

## Ibnsina Pharma Releases 1Q20 Results

Despite COVID-related disruptions, Ibnsina Pharma opens 2020 maintaining double-digit growth in top and bottom lines; revenues expand 19.2% year-on-year to EGP 4.4 billion despite modest market growth; net profit climbs 19.8% year-on-year with a stable margin

### 1Q20 Highlights

**Net Revenues**  
**EGP 4.4 BN**

▲ 19.2% y-o-y

**Gross Profit**  
**EGP 344.9 MN**

▲ 17.8% y-o-y

**EBITDA**  
**EGP 171.1 MN**

▲ 18.8% y-o-y

**Net Profit**  
**EGP 50.3 MN**

▲ 19.8% y-o-y

### Cairo, 9 June 2020

Ibnsina Pharma (ISPH.CA on the Egyptian Stock Exchange), Egypt's fastest-growing and second-largest pharmaceutical distributor, released today its audited results for the three-month period ended 31 March 2020, maintaining strong double-digit growth in both the top- and bottom-lines despite disruptions arising from the COVID-19 pandemic. Net revenue climbed by 19.2% year-on-year to close at EGP 4.4 billion for the first quarter.

Gross profit came in at EGP 344.9 million, up by 17.8% year-on-year and yielding a gross profit margin of 7.76% against the 7.86% recorded one year previously. Gross profit rose during the period despite an increase in the share of total revenues generated by Ibnsina Pharma's wholesale business, which utilizes cash discounts with customers.

Ibnsina Pharma continues to successfully leverage economies of scale and optimize its cost structure, as demonstrated by an increase in EBITDA of 18.8% year-on-year to EGP 171.1 million in 1Q20. The EBITDA margin was steady over the period, closing at 3.85%.

Meanwhile, Ibnsina Pharma recorded a net profit of EGP 50.3 million in the first quarter of FY2020, an increase of 19.8% year-on-year. Rapid growth in the bottom-line reflects Ibnsina's advantageous market position as well as the resilience of Egyptian pharmaceutical demand. The company's net profit margin was stable at 1.13% between 1Q20 and 1Q19.

The quarter saw Ibnsina Pharma serve 42,775 customers across Egypt and make 2.4 million deliveries, up 20.9% year-on-year.

### Summary Income Statement

EGP mn	1Q2020	1Q2019	Change
Net Revenue	4,443.0	3,726.3	19.2%
<b>Gross Profit</b>	<b>344.9</b>	<b>292.8</b>	<b>17.8%</b>
GP Margin	7.76%	7.86%	
<b>OPEX</b>	<b>179.3</b>	<b>152.9</b>	
OPEX / Sales	4.04%	4.10%	
<b>EBITDA</b>	<b>171.1</b>	<b>144.0</b>	<b>18.8%</b>
EBITDA Margin	3.85%	3.86%	
<b>Net Profit</b>	<b>50.3</b>	<b>42.0</b>	<b>19.8%</b>
NP Margin	1.13%	1.13%	

## Comments from our Co-CEOs

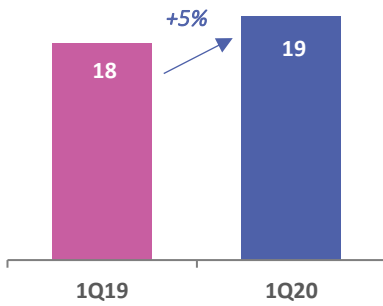
“For businesses and economies around the world, the new year has brought significant challenges,” **commented Omar Abdel Gawwad, Co-CEO of Ibsina Pharma.** “The COVID-19 pandemic has faced Egypt with a public health emergency and constrained commercial activity as the government implements measures to contain the spread of the virus. These circumstances have thrown the crucial importance of the pharmaceutical and wider healthcare sector into sharp relief. While doing our utmost to assist the authorities in enhancing Egypt’s healthcare capabilities and meeting the challenge posed by COVID-19, Ibsina Pharma is in a strong position to leverage the growing centrality of healthcare as a target of public and private investment. Our heavy yet calibrated investment in logistics, business development and people has, over recent years, made Ibsina into Egypt’s fastest-growing distributor of pharmaceuticals and allowed us to build a commanding market position. This position is all the more valuable given the resilient and strongly defensive nature of Egypt’s pharmaceutical market, which remains underpinned by strong demographic and epidemiological fundamentals conducive to long-term value creation.”

“Ibsina Pharma closed the quarter with EGP 4.4 billion in revenues, an increase of 19.2% year-on-year which maintains the company’s long record of double-digit growth. Although the first two months of the quarter witnessed a slowdown,” **Omar continued,** “a strong rebound was seen in mid-March as public awareness of the risks posed by COVID-19 spurred an increase in demand for a wide range of products, including vitamin C, other immunity-boosting vitamins, antibiotics, hand sanitizers and antifungal medicines. Medications targeting chronic diseases were also in strong demand as consumers sought to secure their demands in advance of anticipated curbs on movement. The quarter saw a decrease in the growth rate of pharmacy sales, which recorded 4.8% year-on-year, reflecting restrictions on consumer mobility following the imposition of curfews by the government as well as the temporary closure of a large number of private clinics and public hospitals’ outpatient clinics. Single digit market growth is expected to persist in 2Q20.”

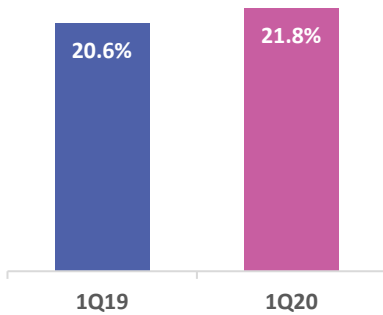
“Despite COVID-related disruptions,” **said Mahmoud Abdel Gawwad, Co-CEO of Ibsina Pharma,** “the company maintained a double-digit rate of bottom-line growth, with net profit climbing 19.8% year-on-year to record EGP 50.3 million and the net profit margin remaining stable at 1.13% for the quarter. This is testament both to Ibsina’s efficient leveraging of economies of scale and its increasingly optimized operational processes. Ibsina continued to implement its pre-COVID technology investments, with route optimization and digitalization efforts entering a pilot phase in time to help weather the disruption caused by COVID-19. Meanwhile, our full collaboration with Egypt’s Cabinet of ministers and its crisis management committee was key in enabling the company’s vehicles and employees to operate past curfew hours, ensuring that deliveries continued to be met efficiently. Beyond safeguarding our ability to supply essential products, we have placed top priority on further collaboration with the government in its efforts to contain the spread of the COVID-19 virus.”

“Although Ibsina’s financial performance during the first quarter falls within previously budgeted ranges, uncertainty at the local and global levels make it difficult for management to offer full-year guidance at this time. Given that pharmaceutical manufacturers typically stock between three to six months of inventory, management is fairly confident as regards the availability of APIs and expects market performance to normalize during the second half of 2020, as occurred during previous periods of uncertainty in 2011 and 2013. Two further priorities for the company moving forward will be to ensure the health and safety of our valuable employees as they continue to provide vital services and to keep investors fully updated with quarterly developments at Ibsina Pharma and in the wider market,” **Mahmoud concluded.**

Market Growth, Retail (EGP bn)



ISP Market Share (Retail)



## Market Overview

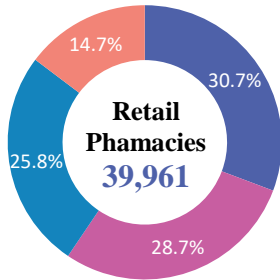
According to data published by IMS Health, Egypt’s retail pharmaceutical market registered total sales of EGP 18.6 billion during the first quarter of 2020. Sales were up by 4.8% from the EGP 17.7 billion recorded one year previously. While growth in the pharmaceutical market as a whole is typically driven by the country’s large retail segment, the first quarter of 2020 saw a material slowdown in the growth rate of pharmacy sales, which registered 4.8% year-on-year against a rate of approximately 14% year-on-year for the market as a whole (including the non-retail segment). Ibnsina Pharma’s strong presence in both the retail and non-retail segments of the market have supported the company’s performance in challenging circumstances.

Retail volumes registered 579.5 million units in 1Q20, a decrease of 1.7% year-on-year from the 589.8 million units sold in 1Q19. This decline in volumes was primarily a result of reduced customer mobility and the curfews imposed by government authorities during 1Q20 to contain the spread of the virus which causes COVID-19. Volumes sold were further constrained by the temporary closure of public hospitals’ outpatient clinics and doctors’ clinics as a further measure for containing the spread of the virus. Sales growth during the period was thus driven by an increase in the average selling price (ASP). Demand was particularly subdued during January and February, although a significant uptick was registered during the second half of March. As consumer awareness grew of the risks posed by the COVID-19 virus, a strong rebound was seen in demand for such products as vitamin C, other immunity-boosting vitamins, antibiotics, hand sanitizers and antifungal medicines. Medications targeting chronic diseases were also in strong demand as consumers sought to secure their demands in advance of anticipated curbs on movement. The imposition of curfews and curbs on movement during the period affected supply chains across several industries during the period, including pharmaceutical distribution. On the supply side, sales representatives’ mobility was restricted and the period saw a slowdown in sales visits to doctors and hospitals. Meanwhile, doctors’ reduced operating hours brought adverse effects from the demand side. However, due to its operational diversification, Ibnsina Pharma has successfully mitigated against supply chain risk: the company’s base of 350 local and international and its inventory of over 9,500 SKUs provide a measure of immunity not available to single producers and hospitals.

It is expected that the market will return to the rapid growth trajectory implied by its solid fundamentals during the second half of the year, conforming to the pattern seen during previous periods of disruption in 2011 and 2013. Egypt is one of few regional economies expected to generate positive GDP growth in 2020, while demand is further bolstered by rapid population growth. Rising at an annual rate of c.2%, above the average for regional peers, Egypt’s population has now reached the 100-million mark. Consumer demand is consequently a major driver of Egypt’s economic growth, with relatively inelastic goods such as pharmaceuticals experiencing consistent demand growth. Egypt’s per capita outlay on pharmaceutical continues to lag behind regional peers, however, leaving significant room for further growth and attracting large investments from domestic and foreign pharma players.

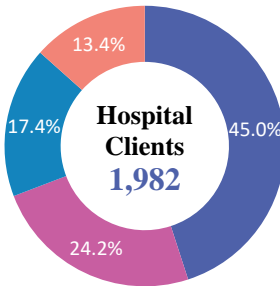
Ibnsina Pharma remains Egypt’s fastest-growing distributor of pharmaceutical products, a distinction the company has maintained for several years. The company registered gross year-on-year sales growth of 19.6% for 1Q20, outperforming the wider industry by a margin of 5.6%. Ibnsina Pharma recorded a market share 21.8% in the retail segment for 1Q20, up from 20.6% one year previously, while non-retail market share reached 19.9% in 1Q20 against 17.6% in 1Q19 .

**Retail Pharmacies by Geography (1Q2020)**



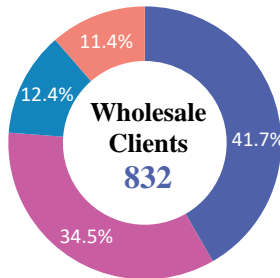
- Cairo & Canal
- Delta
- Upper Egypt
- Alexandria

**Hospital Clients by Geography (1Q2020)**



- Cairo & Canal
- Delta
- Upper Egypt
- Alexandria

**Wholesale Clients by Geography 1Q2020)**



- Cairo & Canal
- Delta
- Upper Egypt
- Alexandria

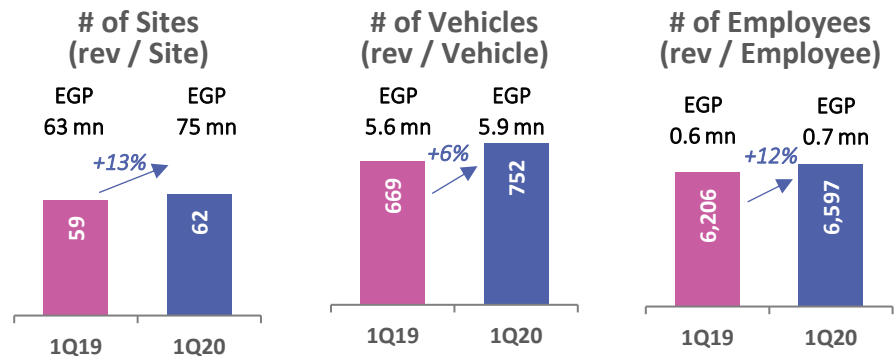
**Operational Review**

Ibnsina Pharma serviced 42,775 clients during 1Q20, making 2.4 million deliveries, an increase of 20.9% year-on-year from 2.0 million deliveries in 1Q19. More than 30% of Ibnsina Pharma’s client base was located in Cairo and the Canal Zone, Egypt’s most heavily populated metropolitan areas. The Delta and Upper Egypt were home to 28.6% and 25.2% of clients, respectively. Clients in Egypt’s second-largest city, Alexandria, constituted 14.6% of Ibnsina Pharma’s client base during the quarter. Ibnsina Pharma works to optimize the geographical distribution of its client base, aligning the network as far as possible with population density in the various regions.

Ibnsina Pharma operated 62 sites as at 1Q20, up from 59 one year previously. Revenue per site expanded by 13% year-on-year to record EGP 71.7 million for 1Q20 against 63.2 million in 1Q19. Meanwhile, the number of vehicles in the company’s delivery fleet stood at 752 vehicles in 1Q20, up from 669 vehicles one year previously. This expansion has boosted Ibnsina’s ability to efficiently satisfy rising demand, as demonstrated by the 6% increase in revenue per vehicle to EGP 5.9 million in 1Q20 from EGP 5.6 million in 1Q19. Revenue per employee climbed 12% year-on-year during 1Q20, recording EGP 0.7 million.

**COVID-19 Containment Efforts**

Ibnsina Pharma has updated its internal safety policies based on best practice as outlined by the WHO and Egypt’s Ministry of Health and Population. Management has fully communicated updated safety instructions to staff. Employees exhibiting any symptoms of the flu have been asked to remain home and will be monitored by the company, while employees who have been directly exposed to a confirmed case of COVID-19 must remain at home for a period of two weeks. The company has provided staff with all required disinfectants and PPE, including masks, gloves and hand sanitizer, to be used at all Ibnsina premises. Ibnsina Pharma has also provided employees with hands sanitizer for personal use. At the company’s head office, a work-from-home policy has been implemented, with the premises operating at 50% capacity. Employees with chronic conditions have been asked to work from home. Ibnsina has cooperated closely with the Prime Minister’s Office to ensure that distribution personnel are permitted to operate during curfew hours. Over 70K SMS messages were sent by Ibnsina to pharmacies during the period outlining delivery instructions, with the company’s official Facebook page also utilized in communicating with retail customers.

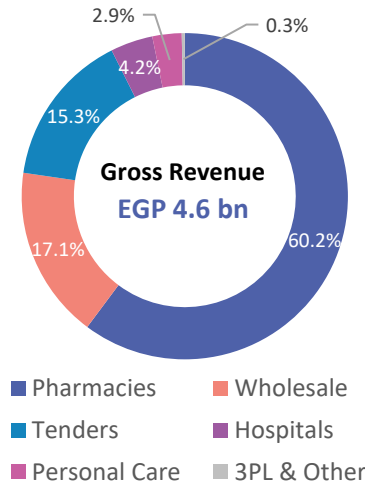


## Financial Performance

### Revenues

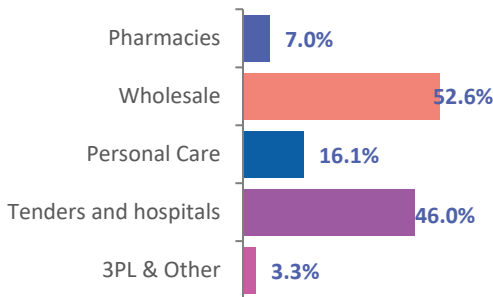
1Q20 saw Ibnsina Pharma’s gross revenues climb 19.6% year-on-year to register EGP 4.6 billion. Ibnsina’s top-line growth continues to significantly outpace that of the broader market’s. The company’s core retail business with pharmacies grew by 7.0% year-on-year to book EGP 2.7 billion for 1Q20. Retail sales generated 60.2% of the company’s overall top line during 1Q20, down from 67.3% one year previously, reflecting the modest growth of the retail market during the quarter. The decline stems from reduced customer mobility, particularly during January and February 2020, in light of the COVID-19 pandemic and the consequent implementation of containment measures by the authorities. The temporary closure of public hospitals’ outpatient clinics and doctors’ clinics further contributed to this slowdown. Ibnsina’s tenders business was the company’s fastest growing business during the period, expanding by 60.7% year-on-year to book EGP 698.0 million and contribute 15.3% of total revenues for the quarter. Meanwhile, the wholesale segment grew by 52.6% year-on-year, booking EGP 779.0 million for the quarter. This continues a trend of recovery begun during the final two quarters of the previous year. Revenue from the hospitals segment constituted 4.2% of Ibnsina Pharma’s top line in 1Q20.

Revenue\* by Business Line (1Q2020)

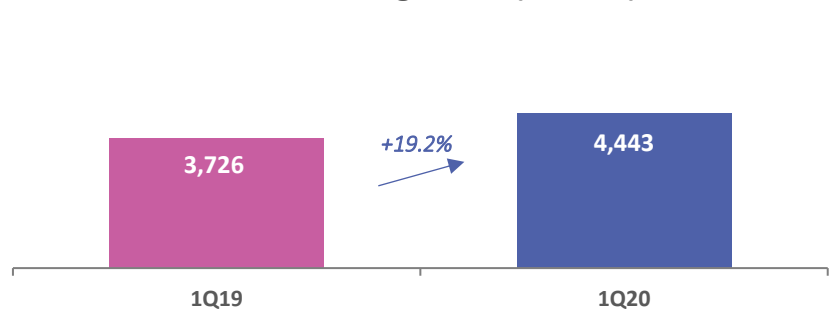


\* Revenues refer to gross sales prior to discounts

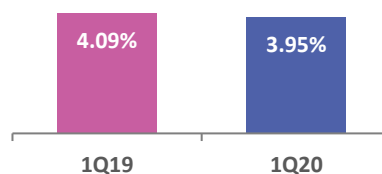
Business Line Revenue Growth (1Q2020)



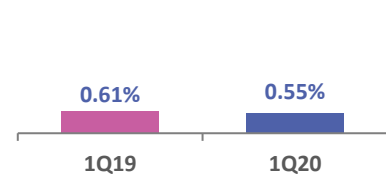
Net Revenue Progression (EGP mn)



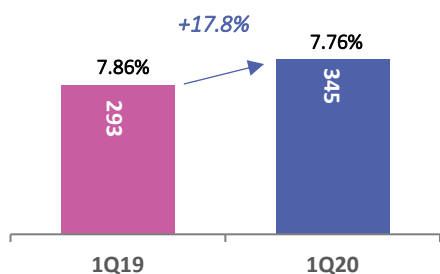
Return on Equity



Return on Assets



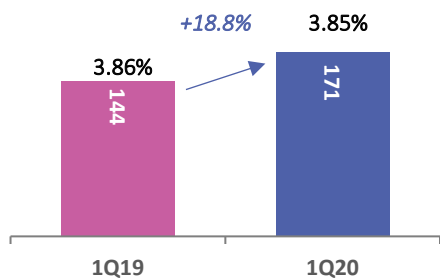
**Gross Profit Progression**  
(EGP mn, % margin)



**Gross Profit**

Ibnsina Pharma recorded a gross profit for 1Q20 of EGP 344.9 million, an increase of 17.8% from the EGP 292.8 million. The gross profit margin decreased to 7.76% from 7.86% over the same period. This decrease reflects a rapid quarterly expansion in the share of Ibnsina Pharma’s wholesale business in total revenues and a consequent increase in cash discounts for the period.

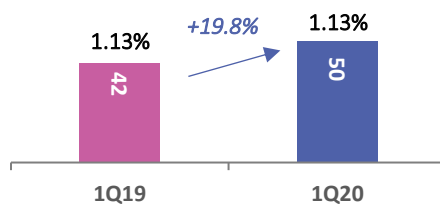
**EBITDA Progression**  
(EGP mn, % margin)



**EBITDA**

EBITDA registered EGP 171.1 million in 1Q20, an increase of 18.8% from the EGP 144.0 million recorded in 1Q19. Ibnsina Pharma saw its EBITDA margin remain steady at 3.85% against 3.86% one year previously, indicating the company’s continuing success at leveraging economies of scale as it effectively spreads fixed operational and administrative expenses across a wide revenue base.

**Net Profit Progression**  
(EGP mn, % margin)



**Interest Expense**

Interest expense booked EGP 79.9 million in 1Q20, up by 48.4% from the EGP 53.9 million recorded in 1Q19. This increase was driven by growth at the company’s tender business, as well as an increase in cash purchases as a percentage of the total to 20% in 1Q20 against 17% in 1Q19 and an increase in inventory levels as the company sought to ensure product availability in the face of market uncertainty.

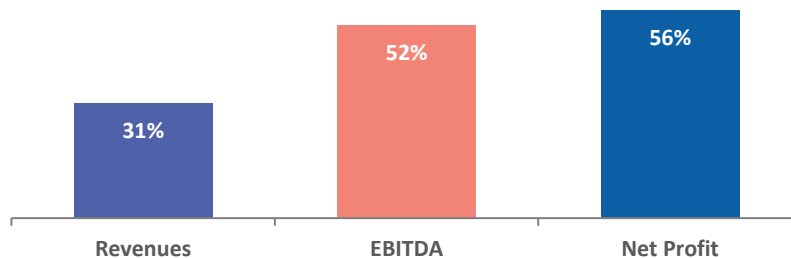
**Depreciation**

Depreciation expense recorded EGP 31.1 million in 1Q20, an increase of 79.4% from the EGP 17.3 million recorded in 1Q19, driven primarily by an increase in fixed assets investments to the tune of EGP 1.2 billion.

**Net Profit**

Net profit came in at EGP 50.3 million in 1Q20, up by 19.8% year-on-year from the EGP 42.0 million posted in 1Q19. The period saw Ibnsina’s net profit margin remain stable year-on-year at 1.13%.

**Ibnsina Pharma 5-Year CAGRs**



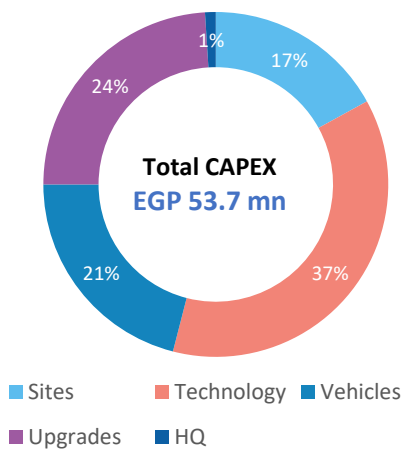


## Key Balance Sheet Items

### CAPEX

Ibnsina Pharma made total CAPEX outlays of EGP 53.7 million in 1Q20 against the EGP 86.6 million committed one year previously. Investments during the period included EGP 9.1 million on distribution centers, where construction works were affected by the imposition of a curfew during the period and a consequent reduction in contractors' and government agencies' working capacity. Upgrades were allocated EGP 13.1 million, while approximately EGP 11.3 million was invested in vehicles during 1Q20. CAPEX related to the construction of Ibnsina Pharma's headquarters registered EGP 0.6 million during the period. At EGP 19.6 million, technology projects were allocated the highest share of CAPEX outlays as Ibnsina Pharma continued to implement its pre-COVID plans for technology investment.

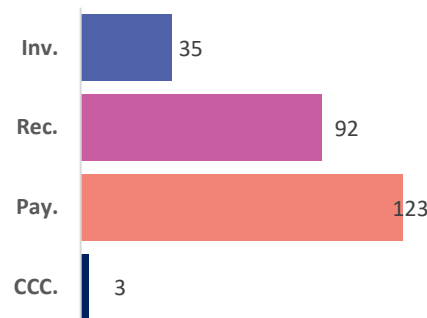
CAPEX Breakdown (1Q2020)



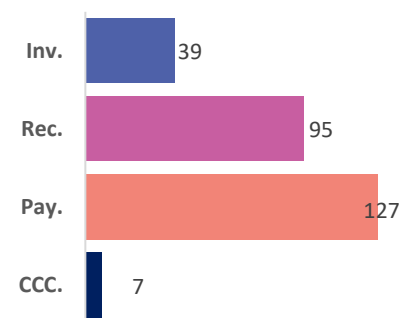
### Working Capital

Ibnsina Pharma's cash conversion cycle increased from 3 days during 1Q19 to 7 days in 1Q20. This climb was driven by an increase in inventory levels as the company sought to ensure product availability in the face of market uncertainty. Inventory DOH recorded 39 days in 1Q20 against 35 days in 1Q19. Receivable DOH registered 95 days during 1Q20, up from 92 days in 1Q19, an increase driven by growth at Ibnsina Pharma's institutional business segments, including tenders and private hospitals, with their credit-intensive nature. However, the increase in receivables DOH was offset by a rise in payables DOH, which recorded 127 days in 1Q20 against 123 days one year previously.

Cash Conversion Cycle 1Q2019



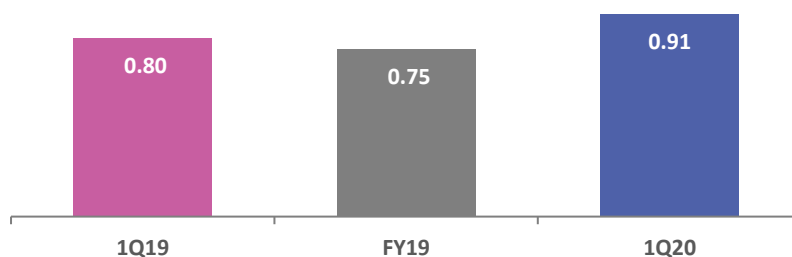
Cash Conversion Cycle 1Q2020



**Net Debt**

Ibnsina Pharma registered a net debt/equity ratio of 0.9 in 1Q20, with the company booking a total net debt of EGP 1.2 billion as at 31 March 2020 compared to a balance of 920.5 million at the close of FY2019. Of the net debt position recorded at 1Q20, 58% or EGP 716.4 million is composed of a medium-term loan allocated to fund Ibnsina's CAPEX efforts, while the remainder is composed of obligations under a financial lease and working capital financing extended in light of the rapid growth in Ibnsina's credit-intensive tenders business.

**Net Debt / Equity**





## RECENT CORPORATE DEVELOPMENTS

### Ibnsina Pharma Donates EGP 4 million to the Egyptian Authority for Unified Procurement, EGP 5 Million to Welfare Fund

As part of Ibnsina Pharma's corporate social responsibility efforts, and in light of the Government of Egypt's efforts to contain the spread of COVID-19, Ibnsina Pharma has announced donation of EGP 4 million to the Egyptian Authority for Unified Procurement, Medical Supply and Technology Management (AUPP). Ibnsina Pharma is contributing the sum towards AUPP's efforts to supply and distribute essential pharmaceutical products, including antibiotics, anticoagulants, as well as cardiac and pulmonary medications, to the Government's network of COVID-19 quarantine hospitals. The company will leverage its extensive network of distribution facilities as well as its large fleet of vehicles in meeting its obligations to the Egyptian communities where it operates.

Ibnsina Pharma has also donated a sum of EGP 5 million to the Government of Egypt's 'Ahalena' campaign, which aims to support day workers in Egypt's informal sector who have been affected by the economic downturn arising from the COVID-19 crisis and to enhance the welfare of working families and individuals. Management views this contribution as a moral responsibility in keeping with Ibnsina's place as a responsible corporate actor.

## Income Statement

<i>In EGP</i>	Q1 2019	Q1 2020	YoY ▲
<b>Gross Revenue</b>	<b>3,811,481</b>	<b>4,558,393</b>	<b>19.6%</b>
Net Revenue	3,726,348	4,442,965	<b>19.2%</b>
Cost of Revenue	(3,433,583)	(4,098,065)	
<b>Gross Profit</b>	<b>292,765</b>	<b>344,899</b>	<b>17.8%</b>
<b>Gross Profit Margin</b>	<b>7.86%</b>	<b>7.76%</b>	
Selling, General & Administrative	(152,911)	(179,281)	
Penalties on Returned Cheques	6,731	11,068	
AR Provision	(2,593)	(5,626)	
<b>EBITDA</b>	<b>143,992</b>	<b>171,060</b>	<b>18.8%</b>
<b>EBITDA Margin</b>	<b>3.86%</b>	<b>3.90%</b>	
Depreciation & Amortization	17,354	31,136	
<b>EBIT</b>	<b>126,638</b>	<b>139,924</b>	<b>10.5%</b>
<b>EBIT Margin</b>	<b>3.40%</b>	<b>3.15%</b>	
Financial Expenses	(53,910)	(79,987)	
Other Expenses	(15,398)	(1,580)	
Other Income	429	1,927	
<b>EBT</b>	<b>57,759</b>	<b>60,286</b>	<b>4.4%</b>
<b>EBT Margin</b>	<b>1.55%</b>	<b>1.36%</b>	
Deferred Tax	551	5,247	
Income Tax	16,332	15,257	
<b>Net Profit</b>	<b>41,978</b>	<b>50,276</b>	<b>19.8%</b>
<b>Net Profit Margin</b>	<b>1.13%</b>	<b>1.13%</b>	
<b>EPS</b>	<b>0.04</b>	<b>0.05</b>	

## Balance Sheet

<i>In EGP</i>	FY2019	Q1 2020
Property & Equipment, net	898,220	897,561
Projects Under Construction, net	160,910	179,782
Other Assets	8,494	7,975
Leased Assets, net	61,477	66,847
Long Term NR	101,035	57,929
Deferred Tax	9,256	14,503
<b>Total Long-term Assets</b>	<b>1,239,392</b>	<b>1,224,595</b>
Inventories	1,690,645	1,990,711
Trade & Notes receivable, net	4,457,391	4,815,859
Supplier Advances	233,423	200,137
Debtors & Other Debit Balance, net	430,198	428,018
Due from Related Parties	372	372
Cash & Cash Equivalent	118,463	368,428
<b>Total Current Assets</b>	<b>6,930,492</b>	<b>7,803,524</b>
<b>Total Assets</b>	<b>8,169,883</b>	<b>9,028,120</b>
Paid-In Capital	205,000	205,000
Share Premium	277,500	277,500
General Reserve	3,079	3,079
Legal Reserve	33,633	50,072
Retained Earnings	375,258	687,590
Net Profit for The Year	328,771	50,276
<b>Total Shareholders' Equity</b>	<b>1,223,241</b>	<b>1,273,517</b>
Non-Current Portion of Medium-Term Loan	515,384	526,572
Non-Current Portion of Obligation Under Finance Lease	34,115	38,183
Other Non-Current Liabilities	26,949	27,768
<b>Total Long-term Liabilities</b>	<b>576,449</b>	<b>592,523</b>
Credit Facilities	276,910	831,144
Contingency Provision	80,162	80,162
Customers Advance Payments	5,874	6,305
Current Portion of Obligation Under Finance Lease	15,490	15,976
Trade and Notes Payable	5,656,996	5,878,620
Current Portion of Medium-Term Loan	197,100	189,840
Income Tax	50,741	65,998
Creditors & Other Credit Balances	86,920	94,035
<b>Total Current Liabilities</b>	<b>6,370,193</b>	<b>7,162,080</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>8,169,883</b>	<b>9,028,120</b>

## Cash Flow

In EGP	Q1 2019	Q1 2020
<b><u>Cash flow from operating activities:</u></b>		
Net profit before tax	57,759,452	60,285,558
<b><u>Adjustments for:</u></b>		
Depreciation of fixed assets	17,354,478	31,135,737
Allowance for impairment of current assets	2,593,070	5,626,420
Provisions	10,666,633	-
Capital gain (loss)	(91,898)	(1,171,542)
Credit/Debit interest	53,909,779	79,986,529
<b>Operating profit before changes in working capital</b>	<b>142,191,514</b>	<b>175,862,705</b>
<b><u>Changes in working capital:</u></b>		
Change in inventory	(28,947,036)	(300,006,110)
Change in trade receivables	(294,655,281)	(320,988,385)
Change in supplier advances	(71,120,138)	33,286,231
Change in debtors and other debt balances	32,470,753	2,179,927
Change in trade payables	(111,693,743)	221,624,638
Change in customers' advance payments	7,364,679	431,149
Change in creditors and other credit balances	13,445,579	(6,380,877)
Change in noncurrent liabilities	1,730,422	818,416
<b>Cash flow from operating activities</b>	<b>(309,213,250)</b>	<b>(193,232,306)</b>
Financing expense (paid)	(48,169,270)	(66,490,421)
<b>Net cash flow from operating activities</b>	<b>(357,382,520)</b>	<b>(259,722,727)</b>
<b><u>Cash flow from investment activities:</u></b>		
Payments for purchase of fixed and PUC assets	(85,681,223)	(44,729,976)
Payments for intangible assets	(1,590,436)	(13,747)
Proceeds from sale of fixed assets	106,162	1,357,763
<b>Net cash flow from investment activities</b>	<b>(87,165,497)</b>	<b>(43,385,960)</b>
<b><u>Cash flow from financing activities:</u></b>		
Proceeds from overdraft	368,480,830	554,233,936
Proceeds from MTL	40,955,527	3,926,883
Payment for leasing obligations	(5,902,327)	(5,087,242)
<b>Net cash flow from financing activities</b>	<b>403,534,030</b>	<b>553,073,577</b>
<b>Net change in cash and cash equivalents during the period</b>	<b>(41,013,987)</b>	<b>249,964,890</b>
Cash and cash equivalents at the beginning of the period	96,618,122	118,462,800
<b>Cash and cash equivalents at the end of the period</b>	<b>55,604,135</b>	<b>368,427,690</b>

## About Ibnsina Pharma

Originally established in 2001, today Ibnsina Pharma is Egypt’s fastest-growing and second largest pharmaceutical distribution company. The Company distributes a competitive portfolio of pharmaceutical products from over 350 Egyptian and multinational pharmaceutical companies to more than 42,000 customers including pharmacies, hospitals, retail outlets and wholesalers. Its fleet of around 760 vehicles completes an average of over 460,000 deliveries each month.

Ibnsina Pharma’s core services for suppliers include management of warehousing and logistics for pharmaceutical products as well as the development and execution of tailored marketing solutions targeting a nationwide database of customers. The Company also provides efficient and reliable order-taking and delivery services to customers and was the first in its industry to pioneer a telesales model. Operating across 62 sites in 23 cities nationwide, Ibnsina Pharma’s team of more than 6,000 employees is dedicated to improving people’s quality of life by ensuring their access to safe and high quality pharmaceutical products.

For more information about Ibnsina Pharma, please visit: [www.ibnsina-pharma.com](http://www.ibnsina-pharma.com).

For further information, please contact:

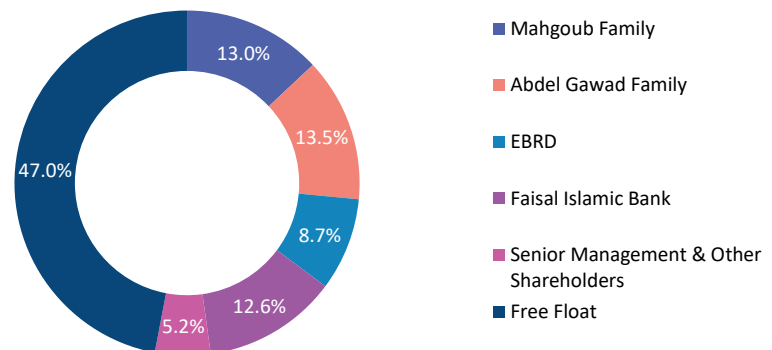
**Mohamed Shawky**

Investor Relations Manager

Email:

[mohamed.shawky@ibnsina-pharma.com](mailto:mohamed.shawky@ibnsina-pharma.com)

### Shareholding Structure



## Forward-Looking Statements

This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as “according to estimates”, “anticipates”, “assumes”, “believes”, “could”, “estimates”, “expects”, “intends”, “is of the opinion”, “may”, “plans”, “potential”, “predicts”, “projects”, “should”, “to the knowledge of”, “will”, “would” or, in each case their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding our business and management, our future growth or profitability and general economic and regulatory conditions and other matters affecting us.

Forward-looking statements reflect our management’s (“Management”) current views of future events, are based on Management’s assumptions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause our actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements. Our business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to become inaccurate. These risks include fluctuations prices, costs, ability to retain the services of certain key employees, ability to compete successfully, changes in political, social, legal or economic conditions in Egypt, worldwide economic trends, the impact of war and terrorist activity, inflation, interest rate and exchange rate fluctuations and Management’s ability to timely and accurately identify future risks to our business and manage the risks mentioned above.