

Ibnsina Pharma

Board Report for FY 2024

As we close another remarkable year, I am pleased to share with you the outstanding performance of Ibnsina Pharma in 2024. For the second consecutive year, we have reaffirmed our leadership position in the pharmaceutical distribution sector, with a total market share of 30.8%, further solidifying our reputation as the market leader. ISP continues to lead the drug distribution scene in Egypt across both the total market and the retail and non-retail segments, according to the latest data available from IQVIA.

This achievement is a testament to the resilience, dedication, and innovation that our team demonstrates every day. We have not only maintained our leadership but have also achieved the highest net profit in our history—a significant milestone that underscores the effectiveness of our strategic initiatives and the strength of our operational model.

The consolidated financial statements recorded net revenues of EGP 55.8 billion compared to EGP 33.9 billion, an annual growth rate of 65%, and the Gross profit reached EGP 4.4 billion in 2024, an increase of 75%. On the other hand, operating profit before tax, interest, depreciation and amortization reached EGP 2.5 billion during 2024, which is an annual increase of 89%, resulting in a net profit of EGP 614.6 million, an annual increase of 188% compared to 2023.

As for Standalone financial statements, they recorded revenues of EGP 55.7 billion compared to EGP 33.3 billion, which is an annual growth rate of 64%, and the Gross profit reached EGP 4.4 billion in 2024, an increase of 73%. On the other hand, operating profit before tax, interest, depreciation and amortization reached EGP 2.5 billion during 2024, an annual increase of 85%, resulting in a net profit of EGP 620.5 million, an annual increase of 151% compared to 2023.

The gain in market share and the acceleration of pharmaceutical product re-pricing—which is expected to be more evident in the market in 2025 and 2026—are key drivers supporting future growth. Our balance sheet, cash conversion cycle, and debt levels continue to be major areas of focus for us. We have successfully controlled our debt levels by financing most of our growth through spontaneous financing. Additionally, we have managed to control our cash conversion cycle, which now stands at XXX days. We continue to adopt several initiatives to achieve these objectives, including focusing on cash sales, reducing cash discounts, emphasizing imported items, and extending payment terms with suppliers.

Economies of scale continue to reflect positively in our financials, where EBITDA is growing faster than gross profit and net revenues, although the high-interest rate environment hinders the full translation of our growth into higher net profit levels. However, with the expected decline in interest rates, we anticipate further improvement in profitability.

Looking ahead, we are confident that the investments we have made in both our people and technology will enable us to continue leading the market, driving efficiency, and meeting the ever-evolving needs of our stakeholders. We are committed to building on this momentum, with a clear focus on expanding our market share and creating even more value for our shareholders.

We would like to extend our gratitude to our dedicated employees, loyal customers, and partners for their continued support and trust.

Together, we will continue to shape the future of pharmaceutical distribution in Egypt.

Basic Data

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| Company purpose | <p>In accordance with the decision of the Extraordinary General Assembly held on 25/11/2021, Article 3 of the Company's Articles of Association was amended to become the purpose of the company as follows:</p> <p>Buying, selling wholesale, distribution, manufacturing, manufacturing with others, packaging, transporting, storing, importing, exporting, owning and carrying out commercial and scientific advertising, marketing offers, public supplies, electronic commerce and commercial agencies for all pharmaceutical, human, biological, veterinary and pharmaceutical products Chemicals, cosmetics, food, nutritional supplements, pesticides, disinfectants of all kinds, medical and compensatory devices, laboratory and hospital supplies, equipment, tools and materials for laboratory reagents, packaging and advertising materials,</p> |
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| | | <p>whether locally manufactured or imported, in addition to the skills of the aforementioned products seals, as well as training, information supply, systems programs, consulting related to the aforementioned areas, rental and sale of administrative and storage spaces.</p> <p>It may have a business or participate in any way with companies that engage in business similar to its business or that may help it achieve its purpose in Egypt or abroad, and it may also merge into these companies or buy them or attach them to them, in accordance with the provisions of the law and its executive regulations.</p> | |
| Duration of the company | 25 years | Date of listing on the ASE | 8/11/2017 |
| The law to which the company is subject | 159 of 1981 | Nominal value per share | Twenty-five piasters per share |
| Last Authorized Capital | Billion Egyptian pounds | Last issued capital | EGP 252 Millon |
| Last paid-in capital | EGP 252 Mmillion | Number and date of registration in the commercial register | The company was registered in the commercial register under No. 6384 dated 8/1/2001 Cairo Investment Commercial Registry Office and the registration was erased from the commercial register |

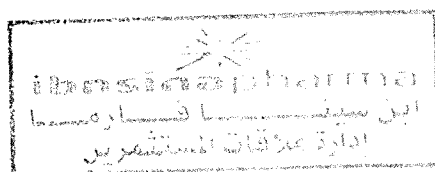
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| | | | to change the company's headquarters from Cairo Governorate to Qalyubia Governorate The company was registered in the commercial register under No. 10724 dated 6/1/2004 Cairo Investment Commercial Registry Office. |
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Investor Relations:

| | |
|---------------------|-----------------------------------------------------------------------------------|
| contact person | Mohamed Mahmoud Shawky |
| Head Office Address | industrial Zone – Plots 2/3 Block 12/15 Northern Extension of Obour City Qalyubia |
| Telephone: 44891102 | Fax numbers: 44891103 |
| Website | www.ibnsina-pharma.com |
| Email | ir@ibnsina-pharma.com |

Auditor

| | |
|---------------------|---------------------------------------------------------------|
| Auditor Name | Issa Mohamed Al sayed Refay “ Khaled El Ghanam & Isan & Co |
| Date of Appointment | 11/4/2022 |
| Registration Number | 192 |



Shareholders Structure

| Shareholders owning 5% of more | Number of Shares | % |
|------------------------------------------------------|------------------|--------|
| Faisal Islamic Bank of Egypt | 140,981,127 | 13.99% |
| THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT | 97,577,790 | 9.68% |
| BLOM INVEST BANK S A L | 92,829,048 | 9.21% |
| Omar Mohamed Abdel Gawad | 60,480,063 | 6.00% |

Board ownership

| Name | Shares Owned | | *Representation | Executive / Non-Executive |
|-------------------------------------|---------------------|-----------------------------|-------------------------------------------|---------------------------|
| | Self-Representation | Legal Entity Representation | | |
| Rafaat Mokbel Hussein | - | 140,981,127 | Representing Faisal Islamic Bank of Egypt | Non-Executive |
| Omar Mohamed abdel Gawad Mahmoud | 60,480,063 | - | Himself | Executive |
| Mahmoud Mohamed Abdel Gawad Mahmoud | 49,515,566 | - | Himself | Executive |
| Ahmed Mohamad Abdel Gawad Mahmoud | 46,465,615 | - | Himself | Non-Executive |
| Mohamed Mohsen Mohamed Mahgoub | 27,563,877 | - | Himself | Executive |

| | | | | |
|----------------------------------------------|------------|---|---------|---------------|
| Mohamed Mohamed Mohsen Mohamad Mahgoub | 24,852,865 | - | Himself | Non-Executive |
| Mohamed Abbas Mohamed Zaki | 18,677,879 | - | Himself | Non-Executive |
| Abdel Aziz Aly | 1,521,499 | - | Himself | Non-Executive |
| Hoda Amin Wally | - | - | Herself | Non-Executive |
| Sahar Ahmad Mohamad Abdel Moniem Nasr | - | - | Herself | Non-Executive |

Board of Directors

| Name | Title | Executive / Non-Executive | Representation |
|----------------------------------------------|--------------------------------------|------------------------------|----------------------------------------------|
| Abdel Aziz Aly | Chairman | Non-Executive | Himself |
| Mohamed Mohsen Mohamed Mahgoub | Managing Director & Vice Chairman | Executive | Himself |
| Mahmoud Mohamed Abdel Gawad Mahmoud | CO-CEO | Executive | Himself |
| Omar Mohamed Abdel Gawad | CO-CEO | Executive | Himself |
| Rafaat Mokbel Hussein | Non-Executive Director | Non-Executive | Representing Faisal Islamic Bank of Egypt |
| Mohamed Mohamed Mohsen Mohamad Mahgoub | Non-Executive Director | Non-Executive | Himself |

| | | | |
|------------------------------------------|---------------------------|---------------|---------|
| Mohamed Abbas Mohamed abbas Zaki | Non-Executive Director | Non-Executive | Himself |
| Ahmed Mohamad Abdel Gawad Mahmoud | Non-Executive Director | Non-Executive | Himself |
| Hoda Hassan Amin Wally | Non-Executive Director | Independent | Herself |
| Sahar Ahmad Mohamad Abdel moniem Nasr | Non-Executive Director | Independent | Herself |

* Mentions the changes that occurred in the composition of the Council during the year

On 28/3/2024, the Ordinary General Assembly elected a new board of directors by acclamation for a period of three years from 2024 to 2026, and it was found that the applicants are only the members of the current board of directors, except for one member (Mr. Ahmed Fathy Abdel Rahman Al-Nawawi), and thus the board of directors was re-elected, taking into account that the formation of the new board includes two independent members and at least two female elements to comply with the rules of listing in the stock exchange and the rules of governance, and the association appointed Dr. Sahar Ahmed Mohamed Abdel Moneim Nasr.

Board Meetings

The Board convened 6 time during 2024

Treasury Shares

-

Audit and Governance Committee

The Audit Committee was formed based on the decision of the Board of Directors on 28/2/2018 in accordance with Article 37 of the Listing Rules at the Egyptian Exchange, provided that the terms of reference of the Audit Committee are as follows:

Roles and Responsibilities

1. Reviews the company's internal controls procedures and ensures compliance;
2. Examines accounting policies and changes resulting from applying new accounting standards;
3. Analyses and reviews internal audit plan, its mechanism and procedures.
4. Examines the methods followed in drafting and reviewing the following:
 - o Routine and annual financial statements,
 - o Releases of public and private offerings, and
 - o Projected balance sheets, including cash flow and income statements.
5. Analyses and reviews drafting of periodic reports presented to the different managerial levels.
6. Proposing the appointment of auditors, determining their fees, and considering matters related to their resignation or dismissal in a manner that does not violate the provisions of the law.
7. Expressing an opinion on authorizing the auditor to perform services for the company other than reviewing the financial statements and regarding the fees provided thereon without prejudice to the requirements of their independence.
8. Studying the auditor's report on the financial statements, discussing the observations and reservations contained therein, following up on what has been done in this regard, and working to resolve differences in the views between the company's management and the auditor.
9. Ensure that a report is submitted to the Board of Directors from one of the specialized experts who are not related to the nature of the operations and deals concluded with the related parties and the extent of their breach and damage to the interests of the company or its shareholders.

Audit Committee in FY 2024

| | |
|-------------------------------------------------------------------------|-----|
| Number of Meetings Held | 4 |
| Are audit committee report submitted to the Board of Directors | yes |
| Did reports include material remarks that need to be urgently addressed | No |
| Did the Board of Directors corrected those remarks | - |

Employees Data in FY2023

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|---------------------------------------------|------------|
| Average number of employees during the year | 9,377 |
| Average employee salary (monthly) | EGP 10,420 |

ESOP program (If applicable)

No ESOP program for employees

Related parties Transactions

None

Corporate Social Responsibility

We want to grow with our communities. Ibnsina is weaving together its experience and expertise to foster large-scale change to create sustainable communities. Healthcare, education, gender equality, and access to clean water are at the centre of our commitment to local community development. Long-term value creation emerges from our longstanding commitment. We believe that the communities in which we operate are essential stakeholders in our business. When setting, assessing, and tackling our sustainability objectives, we thoroughly consider their concerns, engage with them and work toward their development. Ibnsina Pharma established its local community development approach with a complete understanding of its impact. We conducted research, community screening, and data analysis to create a meaningful plan that effectively responds to sustainability gaps in neighbouring communities. Utilising our core competencies, know-how, and experience increased the depth and effectiveness of the programmes we instituted in communities. We believe our presence will be an asset to the communities where we operate.

Establishing good relations with communities surrounding our operations has consistently yielded positive outcomes. We believe success is incomplete if it does not

create a positive ripple effect in the lives of vulnerable communities and future generations. This belief drove ISP to fulfil its social role in the most effective manner that can be measured, evaluated, and upscaled.

With a profound belief in the value of collaboration, Ibnsina Pharma is always eager to partner with reliable institutions and organisations to improve and implement sustainable and robust developmental programmes. We partner with government entities, NGOs, and private companies to present tangible solutions that will create meaningful differences in Egyptians' lives. To ensure accountability, we obey national laws and international standards in our community activities and partnerships. We endeavour to improve the technical management of our projects to ensure our work meets our rigorous standards of corporate responsibility. However, we do not engage in religious or political activities, and we don't collaborate or engage with unregistered entities. Ibnsina Pharma spent 5.4 million EGP in 2024 in works related to community engagement.

Financial KPI's in 2024

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Dividend Distribution proposal to AGM

Profit Distribution decision to shareholders will be postponed to a later stage



Reserves Proposal for FY 2024

According to profit distribution rules, no additional amounts will be transferred to legal reserve as it reached half of the capital.

Subsidiaries

AIM investments and Consulting in Healthcare sector

Present value of assets – if the book value is significantly different from the current market.

Assets are recorded at book value

Exports

No exports in FY 2024

Donations

Donations in FY 2024 is EGP 5.4 million

The percentage of turnover distributed over the various main activities of the company.

The sale of pharma and cosmetics products reported EGP 55.58 billion with a contribution of 99.88% of the total revenues while warehouse and transportation services recorded EGP 43.3 million with a contribution of 0.07%, then marketing and other services recorded EGP 30.8 million with a contribution of EGP 0.05%

Shares issued during the Year

None

Abdel Aziz Ali Abdel Aziz



Chairman

