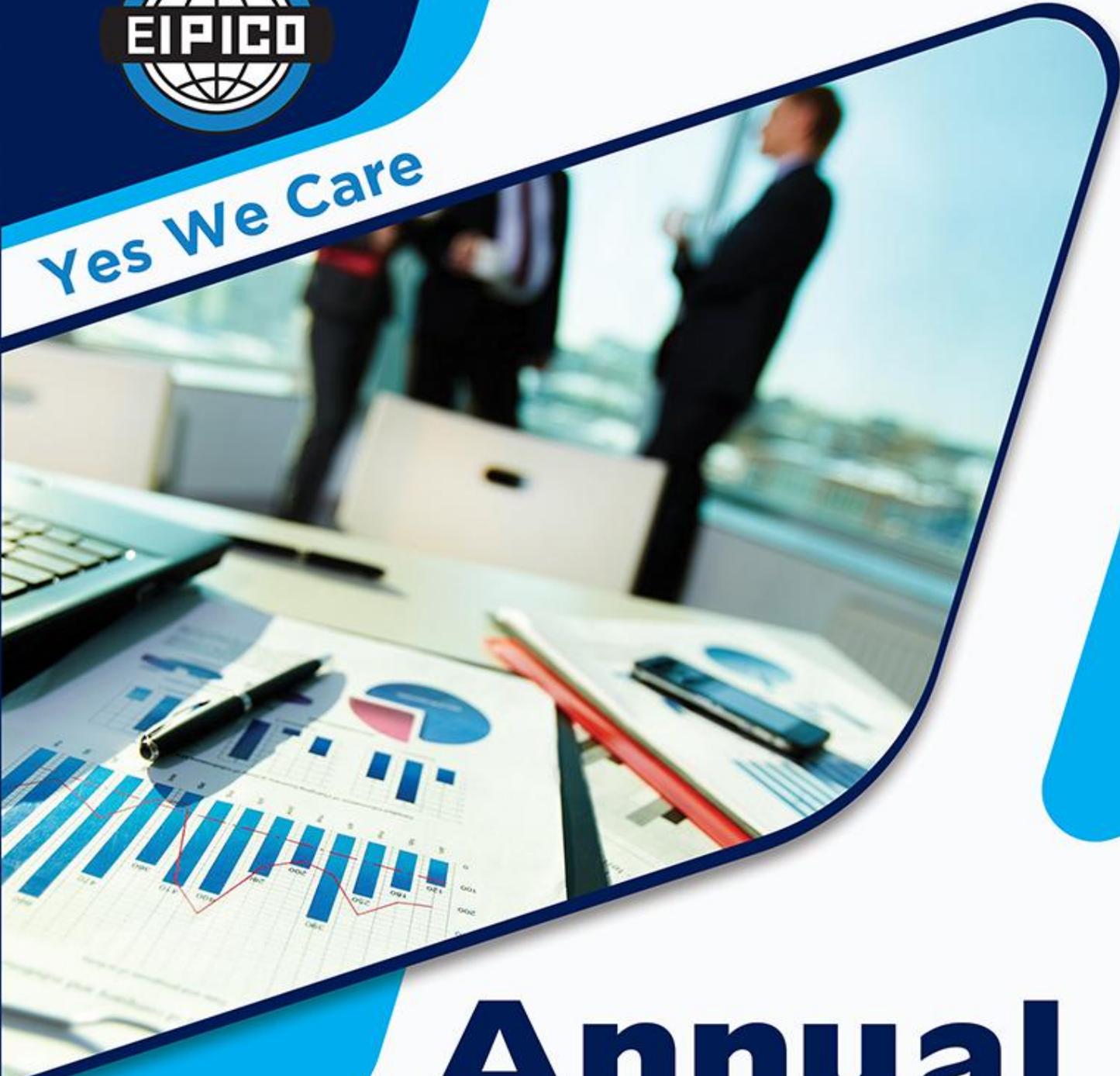




Yes We Care



Annual Report 2019

Quality is a Measure
of Success

Egyptian International Pharmaceuticals Industries Company

EIPICO
(S.A.E.)



**Annual Report of the Board of Directors
for the Fiscal Year ending
31st December 2019**

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Board of Directors

Dr. Ahmed Said Kilani

Chairman of the Board and Managing director- Represents (ACDIMA)

Prof. Dr. Maher Mohamed Ali Eldomiaty

Board Member - Represents (ACDIMA)

Mr. Fattouh Mohamed Salama Diab

Board Member - Represents (ACDIMA)

Prof. Dr. Atif Hassan Mahmoud El Naqli

Board Member - Represents (ACDIMA)

Prof. Dr. Adel Hassan Abdul Latif Ali Adawy

Board Member - Represents (ACDIMA)

Dr. El Sayed Ibrahim Ali Ebied

Board Member - Represents Union of The Medical Occupations

Prof. Dr. Hamdi Mahmoud El Sayed

Board Member

Prof. Dr. Ahmed El Sayed Ali Layla

Board Member

Prof. Dr. Fathi Ibrahim Abdullah Ibrahim

Board Member



The Annual Report of the Board of Directors for the Fiscal Year ending 31st December 2019

Dear Shareholders,

We wish you and your company the best of luck and prosperity, asking God Almighty to always help us for the good and progress of our company in a way that contributes to maintaining its leading position and its influence on the Egyptian economy, besides ensuring the company's role, which it has played over the years, in providing high quality pharmaceutical products at competitive prices for the Egyptian patient.

We are pleased to present a preface to the Annual Report including the company's business results and achievements for the fiscal year ending on 31/12/2019 and which have been done, thanks to the support of our shareholders, the harmony between the members of the Board of Directors that best serves the company's interests and the relentless efforts of our employees who strive to maintain EIPICO's ranking as one of the leading pharmaceutical companies, their motto being "EIPICO will remain on top".

We have the honor to present to you, the achievements of the company during the year 2019, where (14) meetings of the board of directors, (6) meetings of the audit committee, and (3) meetings of the technical committee have been held. The technical committee has been established to find solutions for technical problems facing the company, and a legal committee has also been established and will begin its work in 2020 to study important legal matters referred by the company to ensure that all the rights of the company and its shareholders are preserved.

In spite of the challenges the company have faced, it managed to achieve all of its production and sales targets, which went hand in hand with modernization and development of the company as well as increasing the efficiency of its employees, as follows:

The company achieved a production value of EGP 3.281 billion compared to EGP 2.876 billion in 2018, with a growth rate of 14.1%.

The company achieved total sales amounting to EGP 3.221 billion compared to EGP 2.747 billion in 2018 with a growth rate of 17.25%. This is mainly due to the increase in domestic sales which amounted to EGP 2.581 billion compared to EGP 2.093 billion in 2018 with a growth rate of 23.3%, which exceeded the total Egyptian pharmaceutical market growth rate of 16.10% in 2019.

The company achieved export sales of US\$ 38.149 million compared to US\$ 36.704 million in 2018, with a growth rate of 3.94%.

The company ranked First in the Egyptian ophthalmic market, by units, capturing 27% market share, with a growth rate of 13%, which exceeded the total market growth rate of 5% in 2019.

The company took care of its existing facilities, undertaking modernization and development of both of its two factories EIPICO 1 and 2 as well as the factories' assisting departments; which can be found in detail under the title "Modernization and Development".

The company acquired 4.780 million shares for a total value of EGP 210.320 million of the Medical Union Pharmaceuticals (MUP) Company, representing a 9.77% stake in MUP, based on the good position of MUP in the Egyptian market at the present time and its ambitious plans to grow its sales. This will lead to an increase in its profits in the future and an increase in the shareholders' equity, which in turn will positively affect our future profits.

The company began the actual steps to produce biological and biosimilars with an investment of EGP 1 billion. EIPICO 3 factory land has been allocated and received as a company extension on which the first factory of its kind in Egypt will be constructed. This was done as part of our continuous efforts and attempts to relieve the burden of unavailability or high prices of cancer and chronic disease drugs and to create self-sufficiency in Egypt, as well as creating new investment opportunities for the company, which in turn will positively affect our future profits

Modernization and Development:

First: Factories' Modernization:

EIPICO has developed a strategic plan for its factories' modernization whether by modernizing its production units, production equipment or management systems to ensure production efficiency long into the future.

The following is a report of what has been achieved, in record times:

1- The New Electricity Transformer:

A building for the new electricity transformer has been constructed including concrete structure works and all finishing works.

2- Heating, Ventilation and Air Conditioning (HVAC system):

The HVAC system for heating, ventilation, air conditioning and utilities have been renovated in Unit-2 and Unit-5 in the sterile areas, new Quality Assurance Department area, Microbiology laboratories 1 and 2, change rooms for men and women and all kitchens of the employees' restaurants.

3- Central Air Conditioning Station:

A new water-cooled chiller with a cooling capacity of 1000 TR and a new cooling tower with a capacity of 2400 GPM at 29°C have been installed.

4- Central Electricity Station:

Electric power has been increased from 6250 Kilowatt/hour to 9000 Kilowatt/hour.

5- Compressed Air Station:

A new oil free compressor with capacity of 10 m³/hour @ 10 bar at the Plastic Factory has been installed to ensure efficient machine operation.

6- Restaurant and Cafeteria:

The company's employees' restaurants, the kitchen, and laundry have all been expanded and redeveloped in a modern style that provides ease for workers' movement which is beneficial for work and production.

Surveillance systems have been installed with the addition of digital cameras, Early Warning Fire System and Fire Extinguishing System in the restaurant halls and food processing areas.

7- Quality Assurance (QA) Department Development:

The QA Department was developed by re-establishment with better for the best interest of work.

8- Research and Development (R&D) Department Development in Factory 2:

The R&D laboratories have been reestablished, two autoclaves have been installed and upgrading of the HVAC system has been done for the best interest of work.

9- Preparation of the new "Samples" Store:

The "samples" store has been redesigned and equipped in compliance with the requirements of the Egyptian Ministry of Health.

10- Modernization of Production Lines and Machines using Track and Trace System:

As a leading pharmaceutical manufacturer, and as the leading Egyptian company in exporting pharmaceutical products globally, EIPICO was one of the first companies to implement a Track and Trace Program with its various stages (Serialization, Aggregation and Levels 3 and 4) according to GS1 system of standards, to ensure patient safety, enhance supply chain efficiency and prevent commercial fraud.

In 2019, the following has been done:

- Contracting to have "Serialization" integrated into the remaining production lines.
- Contracting to develop production lines to the stage of "Aggregation".
- Implementation of the Level-3 Program by the Track and Trace Department, which has been established this year.
- Linking the Track and Trace production lines by establishing a (T&T New Server) with the (ERP), done by the Track and Trace Department, and also storing operational data on the New Server.
- Contracting and implementation of the fourth level (Level-4) to handle data and exchange it with external parties, export, the Ministry of Health, contract manufacturing companies, and to also link with the European Union (EMVO) server and so on.

The Future Vision of Track and Trace in 2020:-

- The completion of “Aggregation” stage implementation for the rest of the production lines.
- Contracting for the third-level program (Level-3) for the finished product stores in the factories and for sub-stores, linking the third level (Level-3) of the production with that of the stores, and linking the stores with the distributors.
- Connecting each of the two levels (production and stores) to the fourth level (Level-4).

Machinery and Production Lines Modernization:

Purchasing machinery and upgrading systems has been done with an investment cost of EGP 170 million has been done.

- Purchasing a Strip Packaging Machine in order to provide a 200% increase in strip packaging.
- Purchasing a Suppository Filling Machine in order to provide a 100% increase in production capacity.
- Purchasing 2 Child Proof Capping Machines in order to provide a 100% increase in capacity.
- Purchasing a Syrup Preparation Tank-1500 L in order to provide a 50% increase in capacity.
- Purchasing a Preparation Tank for Eye Ointments in order to provide a 50% increase in preparation capacity.
- Purchasing a Tablets Press Machine in order to provide a 30% increase in pressing capacity.
- Purchasing a Depyrogenation Oven for Ampoules and Vials in order to provide a 50% increase in sterilization capacity.
- Purchasing 2 Ampoule Inspection Machines in order to provide a 100% increase in inspection Capacity.
- Purchasing a 2 Ionized Water Stations in order to provide a 50% increase in water production.
- Purchasing a Compactor.
- Increasing the Electrical Capacity of Factory 1.
- Upgrading BMS system of sterile areas.
- Purchasing 2 R&D Autoclaves.
- Purchasing a Chilled Water Unit Cooler.
- Purchasing 2 Cooling Towers.
- Purchasing 5 TOC Analyzers.
- Purchasing 11 Electronic Code Printing Units.
- Purchasing a Stainless steel Tank.

Factories' Vision:

In order to improve product quality and reduce reliance on manual work, the following will be done over the following two years:

- 1- Adding a new complete suppository line to the Ointment and Suppositories Department whose production capacity is 30,000 suppositories/hour and provided with a cartoner machine whose production capacity is 6,000 units/hour providing an annual increase of 12 million units/year.
- 2- Adding a new cartoner machine to the Cream Department. Its production capacity is 6,000 units/hour providing an annual increase of 12 million packs/year.
- 3- Adding a new cartoner machine to the Syrup Department. Its production capacity is 12,000 units/hour providing an annual increase of 18 million packs/year.
- 4- Adding a new cartoner machine to the Powder Antibiotic Department. Its production capacity is 12,000 units/hour providing an annual increase of 18 million packs/year.
- 5- Adding a new complete syrup line whose production capacity is 12,000 units/hour providing an annual increase of 18 million packs/year and a 50% increase in Production Capacity.
- 6- Adding a new line of Single Dose Eye drops (Blow Fill and Seal) besides producing a 5 ml plastic ampoule. This is the first line of its kind at EIPICO to produce SDU ophthalmic preparations.
- 7- Adding 6 metal detector machines to improve the quality of hard capsules in both Solid Dosage Form and Oral Antibiotic Departments.
- 8- Adding a complete preparation line (High Sheer Mixer and Fluid Bed Dryer) to the Solid Dosage Form Department to replace the old one which will increase the production capacity of the Tablets Department by more than 50% over the current capacity.
- 9- Adding a preparation tank of ointment and cream to the Ointment and Cream Department to increase the capacity of the preparation after increasing the capacity of the packaging machines.

10- Adding 3 checkweigher machines to the Solid Dosage Form and Oral Antibiotic Departments to improve the quality of hard capsules.

11- Adding 4 Mobil LAF units to the Sterile Liquid Department to protect products sterility during transport inside the production area.

12- Adding a syrup preparation tank to the Syrup Department at EIPICO 2 factory to increase the capacity of preparation area.

Factories Vision:

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Second: Modernization of the Factories' Assisting Departments:

Supply Chain (Planning, Purchasing and Stores):

The Supply Chain has been one of EIPICO's first priorities, thus restructuring has been done and a Supply Chain Management System has been adopted and personnel of different departments were well-trained on good storage, negotiation and purchasing skills in ways that achieve the best prices. This has facilitated all supply chain processes, minimized costs, streamlined and integrated operations and optimized overall performance.

In 2019, the Supply Chain decreased the costs of packaging materials and other supplies, as well as local and imported raw materials by EGP 57 million which will affect the industrial cost in 2020.

Creating a Database and Implementation of a new Enterprise Resource Planning (ERP) System: to link company departments:

During 2019, the following has been done:

- Creating an integrated database for the company and linking it to a new integrated system “ERP System” as an alternative to other separate systems previously applied in order to link all departments and sectors of the company associated with the production and sales processes, for achievement of best results.

- Creating a data unit for the production system, quality control, purchasing, inventory control, general account, assets and maintenance.
- Linking all data units to extract reports that help senior management to take appropriate decisions.
- Developing the company's official website.
- The network infrastructure of Factory 1 and Factory 2 has been renewed as a first stage to increase the speed of the internal network through the application of the latest software technology.

Research and Development (R&D) Department:

During 2019, R&D Department has been restructured.

EIPICO believes in continuous discovery, improvement and creativity; that's why it invests annually in R&D laboratories to bring the state-of-the-art equipment for formulation, characterization and analytical activities.

This year, the following has been done: 27 pilot batches, 28 proposed formulas, 6 bioequivalence studies, 21 comparative studies, 2614 stability studies, and 307 registration files, among other department activities.

Toll Manufacturing Department:

In 2019, the Toll Manufacturing Department has been established which helped achieve the following:

- 1- In order to produce supplementary products, EIPICO has been registered in the National Food Safety Authority (NFSA) which will be reflected in the company's future business results.
- 2- In the field of tolling in, contracts have been concluded with 16 new companies and production has already started for 3 companies for full utilization of our production capabilities.
- 3- In the field of tolling out, contracts were concluded with 5 companies to for total achievement of our sales targets achieve our sales targets.
- 4- Changing the manufacturing site for all veterinary products and feed additives to be in 5

Security and Civil Protection Development:

Within the framework of preserving the company's property and reaching the highest levels of safety in preserving lives and preventing accidents and overcoming obstacles to the speed of production process, full coverage of all vital places in the company has been done with a Digital Camera System that is constantly being updated to obtain a high-quality image.

Digital camera systems have been installed in the Plastic Factory, restaurant halls and food processing hall.

Early Warning Fire System and Fire Extinguishing System have also been installed to secure the company's facilities besides training the employees in compliance with the international codes of the National Fire Protection Association (NFPA) and the updated instructions in technical bulletins issued by the Egyptian Civil Protection General Department, as follows:

- 1- Installing an Early Warning Fire System and Fire Extinguishing System, according to the international fire codes, in the renovated restaurant, food processing halls, renovated QA Department, and the Tablets Department.
- 2- Installing an Early Warning Fire System in the renovated Ampoules Department, electricity feeding room of the packaging warehouse, Tenth of Ramadan Branch Offices, besides securing pressure cables in the company's buildings.

Employees' Services:

All EIPICO employees are medically insured.

EIPICO provides a hot meal for about 3000 employees.

EIPICO provides daily free transportation for its employees from their residences to its premises and back.

EIPICO is concerned with the continuous training of its employees in the various company departments to raise their efficiency in order to keep pace with developments being done all over the company.

Vehicle Fleet:

EIPICO has a vehicle fleet including 375 vehicles of different types, such as supply cars, distribution vans, transport buses and cranes.

In order to cut unnecessary vehicles expenses and improve sales operations, reorganization of vehicle system has been done during 2019.



Third: Human Resources and Training Development and Structural Reorganization:

EIPICO genuinely cares for its employees as it believes that its staff are partners in success.

During 2019, the following has been done:

- 1- Restructuring of the organizational chart and maintaining job description.
- 2- Maintaining the salary grading system.

The Human Resources (HR) future vision includes:

- 1- Maintaining the internal HR policy and procedures.
- 2- Establishing a Performance Appraisal System for all departments.
- 3- Enhancing the training technically, business and software.

Training:

During 2019, the following training programs have been conducted:

1- The QA Department Training programs:

Total Number of Trainees: 909 (459 QA employees and 450 Pharmacy students).

A- Internal Training: conducted by internal lecturers.

- i- Data Integrity for 33 employees.
- ii- cGMP Regulations for 27 employees.
- iii- Job Description for 64 employees.
- iv- Document Control for 66 employees.
- v- Job assignments for 15 employees.
- vi- Occupational Health and Safety (OHAS) Principles for 30 employees.
- vii- Training 450 Pharmacy students.

B- External Training: conducted by external lecturers.

- i- GMP Regulations for 150 employees.
- ii- Risk Assessment for 27 employees.
- iii- Cleaning Validation for 10 employees.
- iv- Lead Auditor for 2 employees.

2- The Occupational Safety and Health Department Training programs:

The Occupational Safety and Health Department has conducted a number of training courses for workers to raise their efficiency and make them aware of the dangers of work and how to prevent them, as follows:

A- Internal Training:

- i- Emergency evacuation training course.
- ii- Basic employee training course on Occupational Health and Safety principles.
- iii- Training the restaurant employees on food safety.
- iv- Training the winches drivers in the warehouses on the rules of Occupational Health and Safety.

B- External Training:

Conducted in coordination with the General Administration of Civil Protection and an Internal training for the company's firefighting groups (33 employees) on fire fighting.

3- Internal Audit Program to Prevent Corruption:

Support and Empowerment program for the internal audit profession in curbing the spread of violations and preventing corruption.

4- Scientific, Marketing and Selling Skills Training programs:

Scientific, Marketing and Selling skills for 77 new medical representatives in addition to 11 Selling Skills training programs for 1213 employees have been conducted.

5- Pharmacovigilance Training programs:

23 Individual Case Study Reports (ICSRs) Collection and Reporting" Pharmacovigilance training programs for 574 employees in different company departments have been conducted.

6- Training Abroad:

- a- 39 training programs for production employees on new production machines.
- b- 2 training programs for 2 biologics and biosimilars department employees

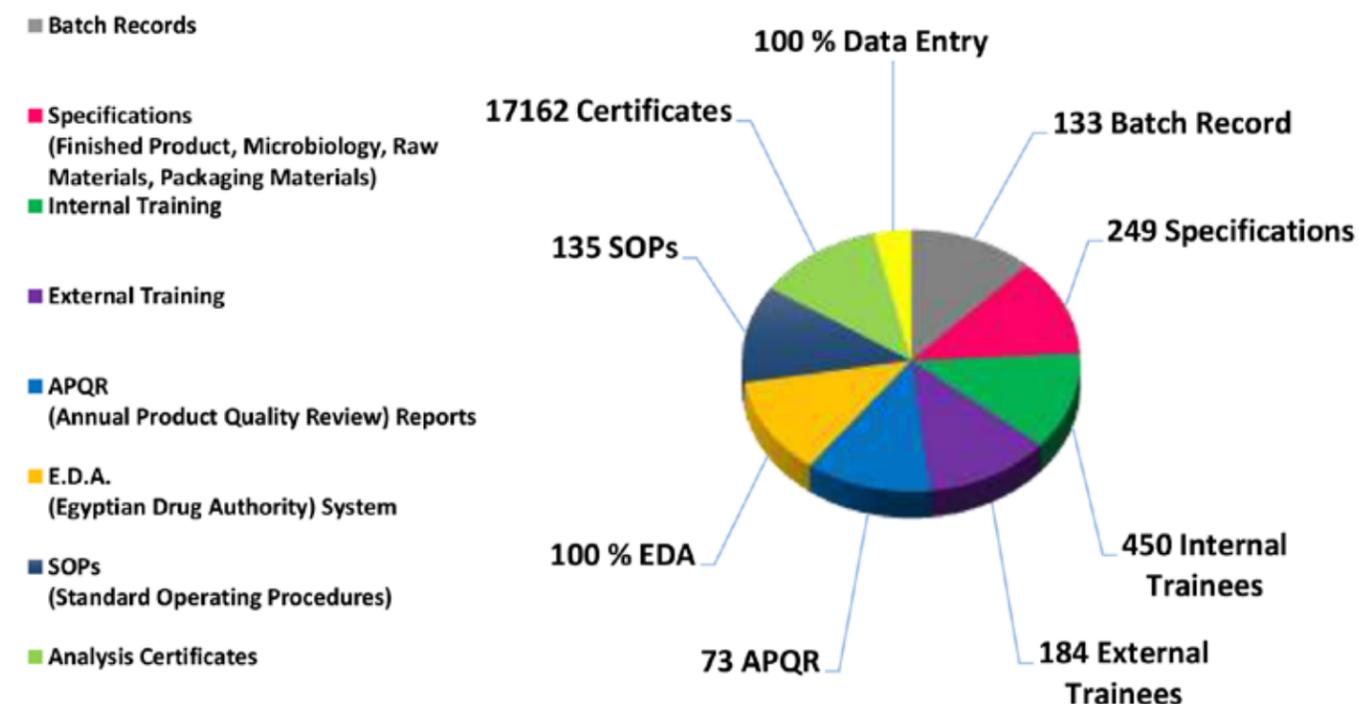
Fourth: QA Department and Restructuring:

In 2019, as part of structural reorganization, Quality Assurance (QA) Department was transferred from R&D Sector to be directly related to Chairman of the Board of Directors and General Manager.

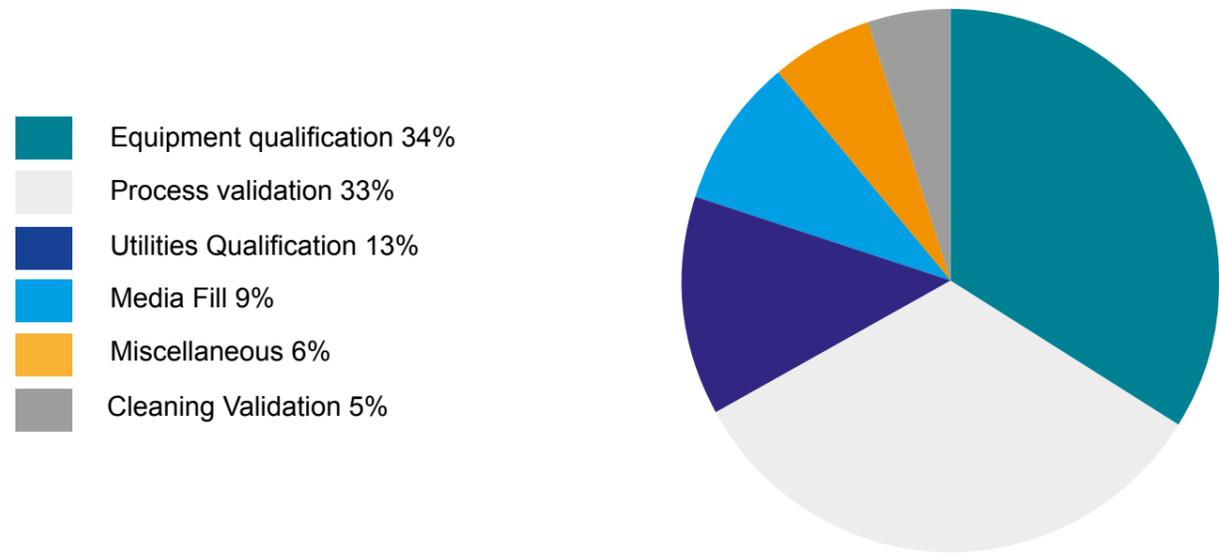
The following has been done:

- 1- Creating a Documentation Department to prevent duplication, and control distribution of different batches, SOPs and specifications.
- 2- Increasing the role of QA in the warehouses to ensure that the correct suppliers packaging and raw materials come with the proper specifications.
- 3- Supporting the Quality Compliance Department in following and implementing the different corrective and preventive actions, whenever needed.
- 4- Increasing employee's awareness by conducting training programs such as Change Control Request (CR) and Deviation Reports (DR) awareness, risk assessment and cleaning validation, which increased good judgment and workplace flow.
- 5- Creating the concept of workshops to increase QA personnel cooperation and awareness, thus improving their efficiency and productivity.

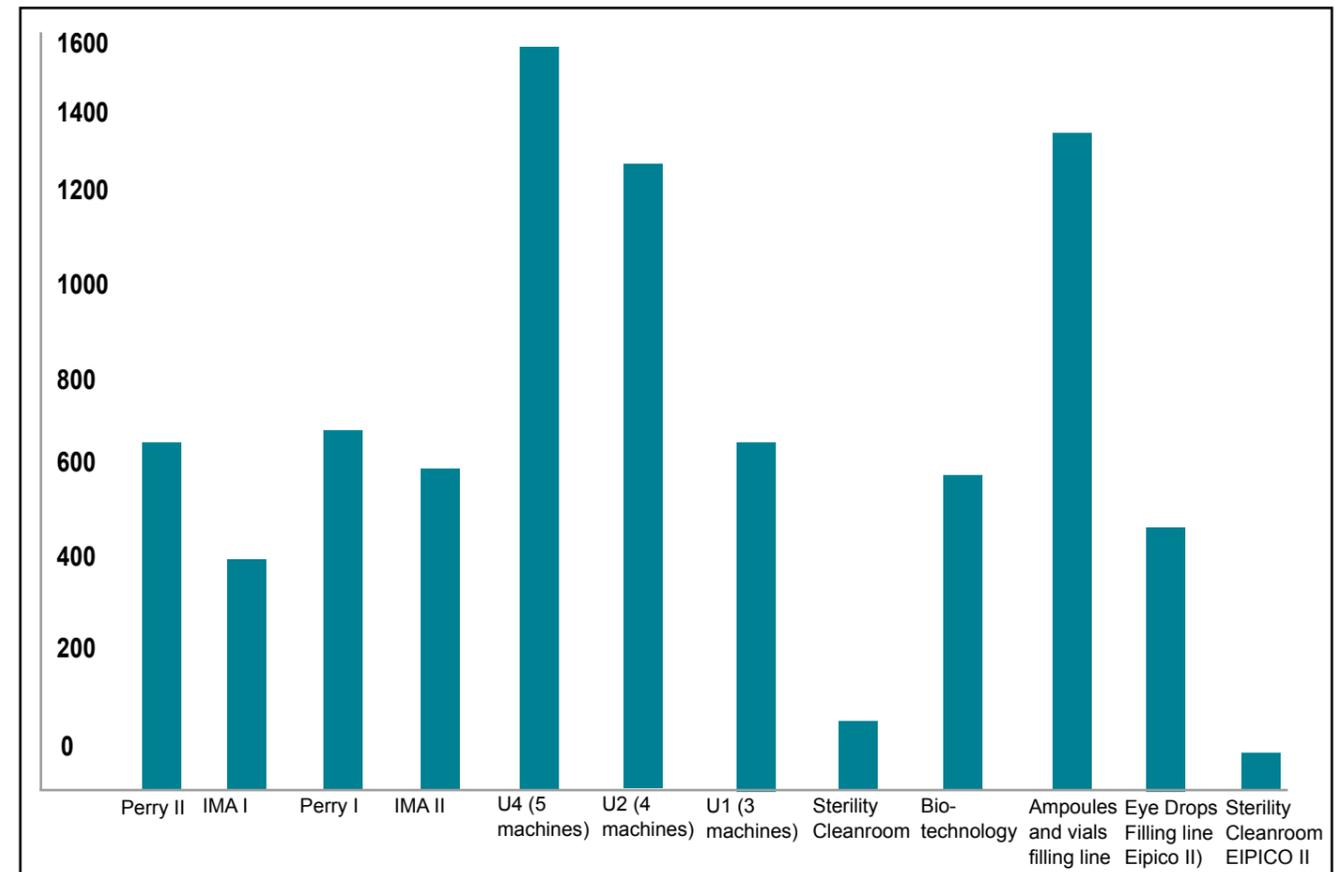
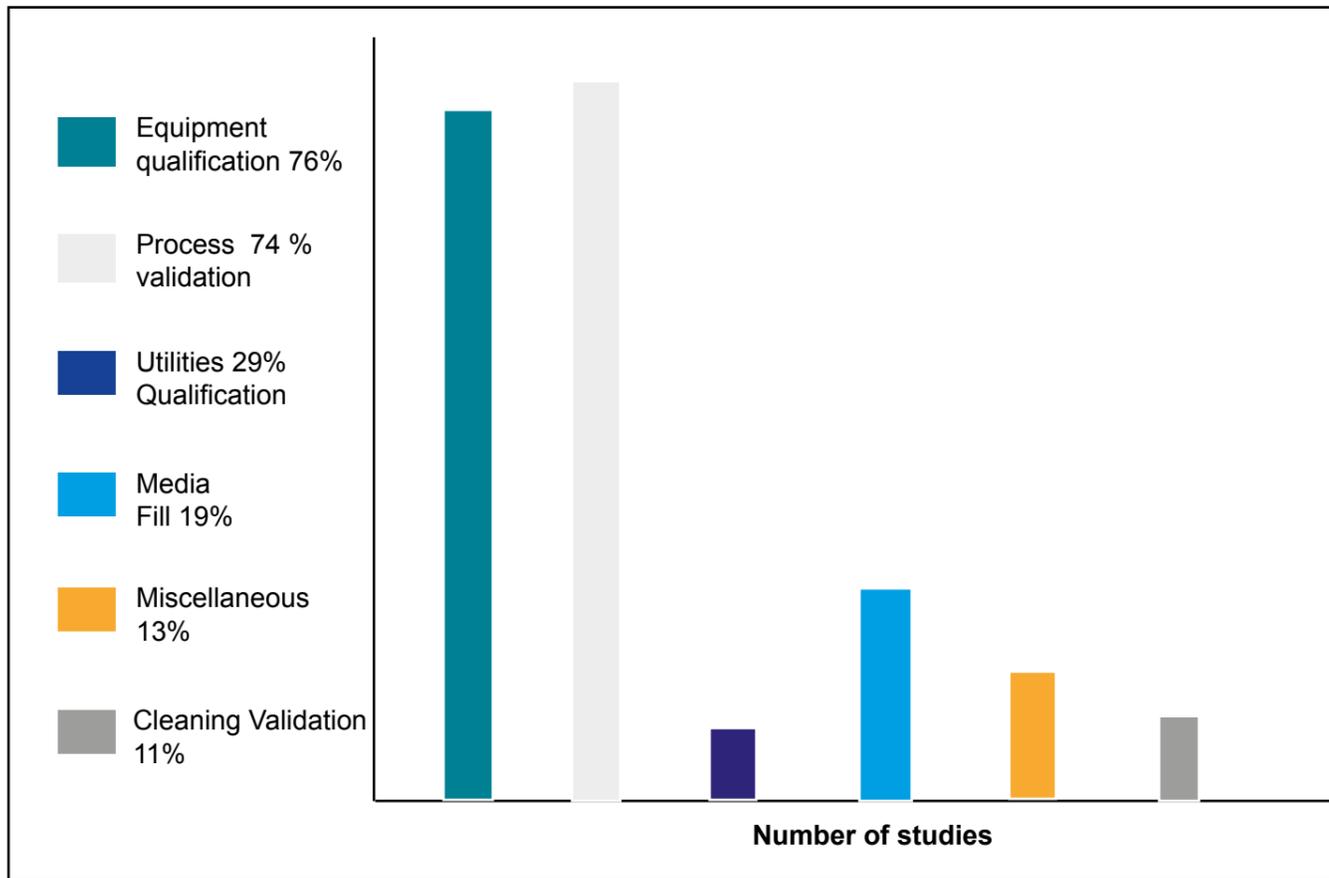
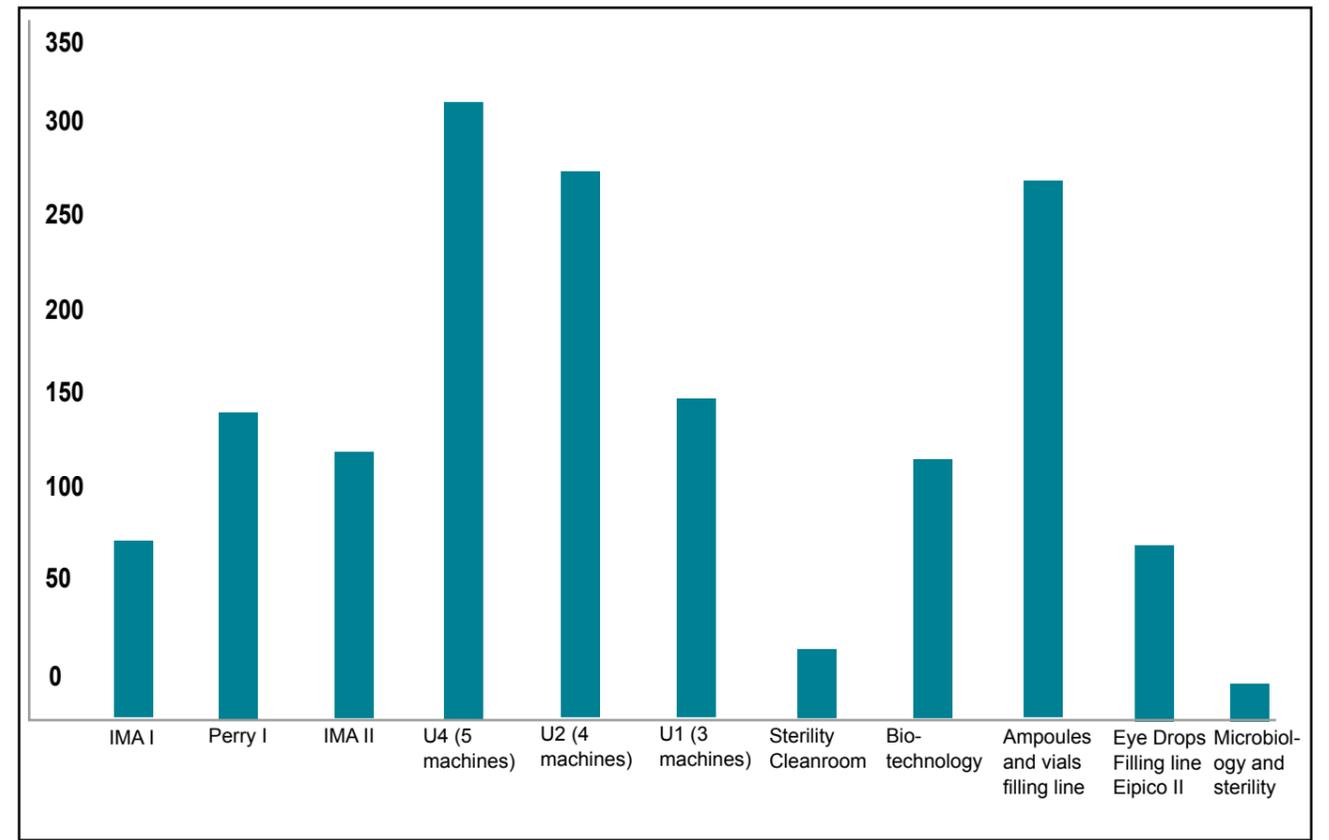
Documentation Department Achievements:



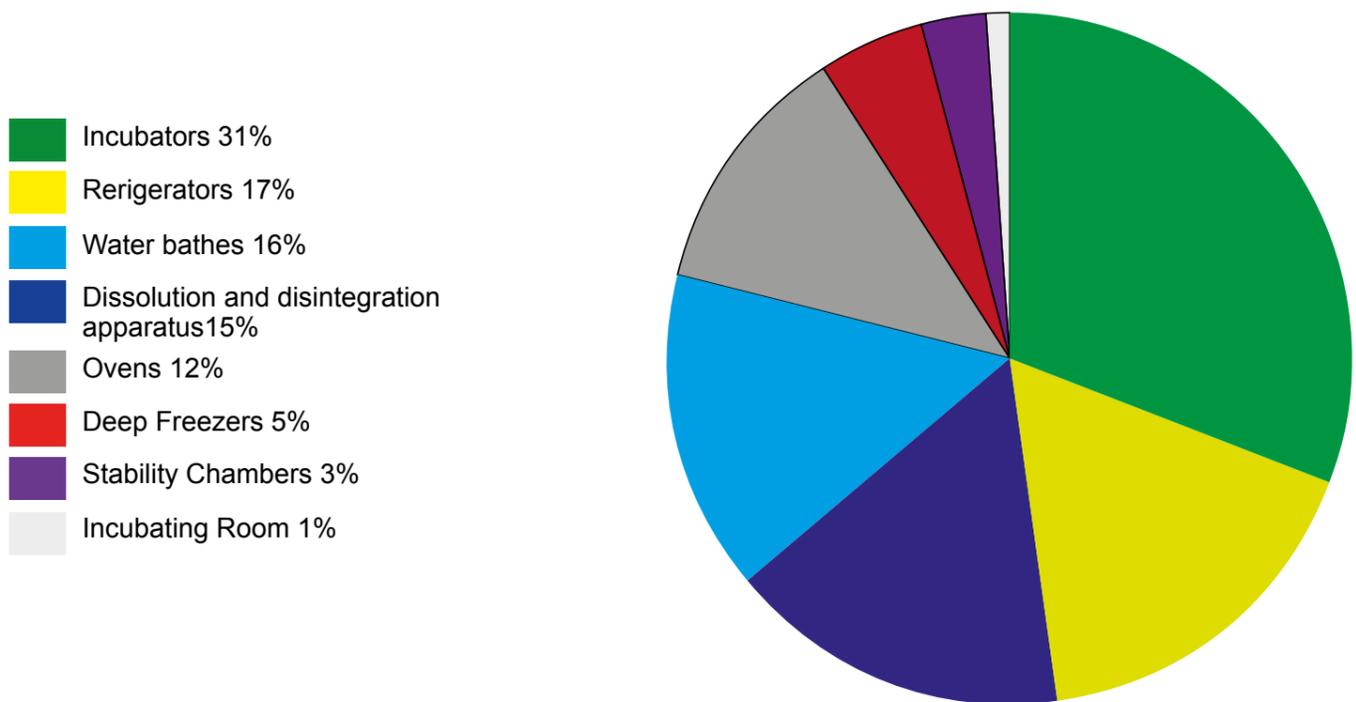
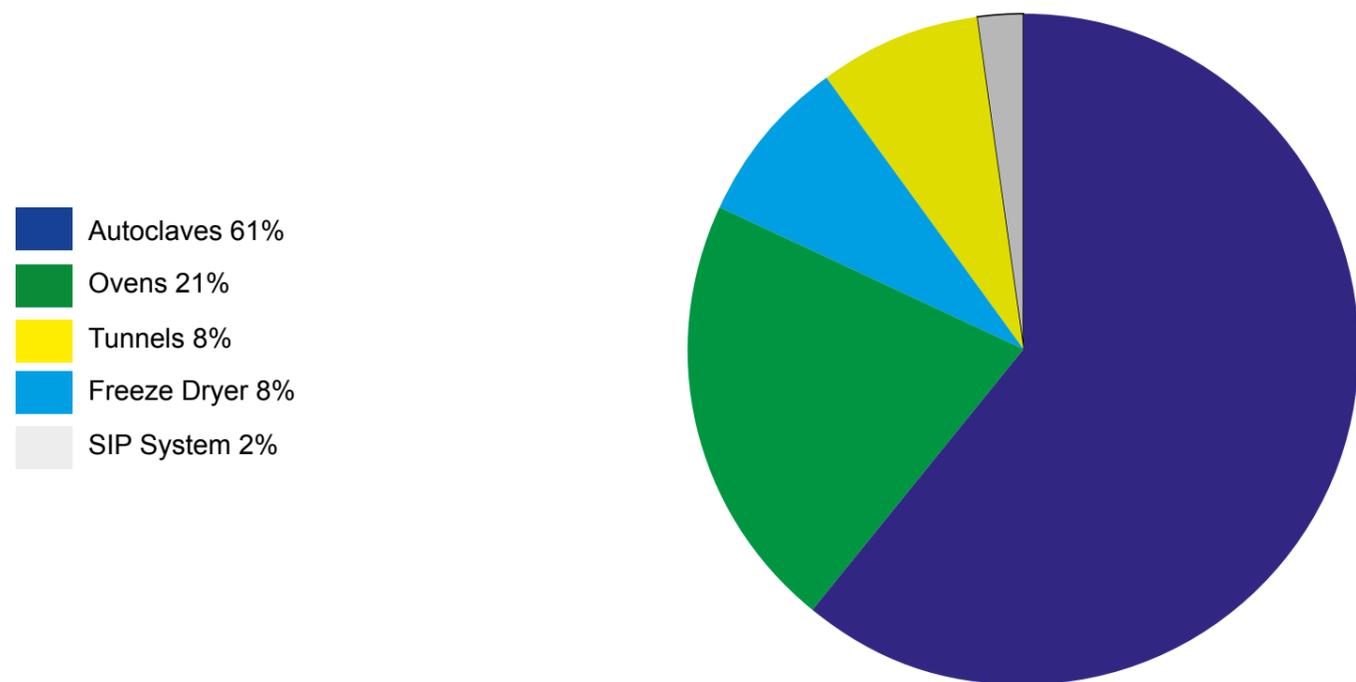
Validation Department Achievements:
A- Process, Cleaning, Machine and Utilities Qualifications



B- HVAC and Environment Qualifications



C- Thermal Validation



Fifth: Establishment of Internal Audit Department:

In 2019, an Internal Audit Department has been established, as an independent and objective entity, designed to add value and improve the performance of the company's operations to help it achieve its goals by adopting a systematic and organized method aimed at assessing the means and systems of internal control and risk management procedures in the company, and making sure that governance rules are properly applied in all departments, and executive, financial and legal activities.

Sixth: Sales and Production:

Sales:

In 2019:

The company achieved total sales amounting to EGP 3.221 billion compared to EGP 2.747 billion in 2018 with a growth rate of 17.25%. This is mainly due to the increase in domestic sales which amounted to EGP 2.587 billion compared to EGP 2.093 billion in 2018 with a growth rate of 23.3%, which exceeded the total Egyptian pharmaceutical market growth rate of 16.10% in 2019.

The company achieved export sales of US\$ 38.149 million, compared to US\$ 36.704 million in 2018, with a growth rate of 3.94%.

The company ranked First in the Egyptian ophthalmic market, by units, capturing 27% market share, with a growth rate of 13%, which exceeded the total market growth rate of 5% in 2019.

Production:

In 2019:

The company achieved a production value of EGP 3.281 billion compared to EGP 2.876 billion in 2018, with a growth rate of 14.1%.

Seventh: Profits:

Despite the many difficulties that we have encountered during 2019, yet EIPICO has been able to increase gross profit which amounted to EGP 746.739 million compared to EGP 745.979 million in 2018.

Net profit before tax was EGP 763.048 million in 2019 vs EGP 817.4 million in 2018 with negative growth rate of -6.7%.

Net profit after tax was EGP 611.547 million in 2019 vs EGP 651.788 million in 2018 with negative growth rate of -6.18%.

Taking into consideration that the previous year (2018) includes reversal of unnecessary reserves amounting to EGP 82.1 million vs EGP 26.4 million for the current year (2019), with a variance amounting to EGP 55.7 million.

In order to minimize costs and increase profitability, the management has succeeded to do the following:

- 1- Decreasing costs of packaging materials and other supplies, as well as local and imported raw materials by 57 million EGP which will affect the manufacturing cost in 2020.
- 2- Human resources reallocation to achieve optimal efficiency and as a result, both production and sales have been increased without the need for new labour.
- 3- Developing the sales strategy to include more distributors, in order to increase sales.

Eighth: New Products Development and Regulatory Affairs:

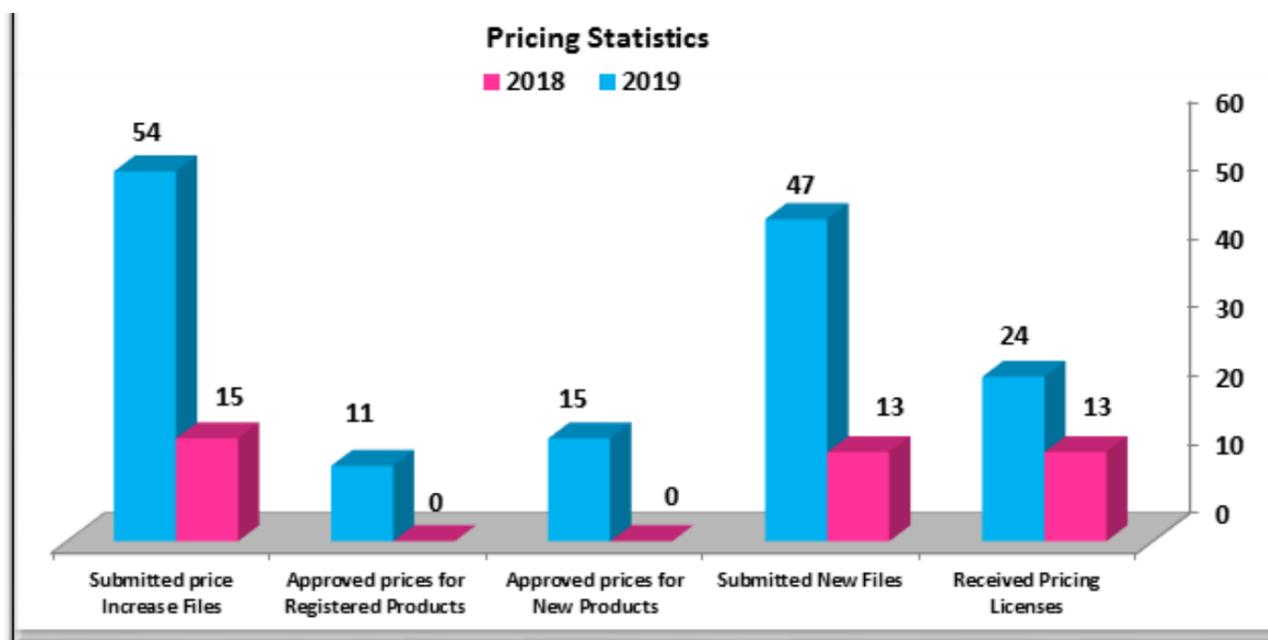
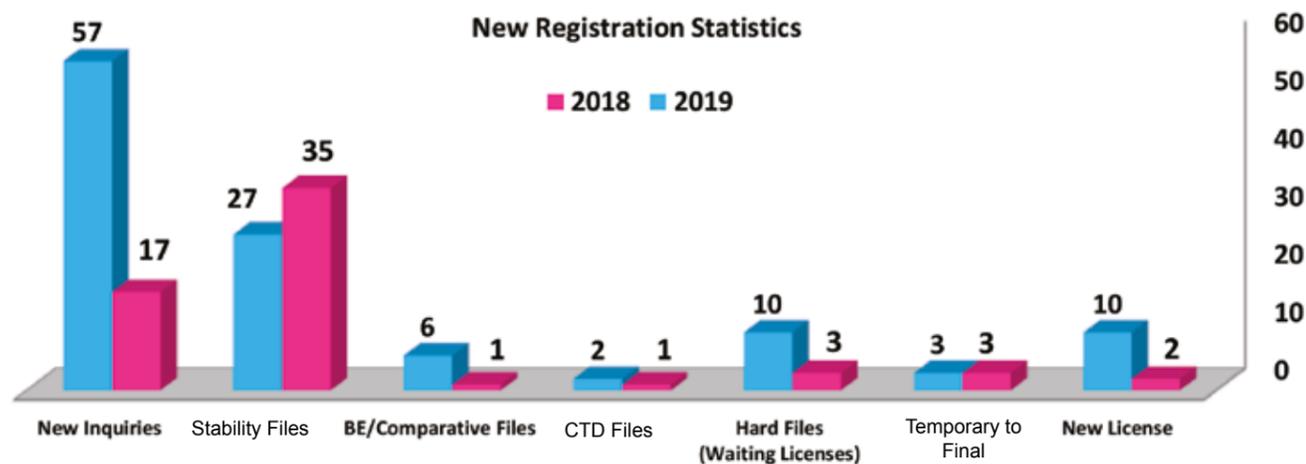
EIPICIO has 516 products of which 395 are registered and 121 are under registration, covering 25 therapeutic classes such as: Anaesthetics, Analgesics, Antipyretics and Anticatarrhal Drugs, Antibiotics, Antifungals, Antigout Drugs, Antihistaminics, Antiparasitics, Antivirals, Blood-forming Drugs, Cardiovascular Drugs, Orodenal Drugs, Dermatologicals, Gastrointestinal Drugs, Genitourinary Drugs, Hospital Drugs, Musculoskeletal Drugs, Nervous system Drugs, Ophthalmics, Oral Antidiabetics, Otorhinolaryngology Drugs, Psychiatry Drugs, Pulmonics, Systemic Corticosteroids, Systemic Hormones, Vitamins, Electrolytes and Combinations.

EIPICIO Ophthalmics include 25 products.

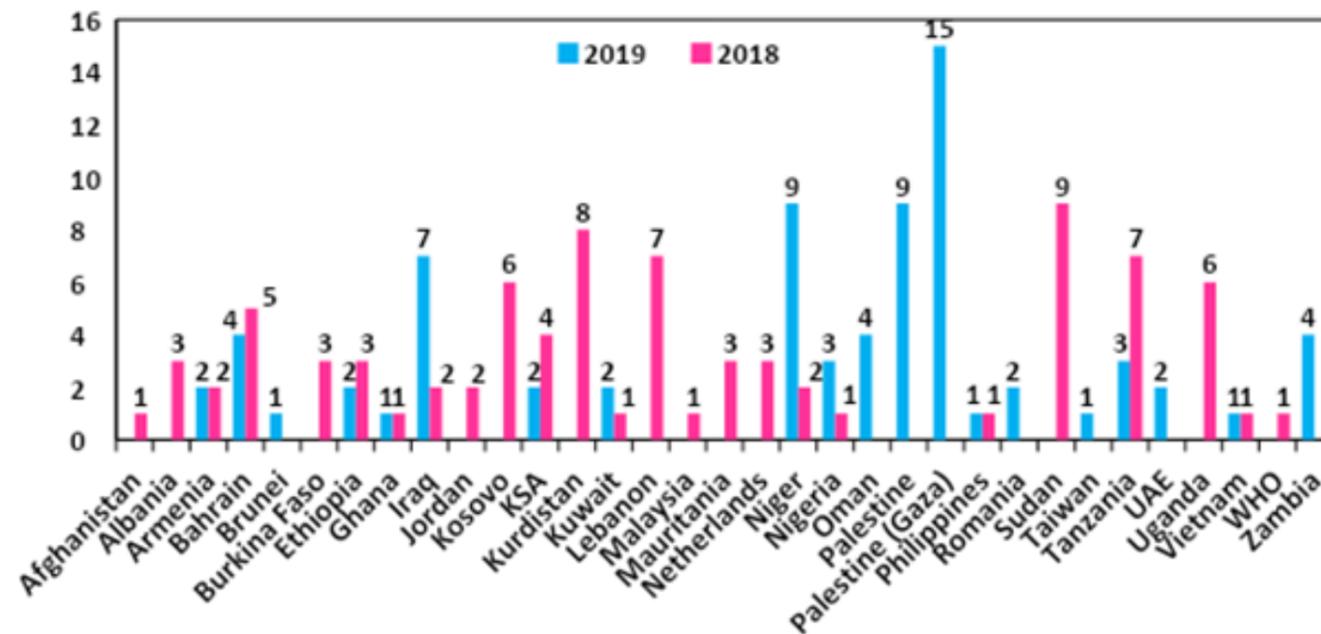
On international level, EIPICIO has 68 products presented with highest level of quality, in CTD format, ready for exportation. The Regulatory Affairs objective is to transfer all EIPICIO Products into CTD format within 5 years.

EIPICIO produces Thiopental, Epistigmin and Ketam. Seven new products are currently under registration. Once produced, EIPICIO will be contributing to better availability of these products and compensating for their shortage, which will undoubtedly be reflected positively on the Egyptian patient.

National Registration



International Registration



Ninth: Company Vision:
1- Biologics and Biosimilars Project - EIPICO 3

As part of our ongoing efforts and attempts to relieve the burden of unavailability or high prices of essential medicines, EIPICO is now taking very active and important steps to produce Biologics and Biosimilars.

With an investment of over 1 billion EGP and over an area of 10,000 square meters, EIPICO initiated the establishment of the first and biggest dedicated facility for the manufacturing of biological products starting from the tissue culture of genetically engineered cell line (Upstream) along with complete purification techniques (Downstream) obtaining the in-house manufactured active pharmaceutical ingredient (API) followed by the API formulation and filling till the final pharmaceutical dosage forms that would be available in vials, prefilled syringes and ready-to-use pens.

The project scope is to guarantee the availability of locally manufactured biological products that comply with the highest international quality standards to ensure that all Egyptians have access to a better healthcare especially for chronic and cancer patients.

EIPICO is currently cooperating with the biggest European and Asian entities that have massive experience in the field starting from the full technology transfer for the desired products with the layouts and drawings of the facility all the way till the manufacturing equipment and devices to achieve the highest international quality standards.

Design and construction standards conform to the highest international standards to ensure the highest level of quality of manufactured products, whether for domestic or international markets.



Master Plan



CODE	SYMBOL	DESCRIPTION
1	[Red line]	ALYD BOUNDARY
2	[Pink line]	STRIPED LAND
3	[Green line]	SHADED AREA
4	[Yellow line]	SECURED AREA
5	[Light blue line]	PLANTATION AREA
6	[Light green line]	PAVED AREA
7	[Light yellow line]	PLANTATION AREA
8	[Light blue line]	PAVED AREA
9	[Light green line]	LANDSCAPED AREA
10	[Green circle]	TREE
11	[Yellow circle]	COURTYARD
12	[Light blue circle]	EXTERNAL ROAD
13	[Light green circle]	EXTERNAL ROAD
14	[Red circle]	ENTRY SIGNPOST
15	[Blue circle]	INTERNAL SIGNPOST
16	[Purple circle]	STAIRWAY SYMBOL

NUMBER	DESCRIPTION
1	ADM. BUILDING
2	ADM. BUILDING
3	ADM. BUILDING
4	ADM. BUILDING
5	ADM. BUILDING
6	ADM. BUILDING
7	ADM. BUILDING
8	ADM. BUILDING
9	ADM. BUILDING
10	ADM. BUILDING

- The design focuses on creating an integrated complex with functional spaces.
- Separate Personnel and Material Entry would enable minimum interface between the material and personnel movement.
- A grand entrance plaza with space frame welcomes into the complex with open to sky courtyards used to celebrate the spaces created between the buildings.
- Separate interconnecting pathways segregate the Personnel movement on the site avoiding mishaps.
- Dynamic shape of the Admin & canteen building creating interesting Façade from the main road.
- Main Production Facilities centrally located with Utilities & Ancillary building planned along the proximity.

2- Single Dose Unit Eye Preparations (SDU) Project:

A contract has been made to assemble and install a new production line for the production and manufacture SDU ophthalmics preparations. EIPICO Ophthalmics will thus gain competitive advantage whether locally or internationally.

Our vision is maintaining First rank in the Egyptian Ophthalmic Market in terms of units, capturing more market share and reaching the first rank by value within the next three years.



Company Investments:

1- Investment in EIACO Factory:

It is in the field of industries feeding the pharmaceutical industries, to ensure the constant and sufficient availability of primary packaging materials, and to avoid the problems of import (shipping and foreign currencies).

In 2005, Egyptian International Ampoules Company - EIACO was established, as an Egyptian investment company for manufacturing medical ampoules, over the area of 25,000 m² in the 10th of Ramadan City. EIPICO is the main investor.

EIACO is currently the largest manufacturer of primary packaging materials in Egypt, managing to completely secure the needs of EIPICO from ampoules, vials and aluminum tubes.

2- Investment in Batterjee Pharma:

Batterjee Pharma, is EIPICO's first investment abroad in manufacturing pharmaceutical products. Batterjee Pharma started with a capital of 60 Million Saudi Riyals, currently raised to 77 Million Saudi Riyals. EIPICO owns a 30% stake.

Batterjee Pharma was established in the year 2008, in the heart of the industrial city of Jeddah, with an area of 12,000 m².

Batterjee Pharma is currently a pioneering Saudi Pharmaceutical Company with one of the most recent factories and is ranked number 35 in a market of 240 pharmaceutical companies in the Kingdom of Saudi Arabia.

The plant was designed and built as per the Saudi Food and Drug Authority (SFDA) norms with full adherence to GMP requirements for the production of tablets, capsules, syrups, creams and ointments.

Batterjee Pharma aims to provide high quality products and services at competitive prices in addition to becoming the preferred site of production in Saudi Arabia for multinational and regional companies.

Batterjee Pharma has a diversified portfolio of 26 RX and OTC products such as (gastrointestinal, cardiovascular, anti-allergic medicines, topical creams and ointments, vitamins, herbals, calcium and food supplements).

The value of Saudi Pharmaceutical Market is 14 Billion Saudi Riyals in the private sector which is one of the largest pharmaceutical markets in the Middle East.

Batterjee Pharma portfolio is in a market of 580 Million Saudi Riyals and with Compound Annual Growth Rate (CAGR) of 25% in comparison to CAGR of 5% of the specific market.

Batterjee Pharma has succeeded to penetrate the Institution and Tenders market with over 3 million units and also seeks to penetrate the export markets through a competitive export plan in the Gulf Cooperation Council.



3- Investment in the Medical Union Pharmaceuticals (MUP) Company:

The company acquired 4.780 million shares for a total value of 210.320 million EGP of the Medical Union Pharmaceuticals (MUP) Company, representing a 9.77% stake in MUP, based on the good position of MUP in the Egyptian market at the present time and its ambitious plans to grow its sales. This will lead to an increase in its profits in the future and an increase in the shareholders' equity, which in turn will positively affect our future profits.

Corporate Social Responsibility:

In support of His Excellency, the President's initiative to detect and eliminate hepatitis C virus (HCV) as a public health threat, EIPICO contributed to the "100 Million Healthy Lives" National Campaign by donating 15,000 packs of Episovir 400 mg Tablets to the Ministry of Health. In 2019, EIPICO also contributed with a supply of 514,788 packs of Episovir.

The company aims to contribute to social responsibility, in solidarity with the Presidency, the Government and the Ministry of Health, and adopts the idea of assisting the government and the Ministry of Health in implementing programs that benefit the Egyptian patient.



Export Development and Opening Up New Markets:

EIPICO started exporting since 1987, and it increased global access to reach 65 countries worldwide including the Middle East Region, Europe, Asia, Africa, as well as the Commonwealth of Independent States (CIS) and the Russian Federation countries. The company is targeting 15 new countries by 2022.

EIPICO is ranked Number 1 in the Egyptian Exports of pharmaceutical products, capturing 21% of Total Egyptian Pharmaceutical Exports by value, in 2019 (Export Council Report 2019).

EIPICO exports valued US\$ 38.149 million (in 2019), providing about 70% of the company's needs for hard currency needed to purchase raw materials.

Despite the political and economic problems facing the some of the major neighbouring countries, the company was able to overcome the drawbacks and continue with high efficiency in these countries.

EIPICO has a leading position in penetrating and developing many pharmaceutical markets in the Far East (e.g. Hong Kong, Malaysia, Vietnam and the Philippines), Latin America (e.g. Ecuador, Jamaica, and Chile).

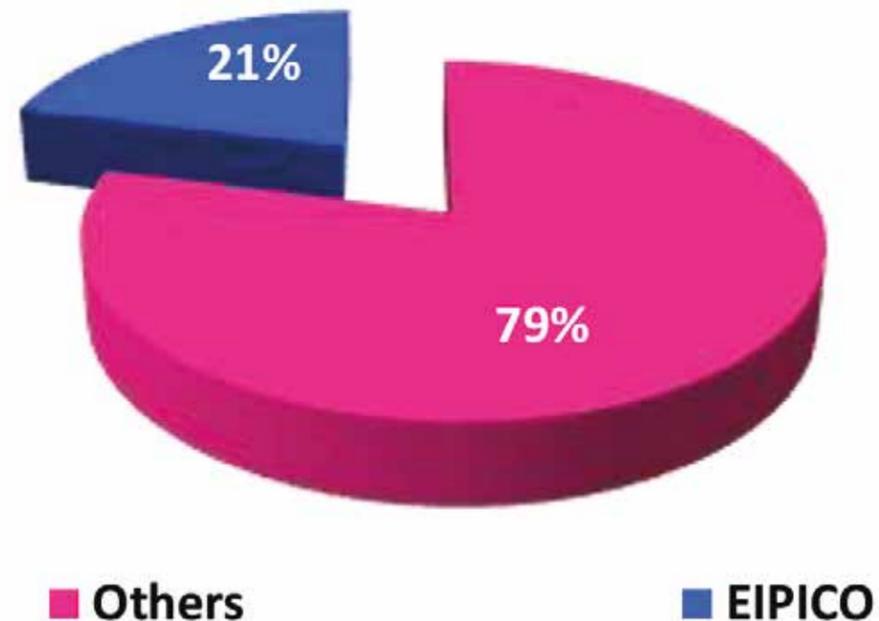
In 2019, access to new markets has been done (e.g. Ecuador, the Philippines, Albania and Palestine) with expected active sales in 2020.

EIPICO exports more than 250 products and has approximately 1300 products registered in various markets.

EIPICO implements latest G.M.P. standards to ensure that its products offer competitive advantages in efficacy, safety and price, worldwide.

Its factories are subject to regular inspection by various foreign health organizations and it has been certified and recognized by World Health Organization WHO, Gulf Cooperation Council (GCC) Good Manufacturing Practice Certificate (GCC GMP) and GMP Certificate from Romania (one of the European Union countries), MHRA Certificate of UK, and company certification from East African Community (EAC) countries (6 countries: Burundi, Kenya, Rwanda, South Sudan, Tanzania, and Uganda).

Share of EIPICO Export Sales in Total Egyptian Pharmaceutical Export Sales



EIPICO is Ranked Number 1 in Egyptian Exports of Pharmaceutical Products:

EIPICO is in Rank Number 1 in the major Export markets among the Egyptian Pharmaceutical Companies:

- EIPICO Export is Ranked Number 1 in Romania capturing 80%.
- EIPICO Export is Ranked Number 1 in CIS Countries capturing 46%.
- EIPICO Export is Ranked Number 1 in Kuwait capturing 40%.
- EIPICO Export is Ranked Number 1 in KSA capturing 37%.
- EIPICO Export is Ranked Number 1 in Iraq capturing 35%.
- EIPICO Export is Ranked Number 1 in U.A.E. capturing 22%.

Share of Export Sales in Total Company Sales



Company Achievements in 2019:
Most Important Indicators in 2019:

	2019 (Million EGP)	2018 (Million EGP)
Production Value (EGP)	3281.506	2876.887
Sales Value (EGP)	3220.649	2747.574
Exports (EGP)	640.065	654.040
Production in Units (Unit)	323.267	299.040
No. of Products (Product)	353	347
Gross Profit (EGP)	746.740	745.980
Net profit (After Tax)	611.547	651.788
Productivity/FTE (EGP)	635335	571038
Shareholder's Equity	2836.249	2688.241

First: Sales:

Net sales were EGP 3.220.65 billion vs EGP 2.747.6 billion in 2018, with a growth rate of 17.25%.

Local sales were EGP 2.580.5 billion vs EGP 2.093.1 billion in 2018, with a growth rate of 23.3%, which exceeded the total Egyptian pharmaceutical market growth rate of 16.10% in 2019.

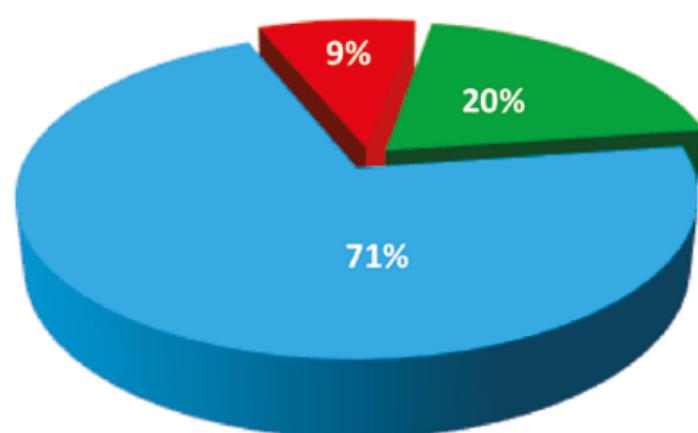
Export sales were EGP 640 million vs EGP 654 million in 2018, with a negative growth rate of -2.1% (due to the decrease in dollar's price).

Export sales in dollars were US\$ 38.149 million vs US\$ 36.704 million in 2018, with an increase of US\$ 1.445 million, and a growth rate of 3.94%.

The company ranked First in the Egyptian ophthalmic market, by units, capturing 27% market share, with a growth rate of 13%, which exceeded the total market growth rate of 5% in 2019.

EIPICO Sales by Value:

Item	2019 Actual (L.E. Million)	2019 (Million) 2019 Actual	Growth Rate (%)
Local Sales (Market)	2286.732	1921.692	18.90%
Local Sales (Tenders)	293.852	171.426	71.40%
Export Sales	640.065	654.040	(2.10%)
Total Sales	3220.649	2747.158	17.25%

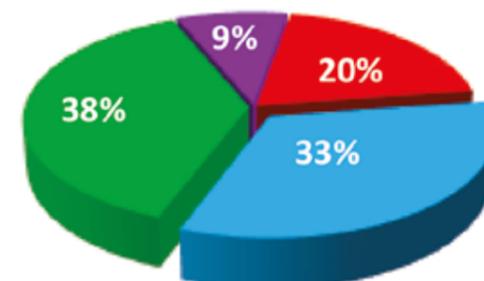


■ Local Market Sales ■ Tenders Sales ■ Export Sales

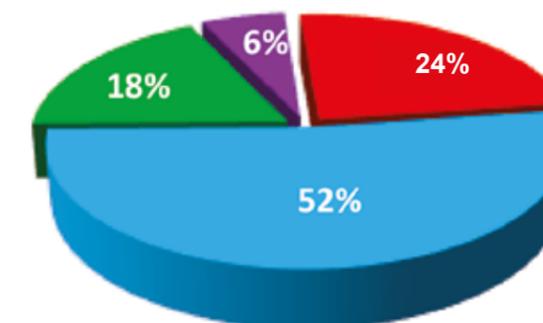
EIPICO Sales by MarketPlace:

	2019 (L.E. Million)	(%)	2018 (L.E. Million)	(%)
Total	3220.649	100	2747.158	100
Direct Sales	1055.032	33%	1440.482	52%
Distributors Sales	1231.701	38%	481.177	18%
Tenders Sales	293.065	9%	171.426	6%
Export Sales	640.065	20%	654.040	24%

2019



■ Direct Sales ■ Distributors Sales
 ■ Tenders Sales ■ Export Sales



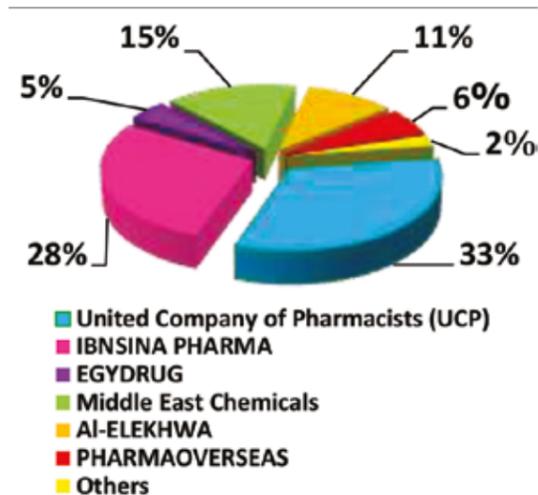
■ Direct Sales ■ Distributors
 ■ Tenders ■ Export Sales

EIPICO Sales by Distributors:

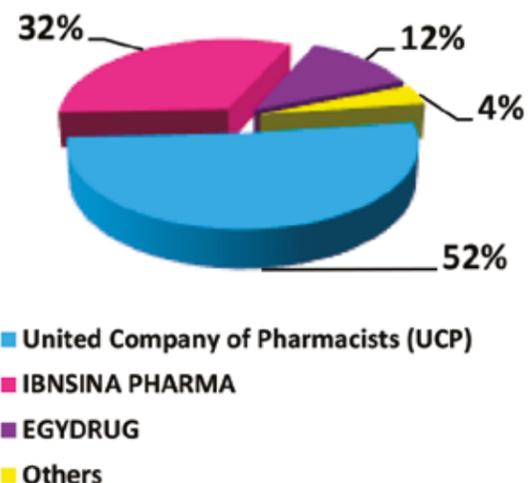
EIPICO developed its sales policy by adding 5 new distributors, besides its already existing direct sales system, to ensure that its products gain access all over Egypt. The distributors sales amounted to L.E. 1.231 billion compared to L.E. 0.481 billion in 2018 with a growth rate of 156%.

	2019 (L.E.)	(%)	2018 (L.E.)	(%)
United Company of Pharmacists (UCP)	402,004,959	33	247,972,959	52
IBNSINA PHARMA	346,465,170	28	155,424,606	32
EGYDRUG	56,570,324	5	58,807,322	12
Middle East Chemicals	190,439,823	15	-----	-----
AI-ELEKHWA	130,768,198	11	-----	-----
PHARMAOVERSEAS	75,592,722	6	-----	-----
Others	29,860,003	2	18,972,633	4
Total	1,231,701,199	100	481,177,520	100

2019 ↑ 156%



2018



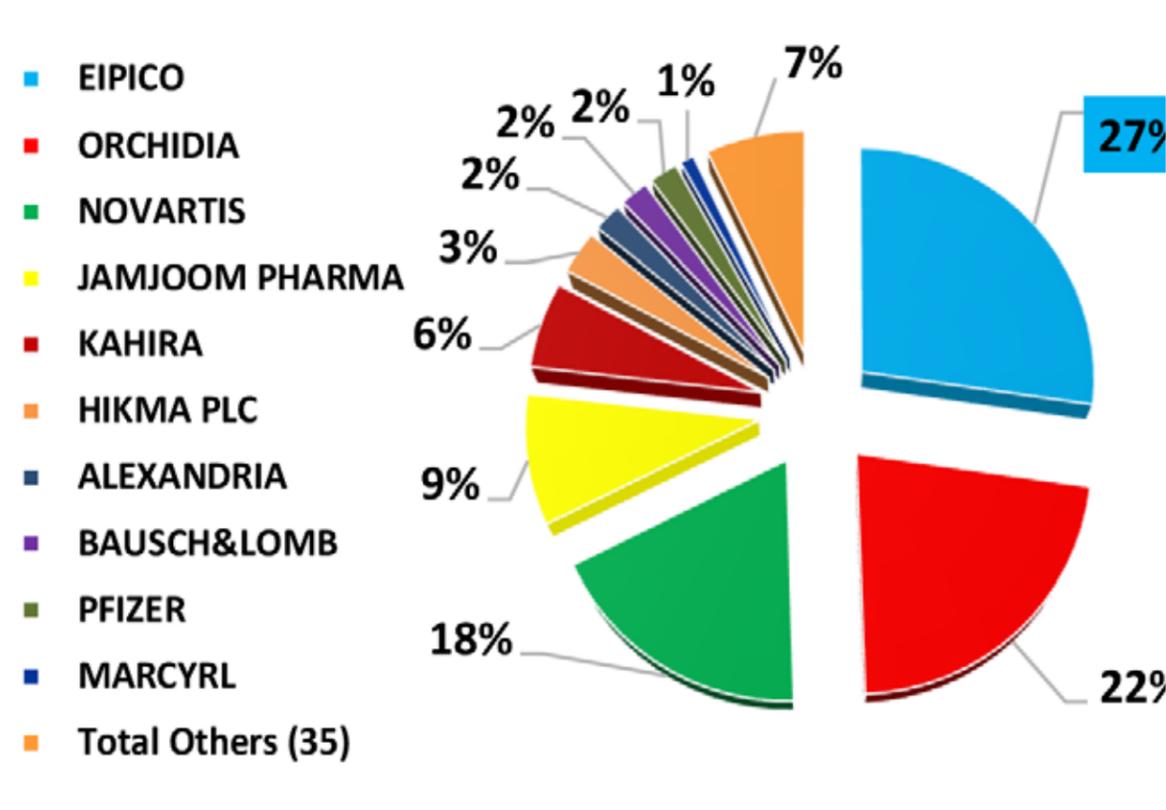
EIPICO Sales By New Products

EIPICO launched 8 new products whose contribution amounted to L.E. 15,746 million

New Products 8	Sales (Units)	Sales (L.E. Million)
CETAL EXTRA Caplets (20 Caplets)	553,968	1730.072
DEXAMETHASONE SODIUM Ampoules	642,303	6502.577
EPIFENAC 75 MG SR Tablets (10 Tablets)	81,793	727.741
FOLIC ACID 5 MG Tablets (20 Tablets)	418,245	1949.694
HYDROCORTISONE SODIUM SUCCINATE MG Vials (1 Vial 100)	261,455	1990.874
LEVEPSY 100 MG Oral Solution (120 ml Bottles)	6,517	278.742
OXYPOL Eye Ointment (5 g Ophthalmic Tube)	102,314	327.832
PROGESING 100 mg/2 ml Ampoules (10 Ampoules)	38,388	2238.881
Total		15746.413

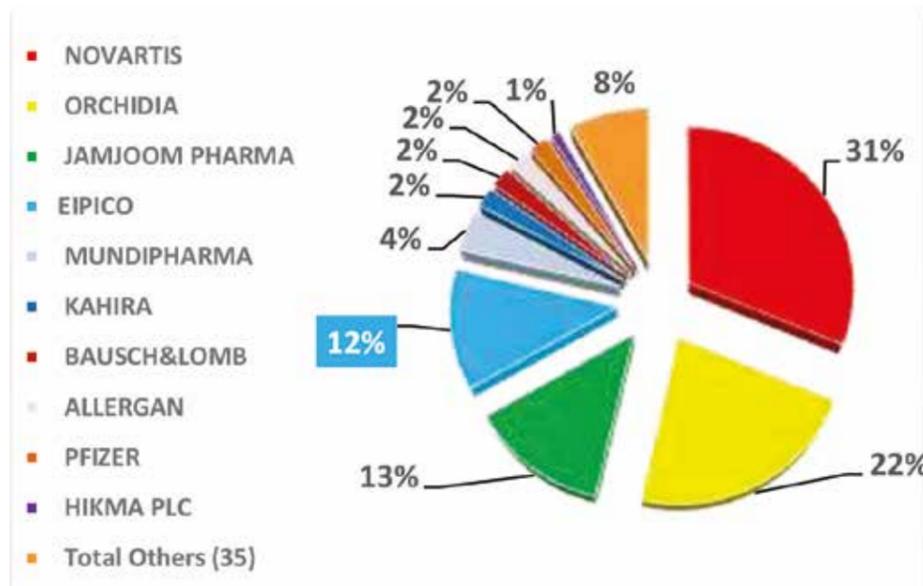
Ophthalmic Market Analysis, IMS DATA 2020 Leading Corporations by Units

	Units Y/2019 Rank	Units Y/2019 (Absolute)	Units Y/2019 (Absolute)	(Absolute)
Selected Market	0	87,757,923	5%	100%
EIPICO	1	23,380,622	13%	27%
ORCHIDIA	2	19,244,218	0%	22%
NOVARTIS	3	15,775,626	3%	18%
JAMJOOM PHARMA	4	8,258,373	87%	9%
KAHIRA	5	5,271,181	-7%	6%
HIKMA PLC	6	2,267,708	139%	3%
ALEXANDRIA	7	2,175,726	4%	2%
BAUSCH&LOMB	8	1,986,785	4%	2%
PFIZER	9	1,831,514	-73%	2%
MARCYRL	10	1,101,348	4%	1%
Total Others (35)	xxx	6,464,822	20%	7%



EIPICO Ophthalmics is the Leading company in the Ophthalmic market by units
 EIPICO Ophthalmics achieved rank 1 in terms of units
 EIPICO Ophthalmics captured 27% market share unit wise
 EIPICO Ophthalmics is expanding (13% growth rate versus 5% for total market).
Leading Corporations by Value

	Units Y/2019 Rank	L.E. Sales Y/2019 (Absolute)	L.E. Sales Y/2019 % Previous Period Growth (Absolute)	L.E. Sales Y/2019 % Share (Absolute)
Selected Market	0	1,964,192,549	17%	100%
NOVARTIS	1	609,517,451	19%	31%
ORCHIDIA	2	438,097,171	1%	22%
JAMJOOM PHARMA	3	255,010,878	93%	13%
EIPICO	4	231,807,858	14%	12%
MUNDIPHARMA	5	75,271,401	8%	4%
KAHIRA	6	47,459,500	-7%	2%
BAUSCH&LOMB	7	40,926,036	19%	2%
ALLERGAN	8	38,507,409	365%	2%
PFIZER	9	34,562,374	-62%	2%
MARCYRL	10	27,983,798	150%	1%
Total Others (35)	xxx	165,048,673	23%	8%



EIPICO Ophthalmics is one of the top ten companies in the Ophthalmic market by value
EIPICO Ophthalmics achieved rank 4 in terms of value
EIPICO Ophthalmics captured 12% market share value wise

Analytical Comparative Sales Activity Statement

	Actual 2019 (Million EGP)	Actual 2018 (Million EGP)	Growth (L.E. Million)	Growth Rate (%)
Sales by Value				
Total Sales Value	3220.649	2747.158	473.491	17.2%
EIPICO Products Sales Value	3076.157	2640.781	435.376	16.5%
Under License Products Sales Value	144.492	106.377	38.115	35.8%
Sales by Units				
	2019 Million (Units)	2018 Million (Units)	Growth (Million Units)	Growth Rate (%)
Total Unit Sales	316.018	273.850	42.169	15.4
EIPICO Products	301.604	262.359	39.245	15.0
Under License Products	14.414	11.491	2.923	25.4%



Sales Indicators

	2019	2018
Average Monthly Sales (L.E. Million)	262.387	228.930
Average Monthly Local Sales (L.E. Million)	256.346	220.065
Average Monthly Export Sales (L.E. Million)	53.339	54.503
Industrial cost of Sold Production (L.E. Million)	2040.167	1561.727
Industrial Cost of Sold Production (%)	63.3%	56.8%
Marketing Expenses (L.E. Million)	433.741	439.867
Marketing Expenses Percent to Sales	13.5%	16.0%

Conclusion

The most important things that are evident from the previous table are the following: The industrial cost of production sold was 63.3% of the of 2019 sales value, compared to 56.8% of 2018 sales value.

The ratio of marketing expenses to sales during 2019 was 13.5%, compared to 16.0% in 2018.

The average monthly sales increased in 2019 to (L.E. 262.387 million), compared to (L.E. 228.930 million) in 2018.

Second: Production:

EIPICO increased its production capacity in 2019 and the value of production by ex-factory price amounted to L.E. 3.281 billion compared to L.E. 2.876.2 billion in 2018, with a growth rate of 14.1%. The number of products that have been produced during the year 2019 was (374) preparations, compared to (353) preparations during 2018, with a growth rate of 1.7%.

The production of EIPICO products in increased by 16.6% in 2019, and the production of under license products increased by 2.4% over 2018.

The number of units that have been produced was 323.267 million units, compared to 299.040 million units during 2018, with a growth rate of 8.1%.

The industrial production cost of finished products was 60% in 2019 compared to 58% in 2018.

Production by Value:

Item	2019 Actual (L.E. Million)	2018 Actual (L.E. Million)	2019 growth compared to 2018	
			Value (L.E. Million)	GR (%)
Total Production Value	3281.506	2876.887	404.619	14.1%
EIPICO Products	3111.908	2711.046	400.862	14.8%
Under License Products	169.598	165.841	3.757	2.3%

Production by Units:

	2019 Actual (Million Unit)	2018 Actual (Million Unit)	2019 growth compared to 2018	
			Unit (Million unit)	GR (%)
Total No. of Produced Units	323.267	299.040	24.227	8.1%
EIPICO Products	305.177	24.455	25.722	14.8%
Under License Products	18.090	19.585	-1.495	-7.6%

Production Indicators:

	2019	2018
AVG Monthly Production (Million EGP)	273.459	239.741
AVG Monthly Production of EIPICO Products (Million EGP)	259.326	225.921
AVG Monthly Production of Under License Products (Million EGP)	14.133	13.820
Manufacturing Cost of Finished Products (%)	60%	58%
Productivity/FTE (EGP)	635335	571038
Productivity/1 EGP Salary	7.03	6.90
Salary L.E. Productivity/Pound	7.03	6.90



Production Capacity:

The following table shows the production capacity development of the company's production lines, during 2019.

NO.	Pharmaceutical Form	Unit	2019 (Million)	2018 (Million)	Production Growth	
					Quantity	(%)
1	Tablets	Tablet	1029.987	1141.610	-111.623	-9.8%
2	Antibiotic Tablets	Tablet	39.200	33.310	5.890	17.7%
3	Effervescent Tablets	Tablet	4.577	8.250	-3.673	-44.5%
4	Powders	Sachet	53.155	47.550	5.605	11.8%
5	Dry Syrup	Bottle	9.574	9.010	0.564	6.3%
6	Hard Gelatin Capsules	Capsule	137.808	116.280	21.528	18.5%
7	Antibiotic Capsules	Capsule	136.426	134.360	2.066	1.5%
8	Soft Gelatin Capsules	Capsule	46.129	52.200	-6.071	-11.6%
9	Syrup	Bottle	39.582	30.480	9.102	29.9%
10	Nasal and Oral Drops	Bottle	19.262	14.410	4.852	33.7%
11	Creams and Ointments	Tube	19.449	15.480	3.969	25.6%
12	Suppositories	Suppository	44.300	45.290	-0.990	-2.2%
13	Solution Vials	Vial	10.996	8.850	2.146	24.2%
14	Powder Vials (Antibiotic)	Vial	66.606	53.780	12.826	23.8%
15	Lyophilized Vials	Vial	22.597	18.910	3.687	19.5%
16	Lyophilized Ampoules	Ampoule	9.028	10.680	-1.652	-15.5%
17	Ampoules	Ampoule	102.897	96.630	6.267	6.5%
18	Eye Drops	Bottle	28.116	30.580	-2.464	-8.1%
19	EIPICO Solvent for Dry Syrup	Sachet	3.138	3.660	-0.522	-14.3%
20	Sterile Eye Ointments	Tube	10.532	8.850	1.682	19.0%



Third: Inventory

The value of the finished products inventory on December 31st, 2019 amounted to L.E. 428.067 million. We aim at increasing our inventory to meet our ambitious sales targets for the first quarter of 2020, and without prejudice to the appropriate secure limit for the stock

Inventory:

	2019	2018	Change Percent	Adequacy of Inventory/Month
Finished Goods Inventory (Ex-Factory Price)	428.067	527.5084	-99.441	1.6
EIPICO Products Inventory	413.423	499.737	-86.314	1.5
Under License Products Inventory	14.644	27.771	-13.127	0.1

The previous tables show the following

Production value increased by 14.1% in 2019

Production value of the company's products increased by 14.8% in 2019

Sales value amounted to EGP 3.221 billion in 2019 compared to EGP 2.747 billion in 2018

Sales value of the company's products increased by 16.5% in 2019

Export sales value amounted to EGP 640.065 million in 2019 compared to amounted to EGP million in 2018 (due to the decrease in dollar's price 654.040

The finished products inventory on December 31st, 2019 was EGP 428.067 million which covers 1.6 month sales; a level that we are currently striving to increase to the appropriate security limits to meet our sales targets during the first quarter of 2020

Fourth: Salaries

	2019	2018	Increase Percent
AVG Headcount	5165	5038	2.5
Total Employees (Compensation (Million EGP	466.884	416.740	12%
Payroll Percent to Production	14.20%	14.50%	-0.3%
Payroll Percent to Sales	14.50%	15.20%	-0.7%
(Productivity/FTE (EGP	635335	571038	11.3%
(L.E. Productivity/Salary (EGP	7.03	6.90	1.8%

Fifth: Profitability

Gross profit was EGP 746.740 million in 2019 vs EGP 745.980 million in 2018.
Net profit after taxes amount to EGP 611.546 million in 2019 vs EGP 651.788 million in 2018.
is as follows: The total amount distributed to shareholders since the company's inception

Year	Capital	Total Distributions to Shareholders
1985	13,246,100	0
1986	15,000,000	818,182
1987	16,000,000	2,080,000
1988	16,000,000	4,320,000
1989	18,700,000	5,610,000
1990	20,000,000	8,000,000
1991	23,800,000	11,186,000
1992	27,500,000	15,675,000
1993	30,000,000	22,500,000
1994	30,000,000	32,250,000
1995	42,000,000	54,600,000
1996	42,000,000	54,600,000
1997	42,000,000	58,800,000
1998	42,000,000	63,000,000
1999	721,240,000	67,200,000
2000	721,240,000	71,402,760
2001	721,240,000	72,124,000
2002	721,240,000	73,566,480
2003	721,240,000	79,336,400
2004	721,240,000	86,548,800
2005	721,240,000	93,761,300
2006	721,240,000	108,186,000
2007	721,240,000	129,823,200
2008	721,240,000	144,248,000
2009	721,240,000	151,460,400
2010	793,364,000	198,341,000
2011	793,364,000	238,009,200
2012	793,364,000	238,009,200
2013	793,364,000	238,009,200
2014	793,364,000	261,810,120
2015	793,364,000	277,677,400
2016	793,364,000	277,677,400
2017	793,364,000	357,013,800
2018	793,364,000	396,682,000
2019	991,705,000	396,682,000
		3,894,325,842

It is worth noting that the proportion of total distributions since company's inception amounted to 392.68% of the capital, and this was achieved due to the rational policy of the Board of Directors, and the dedication of all company employees.

Sixth: Business Results

Selling expenses were EGP 433.741 million representing 13.5% of total sales.
The sum of G&A, financing, provisions and Board of Directors' allowances was EGP 163.580 million.
Net distributable profit is L.E. 611.546 million in 2019.

Detailed Statement of Expenses Items:

	2019 (Million EGP)	Percent to Sales %	2018 (Million EGP)	Percent to Sales (%)
Selling Expenses	433.741	13.5%	439.867	16
General and Admin. Expenses	66.739	2%	61.192	2%
Financing Expenses	61.689	2%	25.057	1
BODs' Allowances	0.910	0%	1.029	0
Reserves Other than Depreciation	6.492	0%	36.975	1
Goodwill Depreciation	13.875	%	18.500	1
Total	583.446	18%	582.620	21%

Year	Capital	Reserves	Shareholders' Share	Employees' Share	BODs' Share	Retained Earnings	Total
1985	13,246,100	0	0	0	0	0	0
1986	15,000,000	39,429	818,182	81,818	296	269,555	1,209,480
1987	16,000,000	131,690	2,080,000	208,000	162,191	51,713	2,633,594
1988	16,000,000	1,213,223	4,320,000	432,000	200,000	99,227	6,264,450
1989	18,700,000	1,728,359	5,610,000	561,000	200,000	467,827	8,567,186
1990	20,000,000	2,374,070	8,000,000	800,000	200,000	107,325	11,481,395
1991	23,800,000	10,027,903	11,186,000	1,118,600	315,000	42,390	22,689,893
1992	27,500,000	21,979,057	15,675,000	1,567,500	340,000	19,575	39,581,132
1993	30,000,000	26,272,109	22,500,000	2,250,000	440,000	37,704	51,499,813
1994	30,000,000	17,707,354	32,250,000	3,225,000	880,000	84,726	54,147,080
1995	42,000,000	3,219,015	54,600,000	5,460,000	1,100,000	2,042	64,381,057
1996	42,000,000	3,250,693	54,600,000	5,460,000	1,650,000	53,179	65,013,872
1997	42,000,000	8,791,114	58,800,000	5,880,000	2,121,212	229,950	75,822,276
1998	42,000,000	12,738,925	63,000,000	6,300,000	2,424,243	22,920	84,486,088
1999	721,240,000	15,928,000	67,200,000	6,720,000	2,666,667	45,333	92,560,000
2000	721,240,000	14,874,331	71,402,760	7,140,276	2,933,334	1,135,915	97,486,616
2001	721,240,000	16,736,690	72,124,000	7,212,400	3,681,818	2,183,056	101,937,964
2002	721,240,000	18,116,378	73,566,480	7,356,648	4,500,000	971,110	104,510,616
2003	721,240,000	24,281,357	79,336,400	7,933,640	4,500,000	546,855	116,598,252
2004	721,240,000	22,103,938	86,548,800	8,654,880	4,500,000	817,989	122,625,607
2005	721,240,000	56,097,611	93,761,300	9,376,120	2,970,000	565,286	162,770,317
2006	721,240,000	73,827,210	108,186,000	10,818,600	2,970,000	1,307,666	197,109,476
2007	721,240,000	83,451,989	129,823,200	12,982,320	2,970,000	1,119,940	230,347,449
2008	721,240,000	80,389,163	144,248,000	14,424,800	2,970,000	4,657,685	246,689,648
2009	721,240,000	114,264,360	151,460,400	15,146,040	2,970,000	6,104,084	289,944,884
2010	793,364,000	96,440,680	198,341,000	19,834,100	4,400,000	14,629,560	333,645,340
2011	793,364,000	56,105,503	238,009,200	27,601,466	4,400,000	5,672,199	331,788,368
2012	793,364,000	41,166,935	238,009,200	25,548,114	4,400,000	2,192,021	311,316,270
2013	793,364,000	45,411,310	238,009,200	25,870,567	4,400,000	1,094,100	314,785,177
2014	793,364,000	27,375,956	261,810,120	26,536,567	4,400,000	1,287,187	321,409,830
2015	793,364,000	56,916,047	277,677,400	31,352,412	4,400,000	1,762,505	372,108,364
2016	793,364,000	130,979,554	277,677,400	40,710,311	4,400,000	16,983,597	470,750,862
2017	793,364,000	202,876,104	357,013,800	59,592,179	4,500,000	44,484,010	668,466,093
2018	793,364,000	193,029,901	396,682,000	62,357,432	4,500,000	39,703,091	696,272,424
2019	991,705,000						
Total	1,479,846,158	3,894,325,842	460,512,790	87,464,761	148,751,322	6,070,900,873	

Seventh: Financial Position

1- Resources and Uses of Investment:

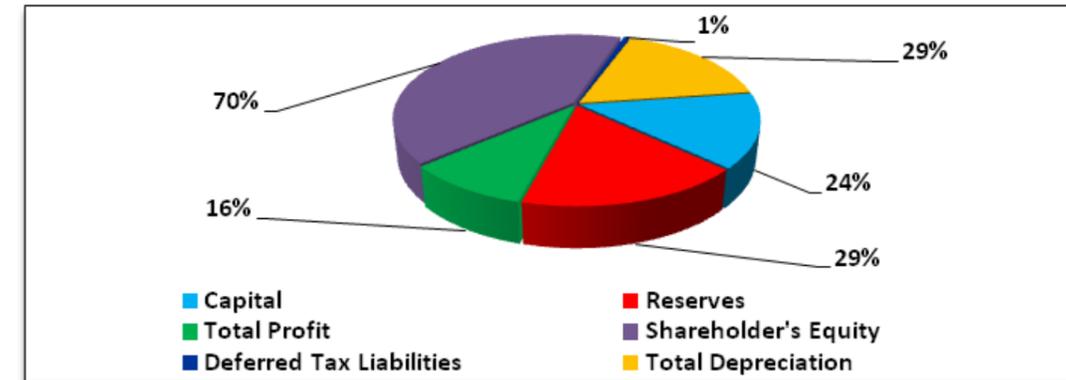
1- 1 Resources:

:Seventh: Financial Position

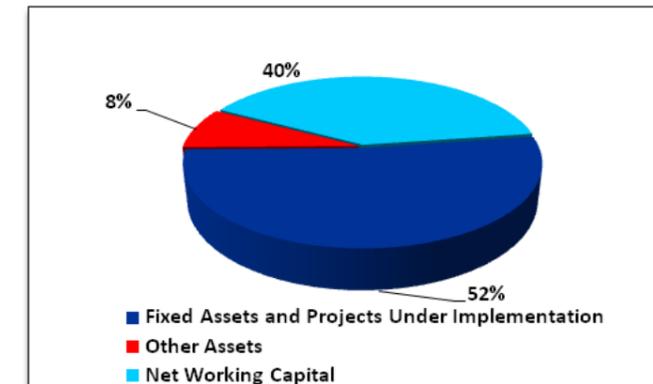
:Resources and Uses of Investment 1-

:Resources 1/1

	2019 (Million EGP)	Percent (%)	2018 (Million EGP)	Percent (%)
Capital	991.705	% 24	793.364	21%
Reserves	1193.294	29%	1198.605	31%
Total Profit	651.250	16%	696.272	18%
Shareholders' Equity	2836.249	70%	2688.241	70%
Deferred Taxes	53.391	1%	56.041	1%
Accumulated Depreciation	1189.618	29%	118.868	28%
Total Resources	4079.258	100%	3823.150	100%



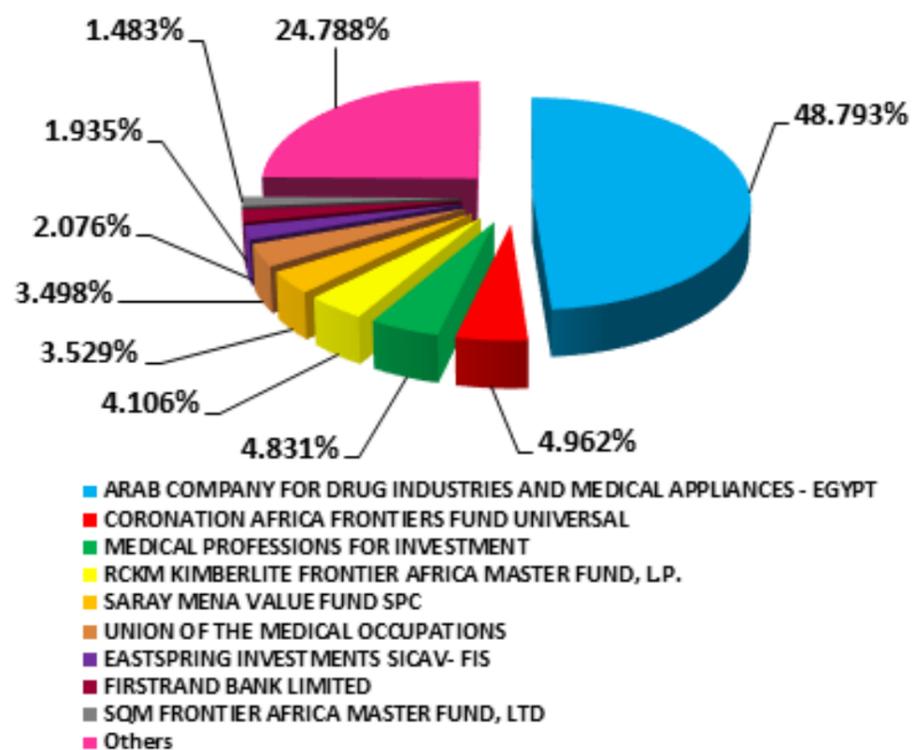
	2019 (Million EGP)	Percent (%)	2018 (Million EGP)	Percent (%)
Fixed Assets and Under Process Projects	2110.676	52%	1956.986	51%
Other Assets	328.438	8%	130.783	3%
Net Working Capital	1640.144	40%	1735.381	45%
Total Uses	4079.258	100%	3823.150	100%



Capital and Shareholder's Share in 31/12/2019

Shareholder's Share in Capital in 31/12/2019

	2019 (Million EGP)	Percent %	2019 (Million EGP)
ARAB COMPANY FOR DRUG INDUSTRIES AND MEDICAL APPLIANCES - EGYPT	48,387,922	483,879,922	48.793
CORONATION AFRICA FRONTIERS FUND UNIVERSAL	4,920,462	49,204,620	4.962
MEDICAL PROFESSIONS FOR INVESTMENT	4,790,741	47,907,410	4.831
RCKM KIMBERLITE FRONTIER AFRICA MASTER FUND, L.P	4,071,453	40,714,530	4.106
SARAY MENA VALUE FUND SPC	3,499,916	34,999,160	3.529
UNION OF THE MEDICAL OCCUPATIONS	3,468,990	34,689,900	3.498
EASTSPRING INVESTMENTS SICAV- FIS	2,058,810	20,588,100	2.076
FIRSTRAND BANK LIMITED	1,919,302	19,193,020	1.935
SQM FRONTIER AFRICA MASTER FUND, LTD	1,470,330	14,703,300	1.483
OTHERS	24,582,574	240,825,740	24.788
Total	99,170,500	991,705,000	100



2-Working Capital

2-1 Current Assets

	2019 (Million EGP)	Percent %	2019 (Million EGP)	Percent %
Net Inventory	1379.339	45.6%	1480.201	53.6%
Net Accounts Receivable	1049.103	34.8%	658.185	23.8%
Other Accounts Receivable	71.143	2.1%	82.570	6.1%
Cash on Hand	526.683	17.5%	539.475	19.5%
Total Current Assets	3026.328	100%	2760.432	100%

2-2 Current Liabilities

	2019 (Million EGP)	Percent %	2019 (Million EGP)	Percent %
Credit Facilities	989.578	71.4%	535.967	52.2%
Accounts Payable	96.159	6.9%	91.111	9%
Other Liabilities	300.446	21.7%	397.973	38.8%
Total Current Liabilities	1386.184	100%	1025.051	100%

3-2 Net Working Capital

	31/12/2019 (Million EGP)	31/12/2018 (Million EGP)
Current Assets	3026.328	2760.433
Current Liabilities	1386.184	1025.051
Net Working Capital	1640.144	1735.382

Eighth: Proposed Profit Distribution for the Year 2019:

Dear Shareholders,

We hope that our annual report was a comprehensive one showing an assessment of our most important developments and achievements during 2019 in continuation to our long successful track record and as a drive to take on new challenges and realize our future goals.

I would like to thank our shareholders, customers and partners for their trust and confidence in EIPI-CO, and our employees for their commitment and continuous efforts throughout the year.

We commit to always deliver value to our shareholders, for the future success of our company, our community and our country.

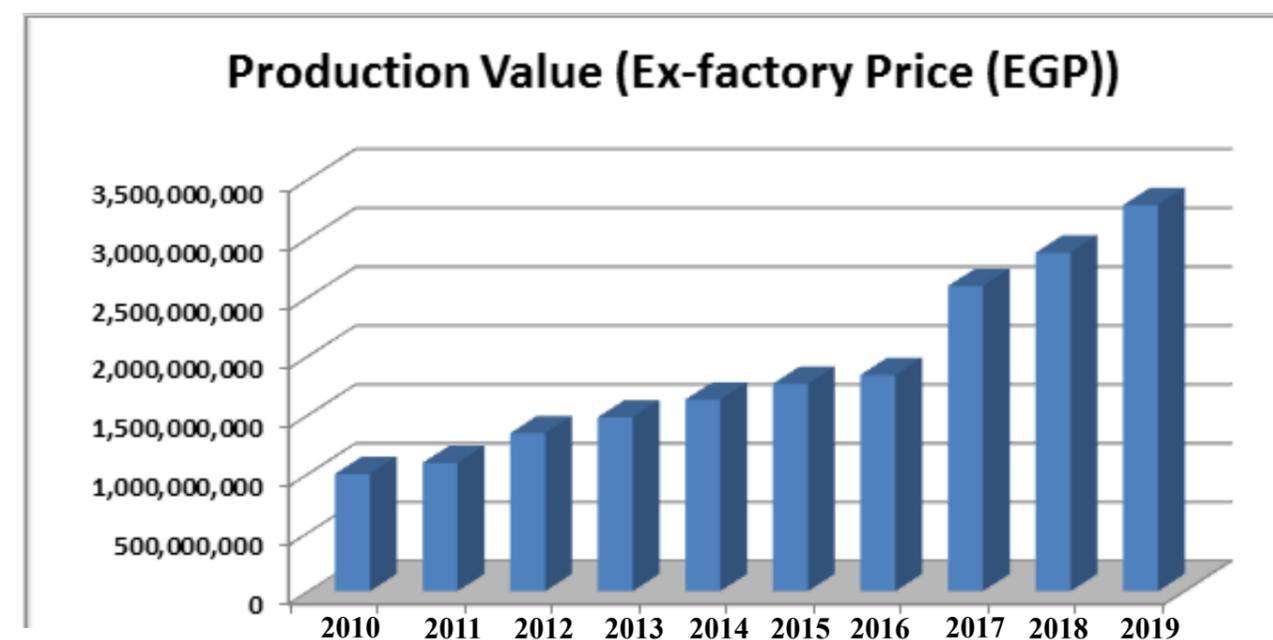
Proposed Profit Distribution for the Year 2019

	31/12/2019 (Million EGP)	31/12/2018 (Million EGP)
Net profits after income tax	611,546,639	651,788,414
Retained Earnings	39,703,091	44,484,009
Net Distributable Profit	651,349,730	696,272,424
5 % Legal Reserve	30,577,322	32,589,420
Shareholders' Share	396,282,000	62,357,432
Employees' Reward	62,474,678	62,357,432
BOD's Share	4,500,000	4,500,000
Capital Reserve	3,135,533	440,480
Provisions for Expansions	150,000,000	160,000,000
Retained Earnings for the Following year	3,880,187	39,703,091

The Development of EIPICO's Activity in 10 Years (2010-2019)

(Production Value (Ex-factory Price EGP))

Year	EGP	%
2010	996,418,000	
2011	1,090,286,000	109%
2012	1,342,727,665	123%
2013	1,477,554,734	110%
2014	1,627,654,912	110%
2015	1,762,036,059	108%
2016	1,837,019,705	104%
2017	2,592,543,185	141%
2018	2,876,887,489	110%
2019	3,281,506,091	114%

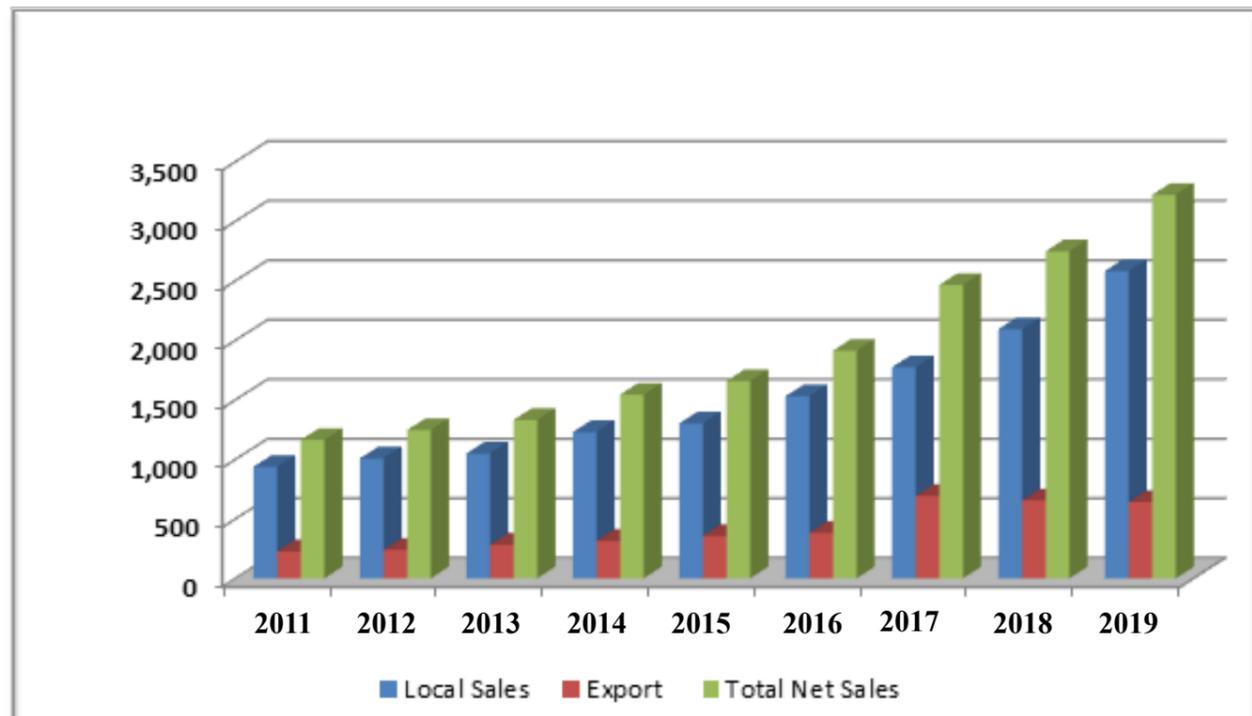


Total Net Sales

Year	Local Sales	%	Export	%	Total Net Sales	%
2010	880,246,122		220,247,502		1,100,493,624	
2011	935,832,550	106%	225,668,551	102%	1,161,501,101	105%
2012	1,006,989,513	107%	238,125,271	105%	1,245,114,784	107%
2013	1,048,262,013	104%	281,620,475	118%	1,329,882,488	106%
2014	1,228,647,027	117%	313,490,892	111%	1,542,137,919	115%
2015	1,300,974,873	105%	355,660,824	113%	1,656,635,697	107%
2016	1,530,074,523	117%	381,870,305	107%	1,911,944,828	115%
2017	1,772,408,657	105%	691,380,153	181%	2,463,788,810	128%
2018	2,093,136,929	118%	654,020,881	95%	2,747,157,810	111%
2019	2,580,583,743	123%	640,064,790	98%	3,220,648,533	117%

Total Sales/Year

Year	EGP	%
2010	1,100,493,624	
2011	1,161,600,474	105%
2012	1,252,082,324	107%
2013	1,337,129,859	106%
2014	1,553,023,983	216%
2015	1,668,045,835	107%
2016	1,937,071,162	116%
2017	2,475,128,467	127%
2018	2,747,573,953	111%
2019	3,220,648,533	117%

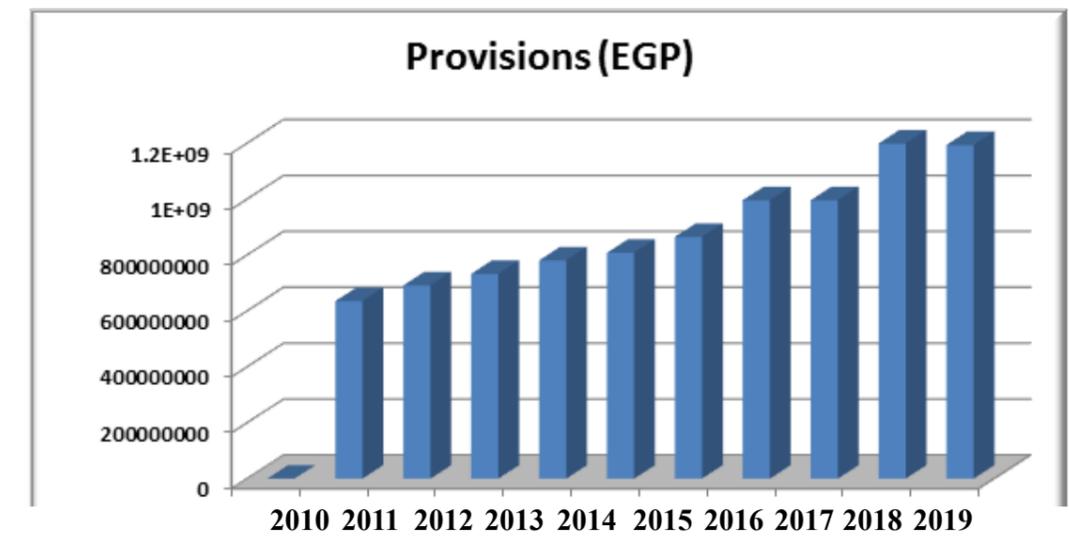
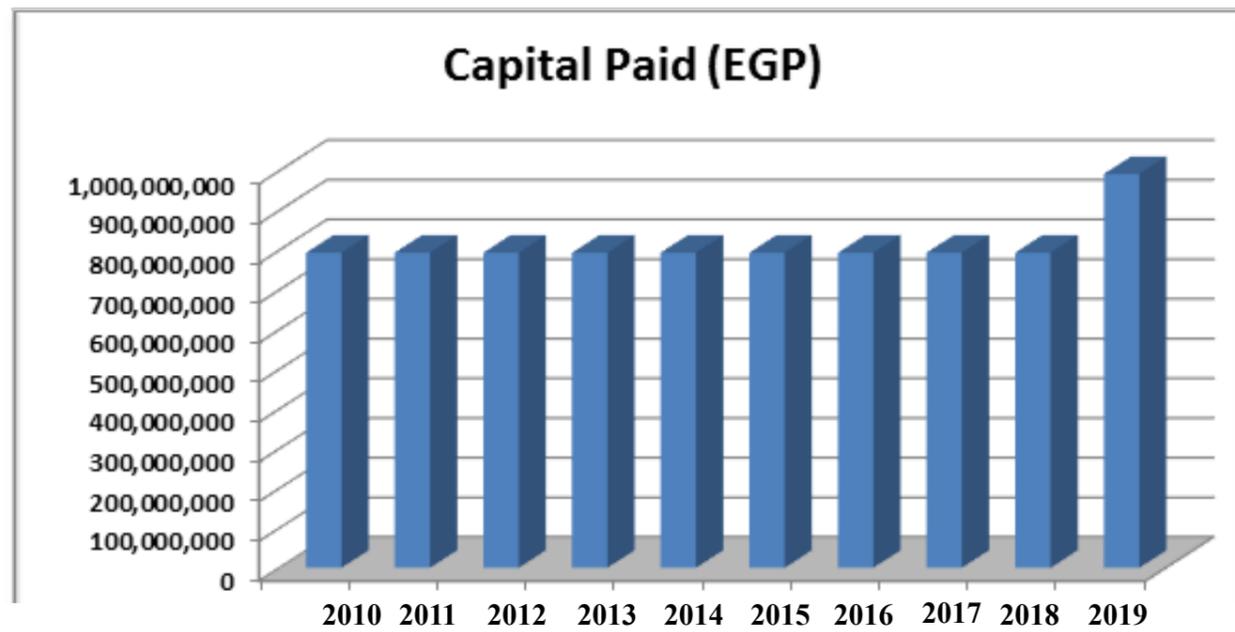


Capital Paid

Year	EGP	%
2010	793,364,000	
2011	793,364,000	100%
2012	793,364,000	100%
2013	793,364,000	100%
2014	793,364,000	100%
2015	793,364,000	100%
2016	793,364,000	100%
2017	793,364,000	100%
2018	793,364,000	100%
2019	991,705,000	125%

Provisions

Year	EGP	%
2010	635,066,776	
2011	691,172,279	109.00
2012	732,339,214	115.00
2013	780,457,353	122%
2014	807,833,308	127%
2015	864,749,356	136%
2016	995,728,909	156%
2017	995,728,909	156%
2018	1,198,605,013	% 120
2019	1,193,293,914	188%



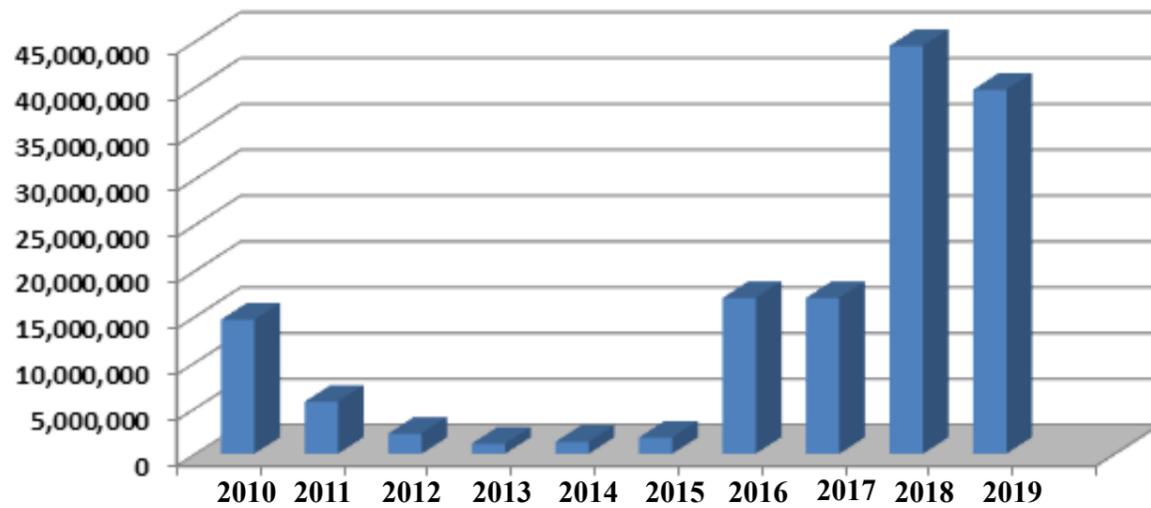
Retained Earnings Prior Years

Year	EGP	%
2010	14,629,560	100.00
2011	5,672,199	39.00
2012	2,192,022	15.00
2013	1,094,100	7.00
2014	1,287,187	9.00
2015	1,762,504	12.00
2016	16,983,597	116.00
2017	16,983,597	116.00
2018	44,484,010	304.00
2019	39,703,091	271.00

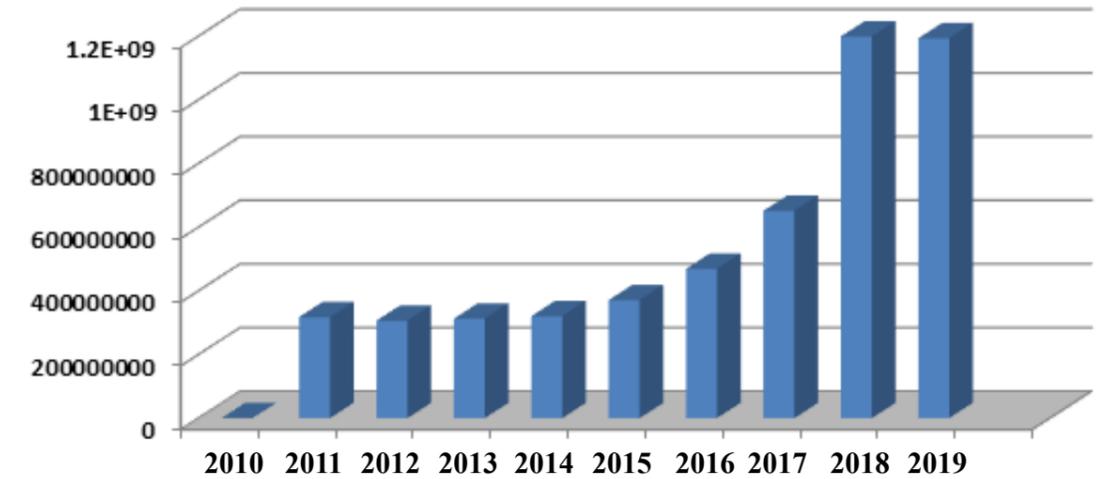
Current Retained Earnings

Year	EGP	%
2010	0	
2011	317,158,808	
2012	306,010,891	96%
2013	312,593,155	102%
2014	320,315,730	102%
2015	370,821,177	115%
2016	468,988,357	126%
2017	651,482,496	138%
2018	1,198,605,013	100%
2019	1,193,293,914	94%

Retained Earnings Prior Years (EGP)

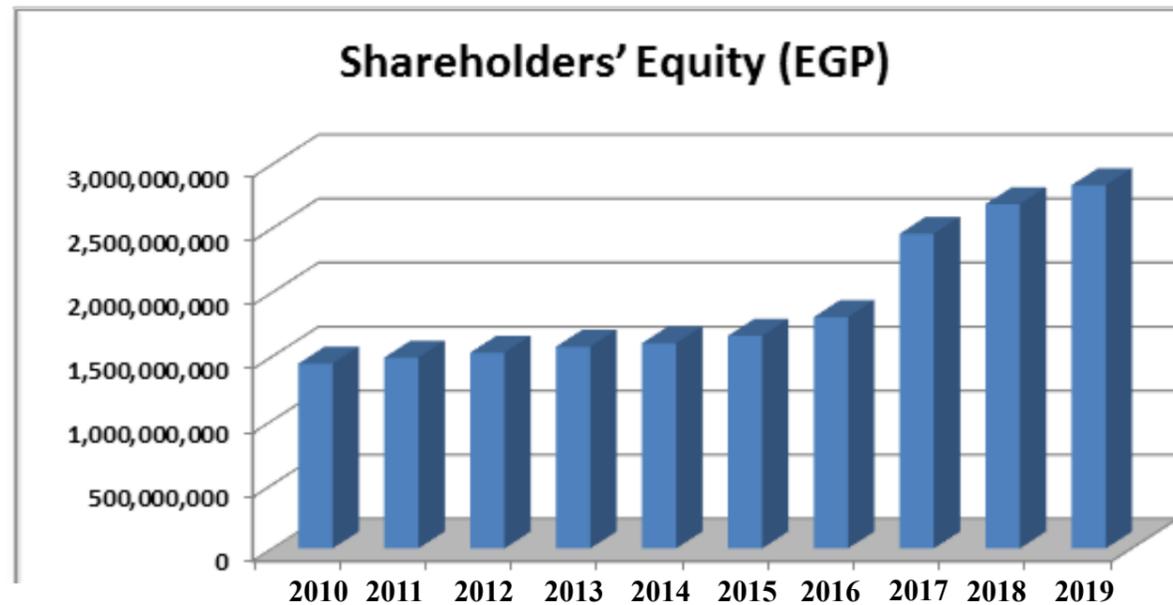


Current Retained Earnings (EGP)



Shareholders' Equity

Year	EGP	%
2010	1,443,060,336	100.00
2011	1,490,208,478	103.00
2012	1,527,895,236	106.00
2013	1,574,915,453	109.00
2014	1,602,484,495	111.00
2015	1,659,875,860	115.00
2016	1,806,076,506	125.00
2017	2,457,559,002	170.00
2018	2,688,241,437	186.00
2019	2,836,248,644	197.00



ISO 13485:2016

Certificate of Registration

This is to Certify that
Medical Device Quality Management System of

EGYPTIAN INTERNATIONAL PHARMACEUTICAL INDUSTRIAL COMPANY [EIPICO]

**10TH OF RAMADAN CITY- INDUSTRIAL AREA
B1 - P.O. BOX. 149 TENTH-EGYPT.**

has been assessed and found to conform to the requirements of
ISO 13485:2016
for the following scope :

MANUFACTURING OF MEDICAL DEVICES [EYE DROPS].

Certificate No : 18IMCJ03	UIC : MSCB-119-64402
Initial Registration Date : 03.10.2018	Issuance Date : 08.10.2018
Date of Expiry* : 02.10.2021	
1st Surve. Due : 03.09.2019	2nd Surve. Due : 03.09.2020

Director

AQC MIDDLE EAST FZE.
 E1-1401 E Amber Gem Tower, Sheikh Khalifa Bin Zayed Road, 2, Ajman, UAE. e-mail : info@aqcworld.com.
*Validity of the Certificate is subject to successful completion of surveillance audit on or before of due date. (In case surveillance audit is not allowed to be conducted, this certificate shall be suspended/withdrawal).
 Certificate Verification: Please Re-check the validity of certificate at <http://www.aqc-world.com/active/certificates.aspx> or info@aqcworld.com at Austin, C. Texas.
 Certificate is the property of AQC, Middle East FZE and shall be returned immediately upon demand.

ACCREDITED
 Management System
 Certification
 MSCB-119