Khaled Elghannam & Eissa Refaei & Co.
Chartered accountants and consultants

A member of Nexia International

Ibn Sina Pharma Company

(S.A.E)

Standalone Financial Statements

For the nine-months financial period ended , 30 september 2023

Together With limited review report

Ibn Sina Pharma Company (S.A.E)

Periodic Standalone Financial Statements
For the financial period ended , 30 September 2023

Contents

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Translation of Auditor's Report
Originally Issued in Arabic

Limited Review Report on Periodic Standalone Financial Statements

To \ Members Board Directors of Ibn Sina Pharma Company (S.A.E.)

Introduction

We have audited the limited review of the attached periodic Standalone statement of financial position of **Ibn Sina Pharma "Egyption Joint Stock Company"** as of 30 September 2023 as well as the periodic standalone statements of profit & loss, comprehensive income, change in equity and related cash flows for the nine months ended on that date,and management is responsible for preparing these Periodic standalone financial statements and fair and clear presentation there of in accordance with Egyptian Accounting Standard No. (30) "Periodic Financial Statements", and our responsibility is limited to making a conclusion on the periodic standalone financial statements in view of our limited review of them.

Scope of limited review

We conducted our limited review in accordance with the Egyptian Standard for limited review Tasks No. (2410) "Limited review of the periodic standalone financial statements of an entity performed by its auditor" and the limited review of the periodic standalone financial statements includes making inquiries mainly from persons responsible for financial and accounting matters, and applying analytical procedures, and other limited review procedures, and the limited review is materially less in scope than an audit carried out in accordance with Egyptian auditing standards and therefore we cannot obtain confirmation that We will become aware of all material matters that may be discovered in an audit and therefore do not express an audit opinion on these periodic standalone financial statements.

Conclusion

In light of our limited review, nothing has come to our knowledge that makes us believe that the attached periodic standalone financial statements are not prepared in all their material aspects in accordance with Egyptian Accounting Standard No. (30) "Periodic Financial Statements".

Directing attention

While not considering this as a reservation to our conclusion, we draw attention to the following:

A. The Notice (6) to the attached standalone financial statements, where the company has an investment in subsidiaries and the company has prepared consolidated periodic financial statements as of 30 September 2023 in accordance with the Egyptian accounting standards and for a more comprehensive understanding of the company's financial position as of 30 September 2023 as well as its financial performance and cash flows for the nine months ended on that date, it is necessary to refer to the consolidated financial statements.

Cairo: 14, November 2023

Auditor

Eissa Refai

R. A. A. No (6166)

Financial Supervisory Authority Register No. (192)

Khaled Al-Ghannam, Eissa Refai & Co.

Khaled El-Ghannam & Eissa Refai & Co. K.E Accountants & Auditors

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Ibn Sina Pharma Company (S.A.E.)

Statement of Periodic separate Standalone Financial Position as of 30 September 2023

Translation of Auditor's Report Originally Issued in Arabic

	Note No.	30/9/2023 EGP	31/12/2022 EGP
Assets			
Non-current assets			
Fixed assets (net)	(3)	926,653,818	882,239,942
Projects under consrtuction	(4)	412,336,875	697,962,706
Intangible assets (net)	(5)	20,240,361	17,582,763
Right of use assets (net)	(15)	412,726,490	281,279,078
Investments in subsidiaries	(6)	119,999,920	119,999,920
Notes receivable – Long term	(8)	88,518,277	84,457,838
Deferred tax assets	(26)	94,510,864	79,477,884
Total non-current assets		**2,074,986,605**	**2,163,000,131**
Current Assets			
Inventory	(7)	4,364,112,448	2,611,889,678
Accounts and notes receivable (net)	(8)	9,147,131,917	5,733,164,393
Suppliers in-advance	(9)	173,129,480	141,491,434
Debtors and other debit balances (net)	(10)	773,844,159	539,456,524
Due from related parties	(19-a)	136,474,186	75,573,124
Cash on hand and at banks	(11)	718,789,535	536,222,514
Assets held for sale	(12)	1,015,680,350	792,272,436
Total Current Assets		**16,329,162,075**	**10,430,070,103**
Total Assets		**18,404,148,680**	**12,593,070,234**
Owner's Equity			
Issued and paid-up capital	(13-a)	256,827,152	279,041,877
Share premium (Special reserve)	(13-b)	234,998,540	277,500,000
Legal reserve		128,413,576	77,093,363
General reserve		3,079,334	3,079,334
Treasury Stock Reserve	(13-c)	(141,001,959)	(12,949,932)
Treasury stocks	(13-c)	(35,468,404)	(185,735,156)
Retained earnings		1,003,916,912	833,353,686
Total Owner's Equity		**1,450,765,151**	**1,271,383,172**
Liabilities			
Non-current liabilities			
Loans – Long term	(14)	474,412,191	640,919,318
Lease liabilities – Long term	(15)	380,484,461	263,107,739
Notes payable – Long term	(17)	488,000	--
Total non-current liabilities		**855,384,652**	**904,027,057**
Current liabilities			
Credit Facilities	(16)	3,270,260,977	2,289,930,326
Short term loans and current portion of long-term loans	(14)	495,177,337	479,174,878
Suppliers and notes payable	(17)	11,966,260,817	7,410,779,763
Creditors and other credit balances	(18)	188,837,315	117,979,202
Account receivable in advance		10,899,574	4,980,713
Due to related parties	(19-a)	136,592	--
Income taxes payable	(26)	68,572,885	25,654,025
Current portion of lease liabilities	(15)	95,996,434	86,985,383
Provisions		1,856,946	2,175,715
Total Current Liabilities		**16,097,998,877**	**10,417,660,005**
Total liabilities		**16 953 383 529**	**11,321,687,062**
Total Owner's Equity and Liabilities		**18,404,148,680**	**12,593,070,234**

- Limited Review Report Attached.

Chief Financial Officer — **Mo'men Gomaa**

Chief Executive Officer — **Omar Abdul Gawad**

Chairman — **Abd El , Aziz Ali Abd El , Aziz**

- Attached notes are from (1) to (31) an integral part of the periodic Standalone financial statemen

Ibn Sina Pharma Company (S.A.E)

Statement of Periodic separate Standalone Profit or Loss during Financial period Ended ,30 September 2023

Translation of Auditor's Report Originally Issued in Arabic

	Note No.	From 1/1/2023 To 30/9/2023 EGP	From 1/1/2022 To 30/9/2022 EGP	From 1/7/2023 To 30/9/2023 EGP	From 1/7/2022 To 30/9/2022 EGP
Net Sales	(20)	23,729,456,567	15,745,835,965	9,082,643,331	5,531,058,213
Deduct:					
Cost of sales	(21)	(21,855,588,749)	(14,559,694,268)	(8,405,218,374)	(5,102,215,283)
Total Profit		1,873,867,818	1,186,141,697	677,424,957	428,842,930
Deduct:					
Other revenues		4,450,909	2,605,228	1,974,932	–
Sales and marketing expenses	(22)	(580,530,065)	(475,453,147)	(211,111,687)	(167,932,317)
Administrative and general expenses	(22)	(343,912,591)	(302,511,910)	(117,176,958)	(96,828,958)
Expexted Credit Losses		(60,894,907)	(53,402,295)	(20,975,613)	(11,930,721)
Operating profit		892,981,164	357,379,573	330,135,631	152,150,934
Added /Deduct					
Financing income	(23)	66,392,877	105,734,326	30,130,544	28,567,924
Foreign currency revalution profit	(24)	32,739,558	9,697,052	(2,428,996)	1,433,081
Financing expenses	(25)	(732,376,286)	(319,893,392)	(289,813,426)	(138,355,287)
Net financing cost		(633,243,851)	(204,462,014)	(262,111,878)	(108,354,282)
Deduct:					
Other expensess		(3,217,372)	(2,250,942)	(1,180,655)	(232,463)
Net profit for the period before tax		256,519, 941	150,666,617	6,843,098	43,564,189
Deduct /added:					
Icome taxes	(26)	(68,572,885)	(47,257,781)	(20,074,481)	(14,317,594)
Deferred income tax	(26)	15,032,980	16,952,668	2,950,658	4,190,178
Net profit for the period after taxes		202,980,036	120,343,504	49,719,275	33,436,773
Earning per share from net profit for the period (Shares /EGP)	(27)	0.16	0.10	0.04	0.03

- Limited Review Report Attached.

Chief Financial Officer	Chief Executive Officer	Chairman
Mo'men Gomaa	Omar Abdul Gawad	Abd El , Aziz Ali Abd El , Aziz

- Attached notes are from (1) to (31) an integral part of the periodic standalone financial statements.

Ibn Sina Pharma Company (S.A.E)

Statement of Periodic separatr Standalone of other comprehensive income
during Financial period Ended ,30 September 2023

Translation of Auditor's Report
Originally Issued in Arabic

	From 1/1/2023 to 30/9/2023 EGP	From 1/1/2022 to 30/9/2022 EGP	From 1/7/2023 to 30/9/2023 EGP	From 1/7/2022 to 30/9/20222 EGP
Net profit for the period	202,980,036	120,343,504	49,719,275	33,436,773
Add/Discount:				
Other comprehensive income	--	--	--	--
Total Comprehensive Income	202,980,036	120,343,504	49,719,275	33,436,773

- Limited Review Report Attached.

Chief Financial Officer	Chief Executive Officer	Chairman
Mo'men Gomaa	Omar Abdul Gawad	Abd El , Aziz Ali Abd El , Aziz

- Attached notes are from (1) to (31) an integral part of the periodic standalone financial statements.

Ibnsina Pharma Company (S.A.E)

Statement of Periodic separate Standalone of change in equity during Financial period Ended, 30 September 2023

Translation of Auditor's Report
Originally Issued in Arabic

Statement	Issued and Paid-up Capital	Share Premium (Special reserve)	Legal Reserve	General Reserve	Treasury Stocks reserve	Treasury Stocks	Retained Earning	Total Equity
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance on January 1, 2023	**279,041,877**	**277,500,000**	**77,093,363**	**3,079,334**	**(12,949,932)**	**(185,735,156)**	**833,353,686**	**1,271,383,172**
Transferred to the legal reserve	--	(42,501,460)	51,320,213	--	--	--	(8,818,753)	--
Dividends	--	--	--	--	--	--	(23,598,057)	**(23,598,057)**
Write off treasury stocks	(22,214,725)	--	--	--	--	150,266,752	--	**128,052,027**
(losses) Write off treasury stocks	--	--	--	--	(128,052,027)	--	--	**(128,052,027)**
Net profit for the period	--	--	--	--	--	--	202,980,036	**202,980,036**
Balance as of 30 September 2023	**256,827,152**	**234,998,540**	**128,413,576**	**3,079,334**	**(141,001,959)**	**(35,468,404)**	**1,003,916,912**	**1,450,765,151**
Balance on January 1, 2022	**240,000,000**	**277,500,000**	**61,310,594**	**3,079,334**	--	**(14,399,111)**	**885,161,397**	**1,452,652,214**
Capital increase	40,000,000	--	--	--	--	--	(40,000,000)	--
Transferred to the legal reserve	--	--	15,782,769	--	--	--	(15,782,769)	--
Dividends	--	--	--	--	--	--	(140,400,000)	**(140,400,000)**
Adjustments on retained earnings	--	--	--	--	--	--	(32,000,000)	**(32,000,000)**
Sales of treasury stocks	--	--	--	--	--	728,390	--	**728,390**
Write off treasury stocks	(958,123)	--	--	--	(12,712597)	13,670,720	--	--
(losses) from sale of treasury stock	--	--	--	--	(237,335)	--	--	**(237,335)**
Payments for the purchase treasury stock	--	--	--	--	--	(150,266,752)	--	**(150,266,752)**
Net profit for the period	--	--	--	--	--	--	120,343,504	**120,343,504**
Balance as of 30 September 2022	**279,041,877**	**277,500,000**	**77,093,363**	**3,079,334**	**(12,949,932)**	**(150,266,752)**	**777,322,132**	**1,250,820,021**

- Limited Review Report Attached.

Chief Financial Officer	Chief Executive Officer	Chairman
Mo'men Gomaa	Omar Abdul Gawad	Abd El , Aziz Ali Abd El , Aziz

- Attached notes are from (1) to (31) an integral part of the periodic standalone financial statements.

Ibn Sina Pharma Company (S.A.E)

Statement of Periodic separate Standalone of cash flows during Period Ended ,30 September 2023

Translation of Auditor's Report Originally Issued in Arabic

	30 September 2023 EGP	30 September 2022 EGP
Cash flow from operating activities		
Net profit for the period before income taxes	**256,519,941**	**150,666,617**
Adjustments to reconcile net profit with cash flow from operating activities		
Depreciation of fixed assets	77,922,447	82,892,461
Amotrization of intangible assets	3,536,633	3,202,809
Depreciation of Right of use assets	48,270,669	48,481,910
Expected credit (losses)	60,894,907	53,402,295
Sale assets held for sale (Gain)	(1,230,027)	(305,968)
Capital (Gain)	(387,401)	(689,379)
Financing Expenses	732,376,286	319,893,392
Net operating profit before changes in working capital	**1,177,903,455**	**657,544,137**
Change in inventory	(1,752,222,770)	(176,723,455)
Change in accounts and notes receivable	(3,484,172,871)	330,762,202
Change in suppliers in-advance	(31,638,046)	(62,251,603)
Change in debtors and other debit balance	(260,041,663)	(76,946,433)
Change in due from related parties	(60,901,062)	(59,974,043)
Change in due to related parties	136,592	(2,566,981)
Change in suppliers and notes payable	4,555,969,054	(652,305,441)
Change in account receivable in-advanced	5,918,861	(3,163,615)
Change in creditors and other credit balances	70,198,470	(154,680,177)
Cash flows provided from (used in) operating activities	**221,150,020**	**(200,305,409)**
Used from Provisions	(318,769)	--
(Paid) from financing interest	(690,085,575)	(285,704,867)
Net cash flow (used in) operating activities	**(469,254,324)**	**(486,010,276)**
Cash flows from investment activities		
(Payments) to acquire fixed assets and projects under construction	(220,314,555)	(538,100,578)
(Payments) to acquire intangible assets	(38,415,137)	(15,986,565)
Proceeds from selling assets held for sale	47,032,477	41,400,000
Proceeds from selling fixed assets	1,190,319	761,288
(Payments) to acquire assets held for sale	--	(508,657,449)
Net cash flow (used in) investment activities	**(210,506,896)**	**(1,020,583,304)**
Cash flows from financing activities		
Dividends paid	(22,938,409)	(140,400,000)
(Payments) Proceeds from short and long-term loans	(192,795,379)	543,622,999
Proceeds from credit facilities	980,330,651	1,342,758,249
(Paid) for Lease liabilities	(51,139,288)	(69,287,314)
Increase in Lease liabilities	148,870,666	--
(payments) in treasury stock	--	(150,266,752)
Proceeds from selling treasury stock	--	491,055
Net cash flow from financing activities	**862,328,241**	**1,526,918,237**
Net change in cash and cash equivalents during the period	**182,567,021**	**20,324,657**
Cash and cash equivalents at the beginning of the year	**536,222,514**	**451,252,767**
Cash and cash equivalents at the end of the period	**718,789,535**	**471,577,424**

- Limited Review Report Attached.

Chief Financial Officer	Chief Executive Officer	Chairman
Mo'men Gomaa	Omar Abdul Gawad	Abd El , Aziz Ali Abd El , Aziz

- Attached notes are from (1) to (31) an integral part of the periodic standalone financial statements.

1- Company background

Ibn Sina Pharma Company (the "Company") was established in accordance with Law No. 159 of 1981 and its executive regulations, taking into account the provisions of Law No. 95 of 1992 and the executive regulations for the purpose of buying, selling wholesale and distributing all pharmaceutical and semi-pharmaceutical products manufactured locally or imported, buying, selling wholesale and distributing any other products and tools related to health and health care, exporting and importing all products, equipment and tools, manufacturing and packaging all products, equipment and tools related to health and medical care, owning, maintaining and supplying information and consultations.Which is related to the field of medicine, carrying out training and supplying the necessary materials for training in all fields and activities, obtaining economic income, carrying out commercial and scientific advertising for all aspects of the drug market, as well as all activities, obtaining commercial agencies from foreign and local companies specialized in the manufacture and distribution of pharmaceutical and semi-pharmaceutical products, equipment, tools and reagents related to health and medical care, storage of pharmaceutical and semi-pharmaceutical products, equipment, tools, reagents, advertising and marketing offers about Pharmaceutical, semi-pharmaceutical products and reagents by all means, collecting, manufacturing and packaging human, vital and veterinary medicines, cosmetics, nutritional supplements and disinfectants of all kinds, manufacturing with others for all the company's products, laboratory and hospital supplies, drug production supplies, practicing services related to all types of forms, owning pharmaceutical and semi-pharmaceutical items, publicizing the aforementioned products with the provisions, packaging and packaging of products, tools, equipment, pharmaceutical and semi-pharmaceutical reagents related to health and intensive care with the company's pledge By extracting all the necessary permits in this regard for practicing each activity and observing all laws and regulations in carrying out these activities, the date of the beginning of the activity of the company was considered on January 8, 2002 according to what was stated in the commercial register, and the name of the company was amended during 2007 from Ibn **Sina Laborex** to become **Ibn Sina Pharma** This company has added some activities.

On 5 March 2017, the Extraordinary General Assembly decided to amend the Company's purpose to become as follows:
Buying, selling wholesale, distribution, manufacturing, manufacturing with others, packaging, transporting, storing, importing, exporting, owning, carrying out commercial and scientific advertising and marketing offers for all human, biological, veterinary and semi-pharmaceutical products, chemicals, cosmetics, food, nutritional supplements, pesticides and disinfectants of all kinds, medical and prosthetic devices, laboratory and hospital supplies, equipment, tools and materials for laboratory reagents, packaging and advertising materials - whether locally manufactured or imported, in addition to the skilled products The aforementioned seals, as well as carrying out training, providing information, systems and consulting programs related to the aforementioned fields, rental and sale services for administrative and storage spaces, with the company's pledge to extract all the necessary permits in this regard for practicing each activity and taking into account all laws and regulations in carrying out these activities, and it was noted in the commercial register on September 12, 2017.

On 5 March 2019 the Extraordinary General Assembly decided to amend the purpose of the Company to become as follows:
Buying, selling wholesale, distribution, repair, manufacturing with others, packaging, transporting, storing, importing, exporting, owning and carrying out commercial and scientific advertising and marketing offers for all varicose products, human, biological, veterinary, semi-pharmaceutical preparations, chemicals, cosmetics, song, nutritional supplements, pesticides, disinfectants of all kinds, medical and prosthetic devices, laboratory and hospital supplies, equipment, tools and materials for laboratory reagents, packaging and advertising materials, whether locally manufactured or imported, in addition to foals products The aforementioned seals, as well as carrying out training and providing information and systems programs and consultations related to the aforementioned areas and services for renting and selling administrative and storage spaces and may have an interest or participate in any way with capital companies that engage in business similar to their business or that may help them to achieve their purpose in Egypt or abroad as they may merge into these companies or buy or attach them to them in accordance with the provisions of the law and its executive regulations, with a pledge The company to extract all the necessary permits in this regard for practicing each activity and observing all laws and regulations in carrying out these activities and was marked in the commercial register on June 19, 2019.

On 5 March 2022, the Extraordinary General Assembly decided to amend the Company's purpose to become as follows:
Buying, selling wholesale, distribution, manufacturing, manufacturing with others, packaging, packaging, transporting, storing, importing, exporting, owning and carrying out commercial and scientific advertising, marketing offers, public supplies and electronic trade for all pharmaceutical, human, biological, veterinary products, semi-pharmaceutical preparations, chemicals, cosmetics, food, nutritional supplements, slaves, disinfectants of all kinds, medical and compensatory devices, laboratory and hospital supplies, equipment, tools and materials Laboratory reagents, packaging and advertising materials, whether locally manufactured or imported, in addition to the foals of the aforementioned products with seals, as well as carrying out training, information supply, systems programs, consulting the region in the aforementioned fields, rental and sale of administrative and storage spaces, and it may have an interest or share any aspect of existence with companies that engage in business similar to their business or that may help them achieve their offer in Egypt or abroad, as they may merge into these companies or You buy it and entitle it to it, in accordance with the provisions of the law and itsexecutive regulations, with the company's pledge to extract all the necessary permits in this regard for practicing each activity and taking into account all laws and regulations in carrying out these activities, and it was noted in the commercial register on 21 April, 2022.

Approval of financial statements
The Company's periodic Standalone financial statements for the period ended 30 september 2023,on 14 November, 2023 have been approved in accordance with the resolution of the Board of Directors held on that date.

2- 1 Principles of preparing financial statements

Compliance with standards and laws

The Company's Standalone periodic financial statements have been prepared in accordance with Egyptian Accounting Standards and applicable laws and regulations.

Basis of measurement

The Company's periodic standalone financial statements have been prepared in accordance with the going concern assumption and the historical cost principle.

Currency of dealing and presentation

The periodic standalone financial statements have been prepared and presented in Egytian pounds, which is the company's currency of dealing.

2.2 Changes in accounting policies

The accounting policies applied in thisperiod are those applied in the previous year .

2.3 Summary of significant accounting policies

Revenue recognition

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customer in an amount that reflects the consideration that the company expects to receive for those goods or services, Revenue is not recognized In case of doubts regarding the recovery of the consideration due, revenue is measured at the fair value of the consideration received or due in net taking into account the contractual terms specified after deducting any trade discount, quantity discount, sales taxes or fees. The company recognizes the revenue as principal and not as an agent.

Sale of goods

The revenue generated by the sale of goods is recognized at a point in time which is when the company transfers control to the buyer and this usually occurs when the goods are delivered.

Logistics

Revenue resulting from the provision of warehousing logistics to customers is recognized over a period of time during the period of service provision to customers and revenue from transportation services is recognized to customers when the service is provided to them.

Financing income

Interest income is recognized on an accrual basis using the effective interest rate method The effective interest rate is the rate used to discount future cash payments expected to be repaid or collected during the expected life of the financial instrument or a shorter period of time if appropriate to fully equal the carrying amount of a financial asset or liability.

Contract Lease

Company as a tenant:

Contract Lease Commitment: On the date of the beginning of the lease contract, the company measures the lease commitment to the current value of the unpaid lease payments on that date using the interest rate implied in the lease if that rate can be easily determined and otherwise using the interest rate on the additional borrowing of the company and later the company increases the book amount of the obligation to reflect the interest on the lease obligation and the book amount is reduced to reflect the rental payments.

Wrigh of right of use asstes: The principal of the right of use assets right on the date of the beginning of the lease contract is measured by the amount of the initial measurement of the obligation of the lease in addition to the initial direct expenses, advance payments paid to the lessor, and the rental incentives received from the lessor (if any) are subtracted and the costs that the company will incur in dismantling and removing the asset and restoring the site where the asset is located to the original condition or restoring the asset itself to the required condition in accordance with the terms and conditions of the lease contract are added.

After the date of the beginning of the lease contract, the company shall measure the principal of the right of use at cost minus any depreciation pool and any impairment loss complex and adjusted by any re-measurement of the lease obligation.

The depreciation of the right of use asset shall be made from the date of the beginning of the lease contract until the end of the useful life of the asset if the lease transfer the ownership of the asset subject to the contract to the company at the end of the lease term or if the company will exercise the purchase option, otherwise the company shall depreciate the original right of use asset from the date of the beginning 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.

2.3 Summary of significant accounting policies - continued

Financial Instruments
A financial instrument is a contract that gives rise to a financial asset of an enterprise and a financial obligation or equity instrument of another entity.

A. Financial assets

Recognition and initial measurement

The classification of financial assets at initial recognition is based on the characteristics of the contractual cash flows of the financial asset and the company's business model for its management. Except for client balances and assets arising from contracts that do not contain a significant financing element. The company measures the financial asset initially at its fair value plus transaction costs, in the case of a non-valued financial asset at fair value through profits or losses.

Subsequent measurement
For the purposes of subsequent measurement, financial assets are classified into four categories:

- Financial assets at depreciated cost (debt instruments).
- Financial assets at fair value through other comprehensive income with the recycling of accumulated profits or losses (debt instruments).
- Financial assets classified at fair value through other comprehensive income with no recycled profits or losses accumulated upon disposal (equity instruments).
- Financial assets at fair value through profits or losses.

Financial assets at depreciated cost (debt instruments)
This category is most relevant to the company The company measures financial assets at depreciated cost if the following two conditions are met:

- A financial asset is held within a business model for the purpose of holding financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset lead on specific dates to cash flows which are only principal amount payments and interest on the outstanding principal amount.

Financial assets are subsequently measured at depreciated cost using the effective interest rate method and are subject to impairment. Profit and loss is recognized in the statement of profit or loss when an asset is excluded, adjusted or devalued.

The assets of the company valued at amortized cost include customers, other receivables and receivables.

Derecognition of financial assets
A financial asset (or part of a financial asset or part of a company with similar financial assets, when appropriate) is essentially excluded (i.e., excluded from the company's statement of financial position) when:

- Expiry of the right to receive cash flows from the asset.
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "transfer through" arrangement and either:
  A. The company has substantially transferred all the risks and benefits of the asset.
  B. The company did not transfer or hold significantly all the risks and benefits of the asset but transferred control of the asset.

2.3 Summary of significant accounting policies - continued

Financial Instruments - Continued

A. Financial Assets - Continued

Impairment of financial assets

The Company recognizes the provision for expected credit losses for all debt instruments not held at fair value through profit or loss. Projected credit losses are based on the difference between the contractual cash flows due under the contract and all cash flows expected by the company to receive, approximately deducted from the original effective interest rate Projected cash flows will include cash flows from the sale of retained collateral or other credit enhancements that are an integral part of the contractual terms.

For clients and assets arising from a contract, the Company applies the simplified approach to calculating expected credit losses. Therefore, the Company does not track changes in credit risk but instead recognizes a loss provision based on expected credit losses over a lifetime at the date of each report. The Company has created a provision matrix based on its historical experience in credit loss adjusted to customer forward-looking factors and the economic environment and would have been determined, after deduction or amortization, had the impairment loss not been recognized.

B. Financial obligations

Initial recognition and measurement

Upon initial recognition, financial obligations are classified, as financial obligations at fair value through profit or loss, loans and facilities, suppliers or as derivatives classified as hedging instruments in effective hedging, where appropriate.

All financial obligations are initially recognized at fair value, and in the case of loans, advances and creditbalances, costs directly related to the transaction are deducted.

The Company's financial obligations include suppliers and other credit balances,balances due to related parties, loans and facilities including bank overdrafts and other financial obligations.

Subsequent measurement

The measurement of financial liabilities is based on their classification as shown below:

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss include financial liabilities held for the purpose of trading or determined upon initial recognition of fair value through profit and loss.

Financial liabilities at amortized cost (loans and borrowings)

This is the category most relevant to the company. After the initial recognition, loans and advances are subsequently measured at amortized cost using the effective interest rate method. Profit and loss are recognized in the statement of profit or loss, when the recognition of obligations is cancelled through the effective interest rate amortization process. The amortized cost is calculated by taking into account any discount or premium upon acquisition and fees or costs that form an integral part of the effective interest rate. Effective interest rate amortization as financing costs is included in the profit statement or Losses This category generally applies to loans and facilities.

2.3 Summary of significant accounting policies - Continued

Financial Instruments - Continued

B. Financial Obligations - Continued

De-recognition of financial obligations

The recognition of financial obligations is revoked when the obligation under the obligation is exempted, canceled or expires. When an existing financial obligation is replaced by another from the same lender on vastly different terms, or the terms of an existing obligation are substantially modified, such exchange or adjustment is treated as an exclusion of the original obligation and recognition of a new obligation **The difference in relevant book values is recognized in the statement of profit or loss.**

Fixed assets

Fixed assets are shown at historical cost after deducting the accumulated depreciation and loss of impairment complex, and this cost includes the cost of replacing part of the fixed assets when that cost is realized and the conditions for recognition are met. Similarly, when comprehensive material improvements are made, their costs are recognized within the book value of fixed assets as a replacement if the recognition requirements are met and all other repair and maintenance costs are recognized in the statement of profit or loss when realized.

The depreciation of an asset begins when it is in the place and condition in which it becomes able to operate in the manner specified by management, and depreciation is calculated following the straight-line method according to the useful life of the asset as follows:

	Years
buildings	10-40
Machinery & Equipment	7-35
Vehicles	5
Computer	3-40
Furniture & Office Equipment	5

Fixed assets are excluded upon disposal or when no future economic benefits are expected from their future use or sale. Any profits or losses arising when the asset is excluded in the statement of profit or loss in the period in which the asset was discarded are recognized.

The residual values of assets, their useful lives and methods of depreciation are reviewed at the end of each fiscal year.

The company periodically determines at the date of each financial position whether there is an indication that a fixed asset has decayed when the carrying amount of the asset exceeds its redemption value, it is considered that there is impairment of the asset and therefore it is reduced to its redemption value and impairment losses are recognized in the statement of profits or losses.

Losses resulting from impairment are reimbursed only if there is a change in the assumptions used to determine the redemption value of the asset since the last impairment losses are recognized, and the refund of impairment losses is limited so that the carrying amount of the asset does not exceed its redemption value or exceed the book value that would have been determined (in net after depreciation) unless the losses resulting from impairment are recognized for the asset in previous years and the refund is recognized in the losses. resulting from the impairment of the value of the statement of profits or losses.

Projects under constructions

Projects under constructions are the amounts spent for the purpose of establishing or purchasing fixed assets until they are ready for use in operation, then they are transferred to fixed assets, and projects under constructions are valued at cost after deducting impairment (if any).

2.3 Summary of significant accounting policies - Continued

Intangible assets

Intangible assets acquired individually are initially recognized at cost.
After initial recognition, intangible assets are recognized at cost minus the depreciation pool and the impairment loss complex.
Intangible assets generated internally are not capitalized as an asset and expenses are recognized in the statement of profit or loss in the year in which the expenses were expended.
The shelf life of intangible assets is determined as age-specific or age-indefinite.
Intangible assets with useful lives determined on the economic life of the asset are depreciated,and an impairment measurement test is performed when there is an indication of the decay of the asset the depreciation and depreciation method of the intangible asset with a specific lifespan are reviewed at least at the end of each fiscal year.
Intangible assets are computer programs and licenses and are depreciated on a straight-line basis according to their lifespan.

Non-current assets held for the purpose of sale

Non-current assets or (groups being disposed of) are classified as assets held for the purpose of sale if their book value is expected to be recovered primarily from a sale transaction and the probability of selling them is high, and they are measured in net book value or fair value minus expected selling costs, whichever is lower, in accordance with Egyptian Accounting Standard No. (32).

Inventory

Inventory is valued at cost using the moving average or net selling value method, whichever is lower, and the net selling value is determined based on the expected price of the sale through the normal activity less the estimated cost of completion and the estimated cost required to complete the sale.
The decrease in the value of inventory to net selling value and all inventory losses are recognized within the cost of sales in the income statement in the period in which the decrease or loss occurred and the return of the decrease in inventory resulting from the increase in net selling value is recognized in the income statement as a reduction in the cost of sales in the period in which the response occurred.

Investments in subsidiaries

subsidiaries are companies controlled by the Group. The Group controls the investee company when it is exposed to - or is entitled to - variable returns through its contribution to the investee company and has the ability to influence those returns through its authority over the investee company The existence and impact of the currently exercising potential voting right or the right of transfer is taken into account when assessing whether the Group has control over another company.
Specifically, the Company controls the entity in which the investor is invested if and only if, the Company has:

- Authority over the investee enterprise (i.e. existing rights granted by the current ability to direct the relevant activities of the investee).
- Exposure to the variable returns resulting from the partnership in the investee entity, or its ownership of rights in these returns.
- The ability to use its authority over the investee company to influence the amount of returns therefrom.

In general, there is an assumption that owning a majority of voting rights leads to control to support this assumption and when a company has less than a majority of voting rights or similar rights of the entity invested, the company takes into account all relevant facts and circumstances in assessing whether it has authority over the investee entity, including:

2.3 Summary of significant accounting policies - Continued

Investments in subsidiaries companies - Continued

- Contractual arrangements with other voters of the investee company
-Right arising from other contractual arrangements
-Voting rights of the company and potential voting rights

The Company re-assesses whether or not the Company controls the entity invested, if facts and circumstances indicate changes in one or more of the three elements of authority.
Investments in subsidiaries are accounted for in the independent financial statements at cost, including the cost of acquisition, and in the event of a decline in the value of those investments, the book value is adjusted by the value of this impairment and is included in the list of profits or losses, for each investment separately.

Related Party Transactions:

The related parties are represented by the parent company and its subsidiaries, major shareholders,directors and senior management of the enterprise, and also represent companies controlled or subject to joint control or influence by those related parties, and the terms and pricing policies for transactions with related parties are approved by the Board of Directors in accordance with the procedures taken to approve those transactions.

Borrowing

Borrowing is initially recognized at the values received and the amounts due within a year are classified among the current obligations, unless the company has the right to postpone the repayment of the loan balance fo a period exceeding one year after the date of the financial position, the loan balance is displayed within the long-term liabilities.
Loans and interest-bearing borrowing are measured after initial recognition on the basis of amortized cost by the effective interest rate method. Gains and losses resulting from the disposal of liabilities as well as the depreciation process are included in the effective interest rate method in the profit or loss statement, the amortized cost is calculated taking into account any discount or premium when obtaining borrowing, fees or costs that are part of the effective interest rate and depreciation at the effective interest rate is included in the financing costs in the statement of profit or loss.

Borrowing cost

Borrowing costs directly related to the acquisition, creation or production of a qualifying asset that requires a long period of time to be prepared for use for the purposes specified for it or for its sale, are capitalized as part of the cost of the asset and other borrowing costs are charged as an expense in the period in which they are realized and borrowing costs are the interest and other costs spent by the company to borrow funds.

Income taxes

Income tax is calculated in accordance with the Egyptian tax law.

Current Income Taxes

Income tax assets and liabilities for the current and prior periods are recognized according to the amount expected to be recovered or reimbursed to the tax authority.

Deferred income taxes

Deferred income tax is recognized by following the liability method on temporary differences between the recognized value of the asset or liability for tax purposes (tax basis) and its value included in the financial position (accounting basis) using the applicable tax rate.

Deferred income tax is recognized as an asset when there is an expectation that this asset can be used to reduce future tax profits, and the asset is reduced by the value of the part from which it will not yield a future benefit.

2.3 Summary of significant accounting policies - Continued

Cash and cash equivalents

For the purpose of preparing the statement of cash flows, cash and cash equivalent include cash iN the fund, current accounts in banks and term deposits that mature within three months or less from the date of acquisition, as well as bank balances - overdrafts that are repaid on demand and which are an integral part of the company's money management system.

Suppliers, accrued expenses and other credit balances

Suppliers, accrued expenses and other credit balances are initially recognized at fair value including the direct cost of the transaction and are consequentially measured at amortized cost using the interest rate. Obligations are recognized with values that will be paid in the future for goods and services received whether or not the company receives invoices from suppliers.

Dividends

Dividends are recorded as liabilities in the financial period in which the announcement is made.

Employees' share of profits

The share of employees in profits is recognized as dividends in the statement of change in shareholders' equity and as an obligation during the financial period in which the shareholders of the company approved this distribution, the company pays 10% of the cash dividends as a share of employees in profits not exceeding the total annual wages of the company's employees No obligation is recognized for the share of employees in profits in respect of undistributed profits.

Provisions

Provisions are recognized when the company has a current legal or judgmental obligation as a result of a previous event, the provisions relate to an anticipated claim from certain third parties in relation to the company's activities.
This is expected to require an outflow of economic resources to settle the obligation, with the possibility of a reliable estimate of the amount of the obligation.
If the discount (present value) is used, the increase in the provision due to the passage of time is recognized in the statement of profit or loss within the financing costs.

Social insurance and end-of-service benefits

The company shall provide contributions to the Authority for the period of pensions and social security calculated as a percentage of the employees' salaries. The Company's obligations are limited to these contributions, which are charged to expenses when due.

Foreign Currency Translation

Foreign currency transactions are initially recorded using the exchange rate prevailing on the transaction date.
Assets and liabilities of a monetary nature are translated into foreign currency using the exchange rate prevailing at the date of the financial position, all differences are included in the statement of profit or loss.
Non-cash assets and liabilities are translated into foreign currency and are measured at historical cost using the exchange rates prevailing at the date of first recognition.
Non-cash assets and liabilities are translated in foreign currency and are measured at fair value using the prevailing exchange rates on the date on which the fair value was determined.

2.3 Summary of significant accounting policies - Continued

Potential liabilities and potential assets

Contingent liabilities are not recognized in the financial position Disclosed unless the potential outflow of sources embodied for economic benefit is excluded The potential asset is not recognized in the financial statements but is disclosed when the inflow of the economic benefit is foreseen.

Expenses

All expenses, including operating expenses, general and administrative expenses and other expenses, are recognized and included in the statement of profit or loss in the financial year in which such expenses were realized.

Customers, receivables and other debit balances

Customers, receivables and other debit balances are recognized at amortized cost less impairment losses, impairment losses are measured by the difference between the book value of customers and the present value of expected future cash flows, impairment losses are recognized in the statement of profits or losses, and impairment losses are refunded in the period in which they occurred.

Fair Value Measurement

Fair value represents the price that can be obtained from the sale of an asset or that can be paid for the transfer / transfer of an obligation in a structured transaction between market participants at the measurement date and fair value measurement is based on the assumption that the transaction for the sale of the asset or transfer of obligation will occur in the main market of the asset, liability, or market that will yield the greatest benefit (the most beneficial market) to the asset or obligation.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing an asset or obligation, assuming that market participants will act in their economic interests.

Fair value measurement of a non-financial asset takes into account the ability of a market participant to generate economic benefits by using the asset with the best use or by selling it to another market participant who would make the best use of the asset.
For assets traded in an active market, fair value is determined by reference to the declared market prices.
The fair value of interest items is estimated based on discounted cash flows using interest rates on similar items with the same terms and the same risk characteristics.
For assets that are not listed in an active market, fair value is determined by reference to the market value of a similar asset or based on expected discounted cash flows.
The company uses appropriate valuation methods under ambient circumstances for which sufficient data are available to measure fair value, thereby maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

2.3 Summary of significant accounting policies – Continued

Fair Value Measurement - Continued

All assets and liabilities whose fair value is measured or disclosed in the financial statements are classified within the fair value sequence at the lowest level, which is essential for measuring fair value as a whole, as follows:

- **Level I:** Measure the fair value using the (unadjusted) trading prices of exactly identical assets or liabilities in active markets.
- **Level II:** Measure the fair value using inputs other than the trading prices listed in the first level but observable to the asset or commitment directly (i.e. prices) or indirectly (i.e. derived from prices).
- **Level III:** Measure fair value using valuation methods that include inputs to the asset or liability that are not based on observable market data (observable data).

With respect to assets and liabilities recognized in the financial statements on a recurring basis, the entity determines whether transfers have occurred between the three levels of the fair value sequence from the revaluation of the rating as at the date of the financial statements.

- For the purposes of fair value disclosures, the Company has established asset and liability classes based on their nature, characteristics, associated risks and the level at which they are classified in the fair value sequence as described above.

Statement of cash flows

The cash flow statement is prepared using the non-direct method.

2.4 Significant accounting judgments and estimates

The preparation of these financial statements requires management to make judgments and estimates that affect the values of revenues, expenses, assets and liabilities included in the financial statements and the accompanying disclosures, as well as the disclosure of potential liabilities at the date of the financial statements.

Estimates and associated assumptions are reviewed on an ongoing basis and adjustments to accounting estimates are recognized in the period during which the estimates are reviewed.

2.4 Significant accounting judgments and estimates – Continued

The following are the main judgments and estimates that materially affect the Company's financial statements:

Judgments

Revenue recognition

Inmaking its judgment, management shall take into account the detailed requirements for revenue recognition as set out in Egyptian Accounting Standard No. (48) Revenue from Contracts with Customers, particularly with regard to whether the Company has transferred to the Buyer contro l associated with the ownership of the commodity.

Estimates

Expected credit losses on value of accounts and notes receivable and other debit balances

The amount collectible from customers, receivables and other debit balances is estimated when the full amount is no longer expected. For material amounts individually, the estimate is made on an individual basis and amounts that are not considered materially individually, but have exceeded their due date, are assessed in aggregate and provided for according to the period of time that has elapsed since their maturity based on the expected credit losses.

Estimation of the net selling value of inventory

Inventory is measured by cost or net selling value, whichever is lower.
The net selling value of inventory is determined by reference to market conditions and prices at the date of the financial statements and determined by the Company based on similar transactions minus the estimated cost of completing the sale.

Useful life of fixed assets and right of use assets

The company's management determines the estimated useful life of fixed assets and usufruct assets for the purpose of calculating depreciation. This estimate would be determined following consideration of the expected useful life of the asset or physical depreciation of assets, and management periodically reviews the estimated useful life and depreciation method in order to ensure that the method and duration of depreciation are consistent with the expected pattern of economic benefits arising from such assets.

Taxes

The Company is subject to income tax levied in Egypt and important provisions are imperative in order to determine the total provisions for current taxes and deferred taxes and the Company has made the provisions, based on reasonable estimates, taking into account the potential consequences of inspections conducted by the tax authorities in Egypt. The amount of this provision is based on several factors, including experience with previous tax reviews and different interpretations of tax regulations by the company and the tax authority, and such differences in interpretation may arise in several subjects according to the conditions prevailing in Egypt at the time.

Deferred tax assets are recognized when they are likely to be offset by taxable profits that these tax assets can be used to cover and substantial management provisions must determine the amount of deferred tax assets that can be recognized, based on the likely timing and level of future taxable profits as well as future tax planning strategies.

2.4 Significant accounting judgments and estimates Continued

Impairment of non-financial assets

The Company assesses whether there are indications of impairment of non-financial assets in each financial statement period and non-financial assets are tested to assess impairment when there are indications that the book value may not be recoverable and when calculating the use value, management estimates the expected future cash flows from the asset or from the cash-generating unit and selects the appropriate discount rate in order to calculate the present value of those cash flows.

Measuring fair values

The fair value of financial instruments is determined on the basis of the market value of the financial instrument or similar financial instruments at the date of the financial statements without deducting any estimated future selling costs. The values of financial assets are determined at the current purchase prices of those assets in an active market, while the value of financial obligations is determined at the current prices at which those liabilities can be settled.

In the absence of an active market to determine the fair value of financial instruments, the fair value is estimated using various valuation methods taking into account the prices of recent transactions, guided by the present fair value of other substantially similar instruments – discounted cash flow method – or any other method of valuation that results in reliable values.

When discounted cash flows are used as a valuation method, future cash flows ar estimated on the basis of the best management estimates and the discount rate used is determined in light of the prevailing market price at the date of the financial statements of financial instruments that are similar in nature and conditions.

3- Fixed assets (net)

The balance of fixed assets (net) as of 30 September 2023 amounting to EGP 926,653,818 as follows:

Statement	Cost as of 1/1/2023	disposals during The period	Additions during The period	transfered from projects under constructions during The period	Cost as of 30/9/2023	Accumlated Depreciation as of 1/1/2023	Accumlated Depreciations of disposels during the period	Depreciation During the period	Accumlated depreciations as of 30/9/2023	Net book value as of 30/9/2023	Net book value as of 31/12/2022
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Lands	93,753,808	--	--	--	93,753,808	--	--	--	--	93,753,808	93,753,808
Buildings	716,207,476	142,788	2,390,682	33,461,405	751,916,775	278,127,571	119,680	30,462,802	308,470,693	443,446,082	438,079,905
equipment	445,680,694	303,153	7,284,593	50,782,717	503,444,851	164,924,559	303,153	26,811,288	191,432,694	312,012,157	280,756,135
vehicles	48,217,872	1,350,000	2,303,766	4,113,000	53,284,638	24,812,774	854,361	7,574,808	31,533,221	21,751,417	23,405,098
Computer hardware and software	103,817,449	802,577	22,402,268	--	125,417,140	66,405,343	518,406	11,289,636	77,176,573	48,240,567	37,412,106
Furniture and fixtures	26,941,083	5,124	132,477	268,333	27,336,769	18,108,193	5,124	1,783,913	19,886,982	7,449,787	8,832,890
	1,434,618,382	**2,603,642**	**34,513,786**	**88,,625,455**	**1,555,153,981**	**552,378,441**	**1,800,724**	**77,922,447**	**628,500,163**	**926,653,818**	**882,239,942**

* The balance of fixed assets (net) as at 31 December 2022 (comparative year) of 882,239,942 EGP is as follows:

Statement	Cost as of 1/1/2022	disposals during The yeaar	Transferred from projects under constructions during The year	Additions during The year	Cost as of 31/12/2022	Accumlated Depreciation as of 1/1/2022	Accumlated of depreciations of disposels during the year	Depreciation During the year	Accumlated depreciations as of 31/12/2022	Net book value as of 31/12/2022	Net book value as of 31/12/2021
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Lands	93,753,808	--	--	--	93,753,808	--	--	--	--	93,753,808	93,753,808
Buildings	691,927,520	57,702	22,441,243	1,896,415	716,207,476	232,243,468	50,441	45,934,544	278,127,571	438,079,905	459,684,052
Equipment	430,599,989	1,117,183	8,587,315	7,610,573	445,680,694	130,408,793	788,987	35,304,753	164,924,559	280,756,135	300,191,196
Vehicles	42,500,937	2,681,521	3,293,882	5,104,574	48,217,872	18,628,789	1,917,728	8,101,713	24,812,774	23,405,098	23,872,148
Computer hardware and software	101,662,538	640,888	166,500	2,629,299	103,817,449	49,511,524	502,228	17,396,047	66,405,343	37,412,106	52,151,014
Furniture and fixtures	24,621,279	13,199	2,215,430	117,573	26,941,083	15,322,848	13,199	2,798,544	18,108,193	8,832,890	9,298,431
	1,385,066,071	**4,510,493**	**36,704,370**	**17,358,434**	**1,434,618,382**	**446,115,422**	**3,272,582**	**109,535,601**	**552,378,441**	**882,239,942**	**938,950,649**

4- Projects under constructions

- The additions of projects under constructions during the period ending,30 September, 2023 amounted to 220,314,555 EGP, which included the value of buildings in the amount of 92,804,448 EGP, and included payments under the computer programs account in the amount of 36,872,292 EGP and the completion of the necessary equipment and improvements for the company's branches in the amount of 90,637,815 EGP, including capitalized interests.
- the complete assets ready for use and converted into fixed and intangible assets total amount of 90,918,335 EGP.
- The value of some assets amounting to EGP 415,022,051 has been converted to assets held for sale in accordance with the Board of Directors No. (140) held on 22,May 2023.

The balance of the projects under constructions as follows:

	30 September2023 EGP	31 Dec 2022 EGP
Computer hardware and software	198,748,290	161,928,562
Building and lands	125,965,394	446,167,675
Furniture, equipment and Vehicle	87,623,191	69,866,469
	412,336,875	**697,962,706**

5- Intangible assets (net)

Intangible assets (net) are computer programs as follows:

	30 September2023 EGP	31 Dec 2022 EGP
Cost		
Balance on January 1, 2023	**29,676,757**	**17,193,044**
Disposals during period/year	(26,077)	--
Trasnfered from projects under constructions	2,292,880	9,384,305
Additions during the period/year	3,927,428	3,099,408
Balance as of 30 september 2023	**35,870,988**	**29,676,757**
Accumlated Amortization		
Balance on January 1 , 2023	**12,093,994**	**7,582,503**
Amortization f the period /year	3,536,633	4,511,491
Balance as of 30 september 2023	**15,630,627**	**12,093,994**
Net book value as of 30 september 2023	**20,240,361**	**17,582,763**

6- Investment in a subsidiary

	Number of Stock	Contribution Percentage	Nominal value per share EGP	Cost as of 30 September 2023 EGP	Cost as of 31 Dec 2022 EGP
AIM Healthcare Investment & Consulting Company (S.A.E)	299,999,980	%99,99	1	119,999,920	119,999,920
				119,999,920	119,999,920

- **Capital Commitments in 30 September 2023 From investing in a company AIM Healthcare Investment & Consulting (S.A.E) in the unpaid value by 60% amount to 180,000,060 Egyptian pound (for an amount of 180,000,060 EGP on 31 Dec 2022).**

7- Inventory

	30 September2023 EGP	31 Dec 2022 EGP
Goods for sale	3,554,806,884	2,151,529,672
Goods in transit	525,606,732	314,172,598
Returns	252,721,345	131,518,202
Spare Parts	30,977,487	14,669,206
	4,364,112,448	**2,611,889,678**

The increase in inventory is due to the increase in the volume of purchases and the increase in purchase prices, in addition to the expansion of the company's activity and the growth of the market during the period, and there is no impairment in the value of inventory for the period ending on septermber 30, 2023 and the year ending on December 31, 2022

8- Accounts and notes receivables (net)

	30 September2023 EGP	31 Dec 2022 EGP
Accounts receivable	7,659,790,468	3,913,325,271
Notes receivable	1,963,716,990	2,231,259,317
	9,623,507,458	**6,144,584,588**
Deduct:		
Expected credit losses on customer balances and receivables*	(387,857,264)	(326,962,357)
	9,235,650,194	**5,817,622,231**

-The reason for the increase in the balance of customers and receivables is due to the increase in sales of the current period compared to the sales of the same period in the previous year, with an improvement in the average collection period from customers.

*The company consolidated the expected credit losses in the value of accounts and notes receivables by EGP 60,894,907 during the period ending 30 september 2023.

Accounts and notes receivable are classified in the statement of financial position as follows:

	30 September2023 EGP	31 Dec 2022 EGP
Accounts and notes receivable less than 12 months	9,147,131,917	5,733,164,393
Notes receivable more than 12 months	88,518,277	84,457,838
	9,235,650,194	**5,817,622,231**

9- Suppliers In adavance

The balance of suppliers in advance on 30 September 2023 amounted to 173,129,480 EGP compared to 141,491,434 EGP as of 31 December 2022 The increase in advance payments to suppliers is due to the conclusion of new contracts with suppliers that require prepayment to the supplier in addition to increasing the volume of purchases.

10- Debitor and other debit balances (net)

	30 September2023 EGP	31 Dec 2022 EGP
Suppliers under Adjustment*	424,921,208	250,592,195
Prepaid expenses	38,681,721	35,564,560
Advance payments to Tax Authority	40,379,658	41,927,059
Insurance for third parties	19,255,577	18,277,010
Tax Authority- Withholding tax	89,086,720	47,997,654
Imprest of employees	16,483,862	12,611,363
Contract Assets – Expected Sales Returns	10,621,667	15,318,771
Tax Authority- value added tax	--	377,397
Other debit balances**	142,287,759	124,664,528
	781,718,172	**547,330,537**
Deduct:		
Expected credit (losses) on the value of debitors and other debit balances	(7,874,013)	(7,874,013)
	773,844,159	**539,456,524**

*the balance of suppliers under adjustment is the value of suppliers' compensation for sales price differences, discounts and free units, and the increase in the balance is due to the increase in sales during the period.
** Other debit balances include payments to complete El-Shrouq Hospital.

11- Cash on hand and at banks

	30 September2023 EGP	31 Dec 2022 EGP
Current Accounts Banks – Egyptian Pound	562,354,922	349,842,083
Current Accounts Banks – Foreign Currencies	128,507,287	151,323,110
Letters of guarantee cover	27,525,246	34,069,589
Cash on hand	402,080	987,732
	718,789,535	**536,222,514**

12- Assets held for sale

- The additions of assets held for the purpose of sale during the period ending on 30 september 2023 amounted to 420,272,051 EGP, represented in the amount of 415,022,051 EGP, the value of some assets transferred from projects under constructions according to the Board of Directors No. (140) held on 22 May, 2023, in addition to the amount of 5,250,000 EGP, the value of the assets that The company is owned by customers to meet the value of some of the debts of those customers.
- Some buildings were sold during the period for 45,802,450 EGP.
- Part of the building was converted to wrigh of use assets for 151,061,687 EGP, under "sale and lease-back" Contract.

13-Capital, Share premium (Specail reserve), Treasury stocks reserve and Treasury stocks

A. Capital

- The company's authorized capital was set at 50 million Egyptian pounds (fifty million Egyptian pounds only) and the company's issued and paid up capital was set at 35 million Egyptian pounds (thirty-five million Egyptian pounds only) distributed over 350.000 shares with a value of 100 Egyptian pounds each share (one hundred pounds only), all of which are cash shares.
- On 26 August 2005, the Extraordinary General Assembly of the Company decided to increase the issued and fully paid up capital to 50 million Egyptian pounds (fifty million Egyptian pounds only) distributed over 500.000 shares of 100 Egyptian pounds each share (one hundred pounds only), all cash shares.

13- Capital, Share premium (Specail reserve),Treasury stocks reserve and Treasury stocks- Continued

A. Capital – Continued:

- On 10 December 2006, an extraordinary general assembly was held, according to which the decision was taken to purchase the shares of the French side, whose nominal value represents 34,193,900 Egyptian pounds (thirty-four million one hundred ninety-three thousand nine hundred Egyptian pounds only) with a percentage of 68.38% of the total contribution by the old shareholders by 93.5% and employees by 6.5%, and the registration was completed by the end of 2007.
- On 17 September, 2008, the Extraordinary General Assembly was held, according to which it was agreed to amend Article (6) of the Company's Articles of Association by reducing the carry-over losses by 30 million Egyptian pounds (thirty million Egyptian pounds only) of the company's issued and paid up capital of 50 million Egyptian pounds (fifty million Egyptian pounds only) before the amendment, thus bringing the company's authorized capital to 50 million Egyptian pounds (fifty million Egyptian pounds only). The company's issued capital after the amendment becomes the amount of 20 million Egyptian pounds (twenty million Egyptian pounds only) distributed over 200,000 shares (two hundred thousand shares) the value of each share is 100 Egyptian pounds (one hundred Egyptian pounds only) all cash shares.
- On 27 May 2015, the Extraordinary General Assembly of the Company was held, according to which it was agreed to amend Article (6) of the Company's Bylaws by reducing the Company's authorized capital to 24 million Egyptian pounds (twenty-four Egyptian pounds only) instead of 50 million Egyptian pounds (fifty million Egyptian pounds only) and to become the company's issued and fully paid up capital after the amendment 24 million Egyptian pounds (twenty-four Egyptian pounds only) instead of The amount of 20 million Egyptian pounds (twenty million Egyptian pounds only) distributed over 240.000 shares (two hundred and forty thousand shares) the value of each share is 100 Egyptian pounds (one hundred Egyptian pounds only) all cash shares and was marked in the commercial register on 29 June 2015.
- On 5 March 2017 the Extraordinary General Assembly decided to increase the company's authorized capital by EGP 144 million to become EGP 168 million, as well as to increase the company's issued capital by EGP 144 million to become EGP 168 million, as financing from the general reserve balance on 31 December 2016, provided that (6) bonus shares of the company's increase shares will be allocated against 1 of the original shares of the company owned by the shareholders at the time of the convening The assembly and split the nominal value of the share from 100 Egyptian pounds to 1 Egyptian pounds, bringing the total number of shares of the company after the increase and split of the nominal value of the share to 168 million shares paid in full Registered in the Commercial Register on 12 September 2017.
- On 7 September 2017, the Extraordinary General Assembly decided to approve the split of the company's capital shares by amending the nominal value of the share from (1) Egyptian pounds to (0.25) Egyptian pounds, so that the company's issued capital of 168 million Egyptian pounds distributed over 672 million shares with a nominal value of (0.25) Egyptian pounds per share, was marked in the commercial register on 28 September 2017.
- On 17 January 2018, the Board of Directors of Ibnsina Pharma approved the increase of the issued capital from EGP 168 million to EGP 180.50 million, by subscribing to the old shareholders selling their shares in the public or private offering, where the capital was increased by issuing 50 million shares to be subscribed to at the final price of the offering of EGP 5.80, and accordingly, the issued and paid up capital of the company was increased by EGP 12.50 million to become the issued capital. The amount of EGP 180.50 million was paid, according to a bank deposit certificate for the capital increase from Arab African International Bank on 13 February 2018, and the value of the issuance premium for the increase shares amounted to EGP 277.50 million, which was noted in the company's commercial register on 22 March 2018.

13- Capital, Share premium (Specail reserve),Treasury stocks reserve and Treasury stocks- Continued

A- Capital – Continued:

- On May 19, 2022, the company's board of directors decided that the company will execute 3,823,492 treasury shares, bringing the number of shares issued on June 30, 2022 to 1,116,167,508 shares, in accordance with the provisions of Law 159 of 1981, where the company kept those shares for a year, which resulted in the execution process reducing the capital at the nominal value of those shares with a total amount of 958,123 EGP, and the necessary measures are being taken to register in the commercial register.
- On June 30, 2023, the company executed 14,100,000 shares of the treasury name, bringing the number of shares issued on June 30, 2023 to 1,102,067,508 shares, in accordance with the provisions of Law 159 of 1981, where the company kept those shares for a year, which resulted in the execution process reducing the capital at the nominal value of those shares with a total amount of 3,525,000 EGP, and the necessary procedures are being taken to register in the commercial register.
- On September 30, 2023, the company executed 74,758,900 shares from the name of the treasury, bringing the number of shares issued on September 30, 2023 to 1,027,308,608 shares, in accordance with the provisions of Law 159 of 1981, where the company kept those shares for a year, which resulted in the execution process reducing the capital at the nominal value of those shares with a total amount of 18,689,725 EGP, and the necessary measures are being taken to approve the general assembly and register notation.

B- Share premium (Specail reserve)

- On 20 April 2019, the Extraordinary General Assembly decided to increase the Company's issued capital from EGP 180.5 million to EGP 205 million, an increase of EGP 24.5 million by issuing 98 million bonus shares financed from the company's distributable net profits for the financial year ended 31 December 2018 by 0,1357340720 bonus shares each One original share of the company's issued capital before the increase of 722 million shares with Gabr Fractions in favor of small shareholders from smallest to largest until the quantity runs out, so that the company's issued capital after the increase is 205 million Egyptian pounds distributed over 820 million shares, the value of the share is 25, piasters. It was noted in the commercial register on 19 June, 2019, and it was decided to distribute the bonus shares as of 15 July 2019, taking into account the reparation of fractions in favor of small shareholders from smallest to largest until the quantity runs out, through Misr for Central Clearing, Depository and Registry, after the issuance of the Listing Committee's decision to approve the increase.
- On 31 March 2020, the AGM decided to increase the Company's issued capital to EGP 240 million, an increase of EGP 35 million, by issuing 140 million bonus shares financed from the company's distributable net profits for the fiscal year ended 31 December, 2019 at a rate of 0,170731707 bonus shares each. An original share of the company's issued capital shares before the increase of 820 million shares with reparation of fractions in favor of small shareholders from The smallest to the largest until the quantity runs out, so that the company's issued capital after the increase becomes 240 million Egyptian pounds distributed over 960 million shares, the value of the share is 25 piasters. It was marked in the commercial register on 30 August 2020, and it was decided to distribute the bonus shares as of 1 October 2020, after the issuance of the registration committee's decision to approve the increase.
- On 11 April 2022 the Extraordinary General Assembly decided to increase the issued capital of the company to 280 million Egyptian pounds with an increase of 40 million Egyptian pounds by issuing 160 million bonus shares financed from the company's distributable net profits for the fiscal year ending on 31 December 2020 distributed over 1.120 million cash shares and the nominal value of the share is 25 Egyptian piasters, and it was marked in the commercial register on 21 April 2022, It was also decided to distribute the bonus shares as of 1 May 2022, after the issuance of the decision of the Listing Committee to approve the increase.

- **13- Capital, Share premium (Specail reserve), Treasury stocks reserve and Treasury stocks - Continued**
  - **B- Share premium (Specail reserve) – Continued:**
    - The company's management transferred an amount of 42,501,460 EGP from a share premium item (special reserve) to the legal reserve to reach half of the issued capital, provided that the remaining balance is kept within a special reserve item, provided that this does not include distributing it as a profit ,in accordance with Article (94) of the Executive Bylaws of the Joint Stock Companies Law promulgated by Law No. 159 of 1981.

C-Treasury stocks and Treasury stocks reserve

	Number of stocks	Average stocks price	30 September 2023 EGP
Shares held for more than 270 days	19,308,608	1.8369	35,468,404
Total on 30 September 2023	**19,308,608**	**1.8369**	**35,468,404**

- On March 21, 2021, the company's board of directors decided that the company will purchase treasury shares with a maximum of 9,600,000 shares at a rate of 1% of the company's capital to support the share price on the stock exchange and enhance investors' confidence and expectations regarding the company's future performance, provided that the sale is carried out at the market price through the open market. The company notified the EGX on 24 March 2021 of its desire to purchase part of its shares on the issued form during the period from 24 March 2021 to 21 June 2021, in accordance with the listing rules and executive procedures and their amendments, and the company purchased 4 million shares until the end of the specified period for the purchase of shares on 21 June 2021.
- On 24 March 2021 of its desire to purchase part of its shares on the issued form during the period from 24 March 2021 to 21 June 2021, in accordance with the listing rules and executive procedures and their amendments, and the company purchased 4 million shares until the end of the specified period for the purchase of shares on 21 June 2021.
- On 27 March 2022, the company's board of directors decided to approve the start of selling the previously purchased 4 million treasury shares at market prices to comply with the listing rules issued by the decision of the Board of Directors of the Financial Regulatory Authority not to hold treasury shares for more than one year.
- On 28 March 2022, 47,508 shares were sold at a price of 2.8763 EGP and the total sale value reached 136,648 EGP, which resulted in losses of 83,213 EGP and according to Egyptian Accounting Standard No. (25), these losses in equity were classified.
- On 3 April 2022, 120,000 shares were sold at a price of 2,868 EGP per share and the total sale value reached 355,800 EGP, which resulted in losses of 154,122 EGP, and according to Egyptian Accounting Standard No. (25), these losses in equity were classified.
- On 19 May 2022, the company's board of directors decided to approve the execution of 3,832,492 shares of the remaining treasury shares that have not been sold, due to the expiration of the legal deadline for holding them, in accordance with the provisions of Law 159 of 1981, which resulted inlosses of 12,712,597 EGP According to Egyptian Accounting Standard No. (25), these losses in equity have been classified.
- On June 1, 2022, the company's board of directors decided that the company will purchase treasury shares with a maximum of 10% of the company's capital to support the share price on the stock exchange and enhance investors' confidence and expectations regarding the company's future performance, provided that the purchase is made at the market price through the open market. The company notified the EGX on June 2, 2022 of the desire to buy part of its shares on the issued form during the period from June 7, 2022 until 10% of the company's shares expire or the company announces the end of execution, in accordance with the listing rules and executive procedures and their amendments.
- On June 30, 2023, the company executed 14,100,000 shares from the name of the treasury, bringing the number of shares issued on June 30, 2023 to 1,102,067,508 shares, in accordance with the provisions of Law 159 of 1981, where the company kept those shares for a year, which resulted in the execution process reducing the capital at the nominal value of those shares with a total amount of 3,525,000 EGP, and the necessary measures are being taken to register in the commercial register.

- 13- Capital, Share premium (Specail reserve), Treasury stocks reserve and Treasury stocks - Continued

- C-Treasury stocks and Treasury stocks reserve– Continued:

- On September 30, 2023, the company executed 74,758,900 shares from the name of the treasury, bringing the number of shares issued on September 30, 2023 to 1,027,308,608 shares, in accordance with the provisions of Law 159 of 1981, where the company kept those shares for a year, which resulted in the execution process reducing the capital at the nominal value of those shares with a total amount of 18,689,725 EGP, and the necessary measures are being taken to approve the general assembly and register notation.

The net treasury share reserve (losses) resulting from the sale and execution of treasury shares until 30 September 2023 will be 141,001,959 EGP.

14- Long term and short-term loans

- During December 2018, the company obtained a new medium-term loan with an authorized value of EGP 420 million from CIBand another with an authorized value of EGP 143 million from Attijariwafa.
- During 2022, the company also obtained a new loan from CIB with an authorized value of EGP 730 million, another from Crédit Agricole Bank with an authorized value of EGP 200 million, and another with an authorized value of EGP 250 million from the National Bank of Kuwait.
- The company also paid long-term installments due to CIB amounting to EGP 256.3 million, Attijariwafa Bank EGP 21.43 million and National Bank of Kuwait EGP 62.44 million.
- During 2023, the company obtained a new loan from the National Bank of Egypt with an authorized value of EGP 200 million.

15- Contract Leases

The total value of the obligations of the lease contracts in 30 September 2023 amounted to 476,480,895 EGP (on 31 December 2022: 350,093,122 EGP) represented by short-term lease obligations 95,996,434 EGP on 30 September 2023 (on 31 December 2022 : 86,985,383 EGP) and long-term lease obligations of 380,484,461 EGP on 30 September 2023 (on 31December 2022: 263,107,739 EGP), and the balances of right of use assets and lease obligation are 30 september 2023 and 31 December 2022 are as follows:

	Right of use assets (net)				Lease liability
	Buildings	Vehicles	Machinery & Equipment	Total	
	EGP	EGP	EGP	EGP	EGP
Balance 1 January 2023	254,636,187	22,492,651	4,150,239	281,279,077	350,093,122
Additions during the period	179,718,082	--	--	179,718,082	177,527,061
Depreciation of the period	(41,264,858)	(6,064,932)	(940,879)	(48,270,669)	--
Financing expenses	--	--	--	--	32,320,614
Payments during the period	--	--	--	--	(83,459,902)
Balance as of 30 September 2023	393,089,411	16,427,719	3,209,359	412,726,490	476,480,895

*** Represents additions during the period amounting to EGP 179,718,082 in the value of 151,061,687 financial leasing contracts and the value of 28,656,395 for the renewal of operating lease contracts**

	Right of use assets (net)					Lease liability
	Buildings	vehicles	Computer & Accessories	Machinery & Equipment	Total	
	EGP	EGP	EGP	EGP	EGP	EGP
Balance 1 January 2022	228,917,170	31,733,673	830,590	5,151,365	266,632,798	290,360,297
Additions	79,855,104	--	--	--	79,855,104	79,855,104
Depreciation during the year	(54,136,087)	(9,241,022)	(830,589)	(1,001,127)	(65,208,825)	--
Financing expenses	--	--	--	--	--	56,305,206
Payments during the year	--	--	--	--	--	(76,427,485)
Balance as of 31 December2022	254,636,187	22,492,651	1	4,150,238	281,279,077	350,093,122

16- Credit Facilities

	30 September 2023 EGP	31 Dec 2022 EGP
Ahli United Bank	821,293,399	366,386,950
Commercial International Bank	618,823,980	639,580,007
Arab African Bank	300,865,445	257,116,747
Emirates Bank Dubai	275,549,763	323,319,113
Cairo Bank	245,671,932	33,916,068
HSBC Bank	197,401,237	153,363,283
Abu Dhabi Islamic Bank	158,977,012	42,633,581
Housing & Development Bank (HDB)	137,655,849	--
Attijariwafa Bank	136,977,131	147,227,115
Crédit Agricole Bank	106,411,513	222,747,628
National Bank of Egypt	78,207,741	34,017,457
Suez Canal Bank	49,796,914	36,265,283
National Bank of Kuwait (NBK)	49,040,915	--
The United Bank	41,531,174	27,368,039
Bank of Alexandria	38,082,927	3,656,286
Mashreq Bank	8,223,977	--
Banque Misr	4,586,112	--
Qatar National Bank Alahli	986,107	2,230,687
First Abu Dhabi Bank	177,849	102,082
	3,270,260,977	**2,289,930,326**

The increase in the use of credit facilities granted to the company is due to the increase in the payment of suppliers' dues from previous periods, as well as the increase in purchases compared to the comparative period and addition to the payment of operating expenses and financing projects under implementation, some of these facilities are without guarantee and others are guaranteed by receivables or an insurance policy with part of the inventory in favor of banks.

17- Suppliers and notes payable

	30 September 2023 EGP	31 Dec2022 EGP
Suppliers	4,268,674,568	1,592,360,287
Notes payables	7,698,074,249	5,818,419,476
	11,966,748,817	**7,410,779,763**

The total balance of suppliers and Notes payables is due to the increase in purchases, in addition to contracting with new suppliers during the period, and there is no material change in the average repayment period for suppliers.

The Suppliers and Notes payables balances are classified in the statement of financial position as follows:

	30 September 2023 EGP	31 Dec2022 EGP
Suppliers of notes payables due within 12 months	11,966,260,817	7,410,779,763
Notes payables due over 12 months	488,000	--
	11,966,748,817	**7,410,779,763**

18- Creditors and other credit balances

	30 September 2023 EGP	31 Dec2022 EGP
Tax authority- withholding tax	38,333,764	28,507,087
Tax authority-value added tax	3,314,247	--
Tax authority- Salary tax	7,812,452	3,109,015
National Organization for Social Insurance	7,888,008	6,140,769
Contract Obligations – Expected Sales Returns	11,539,212	16,768,695
Dividend payable	659,648	2,252,594
Accrued expenses*	94,409,675	50,257,125
Other credit balances**	24,880,309	10,943,917
	188,837,315	**117,979,202**

*The increase in the accrued expenses due to increase in the bank intrest because of the credit facilities in addition to increase in the interest rate.

**The increase in other credit balances is due to the increase in the balance of contractors to complete the equipment of the company's branches.

19- Related Parties

Related parties are the parent company and subsidiaries, major shareholders, directors of departments and senior management staff, and entities that have joint control or influence or are heavily associated with these parties, pricing policies (comparative free price) and the terms of these transactions are approved by management in accordance with the procedures taken to approve such transactions, transactions with related parties are represented in the following balances:

a) Related Parties Balances (Net)

	30 September 2023 Due from related parties EGP	30 September 2023 Due to related parties EGP	31 December 2022 Due from related parties EGP
Ramp Logistics	105,701,022	--	55,908,321
AIM Investment & Health Consulting (AIM)	13,565,716	--	10,519,969
DIGI 360 for Software Company	17,207,448	--	9,144,834
Ibn Sina for Import & Export Company	371,635	--	371,635
Ibn Sina Trade	--	136,592	--
	136,845,821	**136,592**	**75,944,759**
Deduct:			
Impairment in the value of related parties	(371,635)	--	(371,635)
	136,474,186	**136,592**	**75,573,124**

b) Related Parties Transactions

Company	Nature of the relationship	Nature Transaction	30 September 2023 EGP	31 December2022 EGP
AIM Investment & Health Consulting (AIM)	Subsidiary	financing	13,532,437	10,506,137
		Other income	33,279	33,279
Ramp Logistics	subsidiary of (AIM)	financing	83,102,046	40,090,328
		Purchases	(25,465,991)	(13,955,767)
		Other Income	48,064,966	29,773,760
DIGI 360 for Software Company	subsidiary of (AIM)	financing	17,474,861	9,419,981
		Purchases	(526,854)	(526,855)
		Other Income	259,440	251,707
Ibn Sina Trade	subsidiary of (AIM)	financing	(136,592)	--

19- Related Parties- Continued

c) Salaries and incentives of key directors and members of the Board of Directors

	30 September 2023 EGP	30 September 2022 EGP
Salaries and incentives of key managers	27,966,777	25,351,656
Rewards of Board Members	8,490,349	4,434,938
	36,457,127	**29,786,594**

20- Net sales

The increase in sales is due to increase to the company's market share and growth in the market In addition to the increase in selling prices of some product , and the value of net sales for the financial period from January 1, 2023 to September 30, 2023, amounting to 23,729,456,567 EGP, is as follows:

	From 1 January Till 30 September 2023 EGP	From 1 January Till 30 September 2022 EGP
Net sales of pharmaceuticals and cosmetics	23,625,940,789	15,708,179,383
Marketing services and other	77,855,250	14,653,789
Warehousing &Transportation services	25,660,528	23,002,793
	23,729,456,567	**15,745,835,965**

21- Cost of sales

The increase in the cost of sales is generally due to the increase in the volume of sales in addition to the increase in the prices of some items, and the cost of sales- pharmaceuticals and cosmetics amounted to 21,855,588,749 EGP during the period ending on September 30, 2023 (compared to the period ending on September 30, 2022 the amount of 14,559,694,268 EGP).

22- Administrative, general, sales and marketing expenses

The increase in administrative, general,sales and marketing expenses in general is due to the increase in wages and salaries as a result of the increase in the number of employees, the annual increase and the expenses of public utilities for branches during the period ending on 30 September 2023 (compared to the period ending on 30 September 2022)

23- Financing income

Financing income includes interest income on bounced cheques collected from customers amounting to EGP 66,392,877 during the period ending on 30 September 2023 (for the period ending 30 September 2022 amounting to EGP 105,734,326).

24- Foreign currency revaluation profit

- The increase in foreign currency valuation differences is due to the movement of the exchange rate of the Egyptian pound during september 2023 against foreign currencies by more than 58% compared to the corresponding period. The foreign currency revaluation differences during the period ending on 30 september 2023 amounted to 32,739,558 EGP (during the period ending 30 September 2022 amounted to 9,697,052 EGP).
- In addition to the existence of agreements with external suppliers to compensate the company for any changes in the exchange rate.

25- Financing expenses

The increase in financing expenses is due to the increase in the interest rate during the period ending on 30 september 2023 by 9% compared to the corresponding period, in addition to the increase in the use of credit facilities as a result of the increase in purchases during the period, and the financing expenses during the period ending on 30 September 2023 amounted to EGP 732,376,286 during the period ending on 30 september 2023 (compared to the period ending on 30 September 2022 of EGP 319,893,392).

26- Income taxes

	30 September 2023 EGP	30 September 2022 EGP
Current tax	(68,572,885)	(47,275,781)
Deferred tax	15,032,980	16,952,668
	(53,539,905)	(30,323,113)

Deferred income taxes Principal (liability)

	Statement of Financial Position		Profit & Loss Statement	
	2023 EGP	2022 EGP	2023 EGP	2022 EGP
Depreciation of fixed assets	(4,775,687)	(4,637,913)	(137,774)	2,580,789
Right use of asset & lease liability	11,935,050	10,465,649	1,469,400	2,272,745
Provision &accrued expenses	87,351,502	73,650,148	13,701,354	12,099,134
Deferred income tax (asset)	**94,510,864**	**79,477,884**	**15,032,980**	**16,952,668**

27- Earning per share

The earnings per share were calculated by dividing the net profit distributable to the owners of ordinary shares by the weighted average number of shares outstanding during the period, and the company does not have reduced shares..

	1/1/2023 till 30/9/2023 EGP	1/1/2022 till 30/9/2022 EGP	1/7/2023 till 30/9/2023 EGP	1/7/2022 till 30/9/2022 EGP
Net profit of the period	202,980,036	120,343,504	49,719,275	33,436,773
Deduct:				
Employees' share and board remuneration (discretionary)	(38,566,207)	(21,722,002)	(9,446,663)	(6,035,337)
Net profit of the period applicable to distribute	164,413,829	98,621,501	40,272,614	27,401,435
Average number of shares	1,008,000,000	1,008,000,000	1,008,000,000	1,008,000,000
Earning per share (EGP / share)	0.16	0.10	0.04	0.03

- On 30 June 2020, the Ordinary General Assembly decided to increase the Company's issued capital to EGP 240 million, an increase of EGP 35 million, by issuing 140 million bonus shares financed from the company's distributable net profits for the fiscal year ended 31 December 2019 at the rate of 0,170731707 bonus shares each. An original share of the company's issued capital before the increase of 820 million shares with reparation of fractions in favor of small shareholders of the smallest. To the largest until the quantity runs out, so that the company's issued capital after the increase is 240 million Egyptian pounds distributed over 960 million shares with a share value of 25 piasters. It was registered in the Commercial Register on 30August 2020.
- On 21 March 2021, the Company's Board of Directors decided that the Company will purchase treasury shares up to a maximum of 9,600,000 shares at a rate of 1% of the Company's capital, and the Company purchased 4,000,000 shares until the end of the period specified for the purchase of shares on 21June 2021. (Note 13-c)
- On 11 April 2022, the Extraordinary General Assembly decided to increase the issued capital of the company to 280 million Egyptian pounds with an increase of 40 million Egyptian pounds by issuing 160 million bonus shares financed from the company's distributable net profits for the fiscal year ending on 31 December 2020 distributed over 1.120 million cash shares and the nominal value of the share is 25 Egyptian piasters, and it was marked in the commercial register on 21 April 2022, It was also decided to distribute the bonus shares as of May 1, 2022, after the issuance of the decision of the Listing Committee to approve the increase.
- On May 19, 2022, the company's board of directors decided that the company will execute 3,832,492 treasury shares, bringing the number of shares issued on June 30, 2022 to 1,116,167,508 shares, in accordance with the provisions of Law 159 of 1981, where the company kept those shares for a year, which resulted in the execution process reducing the issued and paid up capital at the nominal value of those shares by a total amount of 958,123 Egyptian pounds, and the necessary measures are being taken to mark in the commercial register.

27- Earning per share - Continued

- On June 30, 2023, the company executed 14,100,000 shares from the name of the treasury, bringing the number of shares issued on June 30, 2023 to 1,102,067,508 shares, in accordance with the provisions of Law 159 of 1981, where the company kept those shares for a year, which resulted in the execution process reducing the capital at the nominal value of those shares with a total amount of 3,525,000 Egyptian pounds, and the necessary measures are being taken to register in the commercial register.
- On September 30, 2023, the company executed 74,758,900 shares from the name of the treasury, bringing the number of shares issued on September 30, 2023 to 1,027,308,608 shares, in accordance with the provisions of Law 159 of 1981, where the company kept those shares for a year, which resulted in the execution process reducing the capital at the nominal value of those shares with a total amount of 18,689,725 Egyptian pounds, and the necessary measures are being taken to approve the general assembly and register notation.
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28-Tax Position

First: Taxes on the profits of capital companies

- The company's books were examined and payment from the beginning of the activity until 2019 and the due differences were paid.
- The company's books for the years from 2020 have not been examined to date.

Second: payroll tax

- The company's books were examined and the payment was made until 2020.

Third: Stamp Taxes

- The company's books were examined and the payment until 2020.

Fourth: Value Added Taxes

- The company's books were examined and the payment until 2022.

Fifth: withholding tax

-The company's books were examined and the payment was made until 2022.

29- Financial Instruments

During the exercise of its activities, the Company is exposed to the following risks resulting from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The company's financial instruments are financial assets (cash balances in the fund, banks, debtors, debit balances, related parties receivables, customers and receivables) as well as financial obligations (creditors, credit balances, credit facilities, loans, suppliers, payment papers, lease obligations and other long-term obligations due to related parties).

The overall responsibility for setting the company's risk management framework and following up on its implementation lies with the Board of Directors, and the Board of Directors is also responsible for developing and monitoring the implementation of the Company's risk management policies.

Risk management policies are developed with the aim of determining the risks facing the company, the limits of acceptable risk, the rules for monitoring those risks and ensuring that acceptable limits are adhered to.

Risk policies and regulations are reviewed periodically to reflect changes in market conditions and the company's activities, and the company aims, through its own training, management standards and procedures, to develop a disciplined control environment through which employees understand the role entrusted to them and their obligations.

The company's board of directors supervises how the management monitors compliance with risk policies and procedures, reviews the appropriateness of the risk system framework faced by the company, and the internal audit cooperates with the company's board of directors in carrying out a supervisory and control cycle, and the internal audit undertakes both the periodic review of risk management controls and procedures and submits a report on its results to management.

30- Important event

- On 24 February 2022, Russia launched a military invasion of Ukraine, and according to a study conducted by the Central Agency for Public Mobilization and Statistics, the incomes of about 20% of Egyptian families decreased due to the Russian-Ukrainian crisis, and the consumption of about 74% of families of food commodities decreased and about 90% of families consumed less proteins, and since the outbreak of the war, Egypt has faced many economic troubles as a result of hindering many of its important imports from Russia and Ukraine.
- Inflation hit the pillars of the Egyptian economy and caused the Central Bank to hold two emergency meetings during 2022 to raise interest rates on 21 March 2020 and on 27 October 2022, as the Central Bank announced the liberalization of the exchange rate of the Egyptian pound and raised the interest rate by 200 points, which is reflected in the exchange rate of the value of the pound against foreign currencies, and on the other hand, the rise in oil prices globally due to the war caused an increase in the burdens on the Egyptian budget.
- On 4 January 2023, the Central Bank held an emergency meeting and freed the price of the Egyptian pound, which has a tangible impact on economic activities during the coming periods, and therefore it is possible that the aforementioned event will have a material impact on the elements of assets and liabilities and their redemption value, as well as business results during the coming periods, and it is currently impossible to determine the size of this impact on the assets and liabilities listed in the company's current financial statements..
- On 30July, 2023, the Extraordinary General Assembly decided to proceed with the procedures for reducing the company's capital by writing of the treasury, which the company purchased, amounting to 112 million shares, which were purchased for 3 months in accordance with the rules of listing and delisting securities, and the necessary procedures are being taken to mark in the commercial register.
- On 3 August 2023, the MPC decided to raise the deposit and loan returns overnights , the central bank's main operation rate by 100 basis points to reach 19.25%, 20.25% and 19.75%, respectively, the credit and discount rate was raised by 100 basis points to reach 19.75%.

31- New Publications and Amendments to Egyptian Accounting Standards:

On March 6, 2023, the Prime Minister's Decree No. (883) of 2023 was issued amending some of the provisions of accounting standards, and the following is a summary of the most important of these amendments:

New or reissued standards	Summary of the most important amendments	Potential impact on financial statements	Application history
Egyptian Accounting Standard No. (10) amended 2023 "Depreciated fixed assets" and Egyptian Accounting Standard No. (23) amended 2023 "Intangible Assets"	1- These standards were reissued in 2023, allowing the use of the revaluation model when postmeasurement of fixed assets and intangible assets. - As a result, the paragraphs related to the use of the revaluation model option have been amended to some of the applicable Egyptian accounting standards, which are as follows: - Egyptian Accounting Standard No. (5) "Accounting Policies and Changes in Accounting Estimates and Errors". - Egyptian Accounting Standard No. (24) "Income Taxes". - Egyptian Accounting Standard No. (30) "Periodic Financial Statements". - Egyptian Accounting Standard No. "31" "Impairment of Assets" - Egyptian Accounting Standard No. "49" "Lease Contracts".	The management is currently studying the possibility of changing the accounting policy followed and using the revaluation model option contained in those standards, and evaluating the potential impact on the financial statements if this option is used.	The amendments to add the option to use the revaluation model shall apply to financial periods **commencing on or after January 1, 2023, retroactively,** with proof of the cumulative impact of applying the revaluation model initially by adding it to the revaluation surplus account next to equity at the beginning of the financial period in which the company applies this model for the first time.

New or reissued standards	Summary of the most important amendments	Potential impact on financial statements	Application history
	2- In line with the amendments made to the amended Egyptian Accounting Standard No. (35) 2023 "Agriculture", paragraphs (3), (6), and (37) of the Egyptian Accounting Standard No. (10) "Fixed assets and their depreciation" have been amended, and paragraphs 22 (a), 80 (c) and 80 (d) have been added to the same standard, with regard to fruitful plants. - The Company is not required to disclose the quantitative information required under paragraph 28(f) of Egyptian Accounting Standard No. (5) for the current period, which is the period of financial statements in which the amended Egyptian Accounting Standard No. (35) 2023 and Egyptian Accounting Standard No. (10) amended 2023 are applied for the first time in relation to fruitful plants, but the quantitative information required under paragraph 28(f) of Egyptian Accounting Standard No. (5) for each previous period presented shall be disclosed. - The Company may choose to measure an item of fruitful building at its fair value at the beginning of the earliest period presented in the financial statements for the period in which the Company first applied the above adjustments and to use that fair value as its notional cost on that date, and any difference between the previous book value and the fair value must be recognized in the opening balance by adding it to the revaluation surplus account next to the equity at the beginning of the earlier period presented.	Management is currently assessing the potential impact on the financial statements of the application of amendments to the standard.	These adjustments shall be applied for the annual periods **commencing on or after January 1, 2023, retroactively,** with the cumulative effect of the accounting treatment of fruit plants being recognized primarily by adding it to the balance of profits or losses carried forward at the beginning of the financial period in which the Company applies such treatment for the first time.

New or reissued standards	Summary of the most important amendments	Potential impact on financial statements	Application history
Egyptian Accounting Standard No. (34) amended 2023 "Real Estate Investment"	1- This standard was reissued in 2023, allowing the use of the fair value model when subsequent measurement of real estate investments. 2- This resulted in the amendment of some paragraphs related to the use of the fair value model option in some of the applicable Egyptian accounting standards, and these standards are as follows: - Egyptian Accounting Standard No. (1) "Presentation of Financial Statements" - Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors" - Egyptian Accounting Standard No. (13) "Effects of Changes in Foreign Exchange Rates" - Egyptian Accounting Standard No. (24) "Income Taxes" - Egyptian Accounting Standard No. (30) "Periodic Financial Statements" - Egyptian Accounting Standard No. (31) "Impairment of Assets" - Egyptian Accounting Standard No. (32) "Non-current Assets Held for Sale and Non-Continuing Operations" - Egyptian Accounting Standard No. (49) "Lease Contracts"	Management is currently studying the possibility of changing the accounting policy and using the fair value model option contained in the standard, and assessing the potential impact on the financial statements if this option is used.	The amendments to the addition of the option to use the fair value model shall apply to **financial periods commencing on or after January 1, 2023, retroactively,** with proof of the cumulative effect of applying the fair value model initially by adding it to the balance of profits or losses carried forward at the beginning of the financial period in which the Company applies this model for the first time.

New or reissued standards	Summary of the most important amendments	Potential impact on financial statements	Application history
Egyptian Accounting Standard No. (50) "Insurance Contracts"	1. This standard shall determine the principles of proof of insurance contracts falling within the scope of this standard, and shall determine their measurement, presentation and disclosure. The objective of the standard is to ensure that the company provides appropriate information that truthfully expresses those contracts. This information provides users of the financial statements with the basis for assessing the impact of such insurance contracts on the company's financial position, financial performance and cash flows. 2- Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. (37) "Insurance Contracts". 3- Any reference in other Egyptian accounting standards to Egyptian Accounting Standard No. (37) shall be replaced by Egyptian Accounting Standard No. (50). 4 – The following amendments have been made to the following Egyptian accounting standards to comply with the requirements of the application of Egyptian Accounting Standard No. (50) "Insurance Contracts", which are as follows: Egyptian Accounting Standard No. (10) "Fixed Assets and Depreciation". And Egyptian Accounting Standard No. (23) "Intangible Assets". Egyptian Accounting Standard No. (34) "Real Estate Investment".	Management is currently assessing the potential impact on the financial statements from the application of the standard.	Egyptian Accounting Standard No. (50) must be applied for annual financial periods commencing **on or after July 1, 2024**, and if Egyptian Accounting Standard No. (50) is applied for an earlier period, the company must disclose that fact.