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

A member of Nexia International

Ibn Sina Pharma Company

(S.A.E)

Periodic Standalone Financial Statements

For The Nine-month Financial Period Ended 30 September 2024

Together With Limited Review Report

Ibn Sina Pharma Company (S.A.E)

Periodic standalone Financial Statements
For the financial period ended, 30 September 2024

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Translation of limited Review Report
Originally Issued in Arabic

Limited Review Report on the Periodic Standalone Financial Statements

TO MEMBERS BOARD OF DIRECTORS OF IBN SINA PHARMA COMPANY (S.A.E)

Introduction

We have conducted the limited review of the accompanying periodic standalone statement of financial position of **Ibn Sina Pharma "Egyptian Joint Stock Company"** as of 30 September 2024 as well as the periodic standalone statements of profit or 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 thereof in accordance with Egyptian Accounting Standard No. (30) "Periodic Standalone Financial Statements", and our responsibility is limited to making a conclusion on the periodic standalone financial statements in light 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

Based on our limited review, it has nothing come to our attention that the standalone financial statements accompanying **Ibn Sina Pharma Company's "Egyptian Joint Stock Company"** financial position as of 30 September 30, 2024, and its standalone financial performance, cash flows for nine months ended on that date, accordance with Egyptian accounting standards and in light of relevant Egyptian laws and regulations.

Emphasis of a matter

Without qualifying our conclusion, we draw attention to the following:

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 at September 30, 2024 in accordance with the Egyptian accounting standards and for a more comprehensive understanding of the company's financial position as at 30 September 2024 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: 6 November 2024

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

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

Periodic standalone Statement of Financial Position
As of 30 September 2024

	Note No.	30/9/2024 EGP	31/12/2023 EGP
Assets			
Non-current assets			
Fixed assets (net)	(3)	1,005,521,529	1,026,580,015
Projects under construction	(4)	189,729,323	142,914,782
Intangible assets (net)	(5)	201,372,869	204,074,454
Right of use assets (net)	(15)	1,277,061,190	678,343,867
Investments in subsidiary	(6)	119,999,920	119,999,920
Notes receivable – Long term	(8)	52,607,393	78,932,234
Deferred tax assets	(27)	154,336,967	108,155,820
Total non-current assets		**3,000,629,191**	**2,359,001,092**
Current Assets			
Inventory	(7)	6,297,871,745	3,193,525,514
Accounts and notes receivable (net)	(8)	14,312,464,403	9,702,097,946
Suppliers advance payments		139,499,804	238,307,421
Debtors and other debit balances (net)	(9)	954,934,860	757,767,686
Due from related parties	(19-a)	269,349,110	140,842,243
Cash on hand and at banks	(10)	909,243,372	1,117,288,752
Assets held for sale	(11)	249,298,055	771,873,889
Total Current Assets		**23,132,661,349**	**15,921,703,451**
Total Assets		**26,133,290,540**	**18,280,704,543**
Equity			
Issued and paid-up capital	(12-a)	252,000,000	252,000,000
Share premium (Special reserve)	(12-b)	237,412,116	237,412,116
Legal reserve	(13-a)	126,000,000	126,000,000
General reserve	(13-b)	3,079,334	3,079,334
Treasury Stock Reserve	(12-c)	(171,643,212)	(171,643,212)
Retained earnings		1,431,135,889	1,047,918,983
Total Equity		**1,877,984,127**	**1,494,767,221**
Liabilities			
Non-current liabilities			
Loans – Long term	(14)	70,912,823	348,810,663
Lease liabilities – Long term	(15)	1,098,032,853	603,858,579
Total non-current liabilities		**1,168,945,676**	**952,669,242**
Current liabilities			
Credit Facilities	(16)	3,010,107,937	3,165,443,777
Short term loans and current portion of long-term loans	(14)	406,331,421	475,877,345
Suppliers and notes payable	(17)	19,048,086,848	11,776,977,682
Creditors and other credit balances	(18)	293,332,485	201,231,838
Customers' advance payments		15,979,300	12,802,150
Income taxes payable	(27)	88,140,965	79,906,663
Current portion of lease liabilities	(15)	202,524,835	114,171,679
Expected claims provisions	(20)	21,856,946	6,856,946
Total Current Liabilities		**23,086,360,737**	**15,833,268,080**
Total liabilities		**24,255,306,413**	**16,785,937,322**
Total Owner's Equity and Liabilities		**26,133,290,540**	**18,280,704,543**

- Limited 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 statemen

Ibn Sina Pharma Company (S.A.E)

Periodic Standalone Statement of Profit or Loss
For the financial period Ended 30 September 2024

	Note No.	From 1/1/2024 To 30/9/2024 EGP	From 1/1/2023 To 30/9/2023 EGP	From 1/7/2024 To 30/9/2024 EGP	From 1/7/2023 To 30/9/2023 EGP
Net Sales	(21)	38,271,009,556	23,729,456,567	15,534,355,843	9,082,643,331
Deduct:					
Cost of sales	(22)	(35,278,077,376)	(21,855,588,749)	(14,345,587,490)	(8,405,218,374)
Gross Profit		**2,992,932,180**	**1,873,867,818**	**1,188,768,353**	**677,424,957**
Added / Deduct					
Other revenues		5,189,184	4,450,909	460,679	1,974,932
Sales and marketing expenses	(23)	(807,174,862)	(580,530,065)	(293,784,928)	(211,111,687)
General and administrative expenses	(23)	(517,085,689)	(347,129,963)	(193,206,510)	(118,357,613)
Expected credit losses in receivables	(8)	(117,874,437)	(60,894,907)	(54,847,000)	(20,975,613)
Formation of expected claims provisions	(20)	(15,000,000)	--	(10,000,000)	--
Operating profit		**1,540,986,376**	**889,763,792**	**637,390,594**	**328,954,976**
Added /Deduct					
Financing income	(24)	69,895,153	66,392,877	578,721	30,130,544
Foreign currency revolution profit	(25)	52,651,179	32,739,558	3,106,294	(2,428,996)
Financing expenses	(26)	(1,198,665,095)	(732,376,286)	(435,035,114)	(289,813,426)
Net financing cost		**(1,076,118,763)**	**(633,243,851)**	**(431,350,099)**	**(262,111,878)**
Net profit for the period before tax		**464,867,613**	**256,519, 941**	**206,040,495**	**66,843,098**
Added / Deduct:					
Income taxes	(27)	(95,340,969)	(68,572,885)	(43,781,799)	(20,074,481)
Deferred income tax	(27)	46,181,147	15,032,980	25,199,581	2,950,658
Net profit for the period after taxes		**415,707,791**	**202,980,036**	**187,458,277**	**49,719,275**
Earning per share from net profit for the period after taxes (Shares /EGP)	**(28)**	**0,33**	**0.16**	**0,15**	**0.04**

- Limited 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)

Periodic Standalone Statement of other comprehensive income
For the financial period Ended 30 September 2024

	From 1/1/2024 to 30/9/2024 EGP	From 1/1/2023 to 30/9/2023 EGP	From 1/7/2024 to 30/9/2024 EGP	From 1/7/2023 to 30/9/2023 EGP
Net profit for the period	**415,707,791**	**202,980,036**	**187,458,277**	**49,719,275**
Add/Discount:				
Other comprehensive income	--	--	--	--
Total Comprehensive Income	**415,707,791**	**202,980,036**	**187,458,277**	**49,719,275**

- Limited Report Attached.

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

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Ibn Sina Pharma Company (S.A.E)

Periodic Standalone Statement of change in equity
As of 30 September 2024

Statement	Issued and Paid-up Capital	Share Premium	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	--	(40,087,884)	48,906,637	--	--	--	(8,818,753)	--
Dividends	--	--	--	--	--	--	(23,598,057)	(23,598,057)
Write-off treasury stocks	(27,041,877)	--	--	--	--	185,735,156	--	158,693,279
(losses) from Write-off treasury stocks	--	--	--	--	(158,693,280)	--	--	(158,693,280)
Net profit for the Year	--	--	--	--	--	--	246,982,107	246,982,107
Balance as at 31 December 2023	**252,000,000**	**237,412,116**	**126,000,000**	**3,079,334**	**(171,643,212)**	--	**1,047,918,983**	**1,494,767,221**
Dividends	--	--	--	--	--	--	(32,490,885)	(32,490,885)
Net profit for the period	--	--	--	--	--	--	415,707,791	415,707,791
Balance as at 30 September 2024	**252,000,000**	**237,412,116**	**126,000,000**	**3,079,334**	**(171,643,212)**	--	**1,431,135,889**	**1,877,984,127**

- Limited 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)

Periodic Standalone Statement of cash flows
For the period Ended 30 September 2024

	30 September 2024 EGP	30 September 2023 EGP
Cash flow from operating activities		
Net profit for the period before income taxes	464,867,613	256,519,941
Adjustments to reconcile net profit with cash flow from operating activities		
Depreciation of fixed assets	92,498,374	77,922,447
Amortization of intangible assets	16,159,937	3,536,633
Depreciation of Right of use assets	69,471,025	48,270,669
Expected credit losses in receivables	117,874,437	60,894,907
Formation of expected claims provisions	15,000,000	--
Sale assets held for sale (Gain)	--	(1,230,027)
Capital (Gain)	(402,534)	(387,401)
Financing Expenses	1,198,665,095	732,376,286
Net operating profit before changes in working capital	**1,974,133,947**	**1,177,903,455**
Change in inventory	(3,104,346,231)	(1,752,222,770)
Change in accounts and notes receivable	(4,701,916,053)	(3,484,172,871)
Change in suppliers advance payments	98,807,617	(31,638,046)
Change in debtors and other debit balance	(312,240,715)	(260,041,663)
Change in due from related parties	(132,769,197)	(60,901,062)
Change in due to related parties	--	136,592
Change in suppliers and notes payable	7,271,109,166	4,555,969,054
Change in customers' advance payments	3,177,150	5,918,861
Change in creditors and other credit balances	85,228,734	70,198,470
Cash flows provided from operating activities	**1,181,184,418**	**221,150,020**
Used from Provisions	--	(318,769)
(Paid) from financing Expenses	(1,017,742,448)	(690,085,575)
Net cash flow provided from (used in) operating activities	**163,441,970**	**(469,254,324)**
Cash flows from investment activities		
(Payments) to acquire fixed assets and projects under construction	(122,099,380)	(220,314,555)
(Payments) to acquire intangible assets	(13,458,352)	(38,415,137)
Proceeds from selling fixed assets	2,216,974	1,190,319
(Payments) in assets held for sale	(1,976,106)	--
Proceeds from selling assets held for sale	--	47,032,477
Net cash flow (used in) investment activities	**(135,316,864)**	**(210,506,896)**
Cash flows from financing activities		
(Payments) from short and long-term loans	(347,443,764)	(192,795,379)
(Payments) Proceeds from credit facilities	(155,335,840)	980,330,651
Dividends paid	(25,618,972)	(22,938,409)
Increase in "financing" Lease liabilities	554,708,312	148,870,666
(Paid) for Lease liabilities	(262,480,222)	(51,139,288)
Net cash flow (used in) provided from financing activities	**(236,170,486)**	**862,328,241**
Net change in cash and cash equivalents during the period	**(208,045,380)**	**182,567,021**
Cash and cash equivalents at the beginning of the year	**1,117,288,752**	**536,222,514**
Cash and cash equivalents at the end of the period	**909,243,372**	**718,789,535**

- Limited 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 its executive 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 financial period ended on 30 September 2024 were authorized on November 6, 2024 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 financial statements have been prepared in accordance with Egyptian Accounting Standards and applicable laws and regulations.

Basis of measurement

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

Currency of dealing and presentation

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

2.2 Changes in accounting policies

The accounting policies applied in this period are those applied in the financial 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 assets: 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 credit balances, 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 <u>Summary of significant accounting policies - Continued</u>

<u>Financial Instruments - Continued</u>

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.**

<u>Fixed assets</u>

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.

<u>Projects under constructions</u>

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.

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

Judgments

Revenue recognition

In making 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 control 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.

2.4 Significant accounting judgments and estimates – Continued

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.

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 are 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 2024 amounting to EGP 1,005,521,529 as follows:

Statement	Cost as of 1/1/2024	Additions during The period	disposals during The period	transferred from projects under constructions during The period	Cost as of 30/9/2024	Accumulated Depreciation as of 1/1/2024	Depreciation During the period	Accumulated Depreciations of disposals during the period	Accumulated depreciations as of 30/9/2024	Net book value as of 30/9/2024	Net book value as of 31/12/2023
	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	798,712,293	2,957,084	43,012	3,611,697	805,238,062	318,401,540	35,907,321	35,711	354,273,150	450,964,912	480,310,753
Equipment	570,379,794	12,824,032	500,715	27,276,547	609,979,658	200,902,758	33,108,226	496,132	233,514,852	376,464,806	369,477,036
Vehicles	69,618,097	10,582,481	6,243,320	--	73,957,258	34,658,921	11,171,192	4,544,095	41,286,018	32,671,240	34,959,176
Computer hardware and software	121,149,434	15,705,043	1,177,505	--	135,676,972	80,744,772	10,594,925	1,074,174	90,265,523	45,411,449	40,404,662
Furniture and fixtures	28,105,681	297,444	12,311	--	28,390,814	20,431,101	1,716,710	12,311	22,135,500	6,255,314	7,674,580
	1,681,719,107	**42,366,084**	**7,976,863**	**30,888,244**	**1,746,996,572**	**655,139,092**	**92,498,374**	**6,162,423**	**741,475,043**	**1,005,521,529**	**1,026,580,015**

* The balance of fixed assets (net) as of December 31, 2023 (the year of comparison) amounting to 1,026,580,015 Egyptian pounds is represented as follows:

Statement	Cost as of 1/1/2023	Additions during The year	disposals during The year	transferred from projects under constructions during The year	Cost as of 31/12/2023	Accumulated Depreciation as of 1/1/2023	Depreciation During the year	Accumulated Depreciations of disposals during the year	Accumulated depreciations as of 31/12/2023	Net book value as of 31/12/2023	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	2,676,903	315,498	80,143,412	798,712,293	278,127,571	40,566,359	292,390	318,401,540	480,310,753	438,079,905
equipment	445,680,694	12,392,889	580,592	112,886,803	570,379,794	164,924,559	36,558,791	580,592	200,902,758	369,477,036	280,756,135
vehicles	48,217,872	3,622,965	1,350,000	19,127,260	69,618,097	24,812,774	10,700,508	854,361	34,658,921	34,959,176	23,405,098
Computer hardware and software	103,817,449	16,768,392	1,166,212	1,729,805	121,149,434	66,405,343	15,198,667	859,238	80,744,772	40,404,662	37,412,106
Furniture and fixtures	26,941,083	207,147	17,247	974,698	28,105,681	18,108,193	2,340,154	17,246	20,431,101	7,674,580	8,832,890
	1,434,618,382	**35,668,296**	**3,429,549**	**214,861,978**	**1,681,719,107**	**552,378,440**	**105,364,479**	**2,603,827**	**655,139,092**	**1,026,580,015**	**882,239,942**

4- Projects under constructions

- The additions of projects under constructions during the period ending,30 September 2024 amounted to EGP 79,733,296, which included the value of buildings and lands amounted to EGP 21,276,132, and included payments under the computer software account amounted to EGP 9,506,590 and the necessary equipment for the completion of company's branches amounted to EGP 48,950,574, these additions include capitalized interests.
- Some devices and equipment amounting to EGP 2,030,511 has been transferred to right of use assets under "sale and leaseback" agreement.

The Items of the projects under constructions are as follows:

	30/9/2024 EGP	31/12/2023 EGP
Buildings	80,317,595	63,618,946
Devices and equipment	53,436,501	34,272,090
Computer applications and peripherals	35,798,570	26,291,980
Lands	19,452,546	18,486,760
Furniture	724,111	245,006
	189,729,323	**142,914,782**

5- Intangible assets (Net)

Balance of Intangible assets (net) are computer software is represented as follows:

	30/9/2024 EGP	31/12/2023 EGP
Cost		
Balance on January 1, 2024	**221,277,740**	**29,676,757**
Disposals during Period / year	--	26,077
Transferred from projects under constructions	--	187,198,009
Additions during the Period / year	13,458,352	4,429,051
Balance as of 30 September 2024	**234,736,092**	**221,277,740**
Accumulated Amortization		
Balance on January 1, 2024	**17,203,286**	**12,093,994**
Amortization of the Period / year	16,159,937	5,109,292
Balance as of 30 September 2024	**33,363,223**	**17,203,286**
Net book value as of 30 September 2024	**201,372,869**	**204,074,454**

6- Investment in a subsidiary company

Company	Number of Stock	Nominal value per share EGP	Contribution Percentage	Actual paid from investment EGP	Cost as of 30/9/2024 EGP	Cost as of 31/12/2023 EGP
AIM Healthcare Investment & Consulting Company (S.A.E)	299,999,980	1	99,99 %	40 %	119,999,920	119,999,920
					119,999,920	**119,999,920**

- **Capital Commitments in 30 September 2024 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 2023).**

7- Inventory

	30/9/2024 EGP	31/12/2023 EGP
Goods for sale	5,363,428,214	2,515,856,950
Returns	458,544,625	272,395,454
Goods in transit	422,556,308	369,269,591
Spare Parts	53,342,598	36,003,519
	6,297,871,745	**3,193,525,514**

The increase in inventory is due to an increase in the volume of purchases and an increase in the purchase prices, activity and the growth of the market during the period, and there is no significant change in the average inventory holding period, and there is no impairment in the value of inventory for the period ending on September 30, 2024 and the year ending on December 31, 2023.

8- Accounts and notes receivables (net)

	30/9/2024 EGP	31/12/2023 EGP
Accounts receivable	11,672,325,997	7,656,837,571
Notes receivable short and long term	3,221,427,810	2,535,000,183
	14,893,753,807	**10,191,837,754**
Deduct:		
Expected credit losses in receivables	(528,682,011)	(410,807,574)
	14,365,071,796	**9,781,030,180**

- The increase in the balance of accounts receivable and notes receivables is due to the increase in sales of the current period compared to the sales of the same period in the previous year, and there is no material change in the average collection period from customers.
- The company formed an additional expected credit losses in receivables by EGP 117,874,437 during the period ending 30 September 2024.

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

	30/9/2024 EGP	31/12/2023 EGP
Accounts and notes receivable short term “less than 12 months”	14,312,464,403	9,702,097,946
Notes receivable long term “more than 12 months”	52,607,393	78,932,234
	14,365,071,796	**9,781,030,180**

9- Debtors and other debit balances (net)

	30/9/2024 EGP	31/12/2023 EGP
Suppliers under Settlement*	502,264,151	411,756,148
Tax Authority- Withholding tax	107,749,279	99,537,378
Advance payments to Tax Authority	5,130,805	60,569,487
Prepaid expenses	35,888,373	24,449,876
Contract Assets – Expected Sales Returns	35,737,270	16,680,951
Refundable deposits	27,737,120	21,956,006
Employees Imprests	25,203,700	10,694,178
Other debit balances	223,098,175	119,997,675
	962,808,873	**765,641,699**
Deduct:		
Expected credit losses on the value of debtors and other debit balances	(7,874,013)	(7,874,013)
	954,934,860	**757,767,686**

*The balance of suppliers under settlement is the value of suppliers' compensation for sales price differences, discounts and free units. The increase in the balance is attributed to increased sales during the period.

10- Cash on hand and at banks

	30/9/2024 EGP	31/12/2023 EGP
Current Accounts Banks – Egyptian Pound	788,226,848	892,786,580
Current Accounts Banks – Foreign Currencies	107,932,958	212,900,256
Letters of guarantee cover	12,859,945	11,112,364
Cash on hand	223,621	489,552
	909,243,372	**1,117,288,752**

11- Assets held for sale

	30/9/2024 EGP	31/12/2023 EGP
Balance on January 1, 2024	**771,873,889**	**792,272,436**
Additions and assets transferred from customers	1,976,106	20,159,870
Transferred from PUC	--	415,022,051
Transferred to right of use assets*	(524,551,940)	(377,523,062)
Disposal during the period / year	--	(78,057,406)
Balance on September 30, 2024	**249,298,055**	**771,873,889**

*Some of the assets was transferred to right of use asset for an amount 524,551,940 EGP according to finance lease contract "sale and leaseback"

	30/9/2024 EGP	31/12/2023 EGP
Assets held for sale less than 12 months	--	435,181,921
Assets held for sale more than 12 months *	249,298,055	336,691,968
	249,298,055	**771,873,889**

* According to the Board of Directors Resolution No. (144), the company's management decided to keep the assets held for sale for more than 12 months to achieve a higher return during the coming period.

12- Capital, Share premium (Special 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, no more). The issued and paid-up capital of the company is specified at an amount of 35 million Egyptian pounds (thirty-five million Egyptian pounds only, no more), distributed over 350,000 shares, with each share valued at 100 Egyptian pounds (one hundred pounds only, no more). All of these shares are cash shares.
- On August 26, 2005, the Extraordinary General Assembly of the Company decided to increase the issued and fully paid-up capital to become 50 million Egyptian pounds (fifty million Egyptian pounds only, no more), distributed over 500,000 shares, with each share valued at 100 Egyptian pounds (one hundred pounds only, no more). All of these shares are cash shares.
- On December 10, 2006, an Extraordinary General Assembly was held, during which a decision was made to purchase shares from the French side, with a nominal value of 34,193,900 Egyptian pounds (thirty-four million, one hundred and ninety-three thousand, nine hundred Egyptian pounds only, no more), representing 68.38% of the total contribution from the existing shareholders, with 93.5% held by investors and 6.5% by employees. Registration was completed by the end of 2007.
- On September 17, 2008, an Extraordinary General Assembly was convened, during which an agreement was reached to amend Article (6) of the Company's Articles of Association, by reducing the accumulated losses by the amount of 30 million pounds (thirty million Egyptian pounds only, no more) from the issued and fully paid-up capital, which was initially 50 million Egyptian pounds (fifty million Egyptian pounds only, no more) before the amendment. Consequently, the authorized capital of the company remains 50 million Egyptian pounds (fifty million Egyptian pounds only, no more), while the issued capital after the amendment becomes 20 million Egyptian pounds (twenty million Egyptian pounds only, no more), distributed over 200,000 shares, each valued at 100 Egyptian pounds (one hundred pounds only, no more), all of which are cash shares.
- On May 27, 2015, an Extraordinary General Assembly of the company was held, during which an agreement was reached to amend Article (6) of the Company's Articles of Association. This entailed reducing the authorized capital of the company to be 24 million Egyptian pounds (twenty-four million Egyptian pounds only, no more) instead of the previous 50 million Egyptian pounds (fifty million Egyptian pounds only, no more). Consequently, the issued and fully paid-up capital of the company after the amendment also became 24 million Egyptian pounds (twenty-four million Egyptian pounds only, no more), instead of the previous amount of 20 million Egyptian pounds (twenty million Egyptian pounds only, no more), distributed over 240,000 shares, each valued at 100 Egyptian pounds (one hundred pounds only, no more), all of which are cash shares. The amendment was registered in the commercial registry on June 29, 2015.
- On March 5, 2017, the Extraordinary General Assembly decided to increase the authorized capital of the company by an amount of 144 million Egyptian pounds to become 168 million Egyptian pounds, as well as to increase the issued capital of the company by an amount of 144 million Egyptian pounds to become 168 million Egyptian pounds. This increase was financed from the general reserve balance as of December 31, 2016. Additionally, it was decided to allocate (6) free shares from the increased shares of the company in exchange for (1) share of the original shares of the company owned by the shareholders at the time of the assembly, and to split the nominal value of the share to adjust the nominal value of the share from 100 Egyptian pounds to 1 Egyptian pound, and consequently increase the total number of company shares after the increase and stock split to 168 million shares, fully paid-up. This adjustment was registered in the commercial registry on September 12, 2017.

12- Capital, Share premium (Special reserve),Treasury stocks reserve and Treasury stocks- Continued

A- Capital – Continued:

- On September 7, 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 pound to 0.25 Egyptian pounds. This resulted in the issued capital of the company, amounting to 168 million Egyptian pounds, being distributed over a total of 672 million shares, with a nominal value of 0.25 Egyptian pounds per share. The amendment was registered in the commercial registry on September 28, 2017.
- On January 17, 2018, the board of directors of Ibn Sina Pharma approved an increase in the issued capital from 168 million Egyptian pounds to 180.50 million Egyptian pounds through a subscription for existing shareholders who were selling their shares in the public or private offering. This increase in capital was achieved by issuing 50 million shares, subscribed to at the final offering price of 5.80 Egyptian pounds per share, resulting in an increase in both the issued and paid-up capital of the company by 12.50 million Egyptian pounds, making the total issued and paid-up capital 180.50 million Egyptian pounds. This was in accordance with a banking deposit certificate for the capital increase from Arab African International Bank dated February 13, 2018. The issuance premium for the additional shares amounted to 277.50 million Egyptian pounds. This was registered in the company's commercial registry on March 22, 2018.
- On May 19, 2022, the Board of Directors of the company decided, in a meeting, that the company would cancel a total of 3,832,492 treasury shares, resulting in the number of issued shares as of June 30, 2022, to be 1,116,167,508 shares. This action was taken in accordance with the provisions of Law No. 159 of the year 1981. The company had retained these shares for one year, and as a result of the cancellation process, the capital would be reduced by the nominal value of those shares, totaling 958,123 Egyptian pounds. Necessary steps are underway to register this action in the commercial registry.
- On June 30, 2023, the company canceled 14,100,000 treasury shares, resulting in the number of issued shares as of June 30, 2023, being 1,102,067,508 shares. This action was taken in accordance with the provisions of Law No. 159 of the year 1981. The company had retained these shares for one year, and as a result of the cancellation process, the capital was reduced by the nominal value of those shares, totaling 3,525,000 Egyptian pounds. Necessary steps are being taken to register this action in the commercial registry.
- On September 30, 2023, the company canceled 74,758,900 treasury shares, resulting in the number of issued shares as of September 30, 2023, being 1,027,308,608 shares. This action was taken in accordance with the provisions of Law No. 159 of the year 1981. The company had retained these shares for one year, and as a result of the cancellation process, the capital was reduced by the nominal value of those shares, totaling 18,689,725 Egyptian pounds. Necessary steps are being taken to approve the decision of the General Assembly and register it in the commercial registry.
- On December 4, 2023, the Extraordinary General Assembly held on July 30, 2023, approved the reduction of the issued and paid-up capital by 28,000,000 Egyptian pounds through the cancellation of treasury shares purchased by the company, amounting to 112,000,000 shares (10% of the company's shares) at their nominal value. Consequently, the issued and paid-up capital became 252,000,000 Egyptian pounds, distributed over 1,008,000,000 shares with a nominal value of 25 Egyptian piasters per share. This decision was registered in the commercial registry on December 18, 2023.

12- Capital, share premium (Special reserve) Treasury stocks reserve and Treasury stocks - Continued

B- Share premium (Special 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.
- The company's management transferred an amount of 42,501,460 Egyptian pounds from the issuance 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

- On March 21, 2021, the company's board of directors decided that the company would purchase treasury shares, up to a maximum of 9,600,000 shares, representing 1% of the company's capital, to support the share price on the stock exchange and enhance investor confidence and expectations regarding the company's future performance. The shares would be sold at market price through the open market. The company notified the Egyptian Stock Exchange on March 24, 2021, of its intention to buy back a portion of its shares using the authorized template during the period from March 24, 2021, to June 21, 2021, in accordance with listing rules, executive procedures, and their amendments. The company purchased 4 million shares by the end of the specified buyback period on June 21, 2021.
- On March 27, 2022, the board of directors, at its meeting, approved the commencement of selling treasury shares, totaling 4 million shares previously purchased, at market prices to comply with the listing rules issued by the decision of the board of the Egyptian Financial Regulatory Authority, which prohibits retaining treasury shares for more than one year.

12- Capital, Share premium (Special reserve),Treasury stocks reserve and Treasury stocks - Continued

C-Treasury stocks and Treasury stocks reserve- Continued

- On March 28, 2022, a total of 47,508 shares were sold at a price of 2.8763 Egyptian pounds per share, with the total sales value amounting to 136,648 Egyptian pounds. This resulted in losses totaling 83,213 Egyptian pounds from the sale, which, according to Egyptian Accounting Standard No. 25, were categorized under equity.
- On April 3, 2022, a total of 120,000 shares were sold at a price of 2.868 Egyptian pounds per share, resulting in a total sales value of 355,800 Egyptian pounds. This transaction incurred losses totaling 154,122 Egyptian pounds. Per Egyptian Accounting Standard No. 25, these losses were classified under equity.
- On May 19, 2022, the Board of Directors, in session, decided that the company would undertake the cancellation of 3,832,492 treasury shares. As a result, the total number of issued shares as of June 30, 2022, would be 1,116,167,508 shares, in accordance with the provisions of Law No. 159 of 1981. The company had held onto these shares for a year, and the cancellation led to a reduction in the issued and paid-up capital by the nominal value of these shares, totaling 958,123 Egyptian pounds. Necessary steps are currently being taken to record this action in the commercial register.
- On June 1, 2022, the Board of Directors, convened in session, decided that the company would initiate the purchase of treasury shares up to a maximum of 10% of the company's capital to support the stock price on the stock exchange and enhance investor confidence and expectations regarding the company's future performance. The purchases would be made at market price through the open market. The company notified the Egyptian Stock Exchange on June 2, 2022, of its intention to buy a portion of its shares using the issuance model during the period from June 7, 2022, until the acquisition of 10% of the company's shares, or until the company announces the conclusion of the execution, in accordance with the listing rules, executive procedures, and amendments thereof.
- On June 30, 2023, the company conducted the cancellation of 14,100,000 treasury shares, resulting in the total issued shares being 1,102,067,508 shares. This action was carried out in accordance with the provisions of Law No. 159 of 1981, as the company had retained these shares for one year. The cancellation of these shares led to a reduction in the company's capital by the nominal value of these shares, amounting to a total of 3,525,000 Egyptian pounds. The necessary procedures are currently underway to register this action in the commercial registry.
- 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.
- On December 4, 2023, the Extraordinary General Assembly held on July 30, 2023 approved and decided to reduce the issued and paid up capital by EGP 28,000,000 by executing the treasury shares that the company purchased, which amounted to 112,000,000 shares (10% of the company's shares) at the nominal value of those shares, so that the issued and paid up capital becomes EGP 252,000,000 distributed over 1,008,000,000 shares with a nominal value of 25 piasters per share, and this has been noted in the commercial register on 18 December 2023.

The net treasury shares reserve (losses) resulting from the sale and execution of treasury shares until 30 September 2024 will be 171,643,212 EGP.

13-Reserves

A- Legal Reserve

As required by Egyptian Companies' law and the Company's articles of association, 5% of the profits of the year is transferred to the legal reserve until this reserve reaches 50% of the capital.

B- General Reserve

- On May 27, 2015, an extraordinary general assembly of the company was convened, and it was agreed to increase the company's authorized and paid-up capital to 24 million Egyptian pounds (twenty-four million Egyptian pounds only), distributed over 240,000 shares (two hundred and forty thousand shares), instead of the previous amount of 20 million Egyptian pounds (twenty million Egyptian pounds only), distributed over 200,000 shares (two hundred thousand shares). As a result of this increase, an issuance premium of 148 million Egyptian pounds (one hundred and forty-eight million Egyptian pounds only) was generated. This premium represents the difference between the nominal value of 40,000 shares, which is 100 Egyptian pounds (one hundred Egyptian pounds only) per share, and the fair value of the shares, which amounted to 3,800 Egyptian pounds (three thousand eight hundred Egyptian pounds only) as of the date of this increase. Subscription to this increase included 39,950 shares by the European Bank for Reconstruction and Development, with the remaining 50 shares allocated to other shareholders in accordance with the approval of the extraordinary general assembly.
- Part of the issue premium was transferred to the general reserve to match the legal percentage of the capital and the remainder was transferred to the general reserve in accordance with Article 94 of the Companies Law (159) of 1981 and its amendments in accordance with Article (94).
- On March 5, 2017, the Extraordinary General Assembly decided to increase the company's authorized capital by an amount of 144,000,000 EGP to become 168,000,000 EGP, as well as to increase the company's issued capital by 144,000,000 EGP to become 168,000 EGP, in financing from the balance of the general reserve in 12/31/2016, so the balance of the general reserve on December 31, 2017 amounted to 3,079,334 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 CIB and another with an authorized value of EGP 143 million from Atijariwafa Bank.
- 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 50 million, and another with an authorized value of EGP 250 million from the National Bank of Kuwait.
- During 2023, the company obtained a new loan from the National Bank of Egypt with an authorized value of EGP 200 million.
- The company also paid long-term installments due to CIB amounting to EGP 219,71 million, Crédit Agricole Bank EGP 12,50 million, National Bank of Kuwait EGP 62,46 million, National Bank of Egypt EGP 45,64 million and the last instalment was paid to Atijariwafa Bank in the amount of 7,14 million.

15- Leases

The total value of the obligations of the lease contracts in 30 September 2024 amounted to 1,300,557,688 EGP (on 31 December 2023: 718,030,258 EGP) represented by short-term lease obligations 202,524,835 EGP on 30 September 2024 (on 31 December 2023 : 114,171,679 EGP) and long-term lease obligations of 1,098,032,853 EGP on 30 September 2024 (on 31 December 2023: 603,858,579 EGP), and the balances of right of use assets and lease obligation are 30 September 2024 and 31 December 2023 are as follows:

	Right of use assets (net)				Lease liabilities
	Buildings	Vehicles	Machinery & Equipment	Total	
	EGP	EGP	EGP	EGP	EGP
Balance 1 January 2024	**660,776,412**	**14,604,745**	**2,962,710**	**678,343,867**	**718,030,258**
*Additions during the period	513,508,616	22,404,100	132,275,632	668,188,348	664,085,005
Depreciation of the period	(56,565,755)	(4,508,771)	(8,396,499)	(69,471,025)	--
Financing expenses	--	--	--	--	180,922,647
Payments during the period	--	--	--	--	(262,480,222)
Balance as of 30 September 2024	**1,117,719,273**	**32,500,074**	**126,841,843**	**1,277,061,190**	**1,300,557,688**

*** Additions during the period amounted to 668,188,348 EGP represents the value of 92,234,977 operating lease contracts and the value of 575,953,371 for the renewal of financial leasing contracts.**

	Right of use assets (net)				Lease liabilities
	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 year	463,989,678	--	--	463,989,678	440,077,342
Depreciation of the year	(57,849,453)	(7,887,906)	(1,187,529)	(66,924,888)	--
Financing expenses	--	--	--	--	58,529,622
Payments during the year	--	--	--	--	(130,669,828)
Balance as of 31 December 2023	**660,776,412**	**14,604,745**	**2,962,710**	**678,343,867**	**718,030,258**

16-Credit Facilities

	30/9/2024 EGP	31/12/2023 EGP
Ahli United Bank	1,123,187,705	885,978,895
Commercial International Bank	423,633,165	813,976,919
Arab African Bank	250,071,478	262,225,037
Emirates Bank Dubai	231,935,475	161,540,859
Housing & Development Bank (HDB)	178,786,002	19,907,840
Crédit Agricole Bank	162,092,226	199,702,208
Attijariwafa Bank	141,397,235	133,085,931
The United Bank	119,499,859	16,388,220
Bank of Alexandria	104,509,525	57,294,172
Cairo Bank	56,463,433	145,514,904
Agricultural Bank of Egypt	53,297,635	--
National Bank of Kuwait (NBK)	39,103,460	39,483,500
Suez Canal Bank	38,914,260	97,546,457
EG Bank	38,692,398	39,486,116
QNB Bank	25,897,325	--
Al Ahli Bank of Kuwait	22,031,760	--
HSBC Bank	594,996	209,311,146
National Bank of Egypt	--	62,385,195
Abu Dhabi Islamic Bank	--	21,604,217
Mashreq Bank	--	12,161
	3,010,107,937	**3,165,443,777**

- The credit facilities granted to the company are used to finance purchases, in addition the settlement of operating expenses. Some of these facilities are unsecured, while others are secured by either promissory notes or collateralizing a portion of inventory in favor of the banks.

17-Suppliers and notes payable

	30/9/2024 EGP	31/12/2023 EGP
Suppliers	6,861,369,750	3,660,365,873
Notes payables	12,186,717,098	8,116,611,809
	19,048,086,848	**11,776,977,682**

The increase in the total balance of accounts payable and notes payable is attributed to increase in the purchases, in addition to dealing with new suppliers during the period. There hasn't been a material change in the average payment period to suppliers.

18-Creditors and other credit balances

	30/9/2024 EGP	31/12/2023 EGP
Tax authority- withholding tax	89,976,111	44,233,193
Tax authority-value added tax	14,656,134	26,762,617
Tax authority- Salary tax	6,235,139	5,264,167
National Organization for Social Insurance	10,110,914	6,229,714
Accrued expenses*	117,046,285	81,071,835
Contract Obligations – Expected Sales Returns	37,869,689	17,964,633
Dividend payable	6,871,913	659,648
Other credit balances	10,566,300	19,046,031
	293,332,485	**201,231,838**

*The increase in accrued expenses is due to the increase in finance cost accruals during the period as well as an increase in the interest rate by 8%.

19-Related Parties

The related parties in the company consist of the parent company, subsidiaries, major shareholders, department managers, and senior management employees, as well as entities with joint control, significant influence, or substantial association with these parties. Pricing policies (comparable market prices) and terms of these transactions are adopted by management following the procedures established for approving such transactions. Transactions with related parties involve the following balances:

a) Due from related Parties (Net)

	30/9/2024 EGP	31/12/2023 EGP
Ramp Logistics	217,379,977	99,763,966
DIGI 360 for Software Company	29,814,162	19,873,862
AIM Investment & Health Consulting (AIM)	19,637,459	19,003,923
Ibn Sina Trade for export	2,517,512	2,200,492
Ibn Sina for Import & Export Company	371,635	371,635
	269,720,745	**141,213,878**
Deduct:		
Impairment in the value of related parties	(371,635)	(371,635)
	269,349,110	**140,842,243**

b) Related Parties Transactions

Company	Nature of the relationship	Nature Transaction	30/9/2024 EGP	30/9/2023 EGP
AIM Investment & Health Consulting (AIM)	Subsidiary	financing	633,536	3,098,323
Ramp Logistics	subsidiary of (AIM)	financing	109,438,421	43,011,719
		Purchases	(14,482,725)	(11,510,225)
		Other Income	22,660,314	18,291,206
DIGI 360 for Software Company	subsidiary of (AIM)	financing	9,906,785	8,054,881
		Other Income	33,516	7,733
Ibn Sina Trade for export	subsidiary of (AIM)	financing	317,020	(208,615)

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

	From 1/1/2024 Till 30/9/202 4 EGP	From 1/1/2023 Till 30/9/202 3 EGP
Salaries and incentives of key managers	56,749,888	27,966,777
Rewards of Board Members	10,442,285	8,490,349
	67,192,173	**36,457,127**

20-Expected claims provisions

	January 1, 2024	Formed During the period	September 30, 2024
	EGP	EGP	EGP
Expected claims provisions	6,856,946	15,000,000	21,856,946
	6,856,946	**15,000,000**	**21,856,946**

	January 1, 2023	(Used) During the year	Formed During the year	December 31, 2023
	EGP	EGP	EGP	EGP
Expected claims provisions	2,175,715	(318,769)	5,000,000	6,856,946
	2,175,715	**(318,769)**	**5,000,000**	**6,856,946**

-There are no material potential liabilities other than those mentioned in the Note to the Provisions and what was disclosed in Note (29) on the Tax Position.

-The usual published information about provisions in accordance with accounting standards is not disclosed because management believes that doing so may severely affect the outcome of negotiations with those parties, and management reviews those provisions annually and adjusts the provision according to the latest developments, discussions and agreements with the entities.

21-Net sales

The increase in sales is attributed to the company's market share growth, as well as the growth of the pharmaceutical market. In addition to the increase in selling prices of certain products, an increase in the volume of units sold. The company's sales amounted to 38,271,009,556 Egyptian pounds during the period ending on September 30, 2024, compared to 23,729,456,567 Egyptian pounds for the period ending on September 30, 2024.

	From 1/1/2024 Till 30/9/2024	From 1/1/2023 Till 30/9/2023
	EGP	EGP
Net sales of pharmaceutical and cosmetics	38,222,606,730	23,685,985,730
Warehousing and Transportation services	25,859,897	25,660,897
Marketing services and other	22,542,929	17,809,940
	38,271,009,556	**23,729,456,567**

22-Cost of sales

The increase in the cost of sales is generally due to the increase in the volume of sales in addition to price increase for some items and the increase in the volume of purchases, the cost of sales “pharmaceuticals and cosmetics” amounted to EGP 35,278,077,376 during the period ending on September 30, 2024 (compared to the period ending on September 30, 2023 amounted to EGP 21,855,588,749).

23-Administrative, general, selling and marketing expenses

The increase in administrative, general, selling and marketing expenses can be attributed to increase in wages and salaries due to an increase in the number of employees and the annual raises. Additionally, there is an increase in utilities expenses and branches maintenance as a result of fuel prices increase and spare parts costs during the period ending on 30 September 2024 (compared to the period ending on 30 September 2023).

24-Financing income

Financing income includes interest income on returned cheques collected from customers amounting to EGP 69,895,153 during the period ending on 30 September 2024 (for the period ending 30 September 2023 amounting to EGP 66,392,877).

25-Foreign currency revaluation (Profit)

- The increase in the foreign currency revaluation differences was due to the movement of the exchange rate of the Egyptian pound during the month of March 2024 against foreign currencies by more than 56 % compared to the corresponding period. The foreign currency revaluation during the period ending on 30 September 2024 amounted to EGP 52,651,179 (during the period ended 30 September 2023 amounted to EGP 32,739,558).
- In addition to the existence of agreements with abroad suppliers to compensate the company for any changes in the exchange rate.

26-Financing expenses

The increase in financing expenses was due to the increase in the interest rate during the period ending on 30 September 2024 by 39.5 % compared to the corresponding period, and the financing expenses amounted to EGP 1,198,665,095 during the period ending on 30 September 2024 (compared to the period ending on 30 September 2023 of EGP 732,376,286).

27-Income taxes

	From 1/1/2024 Till 30/9/2024 EGP	From 1/1/2023 Till 30/9/2023 EGP
Current income tax	(95,340,969)	(68,572,885)
Deferred income tax	46,181,147	15,032,980
	(49,159,822)	**(53,539,905)**

* Balance of Income tax payable on 30 September 2024 is represented as follows:

	30/9/2024 EGP	31/12/2023 EGP
Income tax payable	(95,340,969)	(87,106,667)
Tax authority debit balance	7,200,004	7,200,004
	88,140,965	**79,906,663**

	Tax Base	Account Base	Temporary Difference	Tax Rate	Deferred Tax Assets September 30, 2024 EGP	Deferred Tax Assets September 30, 2023 EGP
Fixed &Intangible assets	1,177,115,982	1,108,981,566	68,134,416	22,50 %	15,330,244	(4,775,687)
Operating lease assets and liabilities	570,144,520	498,247,454	71,897,066	22,50 %	16,176,840	11,935,050
ECL, Impairments and provisions	--	(545,910,592)	545,910,592	22,50 %	122,829,883	87,351,502
Deferred tax Ending balance - Asset					**154,336,967**	**94,510,865**
Deferred tax Opening balance - Asset					**108,155,820**	**79,477,885**
Deferred income tax – revenue					**46,181,147**	**15,032,980**

28-Earning per share from net profit

	From1/1/2024 Till 30/9/2024	From1/1/2023 Till 30/9/2023	From 1/7/2024 Till 30/9/2024	From 1/7/2023 Till 30/9/2023
	EGP	EGP	EGP	EGP
Net profit of the period	**415,707,791**	**202,980,036**	**187,458,277**	**49,719,275**
Deduct:				
Employees' share and board remuneration (estimated)	(78,984,480)	(38,566,207)	(35,617,073)	(9,446,663)
Net profit of the period applicable to distribute	**336,723,311**	**164,413,830**	**151,841,204**	**40,272,614**
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)	**0,33**	**0.16**	**0,15**	**0.04**

- Dividends per share were calculated by dividing the net profit distributable to the owners of ordinary shares by dividing by the weighted average number of shares outstanding during the period, and the company does not have diluted shares.
- 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 for each original share of the company's issued capital before the increase of 820 million shares, with fractions rounded in favor of small shareholders from smallest to largest until the quantity is exhausted, making the company's authorized capital after the increase amount to 240 million Egyptian pounds divided into 960 million shares, with a share value of 25 piasters. The entry was recorded in the commercial register on August 30, 2020.
- On March 21, 2021, the Board of Directors of the company decided that the company would repurchase treasury shares, up to a maximum of 9,600,000 shares representing 1% of the company's capital. The company repurchased 4,000,000 shares by the end of the specified repurchase period on June 21, 2021. (Note 12-c).
- On April 11, 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.
- 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.

28-Earning per share from net profit - 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 Egyptian pounds, and the necessary measures are being taken to approve the general assembly and register notation.
- On December 4, 2023, the Extraordinary General Assembly held on July 30, 2023 approved and decided to reduce the issued and paid up capital by EGP 28,000,000 by executing the treasury shares that the company purchased, which amounted to 112,000,000 shares (10% of the company's shares) at the nominal value of those shares, so that the issued and paid up capital becomes EGP 252,000,000 distributed over 1,008,000,000 shares with a nominal value of 25 piasters per share, and this has been noted in the commercial register on 18 December 2023.

29-Tax Position

First: Corporate Taxes

- The company's books were examined 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 2022.

Third: Stamp Taxes

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

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.

30-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 consist of financial assets (cash balances in hand and at banks, creditors, receivables from related parties, customers, and promissory notes) as well as financial liabilities (creditors, credit balances, credit facilities, loans, suppliers, notes payable, lease obligations, other long-term obligations, and amounts 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.

31-<u>Important event</u>

- Some fundamental global events have occurred, which included the Arab Republic of Egypt, where the Egyptian economy, which is already suffering from stumbling blocks, faces new risks, as the war in the neighboring Gaza Strip casts a shadow on tourism reservations and the country's imports of natural gas, and the war in the Gaza Strip comes on the border with the Sinai Peninsula after the impact of the Russian-Ukrainian war and the Corona virus pandemic revealed long-term weaknesses in the Egyptian economy, Egypt has long relied heavily on short-term portfolio investment flows, tourism revenues and remittances from expatriates to cover part of the trade deficit, making it vulnerable to shocks.
- On February 1, 2024, contrary to the global trend of central banks maintaining unchanged interest rates, inflationary pressures in the Egyptian economy prompted the Monetary Policy Committee of the Central Bank of Egypt to raise deposit and lending rates, as well as the overnight lending rate, by 200 base points to 21.25%, 22.25%, and 21.75%, respectively. This move aims to curb inflation expectations and tighten monetary conditions to sustain the downward trajectory of inflation rates. Current developments indicate continued inflationary pressures, deviating from the usual pattern, affecting both food and non-food inflation.
- On March 6, 2024, the Monetary Policy Committee of the Central Bank of Egypt to raise deposit and lending rates, as well as the overnight lending rate, by 600 base points to 27.25%, 28.25%, and 27.75%, respectively. The credit and discount rate were also raised by 600 base points to 27.75%. This move aims to curb inflation expectations from its target rate, as well as the deviation of economic activity from its maximum production capacity.
- This is in addition to expectations of continued pressure in light of fiscal consolidation measures, as well as continued supply-side pressures, as the higher rate of domestic liquidity growth than the historical average contributed to the escalation of inflationary pressures.