

Ibnsina Pharma Announces Board Approval of Appraiser Reports for the Land, Building, and Machines of Shorouk Specialized Hospital

The Board Approves the Signing of an Agreement with an Investor to Replace the Company in the Hospital's Lease Financing Contracts for 670 million Egyptian pounds.

Cairo, Egypt – May 28, 2025 – Ibnsina Pharma, the leading pharmaceutical distribution company in Egypt, announces that the Board of Directors has approved the real estate appraiser and machinery appraiser reports for the land, building, and machines of Shorouk Specialized Hospital, as well as the auditor's report on these reports. According to the study, the valuation amounted to 611,618,600 Egyptian pounds.

The Board also approved signing an agreement with an investor to replace the company in its lease financing contracts and their appendices for the land, building, and machines of Shorouk Specialized Hospital for 670 million Egyptian pounds. This aligns with the Board's policy of offering non-strategic assets for sale and reducing the financing costs of the asset through interest and depreciation, which has positive effects on the company's profitability. As part of this agreement, the lease financing company has terminated the lease contract with Ibnsina Pharma.

As a result, the debts related to lease financing contracts recorded in Ibnsina Pharma's balance sheet will decrease by approximately 500 million Egyptian pounds following the exit from the lease contract and its removal as a liability from the company's books. Additionally, there will be a recorded decrease in annual expenses estimated at around 150 million Egyptian pounds in the income statement, starting from June 2025, reflecting the interests and depreciation related to the lease contracts. The capital gain resulting from this agreement is approximately 27 million Egyptian pounds (after deducting the value of the lease contract and some investments related to the asset).

Mohsen Mahgoub, Managing Director of Ibnsina Pharma, stated: "Successfully terminating the lease contract for the land, building, and machines of Shorouk Specialized Hospital reflects the soundness of our strategic decisions. Our acquisition of the land, building, and machines of Shorouk Hospital in 2022, as part of a debt settlement plan, was a crucial step to protect our shareholders' interests. Since then, the management team has worked to enhance the asset's value, and a lease financing contract was also made for the asset to facilitate the exit process, enabling us to complete this deal."

Omar Abdel Gawad, Co-CEO of Ibnsina Pharma, added: "This achievement marks a milestone for our company, as the exit from the asset generates proceeds that help us reduce debt levels and improve profitability by alleviating bank interest, depreciation, and some investments related to the asset. We are also currently working on selling our remaining non-strategic assets available for sale to strengthen our financial position."

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About Ibnsina Pharma

Originally established in 2001, today Ibnsina Pharma is the largest pharmaceutical distribution company in Egypt. The company distributes a competitive portfolio of pharmaceutical products from over 350 Egyptian and multinational pharmaceutical companies to more than 60 k customers including pharmacies, hospitals, retail outlets and wholesalers using a fleet of around 1000 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 nationwide, Ibnsina Pharma's team of more than 9,000 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