

Ibnsina Pharma Releases 1Q21 Results

Ibnsina Pharma opens 2021 with solid revenue growth of 7.1% year-on-year; market recovery continues to gain steam as Ibnsina fully overcomes effects of Pharmacists Syndicate boycott.

1Q21 Highlights

Net Revenues

EGP 4.8 BN

▲ 7.1% y-o-y

Gross Profit

EGP 372.8 MN

▲ 8.1% y-o-y

EBITDA

EGP 181.1 MN

▲ 6.4% y-o-y

Net Profit

EGP 50.4 MN

▲ 0.6% y-o-y

Cairo, 31 May 2021

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 2021. Net revenue recorded EGP 4.8 billion for the quarter, up by 7.1% year-on-year as growth in Egypt's pharmaceuticals market continues to recover from the COVID-related disruptions.

Gross profit came in at EGP 372.8 million, up by 8.1% year-on-year and yielding a gross profit margin of 7.84% against the 7.76% recorded one year previously. Gross profitability grew strongly during the period despite an increase in the share of revenues generated by the company's wholesale segment, where customers receive cash discounts in exchange for cash payments.

EBITDA rose by 6.4% year-on-year to EGP 181.1 million during 1Q21, reflecting the success of initiatives to control operational expenses. The company's EBITDA margin was steady over the period, closing at 3.81%.

Meanwhile, Ibnsina Pharma recorded a net profit of EGP 50.4 million in the first quarter of 2021, an increase of 0.2% year-on-year. Relatively muted bottom-line growth came as OPEX growth outpaced Ibnsina Pharma's top-line expansion for the period. Seasonal factors mean that this relationship is expected to reverse over the coming quarters as the company successfully leverages economies of scale to spread fixed operational and administrative costs over its wide revenue base. Net profit was further affected by the implementation of IFRS 16 accounting standards during the period. IFRS 16 mandates a new treatment of lease assets and liabilities, producing a net negative effect on the bottom line amounting to EGP 1.2 million in 1Q2021. The company's net profit margin stood at 1.06% in 1Q21 against the 1.13% booked for 1Q20.

Summary Income Statement

EGP mn	1Q2021	1Q2020	Change
Net Revenue	4,756.4	4,443.0	7.1%
Gross Profit	372.8	344.9	8.1%
GP Margin	7.84%	7.76%	
OPEX	(199.2)	(180.0)	10.6%
OPEX / Sales	4.19%	4.05%	
EBITDA	181.1	170.3	6.4%
EBITDA Margin	3.81%	3.83%	
Net Profit	50.4	50.3	0.2%
NP Margin	1.06%	1.13%	

Comments from our Co-CEOs

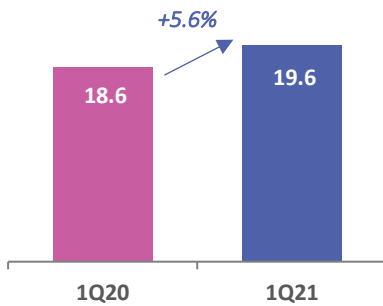
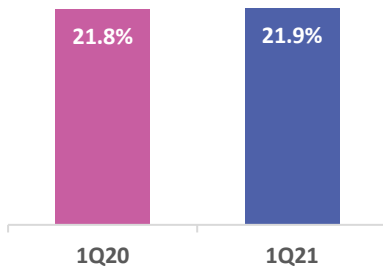
“Ibnsina Pharma welcomes the new year with optimism and in a position of strength,” **said Omar Abdel Gawad, Co-CEO of Ibnsina Pharma.** “Egypt’s pharmaceutical market has had a promising start to 2021, a fact borne out by Ibnsina’s solid top-line performance in 1Q2021. The company’s total retail sales grew by 6.6% between 1Q2020 and 1Q2021, with the overall retail market growing by 5.6% over the same period. It is worth noting that, as at 1Q2020, the market had not yet felt the operational disruptions associated with COVID-19 and attendant mobility restrictions and supply difficulties. Moreover, the seasonal nature of our market means that the first quarter of the year is typically the weakest in terms of performance. Taken together, these facts indicate that Ibnsina Pharma has fully overcome the effects of its dispute with Egypt’s Pharmacists’ Syndicate over the company’s 3elagi Tech application, which came to a head during the final quarter of 2020. The company’s customers are transacting with Ibnsina Pharma on entirely regular terms, and our base of retail partners continues to expand.”

“The first quarter has set Ibnsina Pharma on a path to even stronger growth over the remainder of 2021,” **continued Omar.** “Growth in Egypt’s retail pharma market is expected to accelerate over the coming quarters, with year-on-year growth anticipated to reach a particularly rapid rate in 2Q2021 as a result of favorable base effects: COVID-related market disruptions were most heavily felt during the second quarter of 2020. Heading into 2Q2021 and the second half of the year, we anticipate an increase in Ibnsina Pharma’s top-line growth rate which will bring it into line with previous guidance, helped by the company’s ability to leverage economies of scale across its operations. Meanwhile, retail market growth is expected to approach a rate of 10% for 2021 as a whole, up from the relatively sluggish pace of 5% registered in 2020.”

“Our priority at Ibnsina Pharma is to ensure that the company leverages all possible avenues for rapid yet profitable growth,” **said Mahmoud Abdel Gawad, Co-CEO of Ibnsina Pharma.** “Our five-year revenue CAGR continues to significantly outpace that of the wider market, and we are working to guarantee that this impressive record is maintained alongside healthy margins. Ibnsina Pharma’s gross profit margin booked 7.84% in 1Q2021, up from 7.76% one year previously and in line with previously issued guidance. Further down the income statement, the company’s net profit rose by 600 basis points year-on-year during 1Q2021, yielding a stable margin. Relatively muted bottom-line growth for the quarter reflects seasonality effects, with the rate of growth in operational expenses exceeding the rate of revenue growth. This is expected to reverse over the rest of 2021 as we successfully leverage economies of scale to spread fixed operational and administrative costs across a wide revenue base. The bottom line was additionally affected by the adoption of IFRS 16 accounting standards during the period, with a new treatment of lease assets and liabilities yielding a net negative effect of EGP 1.2 million in 1Q2021.”

“In the near term, we are working to engender margin-boosting efficiencies through a variety of cost-based measures. As previously announced, the company aims to keep OPEX growth at a maximum level of 10% year-on-year for FY2021, down from the rate of 21% booked for FY2020. We expect the effects of this measure to become progressively more evident in our financial performance over the course of the year. Meanwhile, we have introduced several initiatives that will keep SG&A costs under closer control moving forward, and have put a freeze on new recruitment for 2021.”

“Looking at the longer term, we are making progress on our comprehensive network optimization plan. The company is committing EGP 140 million in new investment for the year to introduce its new generation of tiered warehouses. A projected four mini-centers and three regional facilities will further enhance Ibnsina Pharma’s competitive advantage by rationalizing the company’s supply chain costs. On the digital front, we remain committed to introducing meaningful innovations across each link in the pharmaceutical value chain,” **Mahmoud concluded.**

**Market Growth, Retail
(EGP bn)**

ISP Market Share (Retail)


Market Overview

According to data published by IQVIA, Egypt's retail pharmaceutical market registered total sales of EGP 19.6 billion during the first quarter of 2021. Sales were up by 5.6% from the EGP 18.6 billion recorded one year previously. Sales growth during 2020 was driven by increases in the average selling price (ASP), with retail volumes registering 551.6 million units in 1Q21, a decrease of 4.0% year-on-year from the 579.2 million units sold in 1Q20.

Growth in non-retail sales is expected to accelerate once more in 2H 2021 following a relative slowdown over the second half of FY2020 as official purchasing processes were transferred from the Ministry of Health and Population to the Egyptian Authority for Unified Procurement during the period. With the new process maturing, it is anticipated that the Authority will significantly enhance the efficiency of procurement practices at upwards of 1,800 public hospitals and other establishments. Ibnsina Pharma's strong presence in both the retail and non-retail segments continues to support the company's performance and provides it with a strong competitive advantage.

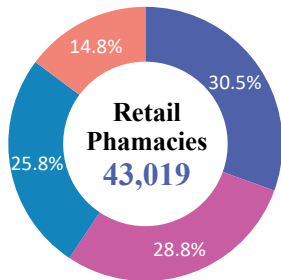
Retail pharmaceutical sales are anticipated to record growth approaching a rate of 10% in FY2021, double the rate achieved in FY2020. Such expectations are supported both by the government's efforts to avoid the economic effects of a reversion to full closures and mobility restrictions and the pharmaceutical industry's improved capacity to deal with recurrent waves of COVID-19 infections following the disruptions seen during the previous year.

Expectations of double-digit growth are further backed by strong market fundamentals. Egypt is one of the few regional economies expected to generate strong GDP growth during 2021, while demand is further bolstered by rapid population growth. Rising at an annual rate of c.2%, Egypt's population has surpassed 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 pharmaceuticals continues to lag behind regional peers, leaving significant room for further growth and attracting large investments from domestic and foreign pharma players.

Ibnsina Pharma has been the fastest-growing distributor of pharmaceutical products in Egypt for several consecutive years. 1Q21 saw the company record retail sales growth of 6.6% year-on-year, exceeding market growth during the period by 90 basis points and maintaining a multiyear record of market-beating top-line performance. Ibnsina Pharma supplied 21.9% of Egypt's retail pharmaceutical market in 1Q21, up from 21.8% in 1Q20. As growth accelerates, management expects Ibnsina Pharma to gain an additional percentage point or more of market share in the retail segment over the course of FY2021.

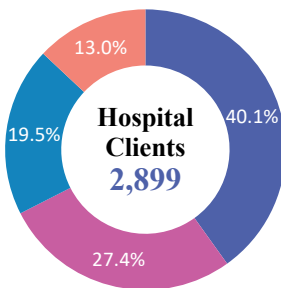
It should be noted that Ibnsina Pharma has received several corrections from IQVIA regarding retail market growth data for 1Q2021. This has included the revision of comparative figures for 1Q2020. Data on market growth provided by IQVA to pharmaceutical distributors is different from the data sent by IQVIA to pharmaceutical manufacturers, a discrepancy arising from a change in the basis of calculation. Ibnsina Pharma is currently in talks with IQVIA to agree on a mechanism which will validate the data sent by different players in the pharma market, with the aim of ensuring the accuracy and consistency of the IQVIA reports provided to different parties.

Retail Pharmacies by Geography (1Q2021)



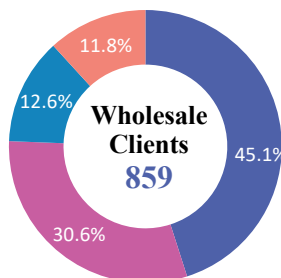
■ Cairo & Canal ■ Delta
■ Upper Egypt ■ Alexandria

Hospital Clients by Geography (1Q2021)



■ Cairo & Canal ■ Delta
■ Upper Egypt ■ Alexandria

Wholesale Clients by Geography (1Q2021)



■ Cairo & Canal ■ Delta
■ Upper Egypt ■ Alexandria

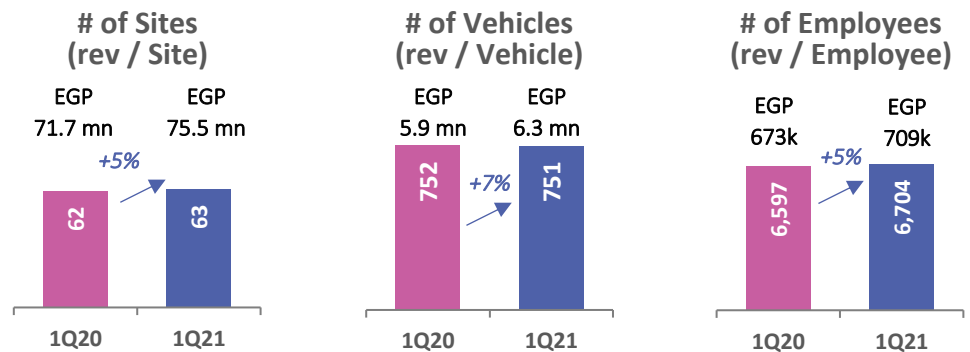
Operational Review

Ibnsina Pharma serviced 46,767 clients during 1Q21, making 2.8 million deliveries, an increase of 17.9% year-on-year from 2.4 million deliveries in 1Q20. More than 31% of Ibnsina Pharma’s client base was located in Cairo in the Canal Zone, Egypt’s most heavily populated metropolitan areas. The Delta and Upper Egypt were home to 28.8% and 25.2% of clients, respectively. Clients in Egypt’s second-largest city, Alexandria, constituted 14.7% 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 Egypt’s various regions.

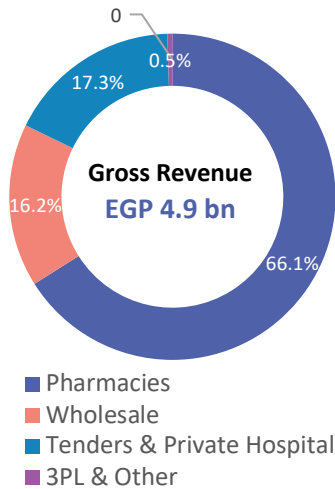
Ibnsina Pharma operated 63 sites as at 1Q21, up from 62 one year previously. Revenue per site expanded by 5.4% year-on-year to record EGP 75.5 million for 1Q21 against EGP 71.7 million in 1Q20. Two mini distribution centers commenced operations in early April 2021 as the company pushed forward with its comprehensive network optimization plan.

Meanwhile, the number of vehicles in Ibnsina Pharma’s delivery fleet stood at 751 vehicles at the close of 1Q21, down from 752 vehicles one year previously. The company’s optimized fleet strength has boosted Ibnsina’s ability to efficiently satisfy rising demand, as demonstrated by an increase of 7.2% year-on-year in revenue per vehicle EGP 6.3 million in 1Q21.

Revenue per employee increased by 5.3% during the period, despite the net addition of 107 personnel to help meet Ibnsina Pharma’s objectives for operational expansion.



Revenue* by Business Line (1Q21)



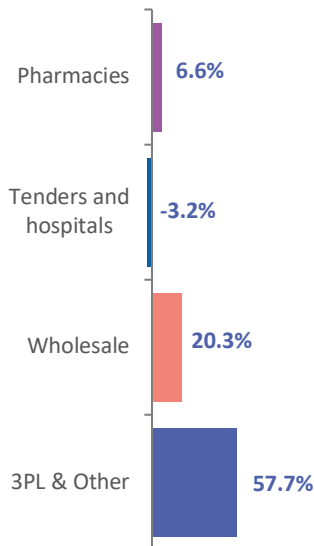
* Revenues refer to gross sales prior to discounts

Financial Performance

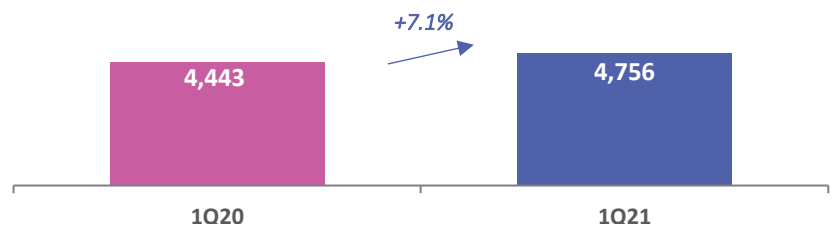
Revenues

1Q21 saw Ibnsina Pharma’s gross revenues climb by 7.4% year-on-year to register EGP 4.9 billion. The company’s core retail business with pharmacies grew by 6.6% year-on-year to book EGP 3.2 billion for 1Q21. Retail sales generated 66.1% of the company’s overall top line during 1Q21, down from 66.6% one year previously, reflecting the COVID-related operational disruptions prevailing since 2Q20. The company’s wholesale segment expanded by 24.4% year-on-year to book revenues of EGP 791 million for 1Q21, contributing 16.2% of total revenues for the quarter against 14% for 1Q20. Ibnsina Pharma’s wholesale segment was the primary driver of overall top-line growth during the period, helped by the normalization of the Unified Procurement Authority’s new public purchasing processes. Meanwhile, revenues from tenders and private hospitals contracted by 3.2% year-on-year to book EGP 845.3 million in 1Q21. Revenue from tenders and private hospitals constituted 17.3% of the company’s top line versus 19.2% one year previously.

Business Line Revenue Growth (1Q2021)

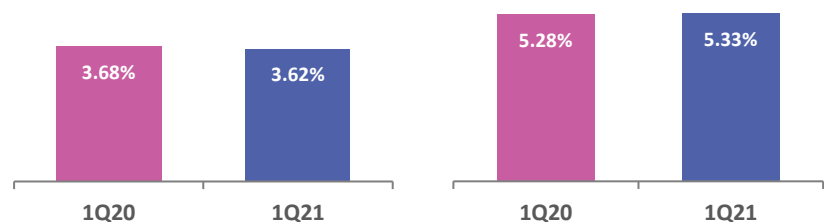


Net Revenue Progression (EGP mn)



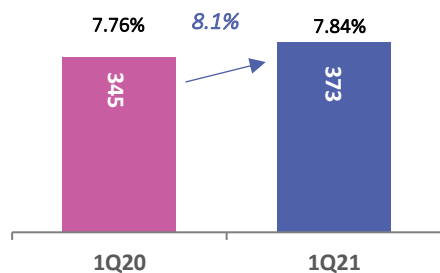
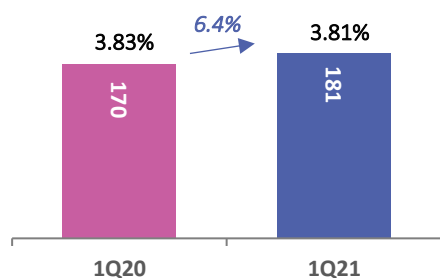
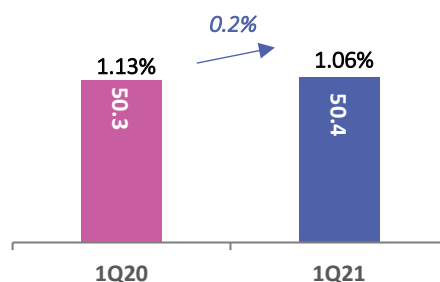
Return on Equity

Return on Fixed Assets



Gross Profit

Ibnsina Pharma booked a gross profit of EGP 372.8 million for 1Q21, an increase of 8.1% from the EGP 344.9 million recorded in 1Q20. The gross profit margin increased to 7.84% from 7.76% over the same period. This increase comes despite growth in the wholesale segment’s contribution to the overall top line for the period. Ibnsina Pharma’s wholesale clients typically transact in cash, receiving cash discounts from the company.

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

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

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

OPEX

The company registered EGP 199.2 million in operational expenses (OPEX) for 1Q21, up by 10.6% year-on-year from the EGP 180.0 million booked in 1Q20. This increase was driven primarily by growth in salaries booked under SG&A expenses. Growth in salary outlays dates to the beginning of the previous year and precedes the materialization of COVID-related impacts on Ibnsina's cost base. The rate of OPEX growth has slowed significantly from the pace of 20% year-on-year recorded at the close of FY2020 as the company puts further recruitment on hold. The company aims to keep OPEX growth at a level of 10% year-on-year for FY2021 compared to the rate of 21% registered for FY2020.

EBITDA

EBITDA booked EGP 181.1 million in 1Q21, an increase of 6.4% from the EGP 170.3 million recorded in 1Q20. This climb in EBITDA reflects the relatively slow growth of OPEX in 1Q2021. Ibnsina Pharma saw its EBITDA margin remain relatively steady at 3.81% in 1Q21 compared to 3.83% one year previously. The company will continue to successfully leverage economies of scale, effectively spreading fixed operational and administrative costs across a wide revenue base as the year progresses.

Depreciation & Amortization

Depreciation expense registered EGP 43.4 million in 1Q21, up by 39.5% from the EGP 31.1 million booked for 1Q20, driven largely by the adoption of IFRS 16 accounting standards during the quarter. IFRS 16 requires lessees to recognize assets and liabilities for all high-value leases, with consequent effects for depreciation expense.

Interest Expense

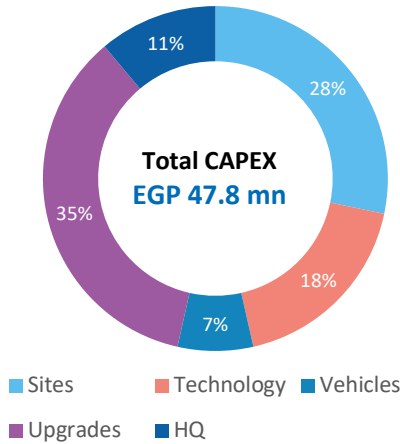
Interest expense booked EGP 70.1 million for 1Q21, down by 12.4% year-on-year from the EGP 80.0 million recorded in 1Q20. This contraction was driven by the decrease in interest rates during the period, as well as a reduction in the outstanding balance of Ibnsina Pharma's medium-term loans. This decrease comes despite the adoption of IFRS 16 during 1Q21 and the consequent reclassification of certain lease-related expenses as interest expenses.

Net Profit

Net profit came in at EGP 50.4 million in 1Q21, up by 0.2% year-on-year from the EGP 50.3 million posted in 1Q20. The period saw Ibnsina Pharma's net profit margin contract to 1.06% in 1Q21 from 1.13% in 1Q20.

Key Balance Sheet Items

CAPEX Breakdown (1Q2021)

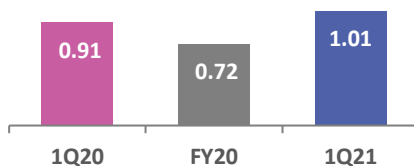


CAPEX

Ibnsina Pharma made total CAPEX outlays of EGP 47.8 million in 1Q21 against the EGP 53.7 million committed one year previously. Investments during the period included EGP 13.3 million on distribution centers and sales offices to enhance customer accessibility, including 2 mini-DC which commenced operations in early April 2021. At EGP 16.8 million, upgrades were allocated the highest share of CAPEX outlays for the quarter, while EGP 3.4 million was allocated to vehicles. Construction at Ibnsina Pharma’s headquarters was allocated EGP 5.4 million during 1Q21. Ibnsina Pharma allocated EGP 8.8 million in CAPEX to technology projects as the company continued to implement its pre-COVID plans for technology investment.

The company has budgeted approximately EGP 140 million for FY2021, marking a decrease of c.30% from the figure booked in FY2020. This comes in line with a newly introduced network optimization plan, which will see the company launch differentiated tiers of warehouses with varied functions and storage capacities, including four mini distribution centers and three regional facilities. The regional warehouses will be constructed and financed by a third party, reducing the initial investment requirement and easing Ibnsina Pharma’s leverage burden.

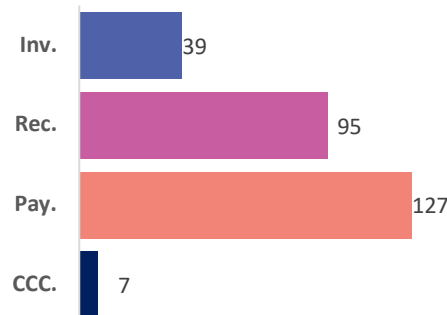
Net Debt / Equity



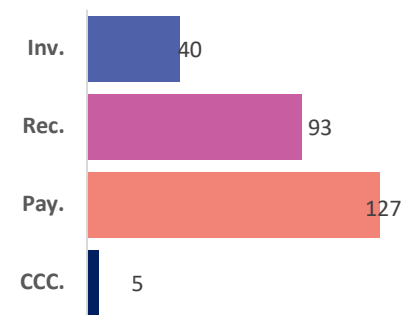
Working Capital

Ibnsina Pharma’s cash conversion cycle fell to approximately 5 days in 1Q21 from approximately 7 days in 1Q20. This decrease was driven by a fall receivable DOH. Receivable DOH recorded 93 days in 1Q21, down from 95 days in 1Q20, driven by enhanced collection periods across a number of segments. Inventory DOH recorded 40 days in 1Q21 against 39 days in 1Q20. Payables DOH remained constant at 127 days during the period. Ibnsina Pharma expects to maintain normalized DOH for all working capital items and to reach a cash conversion cycle of between zero and negative 1 days over the course of FY2021.

Cash Conversion Cycle 1Q20



Cash Conversion Cycle 1Q21



Net Debt

Ibnsina Pharma registered a net debt/equity ratio of 1.2 in 1Q21, with the company booking total net debt of EGP 1.67 billion as at 31 March 2021 compared to a balance of EGP 984.5 million at the close of FY2020. Medium-term loans allocated to fund Ibnsina Pharma's CAPEX efforts represent approximately 27% of the company's net debt, while 73% of the company's net debt is represented by obligations under a financial lease and working capital financing facility. Nearly 80% of CAPEX budgeted for FY2021 will be financed through an MTL over five years, with the remaining 20% being self-financed.

FOCUS ON DIGITAL INVESTMENT

Ibnsina Pharma's Strategies Continue to Prioritize Digital Transformation.

Ibnsina aims to continuously introduce value-creating digital innovations to every chain in the Egyptian pharmaceutical industry's value chain, leveraging rapid market growth, intensifying institutionalization, and growing broadband and smartphone penetration rates. Ibnsina Pharma's mobile application, launched in July 2020, has enjoyed strong performance, with the number of active customers reached 34,490 and number of dealing customers reaching 11,550 during the first 10 months of operation. The company is on track to release an updated version of its mobile application, which will provide enhanced functionality and value-adding features including online payment. In 2021 the company plans to pilot its Pharmacy Management System, the first ERP technology aimed at independent pharmacies based in the Egyptian market. Customers will be able integrate their systems with Ibnsina's digital platforms and will derive significant benefits for productivity and supply chain operations to integrate with ISP systems. Meanwhile, Ibnsina Pharma has begun the development of a supplier-facing platform which will similarly enhance supplier productivity while furthering the diversification of Ibnsina Pharma's revenue streams through the sale of customized data reports. Also, a CCTV project was launched cover all ibnsina pharma's operational sites to add more efficiency and reduces physical security system costs in addition to a call center solution for tele sales agents to increase productivity and sales potential.

RECENT CORPORATE DEVELOPMENTS

Ibnsina Pharma Signs Cooperation Protocol with General Authority of Healthcare

Ibnsina Pharma has signed a cooperation protocol with Egypt's General Authority of Healthcare. Under the terms of the agreement, Ibnsina Pharma will support the Authority's plans to digitalize the services provided at hospitals and other health centers intended to serve participants of Egypt's universal healthcare program. The protocol further envisions cooperation in digitizing the Authority's supply chain operations, including warehouse activity, in addition to the development of online applications that can be used to provide healthcare consultations. Other initiatives are intended to enhance efficiency in the implementation of the Universal Healthcare System, with an eye to replicating the highest international standards. The protocol comes as part of the General Authority of Healthcare's efforts to develop, upgrade and regulate healthcare service provision and supervise the quality of service provided to Egyptian citizens by using digital solutions as directed by His Excellency President Abdel Fattah El-Sisi.

Board of Directors Approves Stock Buyback Amounting to 1 Percent of Shares

Ibnsina Pharma's Board of Directors approved on 21 March 2021 a decision to purchase treasury stocks representing a maximum value of 1% of the company's share capital, equivalent to 9.6 million shares. The Board's decision is intended to support the company's share price and impart confidence to investors that the company's stock is undervalued at current prices, representing a lucrative investment opportunity.

Income Statement

<i>In EGP</i>	1Q2020	1Q2021	YoY ▲
Gross Revenue	4,558,393	4,895,413	7.4%
Net Revenue	4,442,965	4,756,410	
Cost Of Revenue	(4,098,065)	(4,383,632)	
Gross Profit	344,899	372,778	8.1%
Gross Profit Margin	7.76%	7.84%	
Selling, General & Administrative	(180,038)	(199,189)	
Penalties on Returned Checks	11,068	13,706	
AR Provision	(5,626)	(6,174)	
EBITDA	170,303	181,120	6.4%
EBITDA Margin	3.83%	3.81%	
Depreciation & Amortization	31,136	43,423	
EBIT	139,167	137,697	-1.1%
EBIT Margin	3.13%	2.89%	
Financial Expenses	(79,987)	(70,096)	
Other Expenses	(823)	(2,233)	
Other Income	1,927	519	
EBT	60,285	65,887	9.3%
EBT Margin	1.36%	1.39%	
Deferred Tax	5,247	2,293	
Income Tax	15,257	18,273	
Net Profit	50,276	50,373	0.2%
Net Profit Margin	1.13%	1.09%	
EPS	0.05	0.05	

Balance Sheet

<i>In EGP</i>	FY2020	1Q2021
Property & Equipment, net	952,716	944,881
Projects Under Construction, net	219,916	291,383
Other Assets	6,905	6,786
Leased Assets, net	54,023	257,584
Long Term NR	113,840	131,012
Deferred Income Taxes	11,575	20,803
Investment in Related Company - AIM	30,000	30,000
Total Long-term Assets	1,388,974	1,682,449
Inventories	2,100,870	2,254,166
Trade & Notes receivable, net	4,830,388	4,723,575
Supplier Advances	171,336	158,561
Debtors & Other Debit Balance, net	517,611	493,472
Due from Related Parties	372	372
Cash & Cash Equivalent	270,881	280,423
Total Current Assets	7,891,459	7,910,569
Total Assets	9,280,433	9,593,017
Paid-In Capital	240,000	240,000
Share Premium	277,500	277,500
General Reserve	3,079	3,079
Legal Reserve	50,072	61,311
Retained Earnings	569,590	760,854
Net Profit for The Year	224,782	50,373
Shareholders' Equity	1,365,023	1,393,117
Treasury Stock	-	(231)
Total Shareholders' Equity	1,365,023	1,392,886
Non-Current Portion of Medium-Term Loan	405,683	349,064
None-Current Notes Payable	-	10,664
Non-Current Portion of Obligation Under Finance Lease	26,271	208,774
Total Long-term Liabilities	431,954	568,501
Credit Facilities	607,898	1,098,431
Contingency Provision	80,162	80,162
Customers Advance Payments	5,159	7,211
Due to Related Company - AIM	29,879	29,879
Current Portion of Obligation Under Finance Lease	15,358	66,437
Trade and Notes Payable	6,408,194	5,971,366
Current Portion of Medium-Term Loan	200,148	226,579
Income Tax	34,765	46,776
Creditors & Other Credit Balances	101,893	104,790
Total Current Liabilities	7,483,456	7,631,631
Total Liabilities & Shareholders' Equity	9,280,433	9,593,017

Cash Flow

In EGP	1Q2020	1Q2021
<u>Cash flow from operating activities:</u>		
Net profit before tax	60,285,558	65,886,714
<u>Adjustments for:</u>		
Depreciation of fixed assets	31,135,737	43,422,752
Allowance for impairment of current assets	5,626,420	6,174,262
Capital gain (loss)	(1,171,542)	(97,001)
Credit/Debit interest	79,986,529	70,096,376
Operating profit before changes in working capital	175,862,703	185,483,103
<u>Changes in working capital:</u>		
Change in inventory	(300,066,110)	(153,296,277)
Change in trade receivables	(320,988,385)	83,467,169
Change in supplier advances	33,286,231	12,775,206
Change in debtors and other debt balances	2,179,927	15,546,236
Change in trade payables	221,624,638	(424,184,212)
Change in customer advance payments	431,149	2,052,120
Change in creditors and other credit balances	(6,380,877)	927,940
Change in other noncurrent liabilities	818,416	-
Cash flow from operating activities	(193,232,308)	(277,228,715)
Income taxes	-	-
Financing expense	(66,490,421)	(68,127,020)
Net cash flow from operating activities	(259,722,729)	(345,355,735)
<u>Cash flow from investment activities:</u>		
Payments for purchase of fixed and PUC	(44,729,976)	(93,370,236)
Payments for purchase of other assets	(13,747)	(336,654)
Payments for purchase Treasury stock	-	(230,983)
Proceeds from sale of fixed assets	1,357,763	131,840
Net cash flow from investment activities	(43,385,960)	(93,806,033)
<u>Cash flow from financing activities:</u>		
Dividends paid	-	-
Proceeds from capital increase		
Proceeds from MTL (Netting Off)	3,926,883	(30,188,725)
Overdraft facilities	554,233,936	490,532,883
Payment of lease liabilities	(5,087,242)	(11,640,810)
Net cash flow from financing activities	553,073,577	448,703,348
Net change in cash and cash equivalents during the period	249,964,888	9,541,580
Cash and cash equivalents at the beginning of the period	118,462,800	270,881,391
Cash and cash equivalents at the end of the period	368,427,688	280,422,971

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 46,000 customers including pharmacies, hospitals, retail outlets and wholesalers. Its fleet of around 750 vehicles completes an average of over 890,000 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 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.

For further information, please contact:

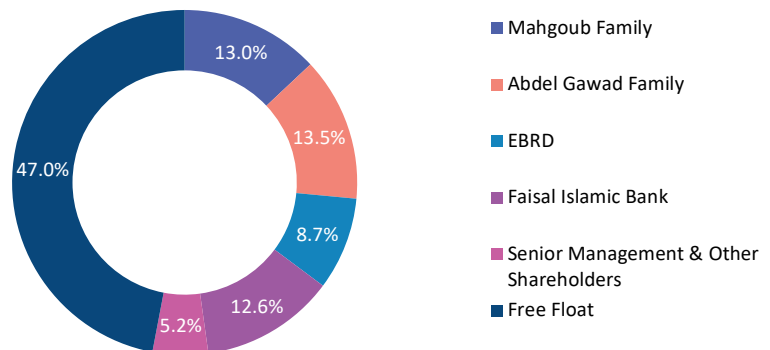
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Shareholding Structure



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.