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

FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2026
WITH LIMITED REVIEW REPORT

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Translation of Limited Review Report
Originally Issued in Arabic

LIMITED REVIEW REPORT

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

Report on Financial Statements

We have conducted a limited review of the attached standalone financial statements of **Egyptian International Pharmaceutical Industries Co. – EIPICO "S.A.E"** as of March 31, 2026, and the related statements of income, comprehensive income, changes in equity and cash flows for the three months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Egyptian Accounting Standard No. (30). Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of Limited Review

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

Basis for Qualified Conclusion

The Company's management has not calculated the Expected Credit Losses (ECL) on financial assets for the financial period ended March 31, 2026.

Qualified Conclusion

Based on our limited review, and except for the effect of the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying interim standalone financial statements do not present fairly, in all material respects, the financial position of the company as of March 31, 2026, and its financial performance and its cash flows for the three-month period then ended in accordance with Egyptian Accounting Standard No. (30) Interim Financial Reporting.

Cairo: May 14, 2026

Auditor
Dr. Ahmed Shawki
Forvis Mazars Mostafa Shawki

Mostafa Shawki
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Translation of Financial Statements

Originally issued in Arabic

EGYPTIAN INTERNATIONAL PHARMACEUTICALS INDUSTRIES COMPANY "S.A.E"
STATEMENT FINANCIAL POSITION AS OF MARCH 31, 2026

	Note No.	31/3/2026 L.E	31/12/2025 L.E
Non-Current Assets			
Fixed Assets (net)	(4)	4,181,761,021	3,041,995,407
Right-of-use Assets (net)	(5)	9,545,966	9,887,286
Projects Under Construction	(6)	3,980,910,831	4,849,121,412
Intangible Assets (Net)	(7)	38,471,378	40,142,172
Investments in subsidiaries	(8.1)	69,040,000	399,640,000
Investments in Associates	(8.3)	741,435,845	410,835,845
Deferred tax Assets		338,852,194	337,611,796
Total Non-Current Assets		**9,360,017,235**	**9,089,233,918**
Current Assets			
Inventory (net)	(9)	3,898,419,413	3,770,601,442
Accounts and Notes Receivable (net)	(10)	4,044,748,864	3,266,404,688
Non-current Assets held for sale	(8.2)	12,330,000	12,330,000
Debtors and other debit balances	(11)	380,371,914	281,248,920
Due from related parties	(24/A)	2,545,050	1,212,960
Cash and cash equivalents	(12)	339,884,289	611,538,046
Total Current Assets		**8,678,299,530**	**7,943,336,056**
Total Assets		**18,038,316,765**	**17,032,569,974**
Equity			
Paid in Capital	(13)	1,687,557,500	1,687,557,500
Reserves	(14)	2,778,308,374	2,722,047,479
Retained earnings	(15)	560,208,583	202,200,401
Net profit for the Period/ year	(16)	268,960,528	1,125,217,907
Total Equity		**5,295,034,985**	**5,737,023,287**
Non-Current Liabilities			
Long term loans	(17)	4,021,835,282	3,758,803,399
Long-term Lease Liabilities	(18)	11,867,322	11,982,389
Deferred Tax Liabilities	(19)	257,762,127	190,768,071
Total Non-Current Liabilities		**4,291,464,731**	**3,961,553,859**
Current Liabilities			
Provisions	(20)	535,013,557	531,893,417
Credit Banks (Facilities)	(21)	4,348,285,208	3,869,139,714
Short term loans	(17)	965,585,755	1,107,863,191
Accounts and notes payable	(22)	910,340,130	756,808,310
Short Term Lease Liabilities	(18)	402,127	382,759
Creditors and other credit balances	(23)	449,747,255	595,371,295
Due to Related Parties	(24/B)	119,851,661	83,334,329
Current income tax		423,392,526	388,949,813
Dividends payable		699,198,830	250,000
Total Current Liabilities		**8,451,817,049**	**7,333,992,828**
Total Liabilities and Equity		**18,038,316,765**	**17,032,569,974**

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

Chief financial officer
Acc/ Mohamed Taha Elswifi

Chairman and Managing Director
Dr/ Ahmed Saeed Mohamed Killani

Translation of Financial Statements
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EGYPTIAN INTERNATIONAL PHARMACEUTICALS INDUSTRIES COMPANY "S.A.E"
STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED MARCH 31, 2026

	Notes	31/3/2026 L.E	31/3/2025 L.E
Net Sales	(25)	2,467,128,997	2,265,368,512
Cost of sales	(26)	(1,442,887,143)	(1,236,594,808)
Gross Profit		**1,024,241,854**	**1,028,773,704**
Deduct:			
Marketing expenses	(27)	(231,876,401)	(215,074,298)
Research and development expenses	(28)	(16,020,567)	(15,101,675)
General and administrative expenses	(29)	(47,984,782)	(48,853,130)
Board of directors allowances and deducted salaries		(390,000)	(330,000)
Finance expenses	(30)	(312,655,989)	(335,794,066)
Inventory write-down provision		(40,000,000)	(10,000,000)
Other Provisions	(20)	(25,000,000)	(50,000,000)
Total Expenses		**(673,927,739)**	**(675,153,169)**
Add:			
Profits from Subsidiaries and Associates	(33)	31,608,664	46,689,331
Credit interest	(32)	6,935,157	8,518,562
Capital gains		3,486,355	673,658
Foreign currency exchange (losses)	(34)	(27,439,821)	(7,391,945)
Other Revenues		10,472,496	28,149,703
		25,062,851	**76,639,309**
Net profit for the period before tax		**375,376,966**	**430,259,844**
Income Tax		(34,442,722)	(106,307,140)
Deferred Tax		(65,753,658)	803,627
Social contributions – Social insurance	(31)	(6,220,058)	(5,756,776)
Net profit for the period after tax		**268,960,528**	**318,999,555**
Earnings per share	(32)	**1.59**	**1.80**

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

Chief financial officer
Acc/ Mohamed Taha Elswifi

Chairman and Managing Director
Dr/ Ahmed Saeed Mohamed Killani

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EGYPTIAN INTERNATIONAL PHARMACEUTICALS INDUSTRIES COMPANY
"S.A.E"
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH 30, 2026

	31/3/2026	31/3/2025
	L.E	L.E
Net profit for the Period	268,960,528	318,999,555
Other Comprehensive Income for the Period		
Total Other Comprehensive Income for the period	--	--
Total Comprehensive Income for the period	**268,960,528**	**318,999,555**

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

Chief financial officer
Acc/ Mohamed Taha Elswifi

Chairman and Managing Director
Dr/ Ahmed Saeed Mohamed Killani

EGYPTIAN INTERNATIONAL PHARMACEUTICALS INDUSTRIES COMPANY "S.A.E"
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2026

Description	Paid-up Capital	Legal Reserve	General Reserve	Capital Reserve	Expansions Reserve	Retained Earning	Reserve for Actuarial Differences in Employee Benefits	Total
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E	L.E.
Balance as of January 1, 2025	**1, 487,557,500**	**415,702,924**	**148,336,248**	**20,160,435**	**1,241,659,000**	**1,110,214,449**	--	**4,423,630,556**
Transferred to legal reserves	--	**51,109,503**	300,000,000	--	--	(351,109,503)	--	--
Dividends	--	--	--	--	--	(556,904,545)	--	(556,904,545)
Net profit for the Period	--	--	--	--	--	318,999,555	--	318,999,555
Balance as of March 31, 2025	**1, 487,557,500**	**466,812,427**	**448,336,248**	**20,160,435**	**1,241,659,000**	**521,199,956**	--	**4,185,725,566**
Balance as of January 1, 2026	**1,687,557,500**	**466,812,427**	**1,248,336,248**	**20,160,435**	**1,241,659,000**	**1,327,418,308**	**(254,920,631)**	**5,737,023,287**
Capital increase	--	--	--	--	--	--	--	--
Transferred to legal reserves	--	56,260,895	--	--	--	(56,260,895)	--	--
Dividends	--	--	--	--	--	(710,948,830)	--	(710,948,830)
Net profit for the Period	--	--	--	--	--	268,960,528	--	268,960,528
Balance as of March 31, 2026	**1,687,557,500**	**523,073,322**	**1,248,336,248**	**20,160,435**	**1,241,659,000**	**829,169,111**	**(254,920,631)**	**5,295,034,985**

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

Chief financial officer
Acc/ Mohamed Taha Elswifi

Chairman and Managing Director
Dr/ Ahmed Saeed Mohamed Killani

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EGYPTIAN INTERNATIONAL
PHARMACEUTICALS INDUSTRIES COMPANY "S.A.E."
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED MARCH 31, 2026

	Notes	31/3/2026 L.E.	31/3/2025 L.E.
Cash flows from operating activities			
Net profit for the Period before tax		375,376,966	430,259,844
Adjustments:			
Depreciation of Fixed Asset	(4)	51,361,114	23,927,763
Depreciation of right of use assets	(5)	341,320	336,093
Inventory write-down formation		40,000,000	10,000,000
Other provisions formation		25,000,000	50,000,000
Used from inventory write-down		(13,204,244)	(6,342,241)
Used from provisions		(21,879,860)	(26,682,310)
Amortization of intangible assets		1,670,794	1,019,572
Credit interest		(6,935,157)	(8,518,562)
Dividends earned		(31,608,664)	(46,689,331)
Debit interest		235,156,910	325,045,649
Capital gains received		(3,486,355)	(673,658)
Foreign currency losses		27,439,821	7,391,945
(Cash in) from unusual items		(10,472,496)	(28,149,703)
Operating profit before changes in assets and liabilities		**669,760,149**	**730,925,061**
Change in Accounts, Notes Receivable and Other Debit Balances		(878,799,260)	(212,908,091)
Change in inventory		(154,613,727)	(431,102,859)
Change in Suppliers, notes payable and creditors and other credit		38,205,045	276,139,403
(Cash in) from unusual items		10,472,496	28,149,703
Paid Interest		(235,156,910)	(325,045,649)
Net cash flows (used in) / provided from operating activities		**(551,132,207)**	**66,157,568**
Cash flows from investing activities			
(Payments) for purchase of fixed assets / projects under construction		(322,916,918)	(202,819,268)
Proceeds from the sale of fixed assets		3,487,126	673,658
Dividends Received		31,608,664	46,689,331
Interest collected		6,935,157	8,518,562
Net cash flows (used in) investing activities		**(280,885,971)**	**(146,937,717)**
Cash flows from financing activities			
(Payments) for lease liabilities		(95,699)	(74,862)
Dividends		(12,000,000)	(8,750,000)
Change in credit banks (Facilities)		479,145,494	570,961,992
Change in credit banks (long Term Loans)		120,754,447	(165,697,345)
Net cash flows provided from financing activities		**587,804,242**	**396,439,785**
Net change in cash and cash and cash equivalents during the period		**(244,213,936)**	**315,659,636**
Cash and cash equivalents at the beginning of the Year		611,538,046	1,257,921,192
Differences in foreign currency on cash and cash equivalents		(27,439,821)	(7,391,945)
Differences in ECL on cash and cash equivalents		7,077,000	--
Cash and cash equivalents at the end of the period		**346,961,289**	**1,566,188,883**

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

Chief financial officer
Acc/ Mohamed Taha El-Swifi

Chairman and Managing Director
Dr/ Ahmed Saeed Mohamed Killani

EGYPTIAN INTERNATIONAL
PHARMACEUTICALS INDUSTRIES COMPANY "S.A.E."
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2026

1- BACKGROUND

1.1 Legal Entity and Governing Laws

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

1.2 Purpose of the Company

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

1.3 Duration of the company

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

1.4 The company's Location

First Industrial Zone B1, 10th of Ramadan City.

1.5 Egyptian Stock Exchange

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

1.6 Financial Year

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

1.7 Approval of the Financial Statements

The company's financial statements for the period ended on March 31, 2026, were approved by the company's Board of Directors held on May 14, 2026.

2- BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

- The financial assets and liabilities are recorded using their fair value through profit and loss.
- The financial assets and liabilities are recorded using their fair value through Other comprehensive income.
- Derivative financial instruments.
- The fair value of financial assets and liabilities are determined traded in an active market is determined on the basis of the financial statements, In absence of an active market to determine the fair value of the assets and liabilities is estimated using various valuation techniques taking into consideration the prices of the transactions that occurred recently fair value or similar tools
- When the discounted cash flow method is used, future cash flows are estimated based on the best estimates of management, and the discount rate applied reflects the prevailing market rates for similar financial instruments in terms of nature and conditions at the reporting date.

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

3- SIGNIFICANT ACCOUNTING POLICIES

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

3.1.1 Currency Display and Measurement

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

3.1.2 Accounting Estimates

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

3.1.3 Changes in Accounting policies

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

3.2 Foreign Currency Transaction

3.2.1 Transactions and Reporting Currency

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

3.2.2 Transactions and Balances

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

3.3 Fixed Assets & Depreciation

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

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

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

Expenditure incurred after the asset is available for use is added to the carrying amount of the asset or recognized separately, only if it is probable that future economic benefits will flow to the Company and the cost can be measured reliably. Repair and maintenance costs are recognized in the profit or loss statement in which they are incurred.

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

The remaining useful life and residual values of assets are reviewed periodically. If the remaining useful life differs significantly from previous estimates, the carrying amount is depreciated over the revised remaining useful life. Depreciation is recalculated based on the revised carrying amount, net of any impairment losses. If an impairment loss is subsequently reversed, depreciation is recalculated as if no impairment had previously been recognized.

Subsequent expenses for acquisition

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably.

Major components that are replaced or renewed are treated as separate items of property, plant, and equipment because their useful life differs from that of the main asset. The carrying amount of the replaced or renewed components is removed from the books.

Expenditure incurred after the asset is available for use is added to the carrying amount of the asset or recognized separately only if it is probable that future economic benefits will flow to the Company and the cost can be measured reliably.

Only expenditure expected to generate future economic benefits for the Company are capitalized.

Depreciation

Depreciation of fixed assets are recognized in statement of profit or loss on a straight-line basis over the estimated useful life of each type of asset (land is not depreciated).

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

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

The depreciation method, useful lives and residual values of fixed assets are reviewed at the end of each financial period and adjusted if necessary.
The cost of replacing a component of a fixed asset is recognized within the cost of the asset after excluding the cost of that component when the company incurs that cost, if it is probable that future economic benefits will flow to the company because of such replacement, provided that its cost can be accurately measured. The future economic benefits of fixed assets, and all other expenses, are recognized in the statement of profit or loss as an expense when incurred.

3.4 Intangible Assets

They are the assets which the company controls and expects the flow of future economic benefits from those assets. Those assets result from incurred costs to acquire intangible assets in case there is a high degree of certainty of the economic benefits.
The intangible asset cost includes the cost of acquisition or the direct and the indirect cost related to the preparation of the intangible asset for its use. The cost charged to the intangible asset is ceased when the asset is in the condition required to operate. Intangible asset which has no identifiable useful life is tested for impairment by comparing the recoverable value of such asset to its book value annually and if there are any indications of impairment in the book value of such asset, when the recoverable value is less than the book value of the asset, that decline in the value is charged to the statement of profit or loss.

3.5 Projects under construction

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

3.6 Leasing contracts

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

Leasing liabilities

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

Right of use assets

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

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

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

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

The company as a lessee:

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

3.7 Inventory

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

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

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

3.8 Provisions

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

If the effect of the time value of money is material, the provision is measured by discounting the expected future cash flows using a pre-tax discount rate to reflect this effect. Provisions are reviewed at each reporting date and adjusted to reflect the best current estimate.

3.9 Available-for-sale investments

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

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

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

3.10 Investment in subsidiaries companies

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

3.11 Investment in associate

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

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

Non-Current Assets held for Sale

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

3.12 Investment At Fair Value Through Profit or Loss

Investments at fair value through profit or loss are financial assets classified as assets held for trading, acquired primarily for the purpose of sale within a short period of time or financial assets classified upon initial recognition at fair value through profit or loss.
Those investments are initially recognized at fair value including direct cost to acquire.
Investments at fair value through profit or loss are re-measured at fair value, valuation differences arising from changes in fair value are recognized in the statement of income - standalone.

3.13 Revenue Recognition

Revenue is measured at the fair value of the consideration received or owed to the company, minus the value of returns, trade discounts, and quantity discounts. The benefits and risks of ownership of the sold goods to the buyer upon receipt of the sold goods.
In the case of export sales, the transfer of risks and benefits to the goods is determined in accordance with the conditions of shipment.

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

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

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

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

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

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

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

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

The company has applied the new accounting policy set out in note (2-2), and there is no significant impact from the application of Egyptian Accounting Standard No. (48) "Revenue from contracts with customers" on the retained earnings on January 1, 2022, and on the method of proving the company's revenues.

3.14 Financial Instruments

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

Initial recognition

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

Classification and measurement of financial assets and financial liabilities.

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

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

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

They are classified as follows:

Financial assets at amortized cost

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

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

Financial assets at fair value through other comprehensive incomes

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

Financial assets at fair value through profit and loss

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

Business Model Evaluation

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

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

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

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

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

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

Impairment of assets

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

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

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

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

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

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

Customer indebtedness is written off (either partially or in full) when there is no reasonable expectation of recovery of all or part of the financial asset. This is generally the case when the company determines that the lessee does not have assets or sources of income that could generate sufficient cash flow to pay the amounts subject to the write-off.
This assessment is carried out on an individual level for each client. Recoveries of amounts that were previously written off are included in the "impairment losses of financial instruments" in the statement of profit or loss and other comprehensive income.
The financial assets that have been written off may remain subject to legal procedures in application of the company's procedures to recover the amounts due.
A three-stage approach is applied to measure the expected credit losses from financial assets recorded at amortized cost and debt instruments at fair value through other comprehensive income. The assets move between the following three stages based on the change in credit quality since its first recognition as follows:

Stage one: 12-month expected credit loss.

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

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

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

Stage Three: Lifetime Expected Credit Loss - Credit Impairment

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

<u>Non-financial assets</u>

The carrying amounts of the company's non-financial assets other than deferred tax assets are reviewed at each balance sheet date to determine whether there is any indication of impairment.
An impairment loss is recognized if the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generate cash inflows that are independent of cash inflows from other assets or groups of assets. Impairment losses are recognized in the profit or loss statement. The recoverable amount of an asset or a cash-generating unit is its value in use or its fair value less costs to sell, whichever is greater.
Impairment losses recognized in prior periods for other assets are reviewed at the balance sheet date. If there are indications of low or no loss. The effect of impairment losses is reversed to the extent that the carrying amount of the asset does not exceed its value that

would have been determined (after deducting depreciation) had the impairment loss not been recognized.

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

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

Derecognition of financial assets

The company derecognizes a financial asset only when:

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

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

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

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

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

Financial liabilities

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

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

Classification and subsequent measurement

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

Financial Guarantee Contracts

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

Derecognition of financial liabilities

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

Financial Instruments Offsetting

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

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

Managing Risks related to Financial Instruments

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

A. Credit Risk

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

B. Liquidity Risk

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

C. Foreign Currency Risk

Foreign currency risk arises from changes in exchange rates, which affect foreign currency payments and receipts, as well as the valuation of assets and liabilities denominated in foreign currencies. The Company strives to avoid maintaining an open foreign currency position to mitigate this risk to a minimum.

D. Capital Management Risk

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

3.15Revenues and financing costs

The company's finances and revenues include the following:

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

3.16Expenses

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

3.17Income Tax

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

Current Income Taxes

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

Deferred Income Tax

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

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

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

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

Deferred tax assets are recognized for the entity when it is probable that future taxable profits will be available against which the asset can be utilized. The carrying amount of deferred tax assets is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefit of part or all of that deferred tax asset to be utilized during subsequent years.

3.18 Customers and Debtors and Other Debit Balances

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

3.19 Reserves

3.19.1 Legal Reserves

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

3.19.2 Investment Projects Financing Reserves

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

3.19.3 General Reserves

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

3.19.4 Capital Reserves

It represents the capital reserve and is formed by the value of the profits resulting from the sale of any fixed asset or compensation for it for more than its book value.

3.19.5 Other Reserves

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

3.20 Suppliers, Creditors and Other Credit Balances

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

3.21 Cost of Borrowing

Borrowing and credit facilities

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

Borrowing Cost

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

3.21.1 Start Capitalization

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

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

3.21.2 Capitalization Suspension

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

3.21.3 Stop Capitalization

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

3.22 Impairment Of Assets

Financial Assets

- The book value of the assets owned by the company - other than inventory and deferred tax assets - is reviewed on the balance sheet date to determine if there are any indications of a decline in their value and if such indicators exist, studies are prepared to determine the expected recoverable value.
- If the recoverable value of the asset is less than its book value, the impairment losses in the asset value are recorded as an expense in the profit or loss statement, after deducting

any revaluation surplus previously created for the same asset. After deducting the losses for the decrease in the same asset charged as an expense, which was previously included in the profit or loss statement.

Non-Financial Assets

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

Related Parties Transactions

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

3.23 Employee benefits

3.23.1 Contribution in social insurance

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

3.23.2 Employees' share of profits

According to the company's articles of association, a percentage of the net profits of the year is allocated for distribution to the company's employees and workers in accordance with the rules proposed by the company's board of directors and approved by the general assembly. No obligations are recorded for the employees' share of profits before the approval of the general assembly.

3.23.3 End of Service Benefits

The employee's end-of-service gratuity is due upon reaching the age of referral for the legal pension, and it is disbursed in accordance with the end-of-service gratuity regulation approved by the Board of Directors.

3.24 Revised Egyptian Accounting Standards

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

3.25 Other Comprehensive Income

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

3.26 Total Comprehensive Income

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

3.27 Statement of Cash Flows

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

3.28 Capital

Common Stock

Transaction costs directly related to the issue of ordinary shares are accounted for by deducting from equity, income tax associated with transaction costs related to equity is accounted for in accordance with Egyptian Accounting Standard No. (24) "Income Taxes".

3.29 Cash and Cash Equivalents

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

3.30 Dividends

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

3.31 Earnings (losses) per share

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

4- FIXED ASSETS (NET)

Description	Lands	Buildings	Machines and equipment	Transportation	Tools and equipment	Furniture and office equipment	Total
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.
2026							
Cost as of January 1, 2026	**81,059,818**	**2,010,832,841**	**2,144,677,900**	**112,341,609**	**210,212,273**	**210,799,512**	**4,769,923,953**
Additions during the period	--	34,979,028	833,912,875	12,532,121	258,258,343	51,445,132	**1,191,127,499**
Transferred from projects under construction	--	--	--	--	--	--	--
Disposals during the period	--	--	(11,000)	(860,698)	--	(1,702,380)	**(2,574,078)**
Cost as of March 31, 2026	**81,059,818**	**2,045,811,869**	**2,978,579,775**	**124,013,032**	**468,470,616**	**260,542,264**	**5,958,477,374**
Accumulated depreciation as of January 1, 2026	--	**262,204,755**	**1,125,038,249**	96,351,774	112,043,035	132,290,733	**1,727,928,546**
Depreciation for the period	--	11,848,080	23,217,213	1,046,161	11,836,810	3,412,850	**51,361,114**
Accumulated depreciation of disposals	--	--	(10,999)	(860,691)	--	(1,701,617)	**2,573,307**
Accumulated depreciation as of March 31, 2026	--	**274,052,835**	**1,148,244,463**	**96,537,244**	**123,879,845**	**134,001,966**	**1,776,716,353**
Net cost as of March 31, 2026	**81,059,818**	**1,771,759,034**	**1,830,335,312**	**27,475,788**	**344,590,771**	**126,540,298**	**4,181,761,021**
2025							
Cost as of January 1, 2025	**81,059,818**	**506,834,409**	**1,609,452,773**	**105,641,134**	**150,419,392**	**196,091,451**	**2,649,498,997**
Additions during the year	--	--	11,347,231	386,232	24,225,979	6,868,560	**42,828,002**
Transferred from projects under construction	--	1,503,998,432	527,538,179	7,300,000	38,575,652	9,046,634	**2,086,458,897**
Disposals during the year	--	--	(3,660,283)	(985,757)	(3,008,750)	(1,207,133)	**(8,861,923)**
Cost as of December 31, 2025	**81,059,818**	**2,010,832,841**	**2,144,677,900**	**112,341,609**	**210,212,273**	**210,799,512**	**4,769,923,953**
Accumulated depreciation as of January 1, 2025	--	**254,619,780**	**1,067,952,544**	94,464,090	95,391,980	120,766,283	**1,633,194,677**
Depreciation for the year	--	7,584,975	60,745,840	2,873,425	19,659,552	12,731,228	**103,595,020**
Accumulated depreciation of disposals	--	--	(3,660,135)	(985,741)	(3,008,497)	(1,206,778)	**(8,861,151)**
Accumulated depreciation as of December 31, 2025	--	**262,204,755**	**1,125,038,249**	**96,351,774**	**112,043,035**	**132,290,733**	**1,727,928,546**
Net cost as of December 31, 2025	**81,059,818**	**1,748,628,086**	**1,019,639,651**	**15,989,835**	**98,169,238**	**78,508,779**	**3,041,995,407**

The book value of the depreciated assets amounted to L.E **824,915,301** and represented:

Lands	Buildings	Machine and equipment	Transportation	Tools and equipment	Furniture and office equipment	Total
L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.
--	**66,749,460**	**487,744,366**	**89,503,355**	**81,434,483**	**99,494,637**	**824,915,301**

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

5- RIGHT OF USE ASSETS (NET)

	31/3/2026	31/12/2025
	L.E	L.E
Cost as of January 1, 2026	17,643,499	15,879,030
Additions	--	1,764,469
Cost as of March 31, 2026	**17,643,499**	**17,643,499**
Accumulated Amortization on January 1, 2026	7,756,213	6,312,523
Amortization during the period	341,320	1,443,690
Accumulated Amortization on March 31, 2026	**8,097,533**	**7,756,213**
Net cost on March 31, 2026	**9,545,966**	**9,887,286**

6- PROJECTS UNDER CONSTRUCTION

Projects under construction represent what has been spent on them until they are completed and transferred to fixed assets, and their value is on March 31, 2026, L. E **3,980,910,831** as per the following detail:

	Cost at 31/12/2025	Transactions during the period		Cost at 31/3/2026
		Addition	Transferred to fixed assets	
	L.E	L.E	L.E	L.E
Buildings	1,691,000	62,090	1,753,090	--
Equipment and machines*	554,709,121	239,179,847	150,360,145	643,528,823
Tools and equipment	6,471,664	15,252,771	15,254,594	6,469,841
Installation	1,350,969	497,042	1,351,311	496,700
EIPICO factory (3) *	4,284,898,658	19,720,540	974,203,731	3,330,415,467
Total	**4,849,121,412**	**274,712,290**	**1,142,922,871**	**3,980,910,831**

- The capitalized interest on Project under Construction amounted to L.E 55,840,610.

7- INTANGIBLE ASSETS (NET)

The Goodwill was designed as a result of the valuation of assets and depreciation calculation upon the merger of the Egyptian Company for Agricultural Packaging Manufacturing into the Egyptian International Company for Pharmaceutical Industries (EIPICO) for the evaluation that took place on 9/30/1999. The depreciation for the month was calculated on the basis of 5% and the expenditure was fully amortized until 9/30/2019.

	31/3/2026	31/12/2025
	L.E	L.E
Cost at the beginning of the period	421,463,081	408,428,889
Additions during the period	--	13,034,192
Total cost at the end of the period	**421,463,081**	**421,463,081**
Accumulated Amortization at the beginning of the period	381,320,909	376,374,928
Amortization of the period	1,670,794	4,945,981
Total Amortization at the end of the period	**382,991,703**	**381,320,909**
Net cost at the end of the period	**38,471,378**	**40,142,172**

8- INVESTMENT IN SUBSIDRIES AND ASSOCIATES AND NON-CURRENT ASSETS HELD FOR SALE

8.1 Investment In Subsidiaries

	31/3/2026	31/12/2025
	L.E	L.E
The Egyptian International Company for Ampoules	69,040,000	69,040,000
Arab Company for Pharmaceutical Materials (API)	--	330,600,000
	69,040,000	**399,640,000**

The Egyptian International Company for Ampoules:

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

8.2 Non-current assets held for sale.

	31/3/2026	31/12/2025
	L.E	L.E
EIPICO Tech Pharmaceutical Company (under liquidation)	12,330,000	12,330,000
	12,330,000	**12,330,000**

EIPICO Tech Pharmaceutical Company (Under liquidation)

- EIPICO Tech Pharmaceutical Company is an Egyptian joint stock company subject to the provisions of Investment Law No. 8 of 1997 and aims to manufacture human, veterinary and chemical medicines, diagnostic preparations, serums, controlled foods, insecticides, cosmetics and detergents, and the manufacture of packing and packaging materials necessary for these products. The Egyptian International Company for Pharmaceutical Industries It is the main shareholder in the capital of this company, as it contributes 98.6%, and the remaining 1.4% is a contribution from some employees of EIPICO Pharmaceutical Company. These investments are limited in cost and amount to L.E 12,330,000. Pound, it represents 25% of the capital represented in lands for the establishment of the project, and cash in Egyptian pounds in the bank.
- The Extraordinary General Assembly of EIPICO Tech met and took its decision to liquidate the company. The liquidator and auditor were appointed for the liquidation, and measures are being taken by it to liquidate the company.
- EIPICO TECH has not practiced any activity since its establishment until now. The company's assets are represented entirely in current assets in the form of cash in banks (current / deposits), which covers the equity from the capital and accordingly no impairment provision has been formed.

8.3 Investment in Associates

	31/3/2026	31/12/2025
	L.E	L.E
Al-Batterjee Factory for Pharmaceuticals and Medical Supplies	35,900,976	35,900,976
Medical union Pharmaceuticals (MUP)	374,934,869	374,934,869
Arab Company for Pharmaceutical Materials (API)	330,600,000	--
	741,435,845	**410,835,845**

Arab Company for Pharmaceutical Materials (Arab API):

On 18/1/2024, the Arab Company for Pharmaceutical Materials was established subject to the Law of Economic Zones of a Special Nature (83) of 2002. It aims to manufacture active and ineffective raw materials and intermediate materials, and the participation rate of the Egyptian International Pharmaceutical Industries Company (EPICO) is 30% of the capital.

Al-Batterjee Factory for Pharmaceuticals and Medical Supplies:

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

Medical Union Pharmaceuticals (MUP):

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

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

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

2,000,000 shares were purchased from the shares of the medical union Pharmaceuticals (MUP) Company at a price of 84,000,000 In subtracting an increase in capital to bring the total investment 374,934,869 pounds for EIPICO to retain 10% of the shares of the medical union Pharmaceuticals (MUP) Company, fully paid until 30/9/2023.

9- INVENTORY (NET)

	31/3/2026 L.E	31/12/2025 L.E
Materials	1,513,765,868	1,406,263,435
fuels and oils	1,897,215	1,939,851
Spare parts	207,478,230	204,992,265
Packaging	807,989,862	739,098,993
Work in process	306,636,802	364,182,428
Finished Goods	577,953,352	685,968,818
Letters of credits (purchase of goods)	538,606,058	397,267,870
Total	**3,954,327,387**	**3,799,713,660**
Inventory write-down	(55,907,974)	(29,112,218)
Net	**3,898,419,413**	**3,770,601,442**

10- ACCOUNTS AND NOTES RECEIVABLES (NET)

	31/3/2026 L.E	31/12/2025 L.E
Distributors	633,903,770	428,803,608
Direct Sales	26,912,599	6,758,646
Supplies and tenders	297,949,881	207,466,405
Export Receivables	2,422,167,947	1,916,922,005
Notes Receivables	1,740,896,217	1,783,535,574
Total	**5,121,830,414**	**4,343,486,238**
Deduct: Expected Credit Loss (ECL)	(1,077,081,550)	(1,077,081,550)
Net	**4,044,748,864**	**3,266,404,688**

11- DEBTORS AND OTHER DEBIT BALANCES

	31/3/2026 L.E	31/12/2025 L.E
Insurance with others	5,319,778	5,508,528
advance payments (Taxes – insurance)	200,661,067	195,305,917
Suppliers (advanced payments)	46,050,931	11,950,153
Contract Asset- Expected Returns	41,368,043	41,368,043
Others debit balances	86,972,095	27,116,279
Total	**380,371,914**	**281,248,920**

12- CASH AND CASH EQUIVALENTS

	31/3/2026 L.E	31/12/2025 L.E
Cash on Hand and Petty Cash	13,040,485	4,352,126
Current Local Accounts	190,636,055	79,178,065
Current foreign Accounts	42,029,127	45,434,357
Deposits -local Currency	19,024,580	31,732,966
Deposits -foreign Currency	82,231,042	457,916,927
Bank Masr	--	605
Total	**346,961,289**	**618,615,046**
Deduct: Expected credit losses	(7,077,000)	(7,077,000)
Net	**339,884,289**	**611,538,046**

*** Deposits in banks include quarterly and monthly deposits, in addition to deposits on a day-by-day interest account.

13- CAPITAL

-The authorized capital of the company is 850 million (Eight hundred and fifty million pounds(The issued and subscribed capital amounts to an amount 793,364,000 pounds Paid in full, its value is 79,336,400 shares. The nominal value of the shares is 10 pounds.
-In accordance with the decision of the company's general assembly held on 27/3/ 2010, it was approved to increase the capital from 721,240,000 to 793,364,000 With an increase of 72,124,000 pounds, financed from the profits distributed to shareholders by 10% From the issued and paid-up capital before the increase to finance the company's expansions and investments with the amendment of Articles 6 and 7 of the company's articles of association.
-The capital increase was entered in the commercial register on 24/6/2010.

-According to the decision of the Extraordinary General Assembly held on 30/4/2018, the authorized capital was increased from 850 million to 1500 million pounds. And approving the increase in the issued capital from 793,364,000 pounds to 991,705,000 pounds Where it was approved to increase the issued capital in the ordinary assembly on 30/4/2018, after the extraordinary general assembly enjoyed the distribution of a free share for every four original shares to be financed from the investment projects financing reserve, and the decision of the increase was approved on 1/2019.

-According to the decision of the extraordinary general assembly of the company held on 1/4/2023, it was approved to increase the capital from 991,705,000 pounds to 1,487,557,500 pounds, with an increase of 495,852,500 pounds paid in cash by shareholders at the rate of 50% of the issued and paid up capital before the increase to finance the company's expansions and investments with the amendment of Articles 6 and 7 of the company's articles of association.

-The capital increase was entered in the commercial register on 8/2023.

- The Securities Committee of the Egyptian Stock Exchange decided in its meeting held on 23/7/2025 to approve the listing of shares of the increase in issued and paid-up capital from 1,487,557,500 Egyptian pounds to 1,687,557,500 Egyptian pounds, with an increase of 200 million Egyptian pounds distributed over 20 million shares.

Shareholders	No. of Shares	Share Percentage
Arab Company for Drug Industries and Medical Appliances	86,647,861	51.34 %
Medical Union for Investing	6,207,758	3.68 %
Federation of Medical Union Syndicates	5,903,086	3.50 %
Aid and Pension Fund, Federation of Medical Professions Unions	8,168,327	4.84 %
Other Shareholders	61,828,718	36.64 %
Total	**168,755,750**	**100%**

14- RESERVES

	Balance as of 1/1/2026	Transaction during the period		Balance as of 31/3/2026
	L.E	Formed	Used	L.E
Legal Reserves	466,812,427	56,260,895	--	523,073,322
General Reserves	1,248,336,248	--	--	1,248,336,248
Reserve for Actuarial Differences in Employee Benefits	(254,920,631)	--		(254,920,631)
Capital Reserves	20,160,435	--	--	20,160,435
Reserve for financing investment projects and expansions	1,241,659,000	--	--	1,241,659,000
Total	**2,722,047,479**	**56,260,895**	**--**	**2,778,308,374**

15- RETAINED EARNINGS

	31/3/2026	31/12/2025
	L.E	L.E
The balance of 31/12/2025	202,200,401	88,024,386
The Dividends of year 2025	358,008,182	114,176,015
The balance at 31/3/2026	**560,208,583**	**202,200,401**

16- NET PROFIT FOR THE PERIOD/YEAR

	31/3/2026	31/12/2025
	L.E	L.E
Net profit for the period/ year after tax	268,960,528	1,125,217,907
Total	**268,960,528**	**1,125,217,907**

17- LOANS

	31/3/2026	31/12/2025
	L.E	L.E
QNB Al Ahli Bank – Dollar	2,085,115,618	2,188,896,030
QNB Al Ahli Bank – Euro	242,109,352	11,325,270
National bank of Kuwait – Local currency	87,508,953	99,625,027
National bank of Kuwait – Euro	246,450,586	220,002,358
National bank of Kuwait – Dollar	24,456,132	23,000,694
Banque du Caire – local currency	1,403,531,115	1,401,587,586
Abu Dhabi Islamic Bank – local currency	399,672,410	423,652,754
Kuwait Finance House Bank	498,576,871	498,576,871
Total	**4,987,421,037**	**4,866,666,590**
Divided Into:		
Long-term Loan Installments	**4,021,835,282**	**3,758,803,399**
Short Term Loan Installments	**965,585,755**	**1,107,863,191**

* Financing Loan for EIPICO 3 Factory 10th of Ramadan area

*Conditions: for seven years (two years grace - five years repayment)

*Warranties: No Warranty

18- LEASE LIABILITY

	Balance as of 1/1/2026	Addition	Paid	Interest	31/3/2026
	L.E	L.E	L.E	L.E	L.E
Lease contracts	12,365,148	115,067	(210,766)	642,089	12,269,449
Total	**12,365,148**	**115,067**	**(210,766)**	**642,089**	**12,269,449**

Short Term Lease payments	402,127
Long term lease liabilities	11,867,322

	Balance as of 1/1/2025	Addition	Paid	Interest	31/12/2025
	L.E	L.E	L.E	L.E	L.E
Lease contracts	11,007,696	1,764,469	(2,598,911)	2,191,894	12,365,148
Total	**11,007,696**	**1,764,469**	**(2,598,911)**	**2,191,894**	**12,365,148**

Short Term Lease payments	382,759
Long term lease liabilities	11,982,389

19- EFFECTIVE TAX RATE

	31/3/2026	31/3/2025
	L.E	L.E
The net profit (before tax)	375,376,966	430,259,844
(Deduct): Dividends from Subsidiaries and associates	(31,608,664)	(46,689,331)
Net	**343,768,302**	**383,570,513**
Add Dividend Tax	--	4,468,933
Net Base	343,768,302	388,039,446
Tax Rate According to Tax Law	22.5 %	22.5 %
Tax According to Base	34,442,722	106,307,140
Add Deferred Tax for the Year	65,753,658	(803,627)
Total	**100,196,380**	**105,503,513**
Effective Tax Rate	**26.7 %**	**24.5 %**

20- PROVISIONS

Provisions are studied at the end of each financial year.

	1/1/2026	Transaction		31/3/2026
	L.E	Add	Less	L.E
Disputed general tax provision	107,562,458	--	--	107,562,458
Claims Provision	7,992,634	--	2,392,739	5,599,895
End of service Provision	416,338,325	25,000,000	19,487,121	421,581,204
Total	**531,893,417**	**25,000,000**	**21,879,860**	**535,013,557**

Provisions were formed on March 31, 2026

	31/3/2026	31/12/2025
	L.E	L.E
Disputed general tax provision	--	18,500,000
Supplies Provision	40,000,000	13,060,720
Claims Provision	--	1,500,000
End of service Provision	25,000,000	85,000,000
Total	**65,000,000**	**118,060,720**

21- CREDIT BANKS (BANK FACILITIES)

	31/3/2026	31/12/2025
	L.E	L.E
Banque du Caire. Al-Azhar	624,518,558	396,912,124
QNB Al Ahli	914,626,365	877,308,454
Emirates National Bank of Dubai	438,785,931	329,694,398
Ahli United Bank	1,279,294,516	1,217,566,547
Kuwait Finance House Bank	472,589,163	295,424,449
Abu Dhabi Islamic Bank	137,964,661	193,931,483
Al Baraka Bank Egypt	327,688,477	411,560,218
Egyptian Gulf Bank	152,817,537	146,742,040
Total	**4,348,285,208**	**3,869,139,714**

22- ACCOUNTS AND NOTES PAYABLES

	31/3/2026	31/12/2025
	L.E	L.E
Local suppliers	404,553,268	496,923,625
Foreign suppliers	465,521,242	246,684,427
Notes Payables	40,265,620	13,200,258
Total	**910,340,130**	**756,808,310**

23- CREDITORS AND OTHER CREDIT BALANCES

	31/3/2026 L.E	31/12/2025 L.E
Other creditors (insurance to others – social insurance)	27,698,932	22,729,604
Other creditors (tax authority)	22,383,697	105,053,191
Employee funds	6,286,995	5,869,723
Accrued incentives	44,621,648	81,373,574
Other credit balances	75,188,353	70,447,586
Performance Bond Insurance	21,747,637	39,553,236
Accrued Expenses	65,599,512	93,101,542
Contract liabilities – expected returns	73,217,775	73,217,775
Customer Advances (local)	83,027,102	80,269,518
Total	**419,771,651**	**571,615,749**
Takaful Contribution (.25%)	29,975,604	23,755,546
	449,747,255	**595,371,295**

24- DUE TO / FROM RELATED PARTIES

The related parties' transactions nature is commercial transactions (purchases), and the nature of the relationship is that of a subsidiary company (EIACO).

		1/1/2026 L.E	Transaction Debit	 Credit	31/12/2026 L.E
24/A	Other debit balances to subsidiaries companies	1,212,960	4,191,210	2,859,120	2,545,050
24/B	Other credit balances to subsidiaries companies (EIACO)	83,334,329	91,730,080	128,247,412	119,851,661

25- NET REVENUES

	31/3/3026 L.E	31/3/2025 L.E
Direct local sales	399,507,053	494,916,321
Local Sales "Distributors"	993,789,975	902,178,081
Local sales "Tenders"	276,724,462	127,583,416
Export	800,213,598	761,172,053
(-) Export distributors allowance	(18,793,560)	(30,327,940)
Total sales	**2,451,441,528**	**2,255,521,931**
Operating Revenue for Others	15,687,469	9,846,581
Total revenue before operating	**15,687,469**	**9,846,581**
Total	**2,467,128,997**	**2,265,368,512**

26- COST OF SALES

	31/3/2026	31/3/2025
	L.E	L.E
Cash wages	123,765,743	108,338,170
Employees benefits "treatment & workers feeding expenses."	13,655,008	12,392,194
Social insurance	13,152,082	11,320,562
Commodity supplies "raw"	659,539,810	648,685,074
Commodity supplies "packing and packaging"	306,730,503	298,946,644
Commodity supplies "purchase for sold purpose"	--	50,000
Commodity supplies "spare parts, and supplies"	32,849,184	42,440,177
Commodity supplies "fuel, oils, electricity, water and lighting"	44,541,277	36,527,318
Commodity supplies "stationery"	1,596,735	2,067,736
Service supplies "maintenance"	9,527,520	15,541,936
Service supplies "operating expenses for others"	352,630	13,680
Service supplies "experimental and research services"	597,439	1,012,787
Service supplies "transportation, transfers and travel allowance"	2,180,355	1,547,807
Service supplies "transportation rental"	892,393	1,620,053
Insurance Expenses	1,823,765	1,065,212
Daily labor	8,324,891	7,766,851
Other service requirements	1,823,522	738,707
Atomic Energy Authority expenses	629,460	39,650
Subscriptions	86,338	1,602,577
Custody expenses	908,456	608,875
Analysis samples (raw materials and packaging)	2,408,397	681,781
Software - SAP service requirements	3,618,528	1,088,048
Destruction expenses	291,821	161,302
Taxes and fees	--	10,260
Depreciation and Amortization	48,030,194	21,216,809
Cost of Production	**1,277,326,051**	**1,215,840,210**
Add or deduct change in inventory "finished good and work in process"	165,561,092	20,754,598
Cost Of Sales	**1,442,887,143**	**1,236,594,808**

27- MARKETING EXPENSES

	31/3/2026	31/3/2025
	L.E.	L.E.
Cash wages	87,659,342	81,647,485
Employees benefits "treatment & workers feeding expenses."	5,524,538	4,960,225
Social insurance	11,913,643	10,633,867
Commodity supplies "Marketing requirements"	3,176,976	4,278,480
Commodity supplies "packing and packaging materials"	1,018,536	1,272,265
Commodity supplies "fuel, oils, electricity and water"	7,714,750	6,308,537
Commodity supplies "stationery"	198,375	546,120
Service supplies "maintenance"	1,320,647	1,581,948
Service supplies "seminars and conferences"	26,445,102	28,645,848
Service supplies "contribution to scientific offices"	--	1,542,774
Service supplies "transportation, transfers and travel allowance"	24,686,855	23,357,692
Service supplies "transportation rental"	267,162	296,038
Royalties	--	3,309,140
Shipping expenses	21,904,702	31,230,089
Insurance expenses	1,930,940	1,158,817
Free Medical Sample	2,094,754	692,083
Other service expenses	4,246,679	1,972,228
Vehicle expenses	1,027,535	890,013
Registration fees	11,303,655	6,097,828
Subscriptions	871,618	301,268
Custody expenses	1,369,278	1,508,597
Software (SAP) services	3,060,410	--
Taxes and fees	10,330,573	450,519
Depreciation of Fixed Asset	2,570,737	1,882,688
Rentals	579,989	509,749
Compensation and penalties	659,605	--
Total	**231,876,401**	**215,074,298**

28- RESEARCH AND DEVELOPMENT EXPENSES

	31/3/2026	31/3/2025
	L.E.	L.E.
Cash wages	7,358,134	7,155,685
Employees benefits "treatment & workers feeding expenses."	486,109	426,240
Social insurance	758,417	712,058
Commodity supplies "used materials"	2,254,189	1,727,164
Service supplies "maintenance"	21,683	113,557
Service supplies "transportation, transfers and travel allowance"	120,175	175,329
Service supplies "transportation rental"	26,679	53,303
Service supplies "experiments and research"	1,853,340	3,628,521
Service supplies "other"	2,029,304	228,900
Software (SAP) services	143,253	--
Depreciation	968,855	880,346
Actual Rents	429	572
Total	**16,020,567**	**15,101,675**

29- GENERAL AND ADMINISTRATIVE EXPENSES

	31/3/2026	31/3/2025
	L.E.	L.E.
Cash wages	30,349,584	27,869,601
Employees benefits "treatment & workers feeding expenses."	3,133,210	3,450,599
Social insurance	2,630,414	2,379,327
Commodity supplies "used materials"	2,785,739	2,805,265
Service supplies "maintenance"	877,290	1,038,515
Service supplies "transportation, transfers and travel allowance"	1,234,580	1,375,849
Service supplies "transportation rental"	187,794	380,757
Allowance for "technical - review - legal" committees	80,000	40,000
Service supplies "other"	1,204,035	2,411,312
Software (SAP) services	1,511,874	5,302,016
Taxes and fees	--	735
Depreciation	1,803,442	1,303,585
Rentals	3,017	4,027
Donations	2,183,803	491,542
Total	**47,984,782**	**48,853,130**

30- FINANCE EXPENSES

	31/3/2025	31/3/2025
	L.E	L.E
Debit interests "credit facilities "	301,679,067	325,664,049
Commission and bank charges	10,976,922	10,130,017
Total	**312,655,989**	**335,794,066**

31- SOCIAL CONTRIBUTION

	31/3/2026	31/3/2025
	L.E	L.E.
Social Contribution	6,220,058	5,756,776
	6,220,058	**5,756,776**

32- EARNINGS PER SHARE

	31/3/2026	31/3/2025
	L.E.	L.E.
Net profit	268,960,528	318,999,555
Deduct:		
Board of Directors' share of dividend distribution	--	(3,000,000)
Employees' share of the year's profits	--	(31,899,955)
Legal reserve	--	(15,949,978)
Net distributable profit	**268,960,528**	**268,149,622**
Average number of shares during the year	168,755,750	148,755,750
Average earnings per share	**1.59**	**1.80**

33- PROFITS OF SUBSIDIARIES AND ASSOCIATES

	31/3/2026	31/3/2025
	L.E.	L.E
Profits of subsidiaries – EIACO Company	20,712,000	37,972,000
Al-Batterjee Company's profits in Saudi Arabia	--	--
Profits of associate - Medical Union Pharmaceuticals	10,896,664	8,717,331
Total	**31,608,664**	**46,689,331**

34- FOREIGN CURRENCY EXCHANGE (LOSSES)

	31/3/2026	31/3/2025
	L.E.	L.E.
(Losses) of Foreign currency exchange	(27,439,821)	(7,391,945)
	(27,439,821)	**(7,391,945)**

35- FINANCIAL INSTRUMENTS

The company's financial instruments consist of interest-bearing loans. The primary purpose of these instruments is to increase funding for the company's activities. The company also has other diverse financial instruments, such as those related to customers and suppliers, which arise directly from the company's activities. The company does not engage in derivatives transactions for trading purposes or to hedge against risks related to fluctuations in foreign exchange rates and interest rates.

Financial Risk Management

A. Credit Risk

Credit risk is represented by the inability of customers granted credit to repay their due, and this risk is considered limited because the company deals with clients with good financial solvency, The Company limits its credit risk by dealing with reputable distributors in the local market. In addition, the banks and financial institutions with which the Company deals have high credit ratings assigned by independent rating agencies. The company management takes the necessary action regarding the guarantees provided by customers, and in the event of default, the management liquidates the guarantee to cover its rights.
The company's exposure to expected credit risks has been estimated and has no material impact.

B. Foreign Currency Risk

The company is exposed to foreign currency exchange rate risks arising from exposure to various currencies primarily related to the US dollar and the euro. Foreign currency exchange rate risks arise from future transactions and recognized assets and liabilities at the financial position date and net investments in foreign operations.
During the year, foreign exchange differences were recognized in profit or loss

	31/3/2026	31/12/2025
	L.E.	L.E
Banks	23,808,312	10,509,818
Clients	32,106,860	40,067,662
Credit banks	(70,635,969)	(51,117,572)
	(14,720,797)	**(540,092)**

The following table presents the average exchange rates used during the year:

	Average exchange rate during the year		Exchange rate buying rate at reporting Date	
	31/3/2026	**31/12/2025**	**31/3/2026**	**31/12/2025**
USD	49.48	49.52	49.48	49.52

	31/3/2026	
	Profit or Loss	
	Increase	**Decrease**
	L.E	**L.E**
Impact on USD-Denominated Balances	134,437,185	(128,645,549)

Sensitivity Analysis

A 10% increase/(decrease) in foreign exchange rates against the Egyptian Pound as of 31 March 2026 and 31 December 2025 would have affected the measurement of financial instruments denominated in foreign currencies and would have impacted equity and profit or loss by the amounts shown below.

This analysis assumes that all other variables, particularly interest rates, remain constant and ignores any impact of forecasted sales and purchases.

	31/3/2026		31/12/2025	
	Profit or Loss		Profit or Loss	
	Increase	Decrease	Increase	Decrease
	L.E	L.E	L.E	L.E
Impact on USD-Denominated Balances	(48,101,355)	48,101,355	19,896,789	(19,896,789)
Impact on EURO-Denominated Balances	(26,312,271)	26,312,271	(23,197,552)	23,197,552

C. Interest Rate Risk

Interest rate risk arises from fluctuations in the value of a financial instrument due to changes in market interest rates. The Company does not measure any financial assets or liabilities at fair value through profit or loss using a fixed interest rate. Additionally, the Company does not designate any financial derivatives (such as interest rate swaps) as hedging instruments under the fair value hedge accounting model.

36- DEFERRED TAX (TAX BURDEN):

Deferred tax liability: This burden represents the value of the tax due on temporary differences calculated in accordance with Egyptian Accounting Standard No. (24) and in accordance with the provisions of Tax Law No. 91 of 2005 and whose payment is deferred for subsequent periods.

37- TAX POSITION

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

a) First: - Corporate Tax

From the beginning of the activity until 2013

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

The years from 2014 – 2015

- The company was examined for those years, and an objection was made to the examination, referral to the internal committee, settlement of disputes, and payment of tax differences in 2022.

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

The company was inspected for this period and the original tax due for these years was paid. The late payment fines and additional tax remain outstanding and are expected to be settled during the upcoming period.

From 1/1/2020 to 31/12/2023

The Company's tax records for this period have been inspected, and the principal tax due for these years has been paid. The delay interest and additional tax remain outstanding and are expected to be settled during the upcoming period.

From 1/1/2024 to 31/12/2025

- The company is obligated to submit tax returns to the Senior Taxpayers Center in accordance with the forms prepared by the Tax Authority in accordance with the provisions of the law. The company has not been audited for the period, noting that the last tax return was submitted in April 2025 for the year 2024.

b) **Second: - Salary Tax**

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

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

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

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

The period from 1/1/2020 to 31/12/2022

The Company has been inspected for this period, and the principal tax has been paid.

The period from 1/1/2023 to 31/3/2026

-The Company withholds the due taxes from all employees in accordance with the law and remits them on time. The Company has not been inspected yet.

c)**Third: - Stamp tax**

From the beginning of the activity until 31/12/2023

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

Years from 1/1/2024 to 31/12/2024

-The Company has paid the stamp duty as it became due and has been inspected yet.

Years from 1/1/2025 to 31/3/2026

- The Company has paid the stamp duty as it became due, and the Company has not been inspected yet.

d) **Fourth- VAT**

Years till 30/11/2020

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

Years from 1/12/2020 to 31/12/2022

The Company's tax returns for this period have been inspected, and the file has been referred to the Appeal Committee. As of this date, the Company has not yet been notified of the scheduled hearing date

Years from 1/01/2023 till 31/3/2026.

The Company regularly submits its tax returns, and the Company has not been inspected yet.

e)Fifth: -Withholding Tax

The Company withholds the due taxes from all its dealers and remits them to the relevant tax authority based on each taxpayer's tax card up until March 31, 2026. The tax inspection for the period from 2017 to 2018 has been completed, and the resulting tax differences have been settled. Furthermore, advance tax payments have been paid up until March 31, 2026.

f) Sixth: -Real Estate Tax

The company was claimed with real estate tax, EIPCO 1 and EPICO 2, for the period from July 1, 2013, to December 31, 2020, and it was objected to, and the company paid the tax until the year 2021 until the dispute is completed with reservations, as the company is exempted from real estate tax on date 24 April 2024

38- IMPACT OF CENTRAL BANK DECISIONS

- On April 17, 2025, the Monetary Policy Committee (MPC) decided in its meeting to cut the overnight deposit rate, the overnight lending rate, and the rate of the Central Bank's main operation by 225 basis points to reach 25.00%, 26.00%, and 25.50% respectively. Additionally, the credit and discount rate was reduced by 225 basis points to reach 25.50%.
- On May 22, 2025, the MPC decided to cut the overnight deposit rate, the overnight lending rate, and the rate of the Central Bank's main operation by 100 basis points to reach 24.00%, 25.00%, and 24.50% respectively. The credit and discount rate was also reduced by 100 basis points to reach 24.50%.
- On August 28, 2025, the MPC decided to cut the overnight deposit rate, the overnight lending rate, and the rate of the Central Bank's main operation by 200 basis points to reach 22.00%, 23.00%, and 22.50% respectively. The credit and discount rate was also reduced by 200 basis points to reach 22.50%.
- On October 2, 2025, the MPC decided to cut the overnight deposit rate, the overnight lending rate, and the rate of the Central Bank's main operation by 100 basis points to reach 21.00%, 22.00%, and 21.50% respectively. The credit and discount rate was also reduced by 100 basis points to reach 21.50%.
- On February 12, 2026, the MPC decided to cut the overnight deposit rate, the overnight lending rate, and the rate of the Central Bank's main operation by 100 basis points to reach 19.00%, 20.00%, and 19.50% respectively. The credit and discount rate was also reduced by 100 basis points to reach 19.50%.
- This is in addition to expectations regarding the persistence of such pressures in light of fiscal consolidation measures, as well as continued supply-side pressures. Furthermore, the growth rate of domestic liquidity exceeding its historical average has contributed to the escalation of inflationary pressures.

39- SIGNIFICANT EVENTS

Due to the outbreak of conflicts in the Middle East, particularly regarding the war on Iran, foreign exchange rates have increased against the Egyptian Pound. Additionally, there has been a rise in the prices of fuel and natural gas, which will lead to higher production and transportation costs. Consequently, this may result in increased operating losses for some companies in the short term. The Entity is currently assessing how to mitigate these effects and their overall impact on its operations.