ibnsinapharma

FY2021 EARNINGS RELEASE
Cairo | 20 March 2022

Ibnsina Pharma Releases FY2021 Results

Optimization and digitalization strategy ensures sustainable growth; Ibnsina Pharma records double-digit net profit growth of 40% year-on-year despite below average market growth

FY2021 Highlights

Net Revenues
EGP 21.7 BN
▲ 16.2% y-o-y

Gross Profit
EGP 1.6 BN
▲10.7% y-o-y

EBITDA
EGP 885.2 MN
▲ 27.1% y-o-y

Net Profit
EGP 315.6 MN
▲ 40.4% y-o-y

Cairo, 20 March 2022

Ibnsina Pharma (ISPH.CA on the Egyptian Stock Exchange), Egypt's fastest-growing and second-largest pharmaceutical distributor, released today its audited results for FY2021, booking net revenues of EGP 21.7 billion, up 16.2% year-on-year despite market growing below historical levels. Ibnsina Pharma booked a net profit of EGP 315.6 million for FY2021, marking an increase of 40.4% year-on-year and yielding an increase in the net profit margin from 1.20% to 1.45%.

Key Financial and Operational Highlights:

- Continuous Market share gain with a revenue growth of 16%.
- Economies of scale clearly shown in the model with net profit growing faster than revenues growth.
- Optimization and digitalization strategy started to reap some fruits.
- Ibnsina Pharma invested EGP 120 million in non-core investments through its investment arm.
- Ibnsina Pharma Launches "Ramp Logistics" to invest EGP 440 million in 3rd party Logistics Services.

Summary Income Statement

EGP mn	4Q2020	4Q2021	Change	FY2020	FY2021	Change
Net Revenue	4,977,197	5,962,634	*20%*	18,678,959	21,706,542	*16%*
Gross Profit	**323,739**	**363,796**	*12%*	**1,466,861**	**1,624,225**	*11%*
GP Margin	*6.5%*	*6.1%*		*7.85%*	*7.48%*	
OPEX	**237,439**	**220,149**	*(7 %)*	*822,588*	**823,764**	-
OPEX / Sales	*4.7%*	*3.7%*	-	*4.4%*	*3.8%*	
EBITDA	**138,152**	**228,458**	*65%*	**696,125**	**885,272**	*27%*
EBITDA Margin	*2.8%*	*3.8%*		*3.7%*	*4.1%*	
Net Profit	**24,163**	**74,383**	*208%*	**224,782**	**315,655**	*40%*
NP Margin	*0.49%*	*1.25%*		*1.20%*	*1.45%*	

Comments from our Co-CEOs

"2021 is the 1st year after the covid year of 2020, the consecutive waves of coronavirus have rapidly made "business as usual" a phrase from the past. There is no "usual" in this uncertain time but organizations who outmaneuver uncertainty create a resilience they can count on, no matter the changes that come. With the gradual recovery of the pharma market, it was important to Ibnsina Pharma to adapt to this temporary below average growth to achieve its targets. Four main pillars shaped our strategy: Growth, Optimization, Digitalization and Investment. This strategy started to reap some fruits in the second half of 2021 which will give Ibnsina Pharma the opportunity in 2022 and beyond to have a full year effect with yearly improvement in margins "**commented Omar Abdel Gawad, Co-CEO of Ibnsina Pharma**

"On the optimization front, we are working to engender margin-boosting efficiencies through a variety of cost-based initiatives in our supply chain and employment cost. As previously announced, the company succeeded in controlling OPEX growth while decreasing OPEX to sales to 3.8% down from 4.4% recorded in FY2020. We expect the effects of this measures to become progressively more evident in our financial performance over years with OPEX growth curbed. On the digitalization front, we remain committed to introducing meaningful innovations across each link in the pharmaceutical value chain which started with ISP mobile application and continues with a new ERP system, pharmacy management system, supplier digital platform. On the Investment side, we optimize investment in our core business through a light asset model that introduces new generation of tiered warehouses while attracting developers willing to invest in a build and rent model for our new regional warehouses which will keep our CAPEX for the coming years in the level of EGP 200 million only. For the non-core business investment, we invested this year EGP 120 million in our investment arm "AIM" for investments in logistics and digital transformation with an investment budget of EGP 200-250 million for 2022" **Omar continued**.

"We remain Egypt's fastest-growing pharmaceutical distributor, registering revenue growth of 16.2% for FY 2021 and booking a top line of EGP 21.7 billion. Bottom-line growth for FY 2021 reflects our success in leveraging economies of scale to spread fixed operational and administrative costs across a wide revenue base with a bottom-line growth of 40.4% while revenues grow with 16.2% .The bottom line was additionally affected by the adoption of IFRS 16 accounting standards during the period, with a new treatment of lease assets and liabilities yielding a net negative effect of EGP 8.7 million in FY2021." **said Mahmoud Abdel Gawad, Co-CEO of Ibnsina Pharma**.

Market Overview

Egypt's retail pharmaceutical market registered total sales of EGP 86.4 billion during FY 2021. Sales were up by 7.3%. Sales growth during 2021 was mainly driven by increases in the average selling price (ASP).

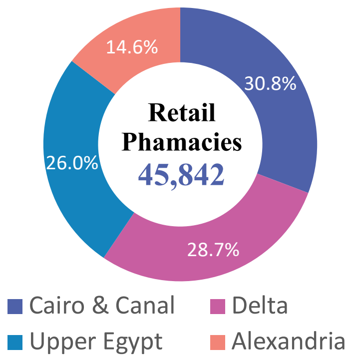
Although the pharma market didn't fully recover in 20221, retail pharmaceutical sales are anticipated to record continuous recovery growth approaching a rate of 10% in FY2022, higher than the rate achieved in FY2021. Such expectations are supported by the pharmaceutical industry's improved ability to deal with recurrent waves of COVID-19 infections following the disruptions seen during the previous years.

Expectations of double-digit growth in FY2022 and beyond are further backed by strong market fundamentals. Egypt is one of the few regional economies expected to generate strong GDP growth during 2022, while demand is further bolstered by rapid population growth. Rising at an annual rate of c.2%, Egypt's population has surpassed the 100-million mark. Consumer demand is consequently a major driver of Egypt's economic growth, with relatively inelastic goods such as pharmaceuticals experiencing consistent demand growth. Egypt's per capita outlay on pharmaceuticals continues to lag behind regional peers, leaving significant room for further growth and attracting large investments from domestic and foreign pharma players.

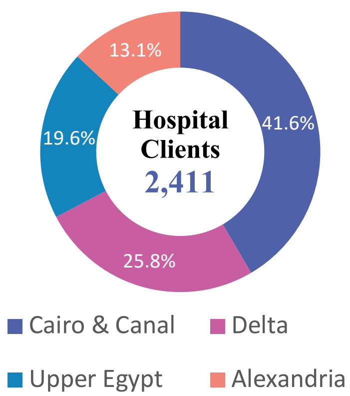
Growth in non-retail sales is expected to accelerate more in in 2022 following a relative slowdown starting the second half of FY2020 as official purchasing processes were transferred from the Ministry of Health and Population to the Egyptian Authority for Unified Procurement during the period. With the new process maturing, it is anticipated that the Authority will significantly enhance the efficiency of procurement practices at upwards of 1,800 public hospitals and other establishments. Ibnsina Pharma's strong presence in both the retail and non-retail segments continues to support the company's performance and provides it with a strong competitive advantage.

Ibnsina Pharma has been the fastest-growing distributor of pharmaceutical products in Egypt for several consecutive years. FY21 saw the company record retail sales growth of 10.3% year-on-year.

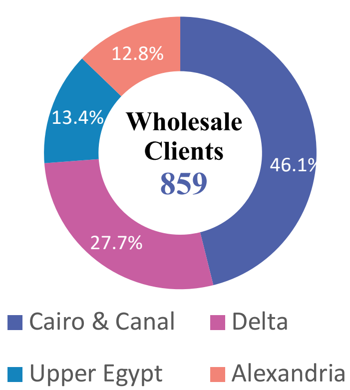
Retail Pharmacies by Geography (FY2021)



Hospital Clients by Geography (FY2021)



Wholesale Clients by Geography (FY2021)



Operational Review

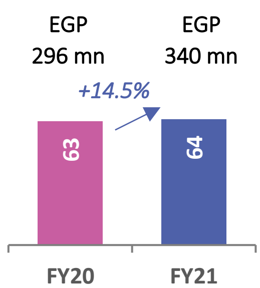
Ibnsina Pharma served 49,112 clients during FY 2021. Cairo and the Canal Zone, Egypt's most heavily populated metropolitan areas and the country's commercial pivot, accounted for 31.6% of Ibnsina Pharma's client base during the period. Clients in the Delta and Upper Egypt constituted 28.5% and 25.4% of Ibnsina's client base, respectively. Meanwhile, Egypt's second largest city, Alexandria, represented 14.5% of the company's clients in FY2021. Ibnsina Pharma works to optimize the geographical distribution of its client base, aligning the network as far as possible with population density in Egypt's various regions.

The company's distribution network encompassed 64 sites in FY2021 against 63 sites one year previously. Revenue per site climbed by 14.5% year-on-year to record EGP 340 million in FY2021 versus EGP 296 million in FY2020.

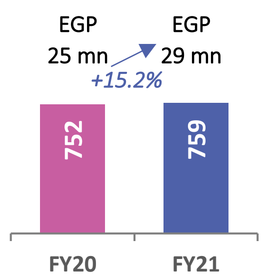
Meanwhile, Ibnsina Pharma's delivery fleet stood at 759 vehicles in FY2021, nearly unchanged from FY2020. The company's optimized fleet strength has boosted Ibnsina's ability to efficiently satisfy rising demand, with revenue per vehicle growing by 15.2% year-on-year to EGP 29 million in FY2021**.**

Revenue per employee increased by 16.6 % during the period, recording EGP 3.2 million in FY2021, an optimization of 209 personnel as part of operational optimization plan.

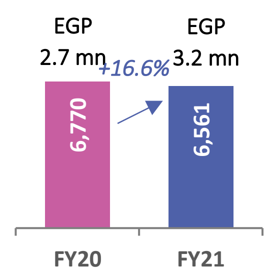
# of Sites (rev / Site)



# of Vehicles (rev / Vehicle)



# of Employees (rev / Employee)

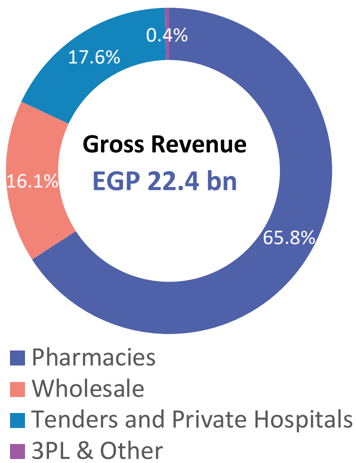


Financial Performance

Revenues

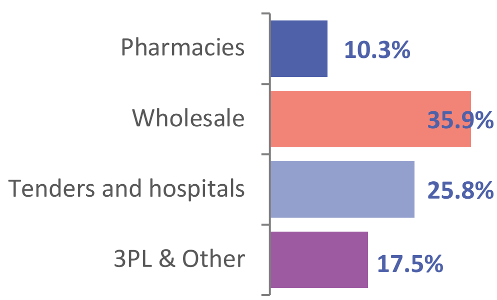
Ibnsina Pharma recorded gross revenues of EGP 22.4 billion in FY2021, up by 16.4% year-on-year on the back of double-digit growth across each of the company's lines of business. The company's core business with retail pharmacies generated revenues of EGP 14.7 billion in FY2021, up by 10.3% year-on-year and contributing 65.8% of the overall top line for FY2021 against 69.4% one year previously. This decrease in the retail segment's top-line contribution reflects the implications of COVID-19 on the pharma market since 2020 as the market didn't fully recover yet. Revenues from Ibnsina Pharma's wholesale business rose by 35.9% year-on-year to register EGP 3.6 billion in FY2021, forming 16.1% of the company's total revenues versus a contribution of 13.8% as at FY2020. Meanwhile, Tenders and hospitals generated EGP 3.9 billion during the period, contributing 17.6% of the top line for FY2021 against 16.3% one year previously, expanding by 25.8% year-on-year.

Revenue* by Business Line (FY2021)

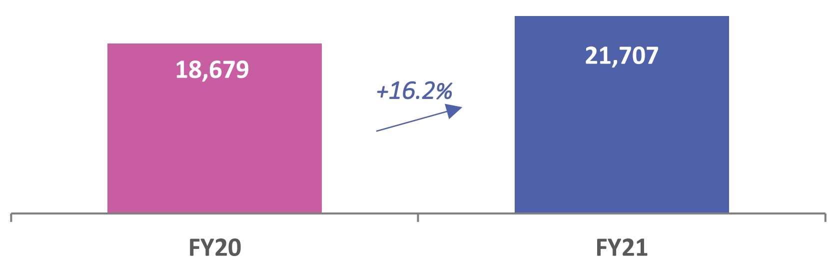


**** Revenues refer to gross sales prior to discounts***

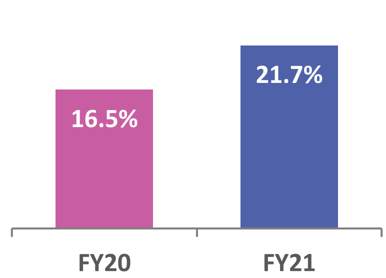
Business Line Revenue Growth (FY2021)



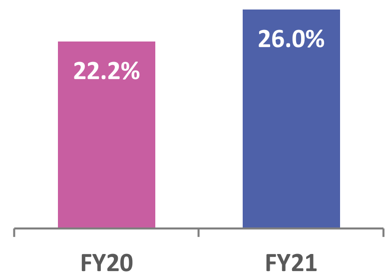
Net Revenue Progression (EGP mn)



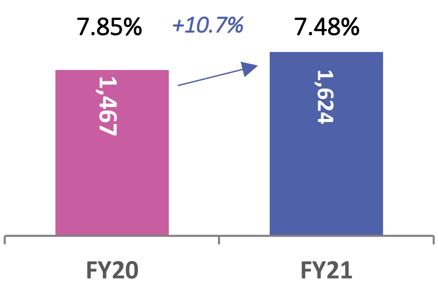
Return on Equity



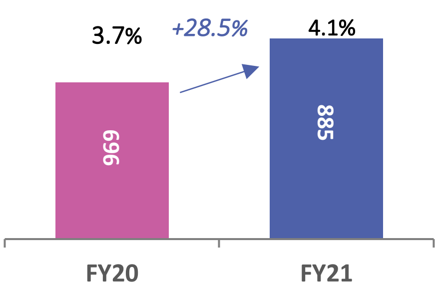
Return on Fixed Assets



Gross Profit Progression
(EGP mn, % margin)



EBITDA Progression
(EGP mn, % margin)



Gross Profit

Ibnsina Pharma booked a gross profit of EGP 1,624 million for FY21, an increase of 10.7% from the EGP 1,467 million recorded in FY20. The gross profit margin recorded 7.48% over the period down from 7.85% one year previously. This reflects growth in the wholesale segment's contribution to the overall top line for the period. Ibnsina Pharma's wholesale clients typically transact in cash, receiving cash discounts from the company. The wholesale segment grew by 35.9% year-on-year, exerting pressure on the company's gross profit margin.

OPEX

The company registered EGP 823.7 million in operational expenses (OPEX) for FY21, almost unchanged year-on-year from the EGP 822.6 million booked in FY20. The rate of OPEX growth has slowed significantly from the pace of 20% year-on-year recorded at the close of FY2020 due to the optimization strategy adopted in SG&A, CAPEX and working capital. The company aims to keep OPEX growth below 10% year-on-year for FY2023 compared to the rate of 20% registered for FY2020.

EBITDA

EBITDA booked EGP 885.2 million in FY21, an increase of 27.1% from the EGP 696.1 million recorded in FY20. This climb in EBITDA reflects the relatively slow growth of OPEX in FY2021. Ibnsina Pharma saw its EBITDA margin growing to 4.1% in FY21 up from 3.7% recorded in FY20. The company will continue to successfully leverage economies of scale, effectively spreading fixed operational and administrative costs across a wide revenue base as the year progresses.

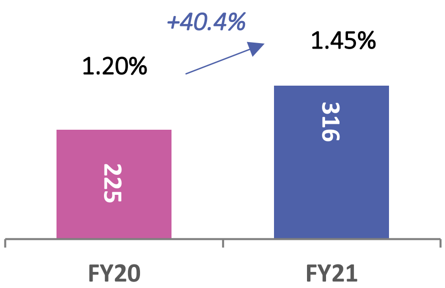
Depreciation & Amortization

Depreciation expense registered EGP 177.1 million in FY21, up by 35.1% from the EGP 131.1 million booked for FY20, driven largely by the adoption of IFRS 16 accounting standards during the period which impacted increased deprecation by around EGP 43.8 million. IFRS 16 requires lessees to recognize assets and liabilities for all high-value leases, with consequent effects for depreciation expense.

Interest Expense

Total interest expense booked EGP 284.8 million for FY21, up only by 11.5% year-on-year from the EGP 255.3 million recorded in FY20. Interest expenses as a percentage of sales enhanced to record 1.31% compared to 1.37% in FY20 driven by the decrease in interest rates during the period, as well a reduction in the outstanding balance of Ibnsina Pharma's medium-term loans. This decrease comes despite the adoption of IFRS 16 during 1Q21 and the consequent reclassification of certain lease-related expenses as interest expenses.

Net Profit Progression (EGP mn, % margin)

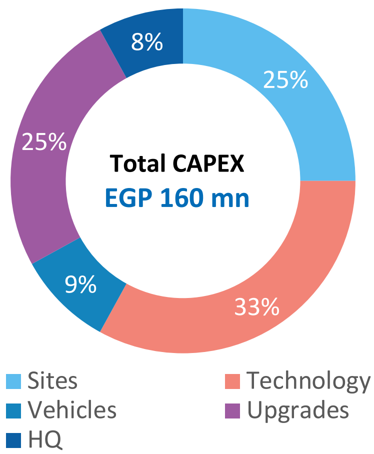


Net Profit

Net profit came in at EGP 315.6 million in FY21, up by 40.4% year-on-year from the EGP 224.7 million posted in FY20. The period saw Ibnsina Pharma's net profit margin enhancing to 1.45% in FY21 from 1.20% in FY20. Bottom-line growth came as revenues growth outpaced Ibnsina Pharma's OPEX growth as the company successfully leverages economies of scale to spread fixed operational and administrative costs over its wide revenue base. Net profit was further affected by the implementation of IFRS 16 accounting standards during the period. IFRS 16 mandates a new treatment of lease assets and liabilities, producing a net negative effect on the bottom line amounting to EGP 8.7 million in FY2021.

Key Balance Sheet Items

Core Business CAPEX Breakdown (FY2021)



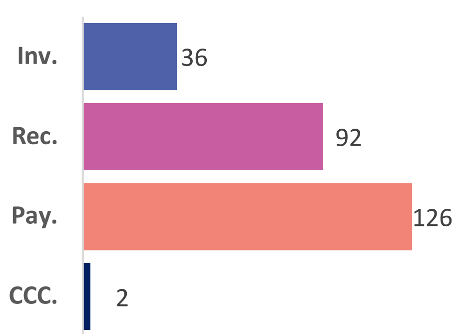
CAPEX

Ibnsina Pharma made CAPEX outlays in core business of EGP 160 million in FY2021, down from the EGP 194 million committed one year previously while below the historical average in 2018-2019 which was around EGP 300 million. Investments during the period included EGP 39.5 million on distribution centers, while EGP 40.6 million were allocated to upgrades. . Approximately EGP 14.2 million was invested in vehicles during FY2021. CAPEX related to the construction of Ibnsina Pharma's headquarters registered EGP 13.4 million during the period. The highest share of CAPEX outlays for the period were allocated to technology projects at EGP 52.3 million as Ibnsina Pharma continued to implement its pre-COVID plans for technology investment. In addition, Ibnsina Pharma invested EGP 120 million in AIM (ISP investment arm) as part of diversification strategy.

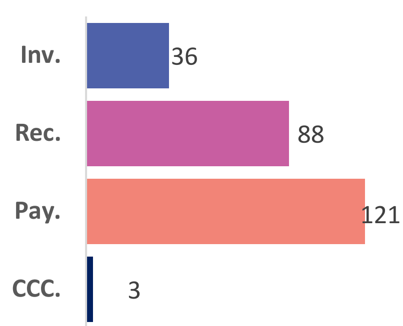
Working Capital

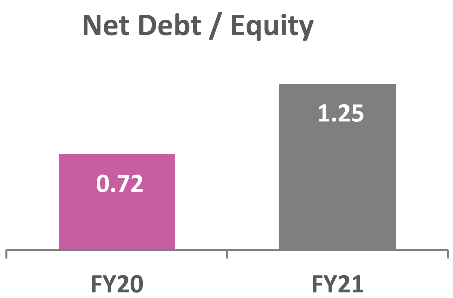
Ibnsina Pharma's cash conversion cycle recorded 3 days for FY2021 compared to 2 days one year previously. Receivable DOH registered 88 days in FY2021 against 92 days one year previously. Inventory DOH recorded 36 days in FY2021 maintaining the same level in FY2020. Payables DOH recorded 121 days in FY2021 against 126 days in FY2020.

Cash Conversion Cycle FY2020



Cash Conversion Cycle FY2021





Net Debt

Ibnsina Pharma recorded a net debt/equity ratio of 1.25 in FY2021, with the company booking a total net debt of EGP 1,815 million as of 31 December 2021.The implementation of IFRS16 increased the lease obligations with EGP 291 million. Approximately 22% of the company's net debt is composed of a medium-term loan allocated to fund Ibnsina's CAPEX efforts, while 16% is composed of obligations under a financial lease and the remainder is working capital financing extended in light of the growth in Ibnsina pharma's credit business.

Digital Transformation Strategy

Our strategies continue to prioritize digital transformation. Our aim is to enhance the control of cross-functional cooperation and deepen links between all stakeholders in the pharmaceutical supply chain, while boosting the cost-benefit payoff from running investments and providing a proper value analysis for each of the portfolio's pillars.

ISP Mobile Application

Ibnsina Pharma's clients can use the app to rapidly and safely place their orders with the company and review their accounts, enabling Ibnsina to monitor demand patterns around the clock.

Supplier Digital Platform

The suppliers' digital platform will be the official communication platform which links ibnsina pharma with suppliers in a two-way communication process. Suppliers are now able to acquire differentiated offerings, access reports, send requests in addition to other services that adds a new revenues stream to ibnsina Pharma. The supplier's digital platform will also enhance the forecasting accuracy of suppliers through providing dynamic intelligent digital reports & services that support the decision-making process.

Supplier Field Force

Suppliers' field force solution enables pharma manufacturer's teams to perform online ordering requests dedicated to specific through ibnsina pharma.

Transportation Management System

TMS is a system that will automate business operations for fast and more accurate delivery to customers. TMS will allow ibnsina pharma to track freights, reduce cost and receive valuable insights operations efficiency.

Fintech Solutions

Fin-Tech will enable ibnsina pharma's customers to have exclusive access to some financial services like credit cards devoted only to purchases from ibnsina Pharma. As well as POS & e-payment services aiming to decrease OPEX & optimize the cash collection cycle.

Pharmacy Management System

Pharmacist is an online pharmacy management system (PMS) developed by our subsidiary Digi360, an integrated system that enables pharmacies to manage single or multiple branch pharmacies and link points of sale, purchasing, accounting, warehouses, vendor accounts, and HR in one system that can run both online and offline, enabling pharmacy owners to monitor their pharmacies transactions anytime and from anywhere.

Optimization Initiatives

With the consecutive waves of corona virus, Optimization is a key pillar in Ibnsina Pharma strategy. The selection criteria for the cost optimization initiatives adopted is the value creation for the business not destroying it. Therefore, Ibnsina Pharma adopted the following initiatives:

Supply chain and inventory optimization

Ibnsina Pharma stared a new supply chain model pilot using regional distribution centers. The regional warehouse type will enhance service time to customers, optimize effective capacity and safety inventory, reduce supply chain overall cost through maximizing productivity and assets utilization. Also, it will enable ibnsina pharma to reduce annual CAPX plan from the previously 300-350 million where 4 traditional distribution centers were added each year. Using to this model, Ibnsina Pharma will continue to expand while reducing the initial cost of investment as the land and the warehouse structure are owned by a developer who will rent it to ibnsina pharma with a long-term contract, Ibnsina Pharma will only bear the cost of preparing the warehouse according to pharma standards.

OPEX optimization:

Ibnsina Pharma succeeded in controlling OPEX growth through a number of initiatives including freeze on new recruitment, putting cap on the annual increase, security manpower replacement with CCTV project, cleaning service outsourcing. With more customer's stickiness to online ordering and a new call center solution that gave the management more visibility on the call center agents productivity, Ibnsina Pharma was able to reduce the number of telesales by around 50 agents in FY2021. This trend is expected to continue in the future with the increasing adoption rate for ISP mobile application.

Green Initiatives

As part of the company's efforts to reach its objectives in terms of sustainability and reducing the carbon footprint of our operations, Ibnsina Pharma signed a contract to install the 1st solar panels at one of its sites. From using green energy to improving distribution processes, Ibnsina Pharma's different business units are exploring every avenue to reduce greenhouse gas (GHG) emissions with a responsible business model. In FY 2021, Ibnsina pharma switched from one time use plastic to permanent wrapping solution to reduce cost and plastic usage.

The company is also studying other initiates including switch the fleet to electric cars by replacing the traditional engine with electrical engine or switch to compressed natural gas (CNG).

MAJOR CORPORATE DEVELOPMENTS DURING THE YEAR

Ibnsina Pharma Launches “Ramp Logistics” to invest EGP 440 million in Third party Logistics Services

Ibnsina Pharma announced that “AIM” Ibnsina Pharma’s investment arm established a pure logistics service provider to cater for the growing demand for warehousing, transportation and other 3PL services outsourcing. Accordingly, the third-party logistics business will be spun off to “Ramp Logistics” which is 99% owned by “AIM”.

Ibnsina Pharma’s extensive experience allowed the company to manage the responsibility of warehousing and logistics services for pharma manufacturers in order to help them achieve their goals. Ibnsina Pharma made incredible progress during the past years in this healthy margin business and we receiving a lot of demand for it’s’ services. To leverage its expertise in logistics and supply chain management, Ibnsina Pharma investment arm “AIM” established a subsidiary called “Ramp Logistics “a pure logistics service provider to cater for the growing demand for warehousing and transportation outsourcing in different business sectors in Egypt while eying regional expansion.

Ibnsina Pharma turns to solar power for sustainable and affordable energy

Ibnsina Pharma announced signing a contract to install the 1st solar panels at one of its sites. The peak power of the installed solar panels will be 379.5 kWp, which will cover the electrical needs of the administrative offices and warehouse, and reduce nearly 281 metric tons of CO_2 equivalent annually.

This step represents one of many steps Ibnsina Pharma is taking to reach the company’s objectives in terms of sustainability and reducing the carbon footprint of operations. From using green energy to improving distribution processes, Ibnsina Pharma‘s different business units are exploring every avenue to reduce greenhouse gas (GHG) emissions with a responsible business model.

As part of our optimization plan, using solar panels is expected to save at least 45% with an increasing rate each year. The next step is studying to roll out more panels in eligible warehouses.

Income Statement

In EGP	2020	2021	YoY %
Gross Revenue	**19,224,978**	**22,414,112**	***16.59%***
Net Revenue	18,678,959	21,706,542	
Cost Of Revenue	(17,212,098)	(20,082,317)	
Gross Profit	**1,466,861**	**1,624,225**	***10.73%***
Gross Profit Margin	*7.85%*	*7.48%*	
Selling, General & Administrative	(822,588)	(823,764)	
Penalties on Returned Checks	51,852	84,811	
EBITDA	**696,125**	**885,272**	***27.1%***
EBITDA Margin	*3.69%*	*4.07%*	
Depreciation & Amortization	(131,121)	(177,095)	
EBIT	**565,004**	**708,177**	***25.31%***
EBIT Margin	*2.99%*	*3.24%*	
Financial Expenses	(255,317)	(284,816)	
Other Expenses	(24,654)	(1,541)	
Provisions	-	(51,433)	
Provisions Refund	-	45,134	
Other Income	7,308	10,760	
EBT	**292,341**	**426,281**	***45.82%***
EBT Margin	*1.57%*	*1.96%*	
Deferred Tax	2,320	(9,677)	
Income Tax	(69,878)	(100,949)	
Net Profit	**224,782**	**315,655**	***40.43%***
Net Profit Margin	*1.20%*	*1.45%*	

Balance Sheet

In EGP	FY2020	FY2021
Property & Equipment, net	952,716	938,950
Projects Under Construction	219,916	238,480
Intangible Assets	6,905	9,611
Leased Assets net	54,023	266,632
Long Term NR	113,840	63,916
Deferred Income Taxes	11,575	59,555
Investment In related Company - AIM	29,999	119,999
Total Long-term Assets	**1,388,975**	**1,697,145**
Inventories	2,100,870	2,358,841
Trade & Notes receivable, net	4,830,388	5,732,960
Supplier Advance	171,336	107,520
Debtors & Other Debit Balance, net	517,611	660,062
Due from Related Parties	372	-
Cash & Cash Equivalent	270,881	451,253
Assets Held for Sale		238,406
Total Current Assets	**7,891,458**	**9,549,042**
Total Assets	**9,280,433**	**11,246,187**
Paid-In Capital	240,000	240,000
Share Premium	277,500	277,500
General Reserve	3,079	3,079
Legal Reserve	50,072	61,311
Retained Earnings	794,371	558,161
Treasury stocks		(14,399)
Total Shareholders' Equity	**1,365,022**	**1,452,652**
Non-Current Portion of Medium-Term Loan	405,683	191,311
Non-Current Notes Payable		13,517
Non-Current Portion Of Obligation Under Finance Lease	26,271	220,342
Total Long-term Liabilities	**431,954**	**425,170**
Facilities	607,898	1,568,301
Current Portion of Medium-Term Loan	200,148	216,394
Trade and Notes Payable	6,408,194	7,060,042
Creditors & Other Credit Balances	101,892	252,081
Customers Advance Payments	5,158	8,133
Due for Related Company - AIM	29,879	2,567
Income Tax	34,765	59,396
Current Portion of Obligation Under Finance Lease	15,358	70,018
Contingency Provision	80,161	131,433
Total Current Liabilities	**7,483,5456**	**9,368,365**
Total liabilities	**7,915,410**	**9,793,535**
Total Liabilities & Shareholders' Equity	**9,280,433**	**11,246,187**

Cash Flow

In EGP	FY2020	FY2021
Cash flow from operating activities:		
Net profit before tax	292,340	426,281
Adjustments for:		
Depreciation & Amortization	131,121	177,095
Allowance for impairment of Current Assets	24,340	6,671
Capital gain (loss)	(1,939)	(6,350)
Credit/Debit interest	255,317	284,816
Operating profit before changes in working capital	**701,180**	**888,512**
Changes in working capital:		
Change in inventory	(410,225)	(257,970)
Change in trade receivables	(410,143)	(1,273,424)
Change in supplier advances	62,087	63,816
Change in debtors and other debt balances	(87,264)	(142,803)
Change in trade payables	751,199	665,365
Change in customer advance payments	(716)	2,974
Change in creditors and other credit balances	(4,708)	147,026
Change in other noncurrent liabilities	(13,220)	-
Change in Due to related parties	29,879	(27,312)
Cash flow from operating activities	**618,071**	**66,183**
Income tax paid	(85,854)	(76,319)
Finance cost paid	(250,343)	(282,177)
Used from Provisions	-	(161)
Net cash flow from operating activities	**281,873**	**(292,474)**
Cash flow from investment activities:		
Payments for purchase of fixed assets	(230,127)	(128,797)
Payments for purchase of intangible assets	(322)	(5,301)
(Decrease) Increase in related investment AIM	(30,000)	90000
Proceeds from sale of fixed assets	2,416	16,007
Net cash flow from investment activities	**(258,034)**	**(208,091)**
Cash flow from financing activities:		
Dividends paid	(82,023)	(14,586)
Treasury Stocks	-	(14,399)
Proceeds from borrowings	(106,654)	(198,126)
Overdraft facilities	330,988	960,403
Payment of lease liabilities	(13,732)	(52,354)
Net cash flow from financing activities	**128,579**	**680,936**
Net change in cash and cash equivalents during the period	152,418	180,371

Cash and cash equivalents at the beginning of the period	118,463	270,881
Cash and cash equivalents at the end of the period	**270,881**	**451,253**

About Ibnsina Pharma

Originally established in 2001, today Ibnsina Pharma is Egypt's fastest-growing and second largest pharmaceutical distribution company. The Company distributes a competitive portfolio of pharmaceutical products from over 350 Egyptian and multinational pharmaceutical companies to more than 46,000 customers including pharmacies, hospitals, retail outlets and wholesalers. Its fleet of around 750 vehicles.

Ibnsina Pharma's core services for suppliers include management of warehousing and logistics for pharmaceutical products as well as the development and execution of tailored marketing solutions targeting a nationwide database of customers. The Company also provides efficient and reliable order-taking and delivery services to customers and was the first in its industry to pioneer a telesales model. Operating across 62 sites in 23 cities nationwide, Ibnsina Pharma's team of more than 6,000 employees is dedicated to improving people's quality of life by ensuring their access to safe and high-quality pharmaceutical products.

For more information about Ibnsina Pharma, please visit: www.ibnsina-pharma.com.

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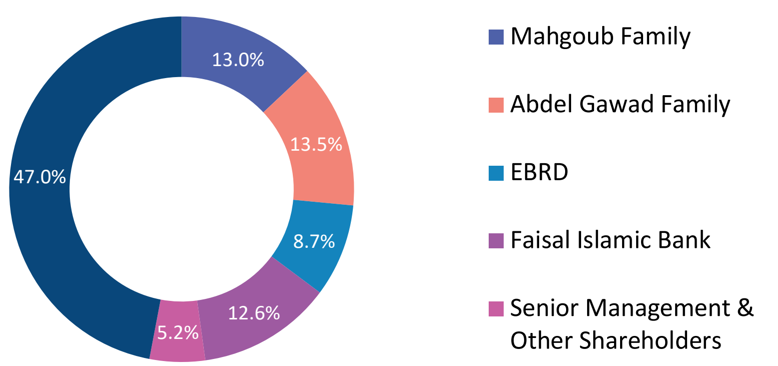
Shareholding Structure



Forward-Looking Statements

This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as “according to estimates”, “anticipates”, “assumes”, “believes”, “could”, “estimates”, “expects”, “intends”, “is of the opinion”, “may”, “plans”, “potential”, “predicts”, “projects”, “should”, “to the knowledge of”, “will”, “would” or, in each case their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding our business and management, our future growth or profitability and general economic and regulatory conditions and other matters affecting us.

Forward-looking statements reflect our management’s (“Management”) current views of future events, are based on Management’s assumptions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause our actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements. Our business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to become inaccurate. These risks include fluctuations prices, costs, ability to retain the services of certain key employees, ability to compete successfully, changes in political, social, legal or economic conditions in Egypt, worldwide economic trends, the impact of war and terrorist activity, inflation, interest rate and exchange rate fluctuations and Management’s ability to timely and accurately identify future risks to our business and manage the risks mentioned above.