the investigation of the sale and delivery of the goods to the customer.

3/4 Inventory count is executed according to the proper procedures and it should be measured at the lower of cost and net sale value

3/5 Depreciation of assets:

Fixed assets:

Fixed assets are depreciated using the straight-line method according to the rates applicable in the pharmaceutical industry.

The depreciation of additions during the year is calculated at the rate of the period for quarterly periods, and the fixed assets are shown in the budget at the cost of the asset, the accumulated depreciation and the net book value.

Goodwill:

The cost of goodwill, on the date of the merger (30/9/1999), amount to 270 million pounds, a value of 270 million pounds has been consumed until 30/9/2019 and the balance of goodwill on 31/12/2019 is (zero).

3/6 Investments in associate companies are recorded at cost, and in case that the recoverable or

continuing value decreases from its book value, the value investment is reduced by the amount of impairment and charged to the income statement.

3/7 Income taxes

Taxes due on the company for the year's activity are calculated according to the applicable laws and instructions in force in this regard, and the necessary provision for tax liabilities is formed after conducting a study in

Declarations



(4) The following is a statement of the movement and

balances of fixed assets,

In Thousands Egyptian Pounds

	Land	Buildings	Machinery & Equipment	Vehicles	Tools	Fixtures and Furniture	Total
<b>Cost</b>							
On 1/1/2020 Cost	54,330	496,942	1,124,358	96,355	70,223	104,425	1,946,633
Removals	0	0	6,657	1,859	1,068	1,431	11,015
until Additions 31/12/2020	26,730	0	124,670	1,104	6,343	21,867	180,714
Balance as at 31/12/2020	81,060	496,942	1,242,371	95,600	75,498	124,861	2,116,332
<b>Accumulated depreciation</b>							
31/01/2020 as at	0	215,337	762,773	88,570	56,619	66,319	1,189,618
Retirements	0	0	6,657	1,859	1,068	1,106	10,690
until Additions 31/12/2020	0	12,096	101,752	3,379	5,564	10,762	133,553
Accumulated Depreciation	0	227,433	857,868	90,090	61,115	75,975	1,312,481
<b>Net book value</b>							
ON31/12/2019	54,330	281,605	361,585	7,785	13,604	38,106	757,015
ON31/12/2020	81,060	269,509	384,503	5,510	14,383	48,886	803,851

(5) Projects under construction

Projects under implementation represent what has been

spent on assets in progress until

31/12/2020 amounted to

185,685 K. EGP which include the letter

of credits opened on 31/12/2020

for the purchase of fixed assets,

as follows:

In Thousands Egyptian Pounds

Lands, Buildings and Constructions	2,098
Machinery and equipment	146,079
Vehicles	0
Tools	5,278
Office fixtures and furniture	7,485
EIPICO (3) Factory	24,745
<b>Total</b>	<b>185,685</b>

(6) Inventory

Thousands Egyptian Pounds In

inventory Total	<u>2020</u>	<u>2019</u>
Provision of goods Deduct :	1,739,318	1,384,050
inventory Net	(4,282)	(4,651)
	<hr/>	<hr/>
	1,735,036	1,379,399

## Annual Report 2020

### (7) Trade & other receivables

It is represented in clients' balances, notes receivable, payments to suppliers, and other debit balances, and their statement is as follows:

	In Thousands Egyptian Pounds	
	<u>2020</u>	<u>2019</u>
Customer	797,345	720,250
Receivable Notes	118,285	374,452
	<u>915,630</u>	<u>1,094,702</u>
Doubtful Deduct)) debts	(47,889)	(45,600)
Receivable Other	252,337	71,144
Receivables Net	<u>1,120,078</u>	<u>1,120,246</u>

### (8) Cash & Cash Equivalent

	<u>In Thousands Egyptian Pounds</u>
and bank balances Cash on hand	292,002
deposits Time	332,705
funds and other Deposit in treasury bills Investment	4,200
Total	<u><u>628,907</u></u>

### (9) Provisions:

The total provisions as at December 31, 2020 amounted to 103,906 following:

	<u>In Thousands Egyptian Pounds</u>
Balance in 31/12/2019	201,117
Utilized during the year 2020	(147,211)
	<u>53,906</u>
Additions of 2020	50,000
The balance of provisions at 31/12/2020	<u><u>103,906</u></u>

### (10) Trade and other payable:

	In Thousands Egyptian Pounds	
	<u>2020</u>	<u>2019</u>
Suppliers	84,461	56,901
Payable Notes	14,921	39,259
Credit Balances, & Sister Companies	33,910	23,041
Other Credit Balances	89,643	122,568
Net Credit and Other Payable	<u>222,935</u>	<u>241,769</u>

**(11) Deferred tax liabilities:**

includes income tax on profits of the year - deferred tax resulting of the existence of some temporary differences resulting of the difference in the time period when including the accounting profit for the period - revenues and expenses.

While they are included in the tax profit in a different period which creates temporary differences.

**(12) Tax position**

The Company's tax payable by the Company for the year's activity shall be calculated in accordance with the applicable laws and regulations in force, The provision for tax liabilities shall be made after the study in the light

of the tax claims, The Company shall pay the taxes due annually from the tax declarations.

First: Corporate tax money

- Years from the beginning of the activity until 31/12/2007, the company was examined and internal committees

were established, The file was settled for those years and the due was paid,

- The years of 2008/2009 - 2010/2011 The company was inspected and was informed of the model 19 and was

challenged and the work of an internal committee to discuss the differences and the settlement of tax differences

and file,

- The years 2012/2013 the company was examined and the company was notified to discuss the differences and

an internal committee was established to settle the tax differences and the file,

Years 2014/2015: The Company was examined and the file was presented before the internal committee, and the

date has not been set up to date.

Years 1/1/2016 until 31/12/2020 The company is obligated to submit tax declarations to the Center for Large Taxpayers according to the forms prepared with the Tax Authority in accordance with the provisions of Law 91

of 2005 and the taxes due were paid on the basis of the declarations within the legal dates. Up to date

Note that the last tax return was submitted in April 2020 for the tax return of the year 2019.

Second: payroll tax and wages

Years from the start of the activity until 01/01/2012.

The company was examined, internal committees were established, and all due differences were settled based

on the decision of the internal committee

Years from 1/1/2012 until 31/12/2015

## Annual Report 2020

The company deducts the due taxes from employees according to the law and supplies them on their legal dates

to the Center for Large Taxes. The company was examined for those years by the Center for Large Taxes, and it

was challenged in the legal dates. The decision of the Senior Taxpayer Center was issued to re-examine the file

on an actual basis. The company is actually examined by the center to date

Years 1/1/2016 until 31/12/2020:

The company deducts taxes due from employees according to the law and supplies them on time, and the company

has not been examined for this period.

Third: The stamp tax

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

The company was examined and internal committees were established and the due differences were paid according

to the decisions of the internal committee and the file was settled for those years.

The years of 2013/2017 the company was inspected due taxes were paid and the file was shelled.

The Year of 1/1/2018 -31/12/2019:

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

Fourthly: Sales tax / Value Added

For the years up to 31/12/2015 the company was inspected and the examination differences were paid.

The years 1/1/2016 until 31/12/2020

The company pays the monthly returns on a regular basis, and the company has not been examined for that period up to date

Note that the company was registered in accordance with the Value Added Law on legal dates

The years 2014/2015 the company was examined, the dues were paid, and the file was settled,

Years from 2016/2020 The company pays monthly returns within the specified dates.

Fifth: Discount tax and payments made

The company deducts the taxes due to all its customers and fills them according to the tax card of each of the taxpayers to the bank until 30/9/2020, Payments have been made up to 31/12/2020.

The company was examined until the end of 2016, all due differences were settled and payments were made until 31/12/2020

### (13) Comparative Figures

Comparative figures have been re classified to be in conformity with this year's presentation.

**Shareholders' shares in the capital For the  
year ended 31 December 2020**

Shareholders	shares Value	shares Quantity	(%)
ACDIMA - Arab Co. For Drugs Industries & Medical Appliances	495,850,950	49,585,095	49.99%
CORONATION AFRICA FRONTIERS FUND UNIVERSAL	49,204,620	4,920,462	4.96%
Medical professions for investment	49,107,410	4,910,741	4.95%
RCKM KIMBERLITE FRONTIER AFRICA MASTER FUND, L.P.	40,714,530	4,071,453	4.11%
SARAY MENA VALUE FUND SPC	44,483,620	4,448,362	4.49%
Medical Syndicates Union	34,689,900	3,468,990	3.50%
Others	277,653,970	27,765,397	28.00%
<b>Total</b>	<b>991,705,000</b>	<b>99,170,500</b>	<b>100.00%</b>

## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders of International Pharmaceutical Industries Company (EIPICO) INDEPENDENT

*We have audited the accompanying financial statements of **International Pharmaceutical Industries Company "EIPICO"** - Egyptian joint stock company, which comprise the statement of financial position as at 31 December 2020, statement of profit or loss, statement of comprehensive income, statement of cash flow and statement of changes in equity for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.*

#### **Management responsibility for the financial statements:**

*These financial statements are the responsibility of company's Management.*

*Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Egyptian Accounting Standard according and the Egyptian laws in forces.*

*Management's responsibility includes designing, implementing and maintaining internal control related to the preparation and presentation of financial statements in a fair and clear presentation free from any significant and influential distortions, whether resulting from fraud or error.*

*This responsibility also includes choosing appropriate accounting policies and applying them and making accounting estimates appropriate to the circumstances.*

#### **Responsibility of the auditor**

*Our responsibility is to express an opinion on these financial statements based on our limited audit and our review of it.*

*We have been audited according to the Egyptian standards of auditing and in light of the Egyptian laws in force.*

*These standards require the planning and performance of the audit to obtain appropriate assurance that the financial statements are free from any significant and influential errors.*

*An audit includes performing procedures to obtain audit evidence about the values and disclosures in the financial statements.*

*The procedures that have been tested depend on the personal judgment of the auditor. This includes assessing the risks of significant and influential misstatement of the financial statements, whether resulting from fraud or error. When assessing these risks, the auditor takes into account the internal control related to the establishment's preparation of the financial statements and the fair and clear presentation of them in order to design audit procedures. Suitable in the circumstances, but not for the purpose of expressing an opinion on the efficiency of internal control in the organization.*

*The review process includes assessing the appropriateness of the important accounting policies and estimates prepared by management, as well as the soundness of the presentation in which the financial statements were presented.*

*We believe that the audit evidence that we obtained is sufficient and appropriate and is a suitable basis for expressing our opinion on the financial statements.*

#### **Conclusion:**

*From it is opinion that the above-mentioned financial statements express fairly and clearly in all their important aspects the financial position of **the Egyptian International Company for Pharmaceutical Industries (EIPICO)** on 12/31/2020*

*And on the result of its business and its cash flows for the fiscal year ending on that date in accordance with the Egyptian Accounting Standards and in light of the relevant Egyptian laws and regulations.*

*The extent of compliance with other legal and regulatory requirements:*

*The company maintains regular financial accounts that include all the provisions of the law and the company's system that they must be proven. The financial statements have been found in agreement with what is contained in those accounts. The company also applies a cost system that meets its purpose. The inventory and evaluation were carried out by the company's management, according to the principles in place.*

*The financial data contained in the report of the Board of Directors prepared in accordance with the requirements of Law No. 159 of 1981 and its implementing regulations are in agreement with what is contained in the books of the company, within the limits in which such data are proven in the books*

**Cairo 24 February 2021**

***El-Maazawy***

Arafat Mohamed AbdelSalam Elmaazawy  
Egyptian Society of Accountants and Auditors Fellowship  
Egyptian Taxation Association Fellowship  
The Arab Federation of accountants & Auditors Membership  
RAA NO. 8890  
The Egyptian Financial Supervisory Authority Register No. 124

# Consolidated Financial statements



# Consolidated balance sheet

At 31 December 2020

In Thousands Egyptian Pounds

	2020/12/31	2019/12/31
<b>Assets</b>		
<b>assets Non-current</b>	<b>840,152</b>	<b>798,131</b>
plant and equipment Property,	185,690	164,043
under construction Projects	0	0
Goodwill	339,166	259,398
accounted for according to the equity Investments	1,365,008	1,221,572
<b>non-current assets Total</b>		
<b>Assets Current</b>	<b>1,797,394</b>	<b>1,437,990</b>
Deduct: provision of goods 4,281,518)) Inventories	876,424	1,088,642
Notes receivable (After deduct provision) & Trade	261,033	77,757
47,889,724	732,754	588,988
receivable Other	3,667,605	3,193,377
cash equivalent Cash and	5,032,613	4,414,949
<b>Current Assets Total</b>		
<b>Total Assess</b>		
<b>Equity</b>	<b>991,705</b>	<b>991,705</b>
Capital Paid-in	(89,863)	0
Treasury Shares)) Paid Capital	1,451,466	1,247,046
<b>Reserves</b>	<b>4,114</b>	<b>40,467</b>
earning Retained	486,514	670,626
for the year Net income	2,843,936	2,949,844
attributory to equity holders of the parent Equity	2,884	2,540
interests Non-controlling	2,846,820	2,952,384
<b>Total equity</b>		
<b>liabilities Non-current</b>	<b>51,860</b>	<b>53,391</b>
liabilities Deferred tax	51,860	53,391
<b>Total non-current liabilities</b>		
<b>Current liabilities</b>	<b>58,284</b>	<b>154,915</b>
Provisions	1,779,446	989,578
financial debts Short term	77,339	91,450
Notes payable Trade and	0	0
payable Dividens	148,636	169,259
current liabilities Other	70,228	3,972
payable Income taxes	2,133,933	1,409,174
<b>Current liabilities Total</b>	<b>5,032,613</b>	<b>4,414,949</b>

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

**Chairman of the Board and Managing Director**

Dr/ Ahmed Said Mohamed Kilani



**Financial Officer Chief**

Accountant/ Mohamed Hassan Ibrahim

# Consolidated income statement

For the year ended 31 December 2020

In Thousands Egyptian Pounds

	2020	2019
Revenue	2,909,774	3,411,043
Cost of sales	(1,694,094)	(2,159,504)
Gross profit	1,215,680	1,251,539
Expenses (-)	(730,122)	(590,821)
Revenues (+)	77,756	111,930
Net profit	563,314	772,648
<u>Add (Less)</u>		
Capital gains / Foreign exchange gains	32,012	67,946
Net profit (before income taxes)	595,326	840,594
Income tax(-)	(101,679)	(163,131)
Deferred tax(-)	1,532	2,650
Net profit after income tax	495,179	680,113
Symbiotic contribution	(7,779)	(8,665)
Net profit after income tax and Symbiotic contribution	487,400	671,448
Net profit attributable to:		
Holding company profit	422,832	611,547
subsidiary (carried forward) Holding profit Share from the	63,682	59,079
shares from subsidiary (carried Non-controlling interest profit	886	822
forward)		
	487,400	671,448

# Consolidated Cash Flow Statement

For the year ended 31 December 2020

	2020/12/31	2019/12/31
Profits before taxes Net	576,284	822,950
to reconcil net profit to cash flows from financing activities Adjustment	27,716	(50,113)
<b>profits before changing in working capital Operating</b>	<b>604,000</b>	<b>772,837</b>
in working capital Changes	(439,138)	(492,539)
<b>cash inflow from operating activities Net</b>	<b>164,862</b>	<b>280,298</b>
out flow from investment activities Net cash	(206,456)	(280,351)
from financing activities Net cash	(503,099)	(498,381)
capital, Treasury shares The	(89,863)	0
receipts Payables	789,868	453,611
<b>increase (decrease) in cash during the period Net</b>	<b>155312</b>	<b>(44,823)</b>
cash equivalent at the beginning of the year Cash and	588,988	612,021
exchange gain (losses) Foreign	(11,546)	21,790
<b>cash in 31/12/2020 Balance of</b>	<b>732,754</b>	<b>588,988</b>

# Consolidated statement of changes in equity

For the year ended 31 December 2020

	Capital	Capital (Treasury stocks )	Legal reserve	General reserve	Capital reserve	Expansion reserve	Retained earnings	Total equity
Balance at 31/12/2019)with Non-controlling interest)	992,665	0	285,836	243,274	17,025	701,659	711,925	2,952,384
Adjustments of year 2020		(89,863)	0	0	0	0	(40,467)	(130,330)
Dividends		0	0	0	0	0	(462,633)	(462,633)
Transferred to reserves		0	33,572	18,000	3,135	150,000	(204,707)	0
Profit for the Period		0	0	0	0	0	487,400	487,400
Balance at 31/12/2020 (with Non-controlling interest)	992,665	(89,863)	319,408	261,274	20,160	851,659	491,518	2,846,821

# Notes to the Consolidated financial statements

1-The legal entity for subsidiary company:

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

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 Egyptian laws and regulation

2/2 the similar items of assets, liabilities, liabilities, equity, revenues and expenses of EIPICO and EIACO were grouped together.

2/3 the consolidated financial statements were prepared after excluding the following:

A-The cost of EIPICO's investment in the subsidiary in return for reducing the equity in the subsidiary.

B-The equity in the net profit of the subsidiary and the carry-over surplus was determined in a separate item in the consolidated financial statements attributable to the ownership of EIPICO in the subsidiary's shares.

C-Balances resulting from mutual transactions between EIPICO and the subsidiary are excluded.

### 3-Fixed assets, net

The following is a statement of the movement and balances of fixed assets (in million pounds)

(in million pounds)

	Land	Buildings	Machinery & Equipment	Vehicles	Tools	Fixtures and Furniture	Total
Cost as of 31-12-2020	83,186	532,780	1,324,015	95,999	75,821	125,558	2,237,359
Accumulated Depreciation 31-12-2020	0	248,604	920,413	90,355	61,337	76,498	1,397,207
Net Assets As of 31-12-2020	83,186	284,176	403,602	5,644	14,484	49,060	840,152

## Annual Report 2020

### 4- Projects under construction

Projects under construction represent what spent on them to be completed and transferred to fixed

assets. Their value in 31/12/2020 amounts to 185,690 Thousand pounds which includes the Letter of

credits opened till 31/12/2020 for the purchase of fixed assets as follows:

	In Thousands Egyptian Pounds	
	2020	2019
Lands, Buildings and Constructions	2,098	2,690
Machinery and equipment	146,079	156,682
Vehicles	0	0
Tools	5,278	0
Office fixtures and furniture	7,485	3,294
EIPICO (3) Factory	24,745	1,377
<b>Total</b>	<b>185,685</b>	<b>164,043</b>

### 5- Inventory:

In Thousands Egyptian Pounds

	<u>2020</u>	<u>2019</u>
Total inventory	1,801,676	1,442,641
Deduct : Provision of goods	(4,282)	(4,651)
<b>Net inventory</b>	<b><u>1,797,394</u></b>	<b><u>1,437,990</u></b>

### 6- Trade and other receivables:

In Thousands Egyptian Pounds

	<u>2020</u>	<u>2019</u>
Trade receivable	924,313	1,134,242
Deducted : Provision for doubtful debts	(47,890)	(45,600)
<b>Net receivables</b>	<b><u>876,423</u></b>	<b><u>1,088,642</u></b>
Other receivables	261,033	77,757
<b>Total</b>	<b><u>1,137,456</u></b>	<b><u>1,166,399</u></b>

### 7- Trade and other payables:

Represented in the following:

In Thousands Egyptian Pounds

	<u>2020</u>	<u>2019</u>
Supplier	62,418	63,191
Notes payable	14,921	28,259
The Credit account	114,725	146,218
Sister companies	33,910	23,041
Due income taxes	70,228	3,972
<b>Total</b>	<b><u>296,202</u></b>	<b><u>264,681</u></b>

## 8-Cash and cash equivalents:

Represented in the following:

In Thousands Egyptian Pounds

	<b><u>2020</u></b>	<b><u>2019</u></b>
Cash on hand & Bank balances	<b>351,702</b>	<b>228,850</b>
Time deposits	<b>339,752</b>	<b>282,619</b>
Investment funds and others	<b>41,300</b>	<b>77,519</b>
Total	<b><u>732,754</u></b>	<b><u>588,988</u></b>

## 9- Deferred tax obligations

Income tax includes deferred tax profits arising from the existence of some temporary

differences resulting from the difference in the time period when including the accounting profit for the period revenues or expenses, while the tax profit for the period is included in a different period which

creates temporary differences that are subject to tax.

Deferred tax is recognized using tax rates in effect at the date of preparing the balance sheet.

## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders of International Pharmaceutical Industries Company (EIPICO) INDEPENDENT

We have audited the accompanying financial statements of International Pharmaceutical Industries Company "EIPICO" - Egyptian joint stock company, which comprise the statement of financial position as at 31 December 2020, statement of profit or loss, statement of comprehensive income, statement of cash flow and statement of changes in equity for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management responsibility for the financial statements:

These financial statements are the responsibility of company's Management.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Egyptian Accounting Standard according and the Egyptian laws in forces.

Management's responsibility includes designing, implementing and maintaining internal control related to the preparation and presentation of financial statements in a fair and clear presentation free from any significant and influential distortions, whether resulting from fraud or error.

This responsibility also includes choosing appropriate accounting policies and applying them and making accounting estimates appropriate to the circumstances.

#### **Responsibility of the auditor**

Our responsibility is to express an opinion on these financial statements based on our limited audit and our review of it.

We have been audited according to the Egyptian standards of auditing and in light of the Egyptian laws in force.

These standards require the planning and performance of the audit to obtain appropriate assurance that the financial statements are free from any significant and influential errors.

An audit includes performing procedures to obtain audit evidence about the values and disclosures in the financial statements.

The procedures that have been tested depend on the personal judgment of the auditor. This includes assessing the risks of significant and influential misstatement of the financial statements, whether resulting from fraud or error. When assessing these risks, the auditor takes into account the internal control related to the establishment's preparation of the financial statements and the fair and clear presentation of them in order to design audit procedures. Suitable in the circumstances, but not for the purpose of expressing an opinion on the efficiency of internal control in the organization.

The review process includes assessing the appropriateness of the important accounting policies and estimates prepared by management, as well as the soundness of the presentation in which the financial statements were presented.

We believe that the audit evidence that we obtained is sufficient and appropriate and is a suitable basis for expressing our opinion on the Consolidated financial statements.

#### **Conclusion:**

From it is opinion that the above-mentioned financial statements express fairly and clearly in all their important aspects the financial position of **the Egyptian International Company for Pharmaceutical Industries (EIPICO)** on 12/31/2020

And on the result of its business and its cash flows for the fiscal year ending on that date in accordance with the Egyptian Accounting Standards and in light of the relevant Egyptian laws and regulations.



*The extent of compliance with other legal and regulatory requirements:*

*The company maintains regular financial accounts that include all the provisions of the law and the company's system that they must be proven. The financial statements have been found in agreement with what is contained in those accounts. The company also applies a cost system that meets its purpose. The inventory and evaluation were carried out by the company's management, according to the principles in place.*

*The financial data contained in the report of the Board of Directors prepared in accordance with the requirements of Law No. 159 of 1981 and its implementing regulations are in agreement with what is contained in the books of the company, within the limits in which such data are proven in the books within the limits in which such data are proven in the books*

**Cairo 24 February 2021**

***El-Maazawy***

Arafat Mohamed AbdelSalam Elmaazawy  
Egyptian Society of Accountants and Auditors Fellowship  
Egyptian Taxation Association Fellowship  
The Arab Federation of accountants & Auditors Membership  
RAA NO. 8890  
The Egyptian Financial Supervisory Authority Register No. 124