Khaled El-Ghannam & Co.
(Prime Global)

Allied for Accounting and Auditing
(EY)

IBN SINA PHARMA COMPANY S.A.E.
Separate Financial Statements
For the Year Ended 31 December 2020
TOGETHER WITH AUDITOR'S REPORT

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Translation of separate financial statements
Originally issued in Arabic

AUDITOR'S REPORT

TO THE SHAREHOLDERS' OF IBN SINA PHARMA COMPANY (S.A.E.)

Report on the Separate Financial Statements

We have audited the accompanying separate financial statements of **IBN SINA PHARMA COMPANY (S.A.E.)**, represented in the separate statement of financial position as of 31 December 2020, and the related separate statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Separate Financial Statements

These separate financial statements are the responsibility of the Company's Management, as Management is responsible for the preparation and fair presentation of the financial statements in accordance with Egyptian Accounting Standards and applicable Egyptian laws. Management responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. This responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing and applicable Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these separate financial statements.

Translation of auditor's report
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Opinion

In our opinion, the separate financial statements referred to above, give a true and fair view, in all material respects, of the separate financial position of **IBN SINA PHARMA COMPANY (S.A.E.)**, as of 31 December 2020, and of its separate financial performance and its separate cash flows for the year then ended in accordance with Egyptian Accounting Standards and the related applicable Egyptian laws and regulations.

Emphasis of a Matter

- Without qualifying our opinion, we draw attention to note (26) of the accompanying notes to the financial statements, the judgment of appeal was issued on 19 February 2019 imposing fines against all companies accused in the lawsuit filed against the company and other members of the pharmaceutical distribution companies association by the Egyptian Competition protection Authority, regarding a complaint claiming that these companies agreed to unify the sales policies, reduce the cash discount rates and reduce the credit periods, the dispute is still ongoing , and under the current uncertainty , the final results of this matter cannot be determined. The company has taken all necessary legal actions to appeal this ruling as mentioned in the above-mentioned note.

- As indicated in note (6) the company has investment in subsidiary and prepared consolidated financial statements for the year ended 31 December 2020 in accordance with Egyptian Accounting Standards. for better understanding of the company's financial position as of as 31 December 2020 and its financial performance and its cash flows for the year then ended, the matter necessitates reference to the consolidated financial statements.

Report on Other Legal and Regulatory Requirements

The Company maintains proper accounting records that comply with the laws and the Company's articles of association and the financial statements agree with the Company's records.

The financial information included in the Board of Directors' Report, prepared in accordance with Law No. 159 of 1981 and its executive regulation, is in agreement with the books of the Company insofar as such information is recorded therein.

Cairo: 28 February 2021

	Amr M. El Shaabini
Khaled El Ghannam	**F.E.S.A.A - FEST**
F.E.S.A.A - FEST	**(R.A.A. 9365)**
(R.A.A. 4771)	**E.F.S.A.R (103)**
E.F.S.A.R (49)	**Allied for Accounting and Auditing (EY)**
Khaled El-Ghannam& Co. (Prime Global)	

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Ibn Sina Pharma Company (S.A.E)

SEPARATE STATEMENT OF FINANCIAL POSITION

As of 31 December 2020

	Note No.	31/12/2020 EGP	31/12/2019 EGP
Assets			
Non-current assets			
Fixed assets (net)	(3)	952,715,850	898,219,923
Projects under construction	(4)	219,915,623	160,909,990
Intangible assets (net)	(5)	6,904,549	8,493,759
Right of use assets(net)	(15)	54,022,843	61,477,458
Investment in subsidiary	(6)	29,999,980	--
Notes receivable – Long term		113,840,068	101,034,892
Deferred tax assets	(24)	11,575,491	9,255,549
Total non-current assets		**1,388,974,404**	**1,239,391,571**
Current assets			
Inventory	(7)	2,100,869,822	1,690,645,175
Accounts and notes receivable (net)	(8)	4,830,388,375	4,457,391,080
Suppliers advance payments		171,336,278	233,423,351
Debtors and other debit balances (net)	(9)	517,611,112	430,197,609
Due from related parties	(19-a)	371,635	371,635
Cash and cash equivalents	(10)	270,881,391	118,462,800
Total current assets		**7,891,458,613**	**6,930,491,650**
Total Assets		**9,280,433,017**	**8,169,883,221**
Equity			
Issued and paid-up capital	(11-a)	240,000,000	205,000,000
Share premium	(11-b)	277,500,000	277,500,000
Legal reserve	(12)	50,071,515	33,632,966
General reserve		3,079,334	3,079,334
Retained earnings		569,590,126	375,257,694
Net profit for the year		224,781,582	328,770,981
Total Shareholders' equity		**1,365,022,557**	**1,223,240,975**
Non-current liabilities			
loans – Long term	(14)	405,683,228	515,384,422
lease liabilities – Long term	(15)	26,271,105	34,115,016
Other non-current liabilities	(13)	--	26,949,470
Total non-current liabilities		**431,954,333**	**576,448,908**
Current liabilities			
Credit facilities	(16)	607,898,159	276,910,119
Short term loans and current portion of long-term loans	(14)	200,147,888	197,100,483
Accounts and notes payable	(17)	6,408,194,289	5,656,995,735
Creditors and other credit balances	(18)	101,892,598	86,919,769
Customers advance payments		5,158,554	5,874,096
Due to related party	(19-a)	29,879,478	--
Income tax payable		34,765,306	50,741,080
Current portion of lease liabilities	(15)	15,358,284	15,490,486
Claims provision	(20)	80,161,571	80,161,571
Total current liabilities		**7,483,456,127**	**6,370,193,338**
Total Shareholder's equity & Liabilities		**9,280,433,017**	**8,169,883,221**

- The accompanying notes from (1) to (32) are an integral part of these separate financial statements.
- Auditor's Report" Attached.

Chief Financial Officer	Chief Executive Officer	Chairman
Mo'men Gomaa	Omar Abdel Gawad	Mohamed Mohsen Mahgoub

Ibn Sina Pharma Company (S.A.E)

SEPARATE STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2020

	Note No.	31/12/2020 EGP	31/12/2019 EGP
Net Sales		18,678,959,243	16,600,459,560
Cost of sales		(17,212,098,107)	(15,161,004,836)
Gross profit		**1,466,861,136**	**1,439,454,724**
Less:			
Selling and marketing expenses	(21)	(612,438,376)	(499,950,636)
General and administrative expenses	(22)	(210,149,982)	(174,762,795)
Fixed assets depreciation	(3)	(112,803,085)	(70,113,515)
Right of use assets amortization	(15)	(16,406,408)	(14,842,413)
Intangible assets amortization	(5)	(1,911,928)	(1,273,547)
Impairment of accounts and notes receivable	(8)	(24,340,071)	(14,515,354)
Formed provisions for claims		--	(10,666,630)
Finance cost		(255,317,411)	(252,509,973)
Foreign currency revaluation (loss)		(303,464)	(1,569,120)
		233,190,411	**399,250,741**
less:			
Other expenses		(10,889)	(4,526,541)
Add:			
Other income	(23)	59,160,551	26,158,703
Net profit for the year before tax		**292,340,073**	**420,882,903**
Less / add:			
Current Income tax	(24)	(69,878,433)	(92,455,822)
Deferred income tax	(24)	2,319,942	343,900
Net profit for the year		**224,781,582**	**328,770,981**
Earning per share from net profit for the year	(25)	0.19	0.28

Chief Financial Officer	Chief Executive Officer	Chairman
Mo'men Gomaa	Omar Abdel Gawad	Mohamed Mohsen Mahgoub

- The accompanying notes from (1) to (32) are an integral part of these separate financial statements.

Ibn Sina Pharma Company (S.A.E)

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

	31/12/2020	31/12/2019
	EGP	EGP
Net profit for the year	224,781,582	328,770,981
Other comprehensive income	--	--
Total comprehensive income	224,781,582	328,770,981

Chief Financial Officer	Chief Executive Officer	Chairman
Mo'men Gomaa	Omar Abdel-Gawad	Mohamed Mohsen Mahgoub

- The accompanying notes from (1) to (32) are an integral part of these separate financial statements.

Ibn Sina Pharma Company (S.A.E)

SEPARATE STATEMENT OF CASH FLOW

For the year ended 31 December 2020

		31 December 2020 EGP	31 December 2019 EGP
Cash flows from operating activities			
Net profit for the year before tax		292,340,073	420,882,903
Adjustments to reconcile net profit to cash flows from operating activities			
Fixed assets depreciation	(3)	112,803,085	70,113,515
Intangible assets amortization	(5)	1,911,928	1,273,547
Impairment of accounts and notes receivable	(8)	24,340,071	14,515,354
Right of use assets amortization	(15)	16,406,408	14,842,413
Formed provisions for claims		--	10,666,630
Gain from sale of fixed assets		(1,938,954)	(1,062,667)
Finance costs		255,317,411	252,509,973
Operating profit before changes in working capital		701,180,022	783,741,668
Change in inventory		(410,224,647)	(290,292,916)
Change in accounts and notes receivable		(410,142,542)	(916,831,104)
Change in suppliers' advance payments		62,087,073	(19,561,754)
Change in debtors and other debit balance		(87,263,503)	(226,312,107)
Change in accounts and notes payable		751,198,554	899,166,246
Change in customers advance payments		(715,542)	597,579
Change in other noncurrent liabilities		(13,220,234)	(12,951,515)
Change in creditors and other credit balance		(4,707,681)	16,587,942
Change in due to related parties		29,879,478	--
Cash flows generated from operating activities		618,070,978	234,144,039
Finance cost paid		(250,343,069)	(258,073,774)
Provisions used		--	(905,202)
Income tax paid		(85,854,207)	--
Net cash flows generated from (used in) operating activities		281,873,702	(24,834,937)
Cash flows from investing activities			
Payments to acquire fixed assets and projects under construction		(230,127,596)	(355,242,087)
Payments to acquire intangible assets		(322,718)	(4,221,937)
Payments in right of use assets		--	(36,988,392)
Proceeds from sale of fixed assets		2,415,890	1,768,973
Payments in investment in subsidiary		(29,999,980)	--
Net cash flows (used in) investing activities		(258,034,404)	(394,683,443)
Cash flows from financing activities			
Dividends paid		(82,023,068)	(71,110,840)
Proceeds from short and long-term loans		(106,653,789)	325,456,432
Proceeds from credit facilities		330,988,040	211,823,195
lease liabilities paid		(13,731,890)	(24,805,728)
Net cash flows generated from financing activities		128,579,293	441,363,059
Net change in cash and cash equivalents during the year		152,418,591	21,844,679
Cash and cash equivalents at beginning of the year		118,462,800	96,618,121
Cash and cash equivalents at end of the year		270,881,391	118,462,800

Chief Financial Officer	Chief Executive Officer	Chairman
Mo'men Gomaa	Omar Abdel-Gawad	Mohamed Mohsen Mahgoub

- The accompanying notes from (1) to (32) are an integral part of these separate financial statements.

Ibn Sina Pharma Company (S.A.E)

SEPARATE STATEMENT OF CHANGE IN EQUITY

For the year ended 31 December 2020

	Issued and Paid-up Capital	Share Premium	Legal Reserve	General Reserve	Retained Earnings	Net Profits for the year	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance at 1 January 2019	180.500.000	277.500.00	20.506.852	3.079.334	216.161.432	262.522.281	960.269.899
EAS 49 application effect	--	--	--	--	2.109.979	3.200.956	5.310.935
Balance at 1 January 2019 (Modified)	180,500,000	277,500,00	20,506,852	3,079,334	218,271,411	265,723,237	965,580,834
Capital increase	24.500.000	--	--	--	(24.500.000)	--	--
Transferred to legal reserve	--	--	13,126,114	--	(13.126.114)	--	--
Transferred to retained earnings	--	--	--	--	265.723.237	(265.723.237)	--
Dividends	--	--	--	--	(71.110.840)	--	(71.110.840)
Net profit for the year	--	--	--	--	--	328.770.981	328.770.981
Balance at 31 December 2019	205,000,000	277,500,000	33,632,966	3,079,334	375,257,694	328,770,981	1,223,240,975
Balance at 1 January 2020	205,000,000	277,500,00	33,632,966	3,079,334	375,257,694	328,770,981	1,223,240,975
Capital increase	35.000.000	--	--	--	(35.000.000)	--	--
Transferred to legal reserve	--	--	16.438.549	--	(16.438.549)	--	--
Transferred to retained earnings	--	--	--	--	328.770.981	(328.770.981)	--
Dividends	--	--	--	--	(83.000.000)	--	(83.000.000)
Net profit for the year	--	--	--	--	--	224.781.582	224.781.582
Balance at 31 December 2020	240,000,000	277,500,000	50,071,515	3,079,334	569,590,126	224,781,582	1,365,022,557

Chief Financial Officer	Chief Executive Officer	Chairman
Mo'men Gomaa	Omar Abdel-Gawad	Mohamed Mohsen Mahgoub

- The accompanying notes from (1) to (32) are an integral part of these separate financial statements.

1. Company's background

IBN SINA Pharma was established according to Law No.159 of 1981 and its executive regulation and pursuant to the provisions of Law No.95 of 1992. The company was registered in the commercial register on 18 December 2000 under No. 10724, 6 January 2004 were considered as the start date of the company's activity in accordance with the commercial Register.

The company's name changed during the year 2007 from IBN SINA LABOREX to IBN SINA PHARMA.

The company was listed on the Egyptian stock exchange during 2017 according to resolution of listing committee of Egyptian stock exchange.

Company's purpose to Buy and sell wholesale, distribution, manufacturing and manufacturing at third parties, packaging, transportation, storage, import and export, own and publicize commercial, scientific and marketing offers for all human pharmaceutical products, biological, veterinary, semi-prepared pharmaceuticals, chemicals, cosmetics, food, food supplements, pesticides, all kinds of disinfectants in any medical devices and prosthetic supplies laboratories, hospitals, equipment, tools, materials, laboratory reagents and alum Packaging and advertising materials - whether manufactured locally or imported, in addition to the advertisement of the above mentioned products in seals, as well as labelling, training and supply information and programs of systems and consultancy relating to the areas mentioned above and rental services and sale of administrative and storage areas,. with the company's pledge extracted all permits due in this regard and the private practice of each activity and the observance of all laws and regulations in direct to these activities.

Financial statements authorization

These separate financial statements for the year ended 31 December 2020 were authorized for issuance in accordance with the resolution of the board of directors on 28 February 2021.

2.1 Basis of preparation

Statement of compliance

These financial statements have been prepared in accordance with Egyptian Accounting Standards ("EAS") and relevant Egyptian laws and regulations.

Basis of measurement

The financial statements have been prepared under the going concern assumption on a historical cost basis.

Functional and presentation currency

The financial statements are presented in Egyptian Pound, which is the Company's functional and presentation currency.

2.2 Standards issued but not effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

EAS 47: Financial Instruments

EAS 47 Financial Instruments that replaces EAS 26 Financial Instruments: Recognition and Measurement. EAS 47 is issued in April 2019 and is effective for periods begins on or after 1 January 2021 in Egypt, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. The Company elected not to early adopt EAS 47.

2.2 Standards issued but not effective (continued)

EAS 47: Financial Instruments (continued)

The Company's financial assets would appear to satisfy the conditions for classification as either amortized cost or fair value through other comprehensive income or fair value through profit or loss.

The new impairment model requires the recognition of impairment provisions based on expected credit losses rather than only incurred credit losses as is the case under EAS 26. It applies to financial assets classified at amortized cost, debt instruments measured at fair value through other comprehensive income, contract assets under EAS 48 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Company's disclosures about its financial instruments.

The new standard requires the Company to review its accounting procedures and internal controls relating to the financial instruments for which reports are being issued.

EAS 48: Revenue from contracts with customers

EAS 48 was issued in April 2019, establishes a five-step model to account for revenue arising from contracts with customers. EAS 48 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including EAS 11 Revenue, EAS 8 Construction Contracts. Under EAS 48, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard should be applied for periods begins on or after 1 January 2021, with early application permitted. The Company elected not to early adopt the standard. The company will apply the new standard in it's effective date.

EAS 49: Leases

EAS 49 was issued in April 2019, This standard will replace EAS 20 "Accounting for finance Leases":

EAS 49 now requires lessees to recognize a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. There is an optional exemption of certain short-term leases and leases of low-value assets.

The standard should be applied for periods begins on or after 1 January 2021, with early application permitted. The Company elected not to early adopt the standard. The company will apply the new standard in it's effective date. The Company applied EAS 49 on finance lease contracts as disclosed in note 2-4.

The Company is currently assessing the impact of the application of the standards and the amendments mentioned above.

2.3 Changes in Accounting Policies

The accounting policies adopted this year are consistent with those used in the prior year, The Company elected not to early adopt any other standard, interpretation or amendment that has been issued but has not yet been effective.

2.4 Summary of significant accounting policies

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

Revenue is measured at the fair value of the consideration received or net receivable, taking into account contractually defined terms of payment and excluding discounts, rebates, and sales taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognized:

- **Sales of goods**
  Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, which is usually upon delivery of the goods.
- **Finance income**
  Finance income is recognized as it accrues using the effective interest rate (EIR) method and recognized in the statement of profit or loss. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Leases

The company has applied the Egyptian Accounting Standard 49 - Leases, retrospectively on 1 January 2019 with respect to finance lease contracts only.

- **Lease obligation:** The Company at the date of commencement of the lease measures the lease liability at the present value of the unpaid lease payments at that date using the interest rate implicit in the lease if the interest is available using the interest rate. Subsequently, the Company increases the carrying amount of the liability to reflect the interest on the lease obligation and the carrying amount is reduced to reflect the lease payments.
- **Right of use asset:** Right of use asset are measured at the commencement of the lease at the initial measurement of the lease obligation in addition to the initial direct expenses, prepayments paid to the lessor, and lease incentives received from the lessor (if any) The costs incurred by the Company in dismantling and removing the asset and restoring the location of the asset are added to the original conditioner return the same asset to the required condition in accordance with the terms and conditions of the lease.
  Subsequent to the commencement of the lease, the Company measures the 'right of use' asset at cost less any accumulated depreciation and any accumulated impairment loss adjusted for any re-measurement of the lease liability.
  The 'right of use' asset is amortized from the date of commencement of the lease until the end of the useful life of the asset if the lease transfers ownership of the asset subject to the contract to the Company at the end of the lease term or if the Company is exercising the option to purchase the asset. From the date of commencement of the lease to the end of the useful life of the 'right of use' asset or the end of the lease term, whichever comes first.

Inventories

The inventory elements are valued at the lower of cost (using the moving average method) or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

The amount of any write down of inventories to net realizable value and all losses of inventories shall be recognized in cost of sales in the statement of profit or loss in the period the write down or loss occurs.

The amount of any reversal of any write down of inventories, arising from an increase in net realizable value, shall be recognized as reduction from cost of sales in the statement of profit or loss in the period in which the reversal occurs.

2.4 Summary of significant accounting policies (continued)

Fixed assets

Fixed assets are stated at historical cost net of accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the fixed assets when that cost is incurred, if the recognition criteria are met. Likewise, when a major improvement is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit or loss as incurred.

Depreciation of an asset begins when it is in the location and condition necessary for it to be capable of operating in the manner intended by management, and is computed using the straight-line method according to the estimated useful life of the asset as follows:

	Years
Buildings	10 – 40
Machineries and equipment	7 – 35
Vehicles	5
Computer	3 – 40
Furniture and office equipment	5

Fixed assets are derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognizing the asset is included in the statement of profit or loss when the asset is derecognized.

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

The Company assesses at each reporting date whether there is an indication that fixed assets may be impaired. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the statement of profit or loss.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

Assets under construction

Assets under construction represent the amounts that are incurred for the purpose of constructing or purchasing fixed assets until it is ready to be used in the operation, upon which it is transferred to fixed assets. Assets under construction are valued at cost less impairment (if any).

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost.

After initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Internally generated intangible assets are not capitalized and expenditure is reflected in the statement of profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

2.4 Summary of significant accounting policies (continued)

Intangible assets (continued)

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Useful lives and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets represent the computer programs and the related licenses and are amortized using the straight-line method over their estimated useful lives.

Investment in subsidiaries

Investments in subsidiaries are investments in entities in which the group has control. Control is achieved when the company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of a potential currently exercisable voting right or transfer right is taken into consideration when assessing whether the group has control over another company.

Specifically, the company controls an investee if, and only if, the company has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the company has less than a majority of the voting or similar rights of an investee, the company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangements with the other vote holders of the investee
- Right arising from other contractual arrangements
- The company voting rights and potential voting rights

The company re-assess whether or not it controls an investee if facts and circumstances indicates that there are changes to one or more of the three elements of controls.

Investments in subsidiaries are accounted for in the separate financial statements at cost including acquisition cost. In the event of impairment of the investment, the carrying amount is adjusted to the amount of that impairment and included in the statement of income or losses for each investment separately.

Borrowings

Borrowings are initially recognized at the value of the consideration received. Amounts maturing within one year are classified as current liabilities, unless the Company has the right to postpone the settlement for a period exceeding one year after the reporting date, then the loan balance should be classified as non-current liabilities.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the statement of profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance expenses in the statement of profit or loss.

2.4 Summary of significant accounting policies (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Income taxes

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

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority.

Deferred income tax

Deferred income tax is recognized using the liability method on temporary differences between the amount attributed to an asset or liability for tax purposes (tax base) and its carrying amount in the statement of financial position (accounting base) using the applicable tax rate.

Deferred tax asset is recognized when it is probable that the asset can be utilized to reduce future taxable profits and the asset is reduced by the portion that will not create future benefit.

Current and deferred tax shall be recognized as income or an expense and included in the statement of profit or loss for the period, except to the extent that the tax arises from a transaction or an event which is recognized, in the same or a different period, directly in equity.

Impairment of assets

Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. Where the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the statement of profit or loss. A previously recognized impairment loss is only reversed if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

2.4 Summary of significant accounting policies (continued)

Cash and cash equivalent

For the purpose of preparing the statement of cash flows, the cash and cash equivalent comprise cash on hand, banks current accounts, time deposits maturing within three months less and on call banks overdraft Which is considered as an integral part of the company's cash management system.

Accounts and notes payable, accrued expenses and other payables

Accounts and notes payable, accrued expenses and other payables are initially recognized by fair value including transaction direct cost and subsequently measured by amortized cost using interest rate.

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Dividends

Dividends are recognized as a liability in the period in which they are declared.

Employees' reward system

The remunerations of employees are recorded as liabilities in the financial period in which the targeted profit ratios are achieved at the end of each year. The remunerations are represented in the number of points that are allocated annually to some employees of top management and executive directors in case of achieving targeted profit ratios and to be paid after three years of the due date. The value of points is determined at the end of each year when due and the liability is recorded at the present value at the date of the financial statements.

Employees' profit share

Employees' profit share recognized as dividends distribution in the statement of changes in equity and as liabilities during the financial period in which the shareholders approved these distributions. The company pay employees' profit share by 10% from declared profit distribution and not exceeding the total annual salaries of the company's employees.
The employees' profit sharing in the undistributed profits is not recognized as a liability.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at the reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision should be the present value of the expected expenditures required to settle the obligation. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost in the statement of profit or loss.

Social insurance

The Company makes contributions to the Social Insurance Authority calculated as a percentage of the employees' salaries. The Company's obligations are limited to these contributions, which are expensed when due.

2.4 Summary of significant accounting policies (continued)

Foreign currency translation

Transactions in foreign currencies are initially recorded using the exchange rates prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated using the exchange rates prevailing at the reporting date. All differences are recognized in the statement of profit or loss.

Nonmonetary items that are measured at historical cost in foreign currencies are translated using the exchange rates prevailing at the date of the initial recognition.

Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates prevailing at the date when the fair value is determined.

Contingent liabilities and contingent assets

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Statement of cash flows

The statement of cash flows is prepared using the indirect method.

Expenses

All expenses including cost of sales, selling and marketing expenses, general and administrative expenses and other expenses are recognized and charged to the statement of profit or loss in the financial year in which these expenses were incurred.

Accounts and notes receivables and other debit balances

Accounts and other receivables and other debit balances are stated at original invoice amount net of any impairment losses.

Impairment losses are measured as the difference between the accounts and other receivables carrying amount and the present value of estimated future cash flows. The impairment loss is recognized in the statement of profit or loss. Reversal of impairment losses are recognized in the statement of profit or loss in the period in which it occurs.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or the most advantageous market for the asset or liability.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2.4 Summary of significant accounting policies (continued)

Fair value measurement (continued)

For assets traded in an active market, fair value is determined by reference to quoted market bid prices.

The fair value of interest-bearing items is estimated based on discounted cash flows using interest rates for items with similar terms and risk characteristics.

For unquoted assets, fair value is determined by reference to the market value of a similar asset or is based on the expected discounted cash flows.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- *Level 1 – Fair value measurements* are those derived from quoted prices in an active market (that are unadjusted) for identical assets or liabilities.
- *Level 2 – Fair value measurements* are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3 – Fair value measurements* are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.5 Significant accounting judgements and estimates

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

The key judgements and estimates that have a significant impact on the financial statement of the Company are discussed below:

Judgments

Revenue recognition
In making their judgment, the management considered the detailed criteria for the recognition of revenue as set out in EAS 11 Revenue, and, in particular, whether we Company had transferred to the buyer the significant risks and rewards of ownership of goods.

2.5 Significant accounting judgements and estimates (continued)

Estimates

Impairment of trade and other receivables

An estimate of the collectible amount of trade and other receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimate is performed on an individual basis. Amounts which are not individually significant, but are past due, are assessed collectively and a provision is applied according to the length of time past due, based on historical recovery rates.

Estimation of inventory

Inventory is stated at the lower of cost or net realisable value (NRV).

NRV for inventory is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Company, based on comparable transactions, less estimated costs to complete the sale transaction.

Useful lives of fixed assets and right of use assets

The Company's management determines the estimated useful lives of its fixed assets and right of use assets for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. The management periodically reviews the estimated useful lives and the depreciation method to ensure that the method and the period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Taxes

The Company is subject to income taxes in Egypt. Significant judgment is required to determine the total provision for current and deferred taxes. The Company establishes provision, based on reasonable estimates, for possible consequences of audits by the tax authorities in Egypt. The amount of such provision is based on various factors, such as experience of previous tax audits and different interpretations of tax regulations by the Company and the responsible tax authority. Such differences of interpretations may be on a wide variety of issues depending on the conditions prevailing in Egypt.

Deferred tax assets are recognized for unused accumulated tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

3. Fixed Assets (Net)

The balance of fixed assets (net) as of 31 December 2020 amounted to EGP 952,715,850 presented as follows:

	Cost as of 1/1/2020	Disposals during the year	Additions during the year	Cost as of 31/12/2020	Accumulated depreciation as of 1/1/2020	Accumulated depreciation of disposals	Depreciation for the year	Accumulated depreciation as of 31/12/2020	Net book value as of 31/12/2020	Net book value as of 31/12/2019
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Land	93,753,808	--	--	93,753,808	--	--	--	--	93,753,808	93,753,808
Building	601,611,318	836,517	54,071,980	654,846,781	119,841,185	482,081	57,980,337	177,339,441	477,507,340	481,770,133
Machinery and Equipment	301,867,758	1,273,537	82,965,256	383,559,477	69,061,760	898,868	30,616,457	98,779,349	284,780,128	232,805,998
Vehicles	33,749,188	1,110,261	8,603,142	41,242,069	8,557,529	722,395	6,369,024	14,204,158	27,037,911	25,191,659
Computers and software	70,107,009	3,400,382	23,688,406	90,395,033	18,940,360	684,372	14,743,974	32,999,962	57,395,071	51,166,649
Furniture and fixtures	22,649,320	17,903	1,803,209	24,434,626	9,117,644	17,903	3,093,293	12,193,034	12,241,593	13,531,676
Total	1,123,738,401	6,638,600	171,131,993	1,288,231,794	225,518,478	2,805,619	112,803,085	335,515,944	952,715,850	898,219,923

The balance of fixed assets (net) as of 31 December 2019 amounted to EGP 898,219,923 presented as follows:

	Cost as of 1/1/2019	Disposals during the year	Additions during the year	Cost as of 31/12/2019	Accumulated depreciation as of 1/1/2019	Accumulated depreciation of disposals	Depreciation for the year	Accumulated depreciation as of 31/12/2019	Net book value as of 31/12/2019	Net book value as of 31/12/2018
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Land	48,638,660	--	45,115,148	93,753,808	--	--	--	--	93,753,808	48,638,660
Building	334,665,989	330,452	267,275,781	601,611,318	85,949,939	213,010	34,104,256	119,841,185	481,770,133	248,716,050
Machinery and Equipment	131,753,186	728,569	170,843,141	301,867,758	49,303,873	725,565	20,483,457	69,061,760	232,805,998	82,449,313
Vehicles	30,908,840	1,763,123	4,603,470	33,749,188	4,801,363	1,215,567	4,971,732	8,557,529	25,191,659	26,107,477
Computers and software	30,358,373	123,399	39,872,035	70,107,009	11,115,386	85,412	7,910,385	18,940,360	51,166,649	19,242,986
Furniture and fixtures	19,750,093	11,410	2,910,636	22,649,320	6,484,904	11,093	2,643,834	9,117,644	13,531,676	13,265,191
Total	596,075,143	2,956,953	530,620,211	1,123,738,401	157,655,466	2,250,647	70,113,659	225,518,478	898,219,923	438,419,677

4. Projects under construction

	31 December 2020	31 December 2019
	EGP	EGP
Balance at 1 January	160,909,990	336,288,113
Additions during the year	182,105,694	290,619,045
Transferred to fixed assets	(123,100,061)	(465,997,168)
Balance at 31 December	**219,915,623**	**160,909,990**

	31 December 2020	31 December 2019
	EGP	EGP
Computer applications and peripherals*	108,354,161	73,616,360
Buildings**	76,905,362	49,334,414
Machinery and Equipment***	27,513,555	32,887,509
Land****	6,178,093	4,666,875
Furniture	964,452	363,956
Vehicles	--	40,876
	219,915,623	**160,909,990**

*Computers represents equipment and applications of integrated computer system.

**Buildings represents buildings under construction at 5th settlement branch, Obour building, Hadayek October branch, Beni Suief branch, Kafr Al Dawar branch, 15th. May branch and Suhag branch.

*** Represents a machinery and equipment at Beni Suief branch, Kafr El Dawar branch, 15th. May branch, and Cairo account branch (major customers).

****Represents a 2 plot of land at Al Ismailia and Suhag city.

5. Intangible Assets

Intangible assets represented in Computer software as follows:

	31 December 2020	31 December 2019
	EGP	EGP
Cost		
Balance at 1 January	11,569,083	7,347,146
Additions	322,718	4,221,937
Balance at 31 December	**11,891,801**	**11,569,083**
Accumulated amortization		
Balance at 1 January	3,075,324	1,801,777
Amortization	1,911,928	1,273,547
Balance at 31 December	**4,987,252**	**3,075,324**
Net book value	**6,904,549**	**8,493,759**

6. Investment in Subsidiary

	Number of Shares	Ownership %	Share Par Value	Cost at 31 December 2020	Cost at 31 December 2019
			EGP	EGP	EGP
AIM Healthcare Investments and Consultancy (S.A.E)	29,999,980	% 99,99	1	29,999,980	--
				29,999,980	--

7. Inventory

	31 December 2020	31 December 2019
	EGP	EGP
Goods for sale	1,808,738,315	1,534,619,184
Goods in transit	205,359,527	96,890,874
Returns	83,112,100	53,825,917
Spare parts	3,659,880	5,309,199
	2,100,869,822	**1,690,645,175**

- There is no Impairment in the value of inventory in 31 December 2020 and 2019.

8. Accounts and notes receivables (net)

	31 December 2020	31 December 2019
	EGP	EGP
Accounts receivable	3,347,733,980	2,572,217,259
Notes receivable	1,562,912,854	1,940,092,210
	4,909,646,834	**4,512,309,468**
Impairment in value of accounts & notes receivable	(79,258,459)	(54,918,388)
	4,830,388,375	**4,457,391,080**

The movement in the impairment of accounts & notes receivable is represented as follows:

	31 December 2020	31 December 2019
	EGP	EGP
Beginning balance	54,918,388	48,280,280
Formed During the year	24,340,071	14,515,353
Used during the year	--	(7,877,245)
Ending balance	**79,258,459**	**54,918,388**

9. Debtors and other debit balances (net)

	31 December 2020 EGP	31 December 2019 EGP
Tax Authority - Prepayments in the account of Withholding tax	55,613,472	--
Tax Authority – Withholding tax	23,341,034	78,036,956
Suppliers claims	201,080,702	138,253,537
Prepaid expenses	33,843,647	12,659,573
Deposits with others	16,522,452	12,900,263
Staff loans	9,120,941	6,600,394
Other debit balances*	185,962,877	175,640,731
Fixed assets prepayments	--	13,980,168
	525,485,125	438,071,622
Impairment on debtors and other debit balances	(7,874,013)	(7,874,013)
	517,611,112	430,197,609

* Other debit balances includes an amount of EGP 160 Million represented penalty sentenced in appeal judgment (note 26) under settlement until the appeals are adjudicated and this is not an acknowledgment by the company of the occurrence of the violation, and the directors' right to appeal a ruling is not forfeited, especially since full payment before the dismissal of the court of cassation is an order that does not prevent the company from recovering what was paid in the event of a ruling to cancel the contested judgment or reduce it from what sentenced by.

10. Cash and cash Equivalents

	31 December 2020 EGP	31 December 2019 EGP
Bank current accounts EGP	242,701,508	116,046,655
Bank current accounts foreign currency	27,896,018	2,132,280
Letters of guarantee cover	283,865	283,865
	270,881,391	118,462,800

11. Capital and Share premium

A- Capital

- The company's authorized capital amounted to EGP 50 million (only fifty million Egyptian pounds), and the company issued and paid-up capital amounted to EGP 35 million (only thirty-five million Egyptian pounds) distributed over 350 000 shares, at a par value of EGP 100 each (only one hundred Egyptian pounds), all represented in cash shares.

- On 26 August 2005, the Extraordinary General Assembly Meeting decided to increase the issued and paid-up capital to become EGP 50 million (only fifty million Egyptian pounds), distributed over 500 000 shares, at a par value of EGP 100 (only one hundred Egyptian pounds), all represented in cash shares.

- On 10 December 2006, the Extraordinary General Assembly Meeting decided to buy the shares of the French side which represents the nominal value of EGP 34 193 900 (only thirty-four million, one hundred and ninety-three thousand, and nine hundred Egyptian pounds) at 68.38% of the total former shareholder's contribution at the rate of 93.5%, and the employees at 6.5%. The registration procedures were finalized at the end of year 2007.

11. Capital and Share premium – (Continued)

A- Capital – (continued)

- On 17 September 2008, the Extraordinary General Assembly Meeting agreed to amend Article No. (6) of the company's Articles of Association by reducing the accumulated losses at the value of EGP 30 million (only thirty million Egyptian pounds) from the issued and paid-up capital by an amount of EGP 50 million (only fifty million Egyptian pounds) before amendment, and therefore the authorized capital became EGP 50 million (only fifty million Egyptian pounds) and the issued and paid-up capital in full after amendment became EGP 20 million (only twenty million Egyptian pounds) distributed over 200 000 shares, at the par value of EGP 100 each (only one hundred Egyptian pounds), all represented in cash shares.

- On 27 May 2015, the Extraordinary General Assembly Meeting agreed to amend Article No. (6) of the company's Articles of Association by reducing the authorized capital to become EGP 24 million (only twenty four million Egyptian pounds) instead of EGP 50 million (only fifty million Egyptian pounds) and the issued and paid-up capital in full to become EGP 24 million after the amendment (only twenty four million Egyptian pounds) instead of EGP 20 million (only twenty million Egyptian pounds) distributed over 240 000 shares (only two hundred forty thousand shares) at the par value of EGP 100 each (only one hundred Egyptian pounds), all represented in cash shares, and this amendment was in the Commercial Register on 29 June 2015.

- On 5 March 2017, the Extraordinary General Assembly decided to increase the authorized share capital by an amount of EGP 144 million to become 168 million as well as increase the issued capital of the Company by an amount of EGP 144 million to become 168 million to be financed from the balance of the general reserve as of 31 December 2016 given that each (6) free shares of the share capital increase to be allocated to each one share of the original shares of the company owned by the shareholders at the date of the General Assembly Meeting. And splitting the nominal value of the share from 100 Egyptian pounds to 1 Egyptian pounds to become the total number of shares of the company after the increase and the splitting the nominal value per share to be 168 million shares paid in full. This amendment was registered in the Commercial Register on 12 September 2017.

- On 7 September 2017, the Extraordinary General Assembly decided to split the share capital from EGP (1) to EGP (0.25) per share to become the paid in capital by an amount of EGP 168 million distributed on 672 million shares of value EGP (0.25) per share. This amendment was in the Commercial Register on 28 September 2017.

- On 17 January 2018, the Board of Directors of Ibn Sina Pharma agreed to increase the issued capital from EGP 168 million to EGP 180,5 million, through subscription by the old shareholders whom sold their shares in the public or private placement. The capital will be increased by issuing 50 million shares with subscribing price equal the final offer price which amounted to EGP 5.80, Accordingly, the issued and paid up share capital of the company was increased by EGP 12.5 million to become the issued and paid up capital amounted to EGP 180.5 million according to the bank deposit certificate issued by Arab African International Bank on 13 February 2018. Moreover, share premium for this capital increase amounted EGP 277,5 million. This capital increase initialled in the commercial register on 22 March 2018.

12. Capital and Share premium – (Continued)

A- Capital – (continued)

- 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 through the issuance of 98 million free stocks funded by the company's net profit For the financial year ended 31 December 2018 by 0.1357340720 free stocks for each one of the original shares of the issued share capital of the company before the increase of 722 million shares with fractional reparations in favor of small shareholders from small to large until the amount runs out to become the company's issued capital after the increase an amount of EGP 205 million distributed on 820 million shares valued 0.25/share. It was registered at the commercial register at 19 June 2019 ,and also free stocks were distributed as of 15 July 2019, taking into consideration the fractional reparations for the benefit of the small shareholders from the smallest to the largest until the quantity runs out, through Misr for Central clearing, Depository and Registry, after the issuance of a committee decision.to approve the increase.

- On 31 March 2020, the Ordinary General Assembly decided to increase the company's issued capital to EGP 240 million, by an increase of EGP 35 million through issuing 140 million free shares funded from the net profits of the company that are distributable for the year ended 31 December 2019 by 0.170731707 free shares against each one of the original shares of the issued capital of the company before the increase of 820 million shares with compensation for fractions in favor of small shareholders from the smallest to the largest until the quantity runs out, the issued capital of the company after the increase amounting to EGP 240 million distributed over 960 million shares The share valued EGP 0.25/share. Registered in the commercial registry on 30 August 2020, and the free shares were distributed as of 1 October 2020, after the registration committee issued a decision approving the increase.

B- Share Premium

On 17 January 2018, the Board of Directors of Ibn Sina Pharma agreed to increase the issued capital from EGP 168 million to EGP 180.5 million, through subscription by the old shareholders whom sold their shares in the public or private placement. The capital will be increased by issuing 50 million shares with subscribing price equal the final offer price which amounted to EGP 5.80, Accordingly, the issued and paid up share capital of the company was increased by EGP 12,5 million to become the issued and paid up capital amounted to EGP 180,5 million according to the bank deposit certificate issued by Arab African International Bank on 13 February 2018. Moreover, share premium for this capital increase amounted EGP 277,5 million. This capital increase initialed in the commercial register on 22 March 2018.

12. 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.

13. Other current and non-current liabilities

According to the board of directors' resolution dated 4 May 2017, the company made entitlement to defined benefit plan in accordance to the terms and conditions related to this program. During the year ended 31 December 2020, the company fully paid the balance of the current liability and part of the non-current liability, amounting to EGP 4,499,926 and EGP 8,720,362, respectively, the liability became fully current liability and its current value amounting to EGP 18,229,108 on 31 December 2020 (note 18) and EGP 26,949,470 as of 31 December 2019 as a non-current portion.

14. Long & short loans instalments

	Credit Limit	Last maturity date	Outstanding balance	
			31 December 2020	31 December 2019
			EGP	EGP
Commercial International Bank	420,000,000	15/3/2024	352,363,283	405,953,445
Audi Bank	160,000,000	5/3/2023	119,999,999	146,666,666
Atijari Waffa Bank	100,000,000	31/3/2024	93,009,445	100,000,000
Ahli United Bank	100,000,000	30/6/2022	36,774,360	49,032,480
Atijari Waffa Bank	75,000,000	31/3/2021	3,684,029	10,832,314
			605,831,116	**712,484,905**

The Movement of loans during year ended 31 December 2020 and 2019 represented as follows:

	31 December 2020	31 December 2019
	EGP	EGP
Beginning balance	712,484,905	387,028,473
Used During the year	6,438,409	377,591,801
Paid during the year	(113,092,198)	(52,135,369)
Ending balance	**605,831,116**	**712,484,905**

	31 December 2020	31 December 2019
	EGP	EGP
Loans with maturity date in more than 12 months	405,683,228	515,384,422
Loans with maturity date within 12 months	200,147,888	197,100,483
	605,831,116	**712,484,905**

Loans are secured by insurance policies against all risks to the company's stores in favour of the banks. Also, there are financial covenants that must be met, as well as pledges with a bank not to change the shareholder structure and/or assign a part of the company and / or assign or abandon any of the company's assets unless after obtaining a prior written approval from the bank. In addition to not distributing profits exceeding 50% of the net annual profits achieved in the fiscal year and not distributing the profits except after paying all due instalments.

15. Leases

The current portion of lease liabilities amounted to EGP 15,358,284 (2019: EGP 15,490,486) and long-term lease liabilities amounted to EGP 26,271,105 (2019: EGP 34,115,016), total lease liabilities amounted to EGP 41,629,389 (2019: EGP 49,605,502). The balance of right of use assets and lease liabilities at 31 December 2020 and 31 December 2019 are as follows:

	Right of use assets				Lease liabilities
	Vehicles	Computer & software	Machinery & Equipment	Total	
	EGP	EGP	EGP	EGP	EGP
Balance at 1 January 2020	49,866,736	4,351,155	7,259,567	61,477,458	49,605,502
Additions	9,641,003	--	--	9,641,003	9,791,003
Disposals	(678,022)	(11,188)	--	(689,210)	--
Depreciation Expenses	(12,890,035)	(2,307,981)	(1,208,392)	(16,406,408)	--
Finance cost	--	--	--	--	6,036,168
Payments	--	--	--	--	(23,803,284)
Balance at 31 December 2020	**45,939,682**	**2,031,986**	**6,051,175**	**54,022,843**	**41,629,389**

	Right of use assets				Lease liabilities
	Vehicles	Computer & software	Machinery & Equipment	Total	
	EGP	EGP	EGP	EGP	EGP
Balance at 1 January 2019	30,450,586	4,231,773	4,888,722	39,571,081	30,622,629
Additions	30,186,637	3,353,515	3,831,380	37,371,532	36,988,392
Disposals	(622,106)	(37)	(598)	(622,741)	--
Depreciation Expenses	(10,148,384)	(3,234,095)	(1,459,935)	(14,842,414)	--
Finance cost	--	--	--	--	6,800,208
Payments	--	--	--	--	(24,805,727)
Balance at 31 December 2019	49,866,733	4,351,156	7,259,569	61,477,458	49,605,502

16. Credit Facilitates

	31 December 2020	31 December 2019
	EGP	EGP
Credit Agricole Bank	101,142,093	--
CIB	92,629,944	93,580,827
Emirates NBD Bank	80,091,933	16,190,091
AttijariWafa Bank	74,453,635	30,348,036
HSBC Bank	67,279,176	7,579,269
Ahli United Bank	61,453,525	51,148,837
Alex bank	44,311,020	7,157,476
Bank Audi	31,820,876	--
National Bank of Kuwait	21,565,807	27,866,734
National Bank of Egypt	14,568,678	24,509,710
First Abu Dhabi Bank	8,066,041	--
The United Bank	6,943,579	--
Abu Dhabi Islamic Bank	3,571,852	1,215,616
Qatar National Bank Alahli	--	11,765,668
Banque du Cairo	--	5,547,855
	607,898,159	276,910,119

17. Accounts and notes payable

	31 December 2020 EGP	31 December 2019 EGP
Accounts payables	917,376,864	1,221,585,121
Notes payables	5,490,817,425	4,435,410,613
	6,408,194,289	5,656,995,735

18. Creditors and other credit balances

	31 December 2020 EGP	31 December 2019 EGP
Tax Authority - Withholding tax	32,442,258	26,359,315
Tax Authority - Value added tax	3,365,546	4,656,303
Tax Authority – Payroll tax	2,562,484	2,305,935
Social insurance	6,088,174	2,842,486
Dividends Payable	1,723,261	746,329
Other current liabilities (note 13)	18,229,108	4,499,926
Accrued expenses	25,408,287	16,918,512
Amounts due to contractors	25,935	7,255,809
Other credit balances	12,047,545	21,335,153
	101,892,598	86,919,769

19. Related Parties

Related parties represented in Subsidiaries, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly or significantly influenced by such parties, pricing policies and term of these transactions are approved by the Company's management. The related parties' transactions resulted in the following balances:

a) Related party balances

	31 December 2020		31 December 2019	
	Due From EGP	Due To EGP	Due From EGP	Due To EGP
Ibn Sina Importation Company	371,635	--	371,635	--
AIM Healthcare Investments and Consultancy	--	29,879,478	--	--
	371,635	29,879,478	371,635	--

b) Related party transactions

Company Name	Nature of relationship	Nature of transaction	31 December 2020 EGP	31 December 2019 EGP
AIM Healthcare Investments and Consultancy	Subsidiary	Capital Contribution Payments	29,999,980	--
		Payments on behalf	120,522	--
		Current to / (from)	(30,000,000)	--

c) Salaries and benefits of key management personnel

	31 December 2020 EGP	31 December 2019 EGP
Salaries and benefits of directors	30,136,368	26,415,036
Board of directors' bonus	8,424,829	7,115,304
	38,561,197	33,530,340

20. Claims Provisions

	Balance at 1 January 2020	Formed During the year	Used During the year	Balance at 31 December 2020
	EGP	EGP	EGP	EGP
Provision for legal claims	80,000,000	--	--	80,000,000
Provision for other claims	161,571	--	--	161,571
	80,161,571	--	--	**80,161,571**

	Balance at 1 January 2019	Formed During the year	Used During the year	Balance at 31 December 2019
	EGP	EGP	EGP	EGP
Provision for legal claims	69,333,369	10,666,631	--	80,000,000
Provision for other claims	1,066,773	--	(905,202)	161,571
	70,400,142	**10,666,631**	**(905,202)**	**80,161,571**

There are no significant potential liabilities other than those disclosed in the provision note, note (27) regarding the tax situation and note (29) contingent liabilities.
Provisions represents the expected claims from certain external parties regarding the company's activities. The information usually required by accounting standards is not disclosed because the management believes that to do so would seriously prejudice the outcome of the negotiation with the related parties. These provisions are reviewed by management on an annual basis and they are adjusted based on latest developments, discussions and agreements with those parties.

21. Selling and Marketing expenses

	31 December 2020	31 December 2019
	EGP	EGP
Salaries, travel and transportation expenses	359,816,736	305,720,745
Rent, insurance, security and cleaning expenses	99,084,888	74,092,705
Maintenance, services and utilities expenses	81,620,377	106,336,422
Other expenses	71,916,375	13,800,764
	612,438,376	**499,950,636**

22. General and Administrative expenses

	31 December 2020	31 December 2019
	EGP	EGP
Salaries, travel and transportation expenses	148,604,689	126,992,267
Rent, insurance, security and cleaning expenses	10,987,590	9,164,750
Management remuneration and benefits	8,424,829	7,115,304
Bank charges	7,545,581	8,801,385
Maintenance, services and utilities expenses	5,344,709	11,528,922
Other expenses	29,242,584	11,160,167
	210,149,982	**174,762,795**

23. Other income

	31 December 2020	31 December 2019
	EGP	EGP
Penalty on returned cheques	51,852,170	21,602,659
Gain from sale of fixed assets	2,415,890	1,062,667
Gain from scrap sales	1,047,972	1,145,919
Other income	3,844,519	2,347,458
	59,160,551	**26,158,703**

24. Income tax

	31 December 2020 EGP	31 December 2019 EGP
Current income tax	(69,878,433)	(92,455,822)
Deferred income tax	2,319,942	343,900
	(67,558,491)	**(92,111,922)**

Deferred Income tax Asset (Liability)

	Statement of financial position		Statement of profit or loss	
	31 December 2020 EGP	31 December 2019 EGP	31 December 2020 EGP	31 December 2019 EGP
Depreciation of fixed assets	(4,879,939)	(1,461,208)	(3,418,731)	(1,080,114)
Right of use assets and lease liabilities	(1,377,723)	(1,639,880)	262,157	(97,996)
Provisions and accrued expenses	17,833,153	12,356,637	5,476,516	1,522,010
Deferred income tax asset	**11,575,491**	**9,255,549**	**2,319,942**	**343,900**

25. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year applicable to attribute by the weighted average number of ordinary shares outstanding during the year. The Company has no dilutive shares.

	31 December 2020 EGP	31 December 2019 EGP
Net profit of year	224,781,582	328,770,981
Employees' and board of directors' share (estimated)	(40,573,075)	(59,343,162)
Net profit applicable to attribute	**184,208,507**	**269,427,819**
Weighted average number of ordinary shares for basic earnings*	960,000,000	960,000,000
Earnings per share – (EGP / Share)	**0.19**	**0,28**

* On 31 March 2020, the Ordinary General Assembly decided to increase the company's issued capital to EGP 240 million, by an increase of EGP 35 million through issuing 140 million free shares funded from the net profits of the company that are distributable for the year ended 31 December 2019 by 0,170731707 free shares against each one of the original shares of the issued capital of the company before the increase of 820 million shares with compensation for fractions in favor of small shareholders from the smallest to the largest until the quantity runs out, the issued capital of the company after the increase amounting to EGP 240 million distributed over 960 million shares The share valued EGP 0.25/share. Registered in the commercial registry on 30 August 2020.

26. Litigations

Based on a complaint from one of the pharmacies about the existence of a written agreement between pharmaceutical distribution companies, including Ibn Sina Pharma (S.A.E), who represent the members of the Association of pharmaceutical distribution companies, and where the allegation that these companies agreed to unify the sales policies and reduce the rates of cash discount and credit periods at the detriment of small pharmacies.

The lawsuit has already been disclosed in Section 4 (Lawsuits Position) of the IPO prospectus concerning the lawsuit No. 2952 for the year 2015 Economic Court, registered under number 1898 for the year 2016 for economic Misdemeanors.

The lawsuit can be summarized as follows:

26. Litigations (continued)

- The Public Prosecution referred the defendants in the lawsuit (namely, **Ibn Sina Pharma, United Pharma, Ramco Pharma, Multi pharma For Pharmaceuticals & Chemicals and Middle East for Chemicals)** on the allegation of implementing similar sales policies leading to an increase in the prices of pharmaceutical products on the pharmacies and restricting the distribution of medicine.
- The Public Prosecution (Financial and Commercial Affairs Office), then, prepared a report on the whole matter and referred Ibn Sina and the other PDCA members to the judiciary and filed the report as a misdemeanor in accordance with:
- Articles 1, 2(a) and (b), 3, 6 paragraph 1 (subparagraphs a and d), 19/1, 21/1, 22/1 (first sub paragraph), 24 and 25 of Law no. 3/2005.
- Articles 1, 2, 5, 6, 9, 10, 11 (a and d), 31, 32, 33, 34, 35 and 38 of the Executive Regulations to Law No. 1316/2005.
- The Public Prosecution determined the period of violation form January 2013 to December 2015.
- On 28 February 2018, the Economic Court issued a decision finding the defendants guilty of the charges (including four individuals from Ibn Sina Pharma) imposing the maximum penalty set by law. The Court imposed the penalty on the companies' representatives relying on the Egyptian Competition Authority Report and the investigations of the Public Prosecution, which concluded the existence of an agreement between the companies to unify the sales policies leading to an increase in the prices of pharmaceutical products and restricting the distribution of medicine in violation of Article 6 of the Competition Law. The Court imposed the maximum penalty by law due to its inability to determine the total revenues of the product in question.
- Article 6 of Law No. 3/2005 restricted any agreement between competitors in any relevant market that targets an increase, decrease or fixing or prices.
- Article 22 also imposed a penalty on violators of Article 6 of not less than 2% of the total revenues of the product in question and not exceeding 12% of such revenues; all during the period of violation. In case of inability to determine such revenues, the penalty shall not be less than EGP 500,000 and not to exceed EGP 500 million.
- All the defendants, including the representatives of Ibn Sina Pharma, appealed the court ruling, and a hearing was set for the appeal on 19 May 2018.
- On 19 February 2019 an appeal decision was issued to reduce the penalties of EGP 160 million and to acquit some of the directors of the company.
- A Cassation Appeal was conducted by company managers on the appellate decision through the scheduled dates by law and the pending appeal number 67 for the year 2019 follows the cassation that ensures the company's insistency with all available legal means to protect its legal rights
- The Company believes in the importance of the implementation of the jurisprudence by law. As the company's article of association and the law binds the company solidarity with its representative and based up on text of article 25 from the law of protection of competition that binds the legal entity "The Company" in solidarity with any imposed financial penalties and compensations in case the violation had been committed by one of the workers or employees at the legal entity or for its own sake, and based up on article 33 from the company's article of association that states that members of the board of directors will not according to their job description bear any responsibilities related to the company's financial responsibility. And despite that court of Appeal's decision is not final and still can be appealed, it must be applied based up on the Egyptian law until the cassation court make its judgment in it. Therefore, the company has decided in the following period to the financial position's date to pay the penalty amounted EGP 160 million until the appeals are final, such a decision made by the company couldn't be considered as an admitting of a violation and managers still have the right to contest, specially that payment of the penalty before the final verdict doesn't prevent the company from retrieving the payments, in case the verdict has been posted by cancelling the appealed judgment or decreasing it. The company will take all legal actions and procedures and defenses that support the integrity of its legal position.

27. Tax situation

Corporate Tax:

- Company's records were inspected since inception until year 2016 and taxes due were settled.
- Company's records were not inspected till date for the years from 2017 till 2019.

Payroll Tax

- Company's records were inspected until year 2017 and taxes due were settled.
- Company's records were not inspected till date for the years 2018 and 2019.

Stamp Tax

- Company's records were inspected until year 2018 and taxes due were settled.
- Company's records were not inspected till date for the year 2019.

Value added tax

- Company's records were inspected until year 2015 and taxes due were settled.
- Company's records were not inspected till date for the years from 2016 till 2019.

Withholding tax

- Company's records were inspected until year 2017 and taxes due were settled.
- Company's records were not inspected till date for the years 2018 and 2019.

28. Capital commitments

The company's contracts related to projects under construction as at the financial statements date and not included in the financial statements amounted to EGP 21,442,248 (2019: EGP 17,827,167)

29. Contingent liabilities

In addition to the amounts that has been recognized in the financial statements, there are uncovered contingent liabilities by the company as at 31 December 2020 amounted to EGP 1,200,437,226 (2019: EGP 615,592,768) represented in letters of credit amounted to EGP 408,205,398 (2019: EGP 150,730,435) and letters of guarantee amounted to EGP 792,231,828 (2019: EGP 464,862,333).

30. Financial risk management objectives and policies

Overview

The Company has exposure to the following risks arising from financial instruments:

a) Credit risk
b) Market risk
c) Liquidity risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's senior management are responsible for developing and monitoring the risk management policies and report regularly to the Board of Directors on their activities.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk principally from accounts and notes receivables, other receivables, due from related parties and from its financing activities, including deposits with banks and financial institutions.

30. Financial risk management objectives and policies (Continued)

a) Credit risk (continued)

Accounts and notes receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. including the default risk of the industry has less influence on credit risk. The Company earns its revenues from a large and a diverse number of customers.

Company's Board of directors established credit policy to assess credit quality for each customer individually to define sale conditions and payment terms. Credit limits are defined for each customer which represents maximum allowable sale value. Also, customers can deal with company by advance payments for those who did not met the company's credit quality requirements. Most customers are dealing with the company from many years. Customers are classified through Company's credit risk control according to credit quality characteristics, including geographical location, due dates, and previous financial defaulting. Customers classified as "Highest risk" are listed on a specific customer list and monitored by management so that future sale transactions with those customers are made on a prepaid basis.

Banks balances

The Company reduces the credit risk related to bank balances by dealing with reputable banks. Credit risk from balances with banks and financial institutions is managed by Company's treasury sector. The Company limits its exposure to credit risk by only placing balances with international banks and local banks of good repute. In addition, the local banks are under the supervision of the central Bank of Egypt and thus their exposure to credit risk is minimal.

Other financial assets

With respect to credit risk arising from the other financial assets of the Company and financial assets by amortized cost, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these assets.

b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as currency risk and interest rate risk, which will affect the Company's income. Financial instruments affected by market risk include interest-bearing loans and borrowings and deposits. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company does not hold or issue derivative financial instruments.

Exposure to interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's obligations with floating interest rates and interest-bearing time deposits.
Interest on financial instruments having floating rates is re-priced at intervals of less than one year.
The following table demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, of the Company's profit before tax (through the impact on floating rate borrowings). There is no impact on the Company's equity other than the profit impact stated below.

	31 December 2020		31 December 2019	
	Change in rate	Effect on profit before tax EGP	Change in rate	Effect on profit before tax EGP
Financial liability	1+%	(11,606,174)	1+%	(14,310,219)
	1-%	11,606,174	1-%	14,310,219

Exposure to foreign currency risk

The Company's exposure to foreign currency changes for all other currencies is not significant.

30. **Financial risk management objectives and policies (Continued)**

c) Liquidity risk

The cash flows, funding requirements and liquidity of the Company are monitored by local Company management. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings. The Company manages liquidity risk by maintaining adequate reserves and borrowing facilities, by continuously monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	Less than 6 Months EGP	6 to 12 Months EGP	1 to 5 years EGP	More than 5 years EGP	Total EGP
As at 31 December 2020					
Accrued expenses and other payables	83,663,485	20,553,319	--	--	104,216,804
Due to related party	29,879,478	--	--	--	29,879,478
Lease liabilities	9,670,358	9,095,062	29,541,990	--	48,307,410
Accounts and notes payable	5,344,372,184	146,445,241	--	--	5,490,817,425
Loans and credit facilities	738,157,133	137,246,295	450,107,702	--	1,325,511,130
Total undiscounted financial liabilities	6,205,742,638	313,339,917	479,649,692	--	6,998,732,247

	Less than 6 Months EGP	6 to 12 months EGP	1 to 5 years EGP	More than 5 years EGP	Total EGP
As at 31 December 2019					
Accrued expenses and other payables	82,419,897	--	--	--	82,419,897
Lease liabilities	11,435,919	10,022,538	41,244,097	--	62,702,555
Other Long-term liabilities	--	4,499,872	34,270,947	--	38,770,819
Accounts and notes payable	4,370,424,093	64,986,519	--	--	4,435,410,612
Loans and credit facilities	360,362,429	211,596,224	613,557,481	--	1,185,516,134
Total undiscounted financial liabilities	4,824,642,338	291,105,153	689,072,525	--	5,804,820,016

31. **Fair values of financial instruments**

Financial instruments comprise financial assets and financial liabilities.

Financial assets of the Company include cash on hand and at banks, accounts and notes receivable, and other receivables. Financial liabilities of the Company include credit facilities, Loans, accounts and notes payable, other payable, lease liabilities and other long-term liabilities.

The fair values of the financial assets and liabilities are not materially different from their carrying value unless stated otherwise.

32. **Subsequent events**

- There have been some major global events that includes Arab Republic of Egypt where an outbreak of the Corona virus (Covid-19) occurred soon before the end of 2019 and the World Health Organization has announced that the outbreak of the virus can be described as a global pandemic, and the government has introduced various measures to combat the spread of the disease , Including travel and quarantine restrictions, business closures and other places, and these government responses and their corresponding effects are still evolving and which are expected to affect the economic climate, and consequently could expose the company to various risks including a substantial decline in revenue, assessment / impairment of assets and other risks.

In response to the spread of the Corona virus in Arab Republic of Egypt and its suburbs through which Ibn Sina Company practices its activities and the resulting disruption to some health and economic activities, the company's management has evaluated the impact of the Corona virus proactively on its operations and has taken a series of preventive measures including the formation of a crisis management team To follow up on current events and develop a plan to ensure the health and safety of employees, customers and society as a broader range, as well as to ensure the continued supply of its products in all over Egypt despite these challenges.

Although all sectors of the country were affected, the pharmaceutical industry, distribution and fragmentation are considered vital defense industries that may not be affected in a fundamental way, and the company's business is still largely unaffected, as the pharmaceutical industry has been excluded from the process of embargoes and the various restrictions that have been imposed from Before the various regulatory authorities in the country, including exemption from curfew hours, restrictions on the movement of transport vehicles between governorates, and imports of medicines during the time of the curfew. As a result, the company's management believes that the new Corona epidemic has had no significant and significant impact on the financial results of the company that have been reported for the year ended 31 December 2020, and the company's management will continue to closely monitor the development of events related to the Corona virus.

The management of Ibn Sina Company assessed and studied factors and estimates of uncertainty in its issued financial statements in facing of the impact of the Corona virus pandemic, and concluded that all factors did not change from what was announced in the financial statements that were previously issued and the management will closely follow up on all updates of the epidemic and any changes that will be reflected in the following financial periods.

- In its statement issued on 14 April 2020, the Financial Supervisory Authority decided to postpone the application of the new Egyptian accounting standards and the accompanying amendments issued in Ministerial Resolution No. 69 of 2019 to the periodic (quarterly) financial statements that will be issued during the year 2020 provided that companies implement these standards and these amendments On the annual financial statements of these companies at the end of the fiscal year ended 31 December 2020 and include the combined effect in full at the end of the year, with the companies' commitment to adequately disclose them in their periodic lists during the year 2020 about this fact and its accounting effects, if any.

The company has applied the Egyptian Accounting Standard 49 - Leases, retrospectively on 1 January 2019 with respect to finance lease contracts only.

During September 2020, Prime Ministerial Decree No. 1871 of 2020 was issued to postpone the application of Egyptian Accounting Standards 47 - Financial Instruments, and 48 - Revenue from contracts with customers and 49 - Leases for the financial periods begins on or after 1 January 2021.

Chief Financial Officer	Chief Executive Officer	Chairman
Mo'men Gomaa	Omar Abdel Gawad	Mohamed Mohsen Mahgoub