

Ibnsina Pharma

Board Report for FY 2025

I am honored to present to you the Board of Directors' report of Ibnsina Pharma for the financial year ending on December 31, 2025 .

As we conclude a new year that witnessed strong performance, we are pleased to announce the results of Ibnsina Pharma's operations in 2025. For the third consecutive year, Ibnsina Pharma has maintained its leading position in the pharmaceutical distribution sector with an overall market share of 30.2%, strengthening our position as a market leader.

Ibnsina Pharma continues to be at the forefront of the pharmaceutical distribution market in Egypt, both in terms of total market share and across pharmacies, warehouses, as well as public and private hospitals, according to the latest data from IQVIA.

The consolidated financial statements recorded net revenues of 76.6 billion EGP, representing an annual growth rate of 37.2%. The gross profit reached 6.45 billion EGP in 2025, an increase of 46.7%. Additionally, operating profits before tax, interest, depreciation, and amortization reached 3.88 billion EGP in 2025, reflecting an annual increase of 54.7%, resulting in a net profit of 951.8 million EGP, which is an annual increase of 54.9% compared to 2024.

As for the standalone financial statements, revenues were reported at 76.3 billion EGP compared to 55.7 billion EGP, marking an annual growth rate of 37%. The gross profit also reached 6.4 billion EGP in 2025, increasing by 46%. Furthermore, operating profits before tax, interest, depreciation, and amortization totaled 3.8 billion EGP during 2025, showing an annual increase of 53%, which resulted in net profits of 920.7 million EGP, an annual rise of 48% compared to 2024.

Our strategy for 2025 focused on sustainable growth and profitable diversification. While pharmaceutical distribution remains our core pillar, we have aggressively expanded into areas closely related to our core activities, strategically targeting high-growth sectors with higher profit margins than our traditional core business.

This year, management's top priority was to strengthen our financial position, and the company succeeded in achieving these results amid high interest rates. We are proud to highlight the significant progress we have made in our efforts to reduce debts .

Despite peak debt ratios reached in the second quarter of 2025 due to drug repricing and prevailing market conditions, we succeeded in reversing this trend in the second half of the year. We achieved a noticeable reduction in leverage during the third and fourth quarters, supported by the liquidation of assets worth 1.2 billion EGP—liquidity that was directed to strengthen our financial position. The management of debt reduction was aided by the return of working capital cycles to normal rates, disciplined inventory management, and strong collection performance.

Economies of scale continue to positively impact our financial indicators, with net profit growing at a faster rate than gross profit and net revenues, although the high interest rate environment hinders the full translation of this growth into higher profitability levels.

Basic Data

<p>Company purpose</p>	<p>In accordance with the decision of the Extraordinary General Assembly held on 25/11/2021, Article 3 of the Company's Articles of Association was amended to become the purpose of the company as follows:</p> <p>Buying, selling wholesale, distribution, manufacturing, manufacturing with others, packaging, transporting, storing, importing, exporting, owning and carrying out commercial and scientific advertising, marketing offers, public supplies, electronic commerce and commercial agencies for all</p>
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		<p>pharmaceutical, human, biological, veterinary and pharmaceutical products Chemicals, cosmetics, food, nutritional supplements, pesticides, disinfectants of all kinds, medical and compensatory devices, laboratory and hospital supplies, equipment, tools and materials for laboratory reagents, packaging and advertising materials, whether locally manufactured or imported, in addition to the skills of the aforementioned products seals, as well as training, information supply, systems programs, consulting related to the aforementioned areas, rental and sale of administrative and storage spaces.</p> <p>It may have a business or participate in any way with companies that engage in business similar to its business or that may help it achieve its purpose in Egypt or abroad, and it may also merge into these companies or buy them or attach them to them, in accordance with the provisions of the law and its executive regulations.</p>	
Duration of the company	25 years	Date of listing on the ASE	8/11/2017
The law to which the company is subject	159 of 1981	Nominal value per share	Twenty-five piasters per share
Last Authorized Capital	Billion Egyptian pounds	Last issued capital	EGP 252 Millon
Last paid-in capital	EGP 252 Mmillion	Number and date of registration in	The company was registered in the

		the commercial register	commercial register under No. 6384 dated 8/1/2001 Cairo Investment Commercial Registry Office and the registration was erased from the commercial register to change the company's headquarters from Cairo Governorate to Qalyubia Governorate The company was registered in the commercial register under No. 10724 dated 6/1/2004 Cairo Investment Commercial Registry Office.
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Investor Relations:

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Auditor

Auditor Name	Mohamed Essam Elden Elsayed Ghorab
Date of Appointment	14/12/2025
Registration Number	134

Shareholders Structure

Shareholders owning 5% of more	Number of Shares	%
Faisal Islamic Bank of Egypt	140,981,127	13.99%
Omar Mohamed Abdel Gawad	60,480,063	6.00%
Mahmoud Mohamed Abdel Gawad	50,400,566	5.00%

Board ownership

Name	Shares Owned		*Representation	Executive / Non-Executive
	Self-Representation	Legal Entity Representation		
Rafaat Mokbel Hussein	-	140,981,127	Representing Faisal Islamic Bank of Egypt	Non-Executive
Omar Mohamad Abdel Gawad mahmoud	60,480,063	-	Himself	Executive
Mahmoud Mohamad Abdel Gawad Mahmoud	50,400,566	-	Himself	Executive
Ahmed Mohamed Abdel Gawad Mahmoud	46,465,615	-	Himself	Non-Executive

Mohamed Mohsen Mohamed Mahgoub	24,384,068	-	Himself	Executive
Mohamed Mohamed Mohsen Mohamed Mahgoub	24,049,969	-	Himself	Non-Executive
Mohamed Abbas Mohamed Zaki	15,452,879	-	Himself	Non-Executive
Abdel Aziz Aly	599,999	-	Himself	Non-Executive
Hoda Amin Wally	-	-	Herself	Non-Executive
Sahar Ahmed Mohamad Abdel Moniem Nasr	-	-	Himself	Non-Executive

Board of Directors

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

Mohamed Mohamed Mohsen Mohamad Mahgoub	Non-Executive Director	Non-Executive	Himself
Mohamed Abbas Mohamed abbas Zaki	Non-Executive Director	Non-Executive	Himself
Ahmed Mohamad Abdel Gawad mahmoud	Non-Executive Director	Non-Executive	Himself
Hoda hassan Amin Wally	Non-Executive Director	Independent	Herself
Sahar ahmad Mohamad abdel moniem naser	Non-Executive Director	Independent	Herself

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

N/A

Board Meetings

The Board convened 7 time during 2025

Annual Self-Assessment of Board Performance

The Board of Directors conducted a self-assessment of their performance through a questionnaire focusing on the effectiveness of their participation in meetings. This assessment took into account the Board's composition, structure, and role in the Company's strategy, as well as its oversight of risks, financial disclosure, and management performance. Based on the results, the Nomination and Remuneration Committee carried out a comprehensive review of the self-assessment and submitted its recommendations to improve performance and enhance the Board's effectiveness.

Treasury Shares

Audit and Governance Committee

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

Roles and Responsibilities

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

deals concluded with the related parties and the extent of their breach and damage to the interests of the company or its shareholders.

Audit Committee in FY 2025

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

Employees Data in FY2025

Average number of employees during the year	9,731
Average employee salary (monthly)	EGP 14,237

ESOP program (If applicable)

Total shares available according to the employees and managers reward and incentive system	N/A
Total shares granted under the reward and incentive system to employees and managers during the year	N/A
Number of beneficiaries of the employees and managers reward and incentive system	N/A
Total shares granted under the reward and incentive system to employees and managers since the implementation of the system	N/A
Names and positions of anyone who received 5% or more of the total available shares (or 1% of the company's capital) according to the system	N/A

Related parties Transactions

The ordinary general assembly, held on 14/12/2025, with 100% representation, approved entering into a consideration contract between Ramp Logistics and Ibnsina Pharma regarding the waiver and transfer of ownership of land and buildings numbers (47-48-49-50-51-52-53-54-55-56-57-58-59-60) in the Industrial Services Area, located at Plot No. 1 in the Developers' Zone, West Extension of the City of 10th of Ramadan, from Ramp Logistics to Ibnsina Pharma, in exchange for settling the balance due from Ramp Logistics. The goal is to complete this investment opportunity to develop and enhance the Group's activities, for approximately EGP 456 million.

Violations, and fines imposed on the company during the year:

The Listing Committee of the Stock Exchange, in its session held on 23/07/2025, decided to impose a financial liability of EGP 10,000 on the company for non-compliance with the provisions of Article 38 of the Rules for Listing and Delisting Securities.

Corporate Social Responsibility

Ibnsina Pharma adopts a clear corporate social responsibility policy through which it commits to developing the communities in which it operates and protecting the environment in all of the company's activities. The company also adheres to all local and international laws and regulations in addition to conducting business with transparency and integrity.

The amount of donations reached EGP 11.1 million pounds in 2025. The company, in collaboration with recognized non-profit organizations operating under the law, strives to achieve sustainable community development and meet its needs, while this policy forbids any religious or political activities or dealings with unlicensed entities. Social activities may vary from year to year, but they are limited to the fields of health, education, equality, and access to clean water.

Ibnsina Pharma supports a number of development initiatives related to corporate social responsibility in collaboration with one of the largest effective organizations in this field, Misr El-Kheir Foundation, due to its extensive field experience and ability to reach areas in need. This involved launching several medical caravans for areas lacking adequate care, and then selecting governorates based on several criteria, including

analysis of community needs, geographic distribution, and prioritizing and identifying the most in-need governorates.

In the field of environmental practices, Ibsina Pharma adopted a strategy to develop data servers to newer, more energy-efficient models to reduce electricity consumption and cooling requirements, thereby lowering carbon emissions over the server's lifetime. The company replaced old servers with newer, higher-performance ones per watt, achieving a saving of 3 kilowatts/hour, leading to avoidance of 18–25 tons of carbon dioxide annually (equivalent to the emissions of 2–3 cars in Egypt.)

The company also works to reduce its carbon footprint through many small initiatives. This includes regular maintenance and improvement of its vehicles' condition, optimization of routes, and continuous measurement of emissions from its generators. If measurements exceed acceptable limits, immediate actions are taken to identify and fix the problem and re-measure to ensure vehicle or generator efficiency. Additionally, the company is exploring a shift to cleaner energy options by studying the conversion of its vehicles from diesel to natural gas or electricity. Given the nature of the company's work, it consumes a large amount of paper annually, so the company has taken active steps to implement online ordering, electronic signatures, and electronic receipts to reduce paper usage and to move away from single-use plastic bags to reusable multi-use plastic boxes.

The company also secured financing from the European Bank for Reconstruction and Development (EBRD) amounting to 1.3 billion Egyptian pounds (equivalent to 23.1 million euros) to fund environmentally friendly capital expenditures for the creation of a new distribution center and to fund long-term working capital associated with it. The EBRD is funding the construction of the new distribution center, aiming to align with a minimum EDGE "Basic" rating. The bank will also provide extensive technical support to audit energy use in the building, identify current design gaps, and provide recommendations to improve resource efficiency in the building. Once the project is completed, it will reduce CO2 emissions by 207 tons per year and save 16,905 cubic meters of water annually.

Dividend Distribution Policy

Ibnsina Pharma is considered a growth company continuously striving to increase its market share within the pharma market, which is experiencing strong growth rates. This is in addition to expanding its related activities associated with its core business, which are characterized by high growth and profitability.

Consequently, the Company's adopted dividend distribution policy ensures the maintenance of a solid financial position and the financing of necessary working capital to support the growth and expansion strategy, as well as creating value for the Company's shareholders, in accordance with current market conditions and the approved investment plan for the respective fiscal year.

In general, should a decision to distribute dividends be made, the payout ratio ranges between 25% to 35%, to be distributed over more than one installment. Decisions regarding distribution (or non-distribution) fall within the authority of the General Assembly, based on a proposal submitted by the Board of Directors. This proposal is based on a financial and economic assessment comprising the financial performance of the ended year, free cash flow indicators, capital requirements for growth, market conditions, regulatory obligations, debt levels, and available liquidity levels.

The Board of Directors further confirms that the distribution decision will be presented, along with the Board's report, to the Ordinary General Assembly, in accordance with relevant provisions and regulations. The Company affirms that any amendment to the dividend distribution policy will be subject to these same procedures based on a Board proposal, while retaining the Company's right to amend policies according to material circumstances and in compliance with regulations.

Dividend Distribution proposal to AGM

The Board of directors is proposing EGP 13 piasters per share

Reserves Proposal for FY 2025

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

Subsidiaries

AIM investments and Consulting in Healthcare sector, Ramp Logistics

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

Assets are recorded at book value

Exports

The total exports in 2025 amounted to 45.8 million Egyptian pounds.

Donations

Donations in FY 2025 is EGP 11.2 million

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

The total revenues from pharmaceutical sales reached 74.8 billion EGP, contributing 93.4% to the company's total revenues, followed by revenues from cosmetics at 4.7 billion EGP, which account for 5.8%. Next are revenues from Ramp Logistics at 375 million EGP, representing 0.5%, and finally, medical promotion services at 194 million EGP, contributing 0.2%.

Shares issued during the Year

None



Abdel Aziz Ali Abdel Aziz



Chairman