

Ibn Sina Pharma Company
(S.A.E)
Consolidated Financial Statements
For the nine-month financial period ended, 30 September 2023
Together With limited review report

Ibn Sina Pharma Company (S.A.E)

**Periodic Consolidated Financial Statements
for the financial period ended on, 30 September 2023**

Contents

	the page
Limited Reveiw Report on Periodic Consolidated Financial Statements	2
Periodic Consolidated Statement of Financial Position	3
Periodic Consolidated Profit & Loss Statement	4
Periodic Consolidated Statement of Comprehensive Income	5
Periodic Consolidated Change in Equity	6
Periodic Consolidated Cash Flow Statement	7
Complementary Notes to the Periodic Consolidated Financial Statements	8 - 38

Translation of Auditor's Report
Originally Issued in Arabic

Limited Review Report on Periodic Consolidated Financial Statements

To \ Members Board Directors of Ibn Sina Pharma Company (S.A.E.)

Introduction:

We have audited the limited review of the attached periodic consolidated statement of **Ibn Sina Pharma Co. (the "Company" or the "Parent Company") and its subsidiaries (the "Group")** as of 30 September 2023 as well as the periodic consolidated statements of profit or loss and comprehensive income for the nine-months period ended 30 September 2023 as well as the periodic consolidated statements of change in equity and related cash flows for the period The six months ended on that date, and the management is responsible for the preparation of these periodic consolidated financial statements and the fair and clear presentation thereof in accordance with the standard No. (30) "periodic Consolidated financial statements" "Our responsibility is limited to making a conclusion on the periodic consolidated financial statements in view of our limited examination of them.

Scope of limited review:

We conducted our limited review according to the Egyptian Standard for Limited review Functions No. (2410) "Limited review of the periodic financial statements of an entity that is performed by the knowledge of its auditor." review of the periodic financial statements includes making inquiries mainly from persons responsible for financial and accounting matters, and applying analytical procedures, and other procedures. Limited review is substantially less in its scope than an audit review process that is carried out in accordance with the Egyptian auditing standards, and therefore we cannot obtain assurance that we will become aware of all the important matters that may be discovered in an audit review process, and accordingly we do not express an audit opinion on these financial statements.

Conclusion:

In light of our limited review, nothing has come to our knowledge that makes us believe that the attached periodic consolidated financial statements are not prepared in all their material aspects in accordance with Egyptian Accounting Standard No. (30) "Periodic Financial Statements".

Cairo: 14, November 2023

Auditor

Eissa Refai

R. A. A. No. 16166

Financial Supervisory Authority Register No. (192)

Khaled Al-Ghannam, Eissa Refai & Co.

Cairo and Giza offices

Cairo office : 6A El Sebak st., Merryland - Cairo - Egypt Tel: +202 264 21 257 Fax: +202 264 21 256 Mob.: +201001119694
Email : info@keg-co.com **Website :** www.keg-co.com

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

Statement of Periodic Consolidated
Position as of 30 september 2023

Translation of Auditor's Report Financial
Originally Issued in Arabic

	Note No.	30/9/2023 EGP	31/12/2022 EGP
Assets			
Non-current assets			
Fixed assets (net)	(3)	973,522,789	909,779,373
Projects under construction	(4)	689,193,684	944,814,631
Intangible assets (net)	(5)	31,991,469	30,183,986
Right of use assets(net)	(14)	430,220,501	301,102,848
Investment in a sister company	(6)	5,723,900	--
Notes receivable – Long term	(8)	88,518,277	84,457,838
Deferred tax assets	(3)	99,898,469	82,000,275
Total non-current assets		2,319,069,089	2,352,338,951
Current Assets			
Inventory	(7)	4,365,432,089	2,613,821,348
Accounts and notes receivable (net)	(8)	9,188,825,637	5,759,349,799
Suppliers in-advance	(9)	270,079,136	237,359,436
Debtors and other debit balances (net)	(10)	796,393,784	567,368,742
Due from related parties	(19-a)	--	72,023
Cash on hand and at banks	(11)	724,342,209	541,210,495
Assets held for sale	(12)	1,015,680,350	792,272,436
Total Current Assets		16,360,753,205	10,511,454,279
Total Assets		18,679,822,294	12,863,793,230
Owner's Equity			
Issued and paid- up capital	(13-a)	256,827,152	279,041,877
Share premium (Speachial reserve)	(13-b)	234,998,540	277,500,000
Legal reserve		128,630,828	77,093,363
General reserve		3,079,334	3,079,334
Treasury Stock Reserve	(13-c)	(141,001,959)	(12,949,932)
Treasury stocks	(13-c)	(35,468,404)	(185,735,156)
Retained earnings		962,861,997	821,458,846
Total Owenr's Equity of the Holding Company		1,409,927,488	1,259,488,332
Non-controlling interests		56	388,327
Total Owenr's Equity		1,409,927,544	1,259,876,659
Liabilities			
Non-current liabilities			
Loans – Long term	(14)	474,412,191	640,919,318
Lease liabilities – Long term	(15)	397,572,329	281,670,327
Notes payable-Long term	(17)	194,581,504	211,262,076
Total non-current liabilities		1,066,566,024	1,133,851,721
Current liabilities			
Credit Facilities	(16)	3,270,302,802	2,289,930,326
Short term loans and current portion of long-term loans	(14)	495,177,337	479,174,878
Suppliers and notes payable	(17)	12,057,672,511	7,452,906,511
Creditors and other credit balances	(18)	197,806,663	123,231,813
Account receivable in advance		11,026,224	5,502,614
Due to related parties	(19-a)	136,592	--
Income taxes payable		69,650,595	26,731,735
Current portion of lease liabilities	(15)	99,699,056	90,411,258
Provision		1,856,946	2,175,715
Total Current Liabilities		16,203,328,726	10,470,064,850
Total liabilities		17,269,894,750	11,603,916,571
Total Owner's Equity and Liabilities		18,679,822,294	12,863,793,230

- Limited Review Report Attached.

Chief Financial Officer

Mo'men Gomaa

Chief Executive Officer

Omar Abdul Gawad

Chairman

Abd El , Aziz Ali Abd El , Aziz

- Attached notes are from note (1) to (31) are an integral part of the periodic consolidated financial statements.

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

Statement of Periodic Standalone Profit or Loss
Financial Position as of 30 september 2023

Translation of Auditor's Report
Originally Issued in Arabic

	Note	From 1/1/2023 to 30/9/2023	From 1/1/2022 to 30/9/2022	From 1/7/2023 to 30/9/2023	From 1/7/2022 to 30/9/2022
	No.	EGP	EGP	EGP	EGP
Net Sales	(20)	23,805,209,037	15,811,409,445	9,108,172,349	5,550,255,486
Deduct:					
Cost of sales	(21)	(21,948,306,215)	(14,613,885,726)	(8,434,682,953)	(5,121,436,644)
Total Profit		1,856,902,822	1,197,523,719	673,489,396	428,818,842
Deduct:					
Other revenues		4,977,646	3,847,243	2,159,987	507,317
Sales and marketing expenses	(22)	(569,876,864)	(467,369,970)	(207,748,796)	(166,673,088)
Administrative and general expenses		(368,955,959)	(322,788,793)	(125,877,280)	(100,827,561)
Expected credit losses in the value of customers and receivables		(60,894,907)	(53,402,295)	(20,975,613)	(11,930,721)
		862,152,738	357,809,904	321,047,694	149,894,789
Add/Deduct:					
Financing income	(23)	66,469,206	105,734,326	30,155,077	28,173,283
Foreign currency revaluation (Profit)	(24)	32,739,558	9,697,052	(2,428,996)	1,433,081
Financing expenses	(25)	(733,820,498)	(321,694,094)	(291,257,638)	(138,866,445)
Net financing cost		(634,611,734)	(206,262,716)	(263,531,557)	(109,260,081)
Deduct:					
Other expenses		(3,217,372)	(2,239,014)	(215,552)	(220,535)
		224,323,632	149,308,174	57,300,585	40,414,173
Net profit for the period before income taxes and non-controlling interests					
Deduct/add:					
Current Income Taxes	(26)	(68,572,885)	(48,174,779)	(20,074,481)	(14,442,742)
Deferred income taxes	(26)	17,898,194	17,271,033	4,807,753	4,693,297
Net profit for the period after income tax		173,648,941	118,404,428	42,033,857	30,664,728
Distributed as follows:					
Controlling share		174,037,209	119,597,316	42,033,862	30,988,034
Non controlling-share		(388,271)	(1,192,888)	(5)	(323,306)
Net profit for the period		173,648,938	118,404,428	42,033,857	30,664,728
Net Profit per Share (EGP / Share)	(27)	0.14	0.10	0.03	0.02

- Limited Review Report Attached.

Chief Financial Officer

Mo'men Gomaa

Chief Executive Officer

Omar Abdul Gawad

Chairman

Abd El , Aziz Ali Abd El , Aziz

- Attached notes are from note (1) to (31) are an integral part of the periodic consolidated financial statements.

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

Statement of Consolidated Standalone of other comprehensive income
Financial Position as of 30 september 2023

Translation of Auditor's Report

Originally Issued in Arabic

	<u>From 1/1/2023</u> <u>to 30/9/2023</u>	<u>From 1/1/2022</u> <u>to 30/9/2022</u>	<u>From 1/7/2023</u> <u>to 30/9/2023</u>	<u>From 1/7/2022</u> <u>to 30/9/2022</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Net profit for the year	173,648,938	118,404,428	42,033,857	30,664,728
<u>Add/Deduct:</u>				
Other comprehensive income	--	--	--	--
Total Comprehensive Income	<u>173,648,938</u>	<u>118,404,428</u>	<u>42,033,857</u>	<u>30,664,728</u>

- Limited Review Report Attached.

Chief Financial Officer


Mo'men Gomaa

Chief Executive Officer


Omar Abdul Gawad

Chairman of the Board of Directors


Abd El , Aziz Ali Abd El , Aziz

- Attached notes are from note (1) to (31) are an integral part of the periodic consolidated financial statements.

Ibnsina Pharma Company (Egyptian shareholding company)

Statement of change in equity of consolidated
about Period Ending in 30 September 2023

Translation of Auditor's Report
Originally Issued in Arabic

	Issued & Paid-up Capital	Share Premium (Special reserve)	Legal Reserve -controlling company	Legal Reserve-non controlling company	General Reserve	Treasury Stocks reserve	Treasury Stocks	Retained Earning	Total equity of the company	Non -controlling interest	Total equity of parent company
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance on January 1, 2023	279,041,877	277,500,000	77,093,363	-	3,079,334	(12,949,932)	(185,735,156)	821,458,846	1,259,488,332	388,327	1,259,876,659
Transferred to the legal reserve	-	(42,501,460)	51,320,213	217,252	-	-	-	(9,036,005)	-	-	-
Dividends	-	-	-	-	-	-	-	(23,598,053)	(23,598,053)	-	(23,598,053)
Write off treasury stocks (losses)	(22,214,725)	-	-	-	-	150,266,752	-	-	128,052,027	-	128,052,027
Net profit for the period	-	-	-	-	-	(128,052,027)	-	174,037,209	(128,052,027)	(388,271)	(128,052,027)
Balance on 30 September 2023	256,827,152	234,998,540	128,413,576	217,252	3,079,334	(141,001,959)	(35,468,404)	962,861,997	1,409,927,488	56	1,409,927,544
Balance on January 1, 2022	240,000,000	277,500,000	61,310,594	-	3,079,334	-	(14,399,111)	884,233,848	1,451,724,665	1,769,274	1,453,493,939
Capital increase	40,000,000	-	-	-	-	-	-	(40,000,000)	-	-	-
Transferred to the legal reserve	-	-	15,782,769	-	-	-	-	(15,782,769)	-	-	-
Dividends	-	-	-	-	-	-	-	(140,400,000)	(140,400,000)	-	(140,400,000)
Adjustment on retained earning	-	-	-	-	-	-	-	(34,500,947)	(34,500,947)	-	(34,500,947)
Treasury sales	-	-	-	-	-	-	13,670,721	-	13,670,721	-	13,670,721
Writing off treasury stocks (losses)	(958,123)	-	-	-	-	(12,712,597)	728,390	-	(12,942,330)	-	(12,942,330)
Payment for purchase of treasury stock	-	-	-	-	-	(237,335)	-	-	(237,335)	-	(237,335)
Net profit for the period	-	-	-	-	-	-	(150,266,752)	-	(150,266,752)	-	(150,266,752)
Balance at 30 September 2023	279,041,877	277,500,000	77,093,363	-	3,079,334	(12,949,932)	(150,266,752)	771,954,560	1,245,452,450	907,333	1,246,359,783

- Limited Review Report Attached.

Chief Financial Officer
Mo men Gomaa

Chief Executive Officer
Omar Abdul Gawad

Chairman
Abd El, Aziz Al-Abd El, Aziz

- Attached notes are from note (1) to (31) are an integral part of the periodic consolidated financial statements.

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the financial statements
during Period Ended ,30 September 2023

Translation of Auditor's Report

Originally Issued in Arabic

	<u>30/9/2023</u>	<u>30/9/2022</u>
	<u>EGP</u>	<u>EGP</u>
<u>Cash flows from operating activities</u>		
Net profit for the year before tax and non-controlling interests	224,323,632	149,308,174
<u>Adjustments to reconcile net profit to cash flows from operating activities</u>		
Depreciation of fixed assets	84,392,701	86,008,035
Amotrization of intangible assets	4,627,748	3,818,365
Depreciation of Right of use assets	50,600,428	51,270,298
Expected credit (losses) / Impairment in the value of account and notes receivable	60,894,907	53,402,295
Sale assets held for sale (Gain)	(1,230,027)	--
Capital (Gain)	(387,401)	--
Financing Expenses	733,820,498	321,694,094
Net operating profit before changes in working capital	1,157,042,487	665,501,261
Change in inventory	(1,751,610,741)	(187,393,146)
Change in accounts and notes receivable	(3,494,431,184)	308,244,373
Change in suppliers in- advance	(32,719,700)	(63,068,584)
Change in debtors and other debit balance	(266,312,639)	(106,091,410)
Change in due from related parties	72,023	--
Change in suppliers and notes receivable	4,588,085,428	(427,057,651)
Change in Due to related parties	5,523,610	--
Change in account receivable in-advanced	136,592	(2,717,954)
Change in creditors and other credit balances	74,574,876	(151,049,790)
Cash flow from operating activities	280,360,751	36,367,099
Used from Provisions	(318,769)	(689,379)
(Paid) from financing interest	(690,085,575)	(287,505,569)
Net cash flow (used in) from operating activities	(410,043,593)	(251,827,849)
<u>Cash flows from investment activities</u>		
(Payments) to acquire fixed assets and projects under construction	(310,875,434)	(881,105,838)
(Payments) to acquire intangible assets	(3,927,428)	(14,231,397)
(Payments) to acquire assets held for sale	--	(508,657,449)
Proceeds from selling fixed and intangible assets	1,217,811	1,684,724
Proceeds from selling assets held for sale	47,032,476	41,400,000
Net cash flows (used in) investment activities	(266,552,575)	(1,360,909,960)
<u>Cash flows from financing activities</u>		
Dividend paid	(22,938,409)	(140,400,000)
(payments) in treasury stock	--	(150,266,752)
Proceeds from selling treasury stock	--	491,055
Increase in lease liabilities	148,870,666	23,811,040
Proceeds from credit facilities	(194,239,591)	543,622,999
(Payments) Proceeds from short and long-term loans	980,372,476	1,342,758,249
(Paid) for Lease liabilities	(52,337,260)	--
Net cash flow from financing activities	859,727,882	1,620,016,591
Net change in cash and cash equivalents during the period	183,131,714	7,278,782
Cash and cash equivalents at the beginning of the year	541,210,495	468,543,798
Cash and cash equivalents at the end of the period	724,342,209	475,822,580

- Limited Review Report Attached.

Chief Financial Officer

Mu'men Gomaa

Chief Executive Officer

Omar Abdul Gawad

Chairman

Abd El , Aziz Ali Abd El , Aziz

- Attached notes are from note (1) to (31) are an integral part of the periodic consolidated financial statements.

1 – company's background

Ibn Sina pharma was established in accordance with Law No. 159 of 1981 and its Executive Regulations, taking into account the provisions of Law No. 95 of 1992 and its Executive Regulations for the purpose of purchasing, wholesale and distributing all pharmaceutical and semi-pharmaceutical products manufactured locally or imported, buying and selling wholesale and distributing any other products and tools It is related to health and health care, and the export and import of all products, equipment and tools, packaging all products, equipment and tools related to health and medical care, owning, maintaining and supplying information and consultations related to the field of medicine, conducting training and supplying materials for training in all fields and activities, obtaining economic income, carrying out commercial and scientific advertising in all aspects of the drug market as well as all activities and obtaining Ali commercial agencies from foreign and local companies specialized in the manufacture and distribution of pharmaceutical and semi-pharmaceutical products, equipment, tools and reagents related to health and medical care And storage of pharmaceutical and semi-pharmaceutical products, equipment, tools, reagents, advertising and marketing offers for pharmaceutical and semi-pharmaceutical products and reagents by all means, assembling, manufacturing and packaging human, biological and veterinary medicines, cosmetics, nutritional supplements and disinfectants of all kinds, and manufacturing with others for all the company's products, laboratory and hospital requirements and drug production requirements and practicing services related to all kinds of forms, owning pharmaceutical and semi-pharmaceutical items, publicizing the aforementioned products with the provisions, packaging and packaging products, tools, equipment, and pharmaceutical and semi-pharmaceutical reagents related to health and extreme care, with the company's undertaking to obtain all the necessary permits in this regard for the practice of each activity and taking into account all laws and regulations in the conduct of these the activities , The date of the beginning of the company's activity was considered on January 8, 2002 according to what was stated in the commercial register. The name of the company was modified during the year 2007 from Ibn Sina Laboratories to become Ibn Sina Pharma, and the company has added some activities.

On March 5, 2017, the Extraordinary General Assembly decided to amend the company's purpose to become as follows:

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, The entry was made in the commercial registry on September 12, 2017 **On 5 March 2019 the Extraordinary General Assembly decided to amend the purpose of the Company to become as follows:** Buying, selling wholesale, distribution, repair, manufacturing with others, packaging, transporting, storing, importing, exporting, owning and carrying out commercial and scientific advertising and marketing offers for all varicose products, human, biological, veterinary, semi-pharmaceutical preparations, chemicals, cosmetics, song, nutritional supplements, pesticides, disinfectants of all kinds, medical and prosthetic devices, laboratory and hospital supplies, equipment, tools and materials for laboratory reagents, packaging and advertising materials, whether locally manufactured or imported, in addition to foals products The aforementioned seals, as well as carrying out training and supplying information and systems programs and consultations related to the aforementioned areas and the services of renting and selling administrative and storage spaces and may have an interest or participate in any way with capital companies that engage in business similar to their business or that may cooperate to achieve their purpose in Egypt or abroad as they may merge into these companies or buy or attach them to them in accordance with the provisions of the law and its executive regulations, with the company's pledge to extract All the necessary permits in this regard for practicing each activity and observing all laws and regulations in carrying out these activities, and it was noted in the commercial register on September 19, 2019.

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the financial statements
during Period Ended ,30 September 2023

Translation of Auditor's Report
Originally Issued in Arabic

On 5 March 2022, the Extraordinary General Assembly decided to amend the Company's purpose to become as follows:

Buying, selling wholesale, distribution, manufacturing, manufacturing with others, packaging, packaging, transporting, storing, importing, exporting, owning and carrying out commercial and scientific advertising, marketing offers, public supplies and electronic commerce for all pharmaceutical, human, biological, veterinary products, semi-pharmaceutical preparations, chemicals, cosmetics, food, nutritional supplements, slaves, disinfectants of all kinds, medical and compensatory devices, laboratory and hospital supplies, equipment, tools and materials for laboratory reagents and materials Packaging and advertising, whether locally manufactured or imported, in addition to the foals of the aforementioned products with seals, as well as carrying out training, information supply, systems and consulting programs in the region in the aforementioned fields, rental and sale services for administrative and storage spaces, and may have an interest or participate in any way with companies that engage in business similar to their business or that may cooperate to achieve their offer in Egypt or abroad, as they may merge into these companies or buy and entitle them. In accordance with the provisions of the law and its executive regulations, with the company's pledge to extract all the necessary permits in this regard for practicing each activity and taking into account all laws and regulations in carrying out these activities, and it was noted in the commercial register on April 21, 2022.

The Consolidated financial statements of Ibn SINA Pharma and its subsidiary (collectively, the Group) includes the financial statements of the Parent and the following subsidiary:

	<u>Company Name</u>	<u>% of ownership</u>
1-	AIM Healthcare Investments and Consultancy (S.A.E)	99.99 %
2-	Ramp company for logistic services (S.A.E)	99.9997%
3-	Digi 360 Software Company (S.A.E)	78.9999%

Approval of the periodic consolidated financial statements

The Company's consolidated financial statements for the financial period ended 30 september 2023 were approved on 14,November 2023 in accordance with the resolution of the Board of Directors held on that date.

2.1 Principles for the preparation of periodic consolidated financial statements:

The periodic consolidated financial statements have been prepared in accordance with Egyptian Accounting Standard No. (30), the financial statements do not include all financial statements and disclosures required in the annual financial statements, and must be read in conjunction with the financial statements for the year ended 31 December 2022. In addition, the results for the periodic period ended 30 june 2023 may not be considered an accurate indicator of the expected results for the financial year ended 31 December 2023.

2.1 Principles for the preparation of periodic consolidated financial statements - continued

Basis of combination

a)Subsidiaries

Subsidiaries are companies controlled by the Group. The Group controls the investee company when it is exposed to - or is entitled to - variable returns through its contribution to the investee company and has the ability to influence those returns through its authority over the investee company. The existence and impact of the currently exercising potential voting right or the right of transfer is taken into account when assessing whether the Group has control over another company. Affiliates are fully grouped from the date on which control is transferred to the group, and the aggregation is terminated when that control ends.

b)Transactions with non-controlling stake holders

Transactions with non-controlling interests that do not result in the holding company losing control are treated as transactions with the Group's equity holders.

Follow these steps when preparing consolidated financial statements:

- a)The book value of the holding company's investment in the subsidiary is excluded with the holding company's share in the equity in the subsidiary.
- b)Non-controlling interests are determined in the net profit or loss of the subsidiary during the period for which the financial statements are prepared.
- c)The rights of non-controlling interests in the net assets of the subsidiary are determined and presented in the financial statements separately from the shareholders' equity of the holding company.
 - (1) The amount of non-controlling interest rights on the date of original consolidation.
 - (2) The share of non-controlling interests in the change in equity from the date of consolidation.
- d) Balances, transactions, revenues and expenses exchanged between group companies are completely excluded.

The financial statements of the holding company as well as the financial statements of the subsidiary that are used in the preparation of the standalone financial statements are prepared on the same date.

Consolidated financial statements are prepared using standardized accounting policies for similar transactions and for events that take place in the same conditions.

Non-controlling interests in the consolidated financial position are presented under equity in a separate clause from the equity of the holding company's shareholders, and the share of non-controlling interests in the Group's profit or loss is presented separately.

2.3 Summary of applicable accounting policies

Revenue recognition

Revenue from contracts concluded with customers is recognized when control of goods or services is transferred to the customer in an amount reflecting the consideration that the company expects to receive for those goods or services, Revenue is not recognized In case of doubts regarding the recovery of the consideration due, revenue is measured at the fair value of the consideration received or due in net taking into account the contractual terms specified after deducting any commercial discount or quantity or sales taxes or Fees The company recognizes the revenue as principal and not as an agent.

- **Sale of goods**

The revenue generated by the sale of goods is recognized at a point in time which is when the company transfers control to the buyer and this usually occurs when the goods are delivered.

- **Logistics**

Revenue resulting from the provision of warehousing logistics to customers is recognized over a period of time during the period of service provision to customers and revenue from transportation services is recognized to customers when the service is provided to them.

- **Financing income**

Interest income is recognized on an accrual basis using the effective interest rate method The effective interest rate is the rate used to discount future cash payments expected to be repaid or collected during the expected life of the financial instrument or a shorter period of time if appropriate to fully equal the carrying amount of a financial asset or liability.

Lease Contracts

Company as a tenant:

Lease Contracts Commitment: On the date of the beginning of the lease contract, the company measures the lease commitment to the current value of the unpaid lease payments on that date using the interest rate implied in the lease if that rate can be easily determined and otherwise using the interest rate on the additional borrowing of the company and later the company increases the book amount of the obligation to reflect the interest on the lease obligation and the book amount is reduced to reflect the rental payments.

Principal of right of use assets: The principal of the usufruct right on the date of the beginning of the lease contract is measured by the amount of the initial measurement of the obligation of the lease in addition to the initial direct expenses, advance payments paid to the lessor, and the rental incentives received from the lessor (if any) are subtracted and the costs that the company will incur in dismantling and removing the asset and restoring the site where the asset is located to the original condition or restoring the asset itself to the required condition in accordance with the terms and conditions of the lease contract are added.

After the date of the beginning of the lease contract, the company shall measure the principal of the usufruct at cost minus any depreciation pool and any impairment loss complex and adjusted by any re-measurement of the lease obligation.

The depreciation of the usufruct asset shall be made from the date of the beginning of the lease contract until the end of the useful life of the asset if the lease transfer the ownership of the asset subject to the contract to the company at the end of the lease term or if the company will exercise the purchase option, otherwise the company shall depreciate the original usufruct from the date of the beginning of the lease contract to the end of the useful life of the usufruct asset or the end of the lease term, whichever is earlier.

2.3 Summary of applicable accounting policies - continued

Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of an enterprise and a financial obligation or equity instrument of another entity.

a) Financial assets

Recognition and initial measurement

The classification of financial assets at initial recognition is based on the characteristics of the contractual cash flows of the financial asset and the growth of the company's business model to manage them, excluding customer balances and assets arising from contracts that do not contain a significant financing component. The Company measures the financial asset initially at its fair value plus transaction costs, in the case of a non-valued financial asset at fair value through profit or loss.

Subsequent measurement

For the purposes of subsequent measurement , financial assets are classified into four categories:

- Financial assets at depreciated cost (debt instruments).
- Financial assets at fair value through other comprehensive income with the recycling of accumulated profits or losses (debt instruments).
- Financial assets classified at fair value through other comprehensive income with no recycled profits or losses accumulated upon disposal (equity instruments).
- Financial assets at fair value through profits or losses.

Financial assets at depreciated cost (debt instruments)

This category is most relevant to the company The company measures financial assets at depreciated cost if the following two conditions are met:

- A financial asset is held within a business model for the purpose of holding financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset lead on specific dates to cash flows which are only principal amount payments and interest on the outstanding principal amount.

Financial assets are subsequently measured at depreciated cost using the effective interest rate method and are subject to impairment Profit and loss are recognized in the statement of profit or loss when an asset is excluded, adjusted or devalued.

The assets of the company valued at depreciated cost include customers, receivables and other debtors.

Derecognition of financial assets

A financial asset (or part of a financial asset or part of a company with similar financial assets, when appropriate) is essentially excluded (i.e., excluded from the company's statement of financial position) when:

- Expiry of the right to receive cash flows from the asset.
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "transfer through" arrangement and either:
 - (a) The company has substantially transferred all the risks and benefits of the asset.
 - (b) The company did not transfer or hold significantly all the risks and benefits of the asset but transferred control of the asset.

2.3 Summary of applicable accounting policies - continued

Financial Instruments - Continued

a) Financial Assets - Continued

Impairment of financial assets

The Company recognizes the provision for expected credit losses for all debt instruments not held at the highest-value evidenced by gains or losses. Expected credit losses are based on the difference between contractual cash flows due in accordance with the contract and all cash flows expected by the Company to be received, deducted approximately to the original effective interest rate. Expected cash flows will include cash flows from the sale of retained collateral or other credit enhancements that are an integral part of the contractual terms.

For clients and assets arising from a contract, the Company applies the simplified approach to calculating expected credit losses. Therefore, the Company does not track changes in credit risk but instead recognizes a provision for loss based on expected credit losses over the life at the date of each report. The Company has established a provision matrix based on its historical experience in credit loss adjusted to customer forward-looking factors and the economic environment and would have been determined after depreciation, had the impairment loss not been recognized.

b) Financial Obligations

Initial recognition and measurement

Upon initial recognition, financial obligations are classified, as financial obligations at fair value through profit or loss, loans and facilities, suppliers or as derivatives classified as hedging instruments in effective hedging, where appropriate.

All financial obligations are initially recognized at fair value, and in the case of loans, advances and credit balances, costs directly related to the transaction are deducted.

The Company's financial obligations include suppliers and other credit balances, balances due to related parties, loans and facilities including bank overdrafts and other financial obligations.

Subsequent measurement

The measurement of financial liabilities is based on their classification as shown below:

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss include financial liabilities held for the purpose of trading or determined upon initial recognition of fair value through profit and loss.

Financial obligations at amortized cost (loans and borrowings)

This is the category most relevant to the company. After the initial recognition, loans and advances are subsequently measured at amortized cost using the effective interest rate method. Profit and loss are recognized in the statement of profit or loss, when the recognition of obligations is demolished through the process of accruing the effective interest rate.

Amortized cost is calculated by taking into account any discount or premium upon acquisition and fees or costs that form an integral part of the effective interest rate. Effective interest rate amortization as financing costs is included in the statement of profit or loss. This category generally applies to loans and facilities.

2.3 Summary of applicable accounting policies - continued**Financial Instruments - Continued****b)Financial obligations - Continued****De-recognition of financial obligations**

The recognition of financial obligations is revoked when the obligation under the obligation is exempted, canceled or expires. When an existing financial obligation is replaced by another from the same lender on vastly different terms, or the terms of an existing obligation are materially modified, such exchange or adjustment is treated as an exclusion of the original obligation and recognition of a serious obligation. The difference in the relevant book values is recognized in the statement of profit or loss.

Fixed assets

Fixed assets are shown at historical cost after deducting the accumulated depreciation and loss of impairment and this cost includes the cost of replacing a portion of fixed assets when such cost is realized and the conditions for recognition are met. Similarly, when comprehensive material improvements are made, their costs are recognized within the book value of fixed assets as a replacement if the recognition conditions are met and all other repair and maintenance costs are recognized in the statement of profit or loss when realized.

The depreciation of an asset begins when it is in the place and condition in which it becomes able to operate in the manner specified by management, and depreciation is calculated following the straight-line method according to the useful life of the asset as follows:

	<u>Years</u>
buildings	10-40
Machinery & Equipment	7-35
Transportation	5
Computer	3-40
Office Furniture & Equipment	5

Fixed assets are excluded upon disposal or when no future economic benefits are expected from their future use or sale. Any profits or losses arising when the asset is excluded in the statement of profit or loss in the period in which the asset was discarded are recognized.

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

The company periodically determines in the history of each financial position whether there is an indication that a fixed asset has decayed when the carrying amount of the asset exceeds its redemption value, it is considered that there is impairment of the asset and therefore it is reduced to its redemption value and impairment losses are recognized in the statement of profits or losses.

Reimbursement of impairment losses is made only if there is a change in the assumptions used to determine the redemption value of an asset since the last impairment losses were recognized, and the refund of impairment losses is limited so that the carrying amount of the asset does not exceed its redemption value or exceeds the carrying amount that would have been determined (in net after depreciation) unless impairment losses are recognized for the asset in previous years. Refund for impairment losses is recognized in the statement of profit or loss.

Projects under constructions

Projects under implementation are the amounts spent for the purpose of establishing or purchasing fixed assets until they are ready for use in operation, then they are transferred to fixed assets, and projects under implementation are valued at cost after deducting impairment (if any).

2.3 Summary of applicable accounting policies - continued

Intangible assets

Intangible assets acquired individually are initially recognized at cost.

After initial recognition, intangible assets are recognized at cost minus the depreciation pool and the impairment loss complex.

Intangible assets generated internally are not capitalized as an asset and expenses are recognized in the statement of profit or loss in the year in which the expenses were expended.

The shelf life of intangible assets is determined as age-specific or age-indefinite.

Intangible assets with useful lives determined on the economic life of the asset are depreciated, and an impairment measurement test is performed when there is an indication of the decay of the asset. The depreciation and depreciation method of the intangible asset with a specific lifespan are reviewed at least at the end of each financial year.

Intangible assets are computer programs and licenses and are depreciated on a straight-line basis according to their lifespan.

Non-current assets held for sale

Non-current assets or (groups being disposed of) are classified as assets held for the purpose of sale if their book value is expected to be recovered primarily from a sale transaction and the probability of selling them is high, and they are measured in net book value or fair value minus expected selling costs, whichever is lower, in accordance with Egyptian Accounting Standard No. (32).

Inventory

Inventory is valued at cost using the moving average or net selling value method, whichever is lower, and the net selling value is determined on the basis of the expected price of the sale through the normal activity less the estimated cost of completion and the estimated cost needed to complete the sale.

The decrease in the value of inventory to net selling value and all inventory losses are recognized within the cost of sales in the income statement in the period in which the decrease or loss occurred and the return of the decrease in inventory resulting from the increase in net selling value is recognized in the income statement as a reduction in the cost of sales in the period in which the response occurred.

Investments in sister companies

A sister company is a company in which the investor, directly or indirectly, through subsidiaries of 20% or more, has the right to vote in the company in which he is invested, assuming that this investor has a strong influence.

The initial recognition of the investment is the cost, provided that it is then adjusted by what occurs during the period following the acquisition of a change in the investor's share in the net assets of the investee, and the profits and losses of the investor include his share in the profits and losses of the enterprise for the investor, and the other comprehensive income includes the investor's share in the other comprehensive income of the investee. In the event of impairment in its value, the book value is reduced by the value of the impairment losses and charged to the income statement for each investment separately.

Related Party Transactions

The related parties are represented by the parent company and its subsidiaries, major shareholders, directors and senior management of the enterprise, and also represent companies controlled or subject to joint control or influence by those related parties, and the terms and pricing policies for transactions with related parties are approved by the Board of Directors in accordance with the procedures taken to approve those transactions.

Borrowing

Borrowing is initially recognized at the values received, and the amounts due within a year are classified within current obligations, unless the company has the right to postpone the repayment of the loan balance for a period of more than one year after the date of the financial position, the loan balance is displayed within the long-term liabilities.

Loans and interest-bearing borrowing are measured after initial recognition on the basis of amortized cost by the effective interest rate method. Gains and losses resulting from the disposal of liabilities as well as the depreciation process are included in the effective interest rate method in the profit or loss statement, the amortized cost is calculated taking into account any discount or premium when obtaining borrowing, fees or costs that are part of the effective interest rate and depreciation at the effective interest rate is included in the financing costs in the statement of profit or loss.

Borrowing cost

Borrowing costs directly related to the acquisition, creation or production of a qualifying asset that requires a long period of time to be processed for use for its intended purposes or for sale, are capitalized as part of the cost of the asset and other borrowing costs are charged as an expense in the period in which they materialize and borrowing costs are the interest and other costs that the company spends to borrow funds.

2.3 Summary of applicable accounting policies - continued

Income taxes

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

Current Income Taxes

Income tax assets and liabilities for the current and prior periods are recognized according to the amount expected to be recovered or reimbursed to the tax authority.

Deferred income taxes

Deferred income tax is recognized by following the liability method on temporary differences between the recognized value of the asset or liability for tax purposes (tax basis) and its value included in the financial position (accounting basis) using the applicable tax rate.

Deferred income tax is recognized as an asset when there is an expectation that this asset can be used to reduce future tax profits, and the asset is reduced by the value of the part that will not achieve a future benefit. Current and deferred tax is included as income or expense in the statement of profits or losses for the period, except for tax that results from a transaction or event in the same period or another period directly within equity.

Cash and cash equivalents

For the purpose of preparing the statement of cash flows, cash and cash equivalents include cash in the fund, current accounts in banks and term deposits that mature within three months or less from the date of acquisition, as well as bank balances - withdrawal on the exchange that are repaid on demand and which are an integral part of the company's money management system.

Account and notes receivables and other debit balances

Account and notes receivables and other debit balances are recognized at amortized cost less impairment losses, impairment losses are measured by the difference between the book value of customers and the present value of expected future cash flows, impairment losses are recognized in the statement of profits or losses, and impairment losses are refunded in the period in which they occurred.

Suppliers, accrued expenses and other credit balances

Suppliers, accrued expenses and other credit balances are initially recognized at fair value excluding the direct cost of the transaction and are consequentially measured at amortized cost using the interest rate.

Obligations are recognized with values that will be paid in the future for goods and services received whether or not the company receives invoices from suppliers.

Dividends

Dividends are recorded as liabilities in the financial period in which the announcement is made.

Employees' share of profits

The share of employees in profits is recognized as dividends in the statement of change in shareholders' equity and as an obligation during the financial period in which the shareholders of the company approved this distribution, the company pays 10% of the cash dividends as a share of employees in profits not exceeding the total annual wages of the company's employees. No obligation is recognized for the share of employees in profits in respect of undistributed profits.

2.3 Summary of applicable accounting policies - continued

Provisions

Provisions are recognized when the company has a current legal or judgmental obligation as a result of a previous event, the provisions relate to an anticipated claim from certain third parties in relation to the company's activities. This is expected to require an outflow of economic resources to settle the obligation, with the possibility of a reliable estimate of the amount of the obligation.

In the case of using discount (present value), the increase in the provision due to the passage of time is recognized in the statement of profit or loss within the financing costs.

Social insurance and end-of-service benefits

The company provides contributions to the Authority for the period of pensions and social security and is calculated as a percentage of the salaries of the employees. The company's obligations are limited to these contributions, which are charged to expenses when due.

Foreign Currency Translation

Foreign currency transactions are initially recorded using the exchange rate prevailing on the transaction date.

Assets and liabilities of a monetary nature are translated into foreign currency using the exchange rate prevailing at the date of the financial position, all differences are included in the statement of profit or loss.

Non-cash assets and liabilities are translated into foreign currency and are measured at historical cost using the exchange rates prevailing at the date of first recognition.

Non-cash assets and liabilities are translated in foreign currency and are measured at fair value using the prevailing exchange rates on the date on which the fair value was determined.

Potential liabilities and potential assets

Contingent liabilities are not recognized in the financial position. Disclosed unless the potential outflow of resources embodied for economic benefit is excluded. The potential asset is not recognized in the financial statements but is disclosed when the inflow of the economic benefit is foreseen.

Expense

All expenses including operating expenses, general and administrative expenses and other expenses are recognized and included in the statement of profit or loss in the financial year in which such expenses were realized.

Cash flow statement

The cash flow statement is prepared following the indirect method.

2.4 Significant accounting judgments and estimates

Management is required in its application of the company's accounting policies to use judgments, estimates and assumptions to arrive at the book values of assets and liabilities when those values are not clear from other sources and these estimates and assumptions related to them depend on historical experience and other factors that are relevant and the actual results may differ from these estimates.

The estimates and assumptions related to them are reviewed on an ongoing basis, and the impact of adjustments on accounting estimates is recognized in the period in which those estimates are adjusted if the effect of the adjustment is limited only to that period, but if the adjustment affects both the current period and future periods, then the impact of those adjustments is recognized in the period in which the adjustment is made and future periods.

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

Judgments

Revenue recognition

In making their judgment, the management considered the detailed criteria for the recognition of revenue as set out in EAS no.(48) Revenue from contracts with customers , in particular, whether we Company had transferred to the buyer the significant risks and rewards of ownership of goods.

Estimates

Expected credit losses, impairment in the value of , account and notes receivables and other debit balances

An estimate of the amount recoverable from customers, notes receivable and other debit balances is made when collection of the full amount is no longer expected. For individually significant amounts, the estimation is made on an individual basis. Amounts that are not individually significant, but which are past their due date, are assessed collectively and a provision is made according to the period of time that has passed since their due date based on expected credit losses.

Estimation of the net selling value of inventory

Inventory is stated at the lower of cost or net realizable 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 life of fixed assets and right of use assets

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.

2.4 Significant accounting provisions and estimates – continued

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 judgment 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.

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the financial statements during Period Ended ,30 September 2023

Translation of Auditor's Report
Originally Issued in Arabic

3- Fixed assets (net)

The balance of fixed assets (net) is represented in 30 September 2023 amounting to 973,522,789 (EGP) as follows:

Statement	Cost as of 1/1/2023	Disposal During the period	Additions During the period	Converted from Projects under constructions	Cost as of 30/9/2023	Accumulated depreciations as of 1/1/2023		Depreciation of period	Accumulated depreciations as of 30/9/2023		Net book value as of 30/9/2023	Net book value as of 31/12/2022
						EGP	EGP		EGP	EGP		
Lands	93,753,808	--	--	--	93,753,808	--	--	--	--	--	93,753,808	93,753,808
Buildings equipment	724,302,091	142,788	3,300,404	33,461,405	753,819,276	(279,088,325)	119,680	31,912,026	310,764,193	450,040,441	93,753,808	93,753,808
Vehicles	450,919,902	303,153	7,636,659	50,782,717	509,036,125	(165,114,689)	303,153	28,537,524	193,349,060	315,687,065	445,213,766	445,213,766
Computerhardware and software	64,235,590	1,350,000	11,311,749	13,817,145	88,014,484	(27,835,756)	854,361	10,413,049	37,510,922	50,620,040	285,805,213	285,805,213
Furniture and fixtures	105,667,800	807,836	22,440,123	3,977,500	131,277,587	(66,739,183)	522,250	11,630,158	77,847,091	53,430,496	36,399,834	36,399,834
	27,786,797	5,124	1,944,415	268,333	29,994,421	(18,108,662)	5,124	1,899,944	20,003,482	9,990,939	38,928,617	38,928,617
	1,466,665,988	2,608,901	60,314,995	88,625,455	1,612,997,537	(556,886,615)	1,804,568	84,392,701	639,474,748	973,522,789	909,779,373	909,779,373

* The balance of fixed assets (net) as at 31 December 2022 (comparative year) amounting to EGP 909,779,373 is as follows:

Statement	Cost as of 1/1/2022	Adjustments During the year	Disposal During the year	Additions During year	Converted from Projects under constructions	Cost as of 31/12/2022	Accumulated Depreciation 1/1/2022		Adjustments	Depreciation Of year	Accumulated depreciations 31/12/2022		Net book value as of 31/12/2022
							EGP	EGP			EGP	EGP	
Lands	93,753,808	--	--	--	--	93,753,808	--	--	--	--	--	--	93,753,808
Buildings equipment	692,699,794	(1,617,990)	(57,702)	3,496,162	29,781,827	724,302,091	(232,250,797)	50,441	(108,680)	(46,779,289)	(279,088,325)	93,753,808	460,448,5
Vehicles	430,729,295	(129,306)	(1,117,183)	9,168,581	12,268,515	450,919,902	(130,415,426)	788,987	6,633	(35,494,883)	(165,114,689)	445,213,766	300,313,5
Computer and software	54,215,831	(17,297,798)	(2,681,521)	20,242,847	9,756,231	64,235,590	(19,131,398)	1,917,728	619,087	(11,241,173)	(27,835,756)	285,805,213	35,084,4
Computer and software	102,536,919	(841,760)	(640,888)	3,746,129	867,400	105,667,800	(49,538,819)	502,228	28,198	(17,730,790)	(66,739,183)	36,399,834	52,998,1
Furniture and fixtures	25,466,995	--	(13,199)	117,571	2,215,430	27,786,797	(15,323,317)	13,199	-	(2,798,544)	(18,108,662)	38,928,617	10,143,5
	1,399,402,642	(19,886,854)	(4,510,493)	36,771,290	54,899,403	1,466,665,988	(446,659,757)	3,272,583	545,238	(114,044,679)	(556,886,615)	909,779,373	952,742,1

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the financial statements
during Period Ended ,30 September 2023

Translation of Auditor's Report
Originally Issued in Arabic

4- Projects under constructions

- The additions of projects under constructions during the period ending on September 30, 2023 amounted to 264,242,086 EGP, which included the value of buildings in the amount of 130,173,590EGP, and included payments under the account of computer programs in the amount of 40,030,681 EGP and the completion of the necessary equipment and improvements for the company's branches in the amount of 94,037,815EGP, including capitalized interests, and the completed assets ready for use and converted into fixed and intangible assets amounted to a total 104,840,980 Egyptian Pound .
- The value of some assets amounting to EGP 415,022,050 has been converted to assets held for sale in accordance with the Board of Directors No. (140) held on May 22, 2023.

- The balance of the projects under constructions as follows:

	<u>30 September 2023</u>	<u>31 Dec 2022</u>
	<u>EGP</u>	<u>EGP</u>
Computer hardware and software	202,203,677	162,465,937
Building lands	391,208,853	712,369,572
Furniture, equipment and Vehicle	95,781,154	69,979,122
	<u>689,193,684</u>	<u>944,814,631</u>

5- Intangible assets (net)

	<u>30 September 2023</u>	<u>31 Dec 2022</u>
	<u>EGP</u>	<u>EGP</u>
Cost		
Balance on January 1, 2023	43,408,640	23,039,044
Adjustments		(5,814,448)
Disposals during period/year	(26 077)	--
Trasnfered from projects under constructions	2 533 880	14,836,005
Trasnfered from projects under constructions	3 927 428	11,348,039
Balance as of 30 September 2023	<u>49,843,871</u>	<u>43,408,640</u>
Accumulated amortization		
Balance on January 1, 2023	(13,224,654)	(7,737,918)
Amortization of the period /year	(4,627,748)	(5,640,030)
Adjustments of the period	--	153,294
Balance on 30 September 2023	<u>17,852,402</u>	<u>(13,224,654)</u>
Net Book Value as of 30 September 2023	<u>31,991,469</u>	<u>30,183,986</u>

6- Investment in a subsidiary

	<u>Number of</u>	<u>Contribution</u>	<u>Nominal</u>	<u>Nominal</u>	<u>Percentage paid</u>	<u>Cost</u>
	<u>Stock</u>	<u>Percentage</u>	<u>value</u>	<u>value in-</u>	<u>in investment</u>	<u>as of</u>
			<u>per share</u>	<u>vested</u>		<u>30 Sep 2023</u>
			<u>EGP</u>			<u>EGP</u>
Rabbit Express For Transportaion (S.A.E)	57 239	40%	100	5 723 900	%100	5,723,900
						<u>5,723,900</u>

Ibn Sina Pharma Company (S.A.E)Complementary notes to the financial statements
during Period Ended ,30 September 2023Translation of Auditor's Report
Originally Issued in Arabic**7- Inventory**

	<u>30 September 2023</u>	<u>31 Dec 2022</u>
	<u>EGP</u>	<u>EGP</u>
Goods for sale	3,556,126,525	2,151,529,672
Goods on transit	525,606,732	314,172,598
Returns	252,721,345	131,518,202
Spare parts	30,977,487	16,600,876
	<u>4,365,432,089</u>	<u>2,613,821,348</u>

The increase in inventory is due to the increase in the volume of purchases and the increase in purchase prices, in addition to the expansion of the company's activity and the growth of the market during the period, and there is no material change in the average inventory retention period, and there is no impairment in the value of inventory for the period ending on September 30, 2023 and the year ending on December 31, 2022

8- Accounts and notes receivables (net)

	<u>30 September 2023</u>	<u>31 Dec 2022</u>
	<u>EGP</u>	<u>EGP</u>
Accounts receivable	7,700,202,352	3,939,096,809
Notes receivable	1,965,139,154	2,231,813,298
	<u>9,665,341,506</u>	<u>6,170,910,107</u>
Deduct:		
*Expected credit losses in the value of customer balances and receivables	(387,997,592)	(327,102,470)
	<u>9,277,343,914</u>	<u>5,843,807,637</u>

The reason for the increase in the balance of customers and receivables is due to the increase in sales of the current period compared to the sales of the same period in the previous year, and there is no material change in the average collection period from customers.

*The company consolidated the expected credit losses in the value of customer balances and receivables by EGP 60,895,122 during the period ending 30 sseptember 2023.

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

	<u>30 September2023</u>	<u>31 Dec 2022</u>
	<u>EGP</u>	<u>EGP</u>
Accounts and notes receivable less than 12 months	9,188,825,637	5,759,349,799
Notes receivable more than 12 months	88,518,277	84,457,838
	<u>9,277,343,914</u>	<u>5,843,807,637</u>

9- Suppliers in-advance

The balance of suppliers in-advance on September 30, 2023 amounted to EGP 270,079,136 compared to EGP 237,359,436 as at December 31, 2022 The increase in advance payments to suppliers is due to the conclusion of new contracts with suppliers that require prepayment to the supplier in addition to the increase in the volume of purchases.

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the financial statements
during Period Ended ,30 September 2023

Translation of Auditor's Report
Originally Issued in Arabic

10- Debtors and other debit balances (net)

	<u>30 September</u> <u>2023</u> <u>EGP</u>	<u>31 Dec 2022</u> <u>EGP</u>
*Suppliers under Adjustment	424,921,208	250,592,195
Prepaid expenses	40,989,177	38,796,013
Advance payments to Tax Authority	40,379,658	43,281,209
Insurance for third parties	22,754,727	22,216,660
Tax Authority Withholding tax	91,342,665	47,997,654
Imprest of employees	16,984,077	12,615,607
Contract Assets – Expected Sales Returns	10,621,667	15,318,771
**Other debit balances	<u>156,331,268</u>	<u>144,481,296</u>
	804,324,447	575,299,405
Deduct:		
Expected credit losses on the value of debtors and other debit balances	<u>(7,930,663)</u>	<u>(7,930,663)</u>
	796,393,784	567,368,742

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

** other debit balances include payments to complete El-Shrouq Hospital.

11- Cash on hand and at banks

	<u>30 September 2023</u> <u>EGP</u>	<u>31 Dec 2022</u> <u>EGP</u>
Letters of guarantee cover	27,525,246	34,069,589
Bank current accounts EGP	567,818,524	354,830,064
Bank current accounts foreign currency	128,507,287	151,323,110
Cash on hand	491,152	987,732
	<u>724,342,209</u>	<u>541,210,495</u>

12- Assets held for sale

- The additions of assets held for sale during the period ending on September 30, 2023 amounted to EGP 420,272,051, represented in the amount of EGP 415,022,051 the value of some assets transferred from projects under construction according to the Board of Directors No. (140) held on May 22, 2023, in addition to the amount of EGP 5,250,000 the value of the assets that became owned by the company from customers to meet the value of some of the debts of those customers.
- Some buildings were sold during the period for 45,802,449 EGP.
- Some building were transferred to right of use during the period for 151,061,687 EGP.

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

a) capital

- The company's authorized capital was set at 50 million Egyptian pounds (fifty million Egyptian pounds only) and the company's issued and paid up capital was set at 35 million Egyptian pounds (thirty-five million Egyptian pounds only) distributed over 350.000 shares with a value of 100 Egyptian pounds each share (one hundred pounds only), all of which are cash shares.
- On 26 August 2005, the Extraordinary General Assembly of the Company decided to increase the issued and fully paid up capital to 50 million Egyptian pounds (fifty million Egyptian pounds only) distributed over 500.000 shares of 100 Egyptian pounds each share (one hundred pounds only), all cash shares.

13- Capital, Share premium , Treasury stocks reserve and Treasury stocks - Continued**a) Capital - Continued**

- On 10 December 2006, an extraordinary general assembly was held, according to which the decision was taken to purchase the shares of the French side, whose nominal value represents 34,193,900 Egyptian pounds (thirty-four million one hundred ninety-three thousand nine hundred Egyptian pounds only) with a percentage of 68.38% of the total contribution by the old shareholders by 93.5% and employees by 6.5%, and the registration was completed by the end of 2007.
- On 17 September, 2008, the Extraordinary General Assembly was held, according to which it was agreed to amend Article (6) of the Company's Articles of Association by reducing the carry-over losses by 30 million Egyptian pounds (thirty million Egyptian pounds only) of the company's issued and paid up capital of 50 million Egyptian pounds (fifty million Egyptian pounds only) before the amendment, thus bringing the company's authorized capital to 50 million Egyptian pounds (fifty million Egyptian pounds only). The company's issued capital after the amendment becomes the amount of 20 million Egyptian pounds (twenty million Egyptian pounds only) distributed over 200,000 shares (two hundred thousand shares) the value of each share is 100 Egyptian pounds (one hundred Egyptian pounds only) all cash shares.
- On 27 May 2015, the Extraordinary General Assembly of the Company was held, according to which it was agreed to amend Article (6) of the Company's Bylaws by reducing the Company's authorized capital to 24 million Egyptian pounds (twenty-four Egyptian pounds only) instead of 50 million Egyptian pounds (fifty million Egyptian pounds only) and to become the company's issued and fully paid-up capital after the amendment 24 million Egyptian pounds (twenty-four Egyptian pounds only) instead of The amount of 20 million Egyptian pounds (twenty million Egyptian pounds only) distributed over 240.000 shares (two hundred and forty thousand shares) the value of each share is 100 Egyptian pounds (one hundred Egyptian pounds only) all cash shares and was marked in the commercial register on 29 June 2015.
- On 5 March 2017 the Extraordinary General Assembly decided to increase the company's authorized capital by EGP 144 million to become EGP 168 million, as well as to increase the company's issued capital by EGP 144 million to become EGP 168 million, as financing from the general reserve balance on 31 December 2016, provided that (6) bonus shares of the company's increase shares will be allocated against 1 of the original shares of the company owned by the shareholders at the time of the convening The assembly and split the nominal value of the share from 100 Egyptian pounds to 1 Egyptian pounds, bringing the total number of shares of the company after the increase and split of the nominal value of the share to 168 million shares paid in full Registered in the Commercial Register on 12 September 2017.
- On 7 September 2017, the Extraordinary General Assembly decided to approve the split of the company's capital shares by amending the nominal value of the share from (1) Egyptian pounds to (0.25) Egyptian pounds, so that the company's issued capital of 168 million Egyptian pounds distributed over 672 million shares with a nominal value of (0.25) Egyptian pounds per share, was marked in the commercial register on 28 September 2017.
- On 17 January 2018, the Board of Directors of Ibsina Pharma approved the increase of the issued capital from EGP 168 million to EGP 180.50 million, by subscribing to the old shareholders selling their shares in the public or private offering, where the capital was increased by issuing 50 million shares to be subscribed to at the final price of the offering of EGP 5.80, and accordingly, the issued and paid up capital of the company was increased by EGP 12.50 million to become the issued capital. The amount of EGP 180.50 million was paid, according to a bank deposit certificate for the capital increase from Arab African International Bank on 13 February 2018, and the value of the issuance premium for the increase shares amounted to EGP 277.50 million, which was noted in the company's commercial register on 22 March 2018.

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

a) Capital - Continued

- On May 19, 2022, the company's board of directors decided that the company will execute 3,823,492 treasury shares, bringing the number of shares issued on June 30, 2022 to 1,116,167,508 shares, in accordance with the provisions of Law 159 of 1981, where the company kept those shares for a year, which resulted in the execution process reducing the capital at the nominal value of those shares with a total amount of 958,123 Egyptian pounds, and the necessary measures are being taken to register in the commercial register.
- On June 30, 2023, the company executed 14,100,000 shares of the treasury name, bringing the number of shares issued on June 30, 2023 to 1,102,067,508 shares, in accordance with the provisions of Law 159 of 1981, where the company kept those shares for a year, which resulted in the execution process reducing the capital at the nominal value of those shares with a total amount of 3,525,000 Egyptian pounds, and the necessary procedures are being taken to register in the commercial register.
- On Sep 30, 2023, the company executed 74,758,900 shares of the treasury name, bringing the number of shares issued on June 30, 2023 to 1,027,308,608 shares, in accordance with the provisions of Law 159 of 1981, where the company kept those shares for a year, which resulted in the execution process reducing the capital at the nominal value of those shares with a total amount of 18,689,725 Egyptian pounds, and the necessary procedures are being taken to register in the commercial register.

b) Share Premium (Special reserve)

- On 20 April 2019, the Extraordinary General Assembly decided to increase the Company's issued capital from EGP 180.5 million to EGP 205 million, an increase of EGP 24.5 million by issuing 98 million bonus shares financed from the company's distributable net profits for the financial year ended 31 December 2018 by 0,1357340720 bonus shares each One original share of the company's issued capital before the increase of 722 million shares with Gabr Fractions in favor of small shareholders from smallest to largest until the quantity runs out, so that the company's issued capital after the increase is 205 million Egyptian pounds distributed over 820 million shares, the value of the share is 25, piasters. It was noted in the commercial register on 19 June, 2019, and it was decided to distribute the bonus shares as of 15 July 2019, taking into account the reparation of fractions in favor of small shareholders from smallest to largest until the quantity runs out, through Misr for Central Clearing, Depository and Registry, after the issuance of the Listing Committee's decision to approve the increase.
- On 31 March 2020, the AGM decided to increase the Company's issued capital to EGP 240 million, an increase of EGP 35 million, by issuing 140 million bonus shares financed from the company's distributable net profits for the fiscal year ended 31 December, 2019 at a rate of 0,170731707 bonus shares each. An original share of the company's issued capital shares before the increase of 820 million shares with reparation of fractions in favor of small shareholders from The smallest to the largest until the quantity runs out, so that the company's issued capital after the increase becomes 240 million Egyptian pounds distributed over 960 million shares, the value of the share is 25 piasters. It was marked in the commercial register on 30 August 2020, and it was decided to distribute the bonus shares as of 1 October 2020, after the issuance of the registration committee's decision to approve the increase.
- On 11 April 2022 the Extraordinary General Assembly decided to increase the issued capital of the company to 280 million Egyptian pounds with an increase of 40 million Egyptian pounds by issuing 160 million bonus shares financed from the company's distributable net profits for the fiscal year ending on 31 December 2020 distributed over 1.120 million cash shares and the nominal value of the share is 25 Egyptian piasters, and it was marked in the commercial register on 21 April 2022, It was also decided to distribute the bonus shares as of 1 May 2022, after the issuance of the decision of the Listing Committee to approve the increase.

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the financial statements
during Period Ended ,30 September 2023

Translation of Auditor's Report
Originally Issued in Arabic

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

14- b) share Premium (Special reserve) - Continued

- The company's management transferred an amount of 42,501,460 Egyptian pounds from a special reserve item "issuance premium" to the legal reserve to reach half of the issued capital, provided that this does not include distributing it as a profit, in accordance with Article (94) of the Executive Regulations of the Joint Stock Companies Law promulgated by Law No. 159 of 1981.

c)-Treasury stocks and Treasury stocks reserve

	<u>Number of stocks</u>	<u>Average stocks price</u>	<u>Value EGP</u>
Shares held for from 270 days to 360 days	19,308,608	1,8369	35,468,404
Total on 30 september 2023	19,308,608	1.8369	35,468,404

- On March 21, 2021, the company's board of directors decided that the company will purchase treasury shares with a maximum of 9,600,000 shares at a rate of 1% of the company's capital to support the share price on the stock exchange and enhance investors' confidence and expectations regarding the company's future performance, provided that the sale is carried out at the market price through the open market. The company notified the EGX on 24 March 2021 of its desire to purchase part of its shares on the issued form during the period from 24 March 2021 to 21 June 2021, in accordance with the listing rules and executive procedures and their amendments, and the company purchased 4 million shares until the end of the specified period for the purchase of shares on 21 June 2021.
- On 24 March 2021 of its desire to purchase part of its shares on the issued form during the period from 24 March 2021 to 21 June 2021, in accordance with the listing rules and executive procedures and their amendments, and the company purchased 4 million shares until the end of the specified period for the purchase of shares on 21 June 2021.
- On 27 March 2022, the company's board of directors decided to approve the start of selling the previously purchased 4 million treasury shares at market prices to comply with the listing rules issued by the decision of the Board of Directors of the Financial Regulatory Authority not to hold treasury shares for more than one year.
- On 28 March 2022, 47,508 shares were sold at a price of 2.8763 Egyptian pounds and the total sale value reached 136,648 Egyptian pounds, which resulted in losses of 83,213 Egyptian pounds and according to Egyptian Accounting Standard No. (25), these losses in equity were classified.
- On 3 April 2022, 120,000 shares were sold at a price of 2,868 Egyptian pounds per share and the total sale value reached 355,800 Egyptian pounds, which resulted in losses of 154,122 Egyptian pounds, and according to Egyptian Accounting Standard No. (25), these losses in equity were classified.
- On 19 May 2022, the company's board of directors decided to approve the execution of 3,832,492 shares of the remaining treasury shares that have not been sold, due to the expiration of the legal deadline for holding them, in accordance with the provisions of Law 159 of 1981, which resulted in losses of 12,712,597 Egyptian pounds According to Egyptian Accounting Standard No. (25), these losses in equity have been classified.

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the financial statements
during Period Ended ,30 September 2023

Translation of Auditor's Report
Originally Issued in Arabic

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

c)-Treasury stocks and Treasury stocks reserve

- On June 1, 2022, the company's board of directors decided that the company will purchase treasury shares with a maximum of 10% of the company's capital to support the share price on the stock exchange and enhance investors' confidence and expectations regarding the company's future performance, provided that the purchase is made at the market price through the open market. The company notified the EGX on June 2, 2022 of the desire to buy part of its shares on the issued form during the period from June 7, 2022 until 10% of the company's shares expire or the company announces the end of execution, in accordance with the listing rules and executive procedures and their amendments.
 - On June 30, 2023, the company executed 14,100,000 shares from the name of the treasury, bringing the number of shares issued on June 30, 2023 to 1,102,067,508 shares, in accordance with the provisions of Law 159 of 1981, where the company kept those shares for a year, which resulted in the execution process reducing the capital at the nominal value of those shares with a total amount of 3,525,000 Egyptian pounds, and the necessary measures are being taken to register in the commercial register.
 - On Sep 30, 2023, the company executed 74,758,900 shares of the treasury name, bringing the number of shares issued on June 30, 2023 to 1,027,308,608 shares, in accordance with the provisions of Law 159 of 1981, where the company kept those shares for a year, which resulted in the execution process reducing the capital at the nominal value of those shares with a total amount of 18,689,725 Egyptian pounds, and the necessary procedures are being taken to register in the commercial register.
- **The net treasury share reserve (losses) resulting from the sale and execution of treasury shares until 30 September 2023 will be EGP 141,001,959.**

14- Long term and short-term loans

During December 2018, the company obtained a new medium-term loan with an authorized value of EGP 420 million from CIB and another with an authorized value of EGP 143 million from Attijariwafa Bank.

During 2022, the company also obtained a new loan from CIB with an authorized value of EGP 730 million, another from Crédit Agricole Bank with an authorized value of EGP 200 million, and another with an authorized value of EGP 250 million from the National Bank of Kuwait.

The company also paid installments of long-term loans due to be repaid to CIB amounting to EGP 169.37 million, Attijariwafa Bank EGP 21.43 million and National Bank of Kuwait EGP 41.64 million.

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the financial statements
Periodic consolidated as of 30 September 2023

Translation of Auditor's Report
Originally Issued in Arabic

15- Leases

The total value of lease obligations as at 30 September 2023 amounted to EGP 497,271,385 (compared to 31 December 2022 to EGP 372,081,585) represented by the short-term lease obligations as at 30 September 2023 of EGP 99,699,056 (compared to 31 December 2022 EGP 90,411,258) and long term rental obligations as of 30 September 2023 amount of 397,572,329 EGP (against 31 December 2022 amount of 281,670,327 EGP), and the balances of right of use assets and lease obligations as of 30 September 2023 and 31 December 2022 are as follows:

	buildings		Vehicles		Computer & software		Machinery & Equipment		Total		Lease liabilities
	EGP		EGP		EGP		EGP		EGP		
Balance 1 January 2023	274,459,958		22,492,651		1		4,150,239		301,102,848		372,081,585
Additions during the period	179,718,081		--		--		--		179,718,081		177,527,061
Depreciation using the period	(43,594,617)		(6,064,932)		--		(940,879)		(50,600,428)		--
Financing expenses	--		--		--		--		--		33,762,642
Payments during the period	--		--		--		--		--		(86,099,903)
Balance as of 30 september 2023	410,583,422		16,427,719		1		3,209,360		430,220,502		497,271,385
	buildings		Vehicles		Computer & software		Machinery & Equipment		Total		Lease liabilities
	EGP		EGP		EGP		EGP		EGP		
Balance 1 January 2022	234,434,092		31,733,673		830,590		5,151,365		272,149,720		295,999,739
Adjustments	(5,809,630)		--		--		--		--		(5,639,442)
Additions during the year	103,252,382		--		--		--		--		103,252,381
Depreciation expense	(57,416,886)		(9,241,022)		(830,589)		(1,001,127)		(68,489,624)		--
Financing expenses	--		--		--		--		--		58,609,725
Payments during the year	--		--		--		--		--		(80,140,818)
Balance as of 31 December 2022	274,459,958		22,492,651		1		4,150,238		301,102,848		372,081,585

Ibn Sina Pharma Company (S.A.E)Complementary notes to the financial statements
Periodic consolidated as of 30 September 2023Translation of Auditor's Report
Originally Issued in Arabic**16- Credit Facilities**

	<u>30 September 2023</u>	<u>31 Dec 2022</u>
	<u>EGP</u>	<u>EGP</u>
Ahli United Bank	821,293,399	366,386,950
Commercial International Bank	618,823,980	639,580,007
Arab African Bank	300,865,445	257,116,747
Emirates Bank Dubai	275,549,763	323,319,113
Cairo Bank	245,671,932	33,916,068
HSBC Bank	197,401,237	153,363,283
Abu Dhabi Islamic Bank	158,977,012	42,633,581
Housing and Development Bank	137,655,849	--
Attijariwafa Bank	136,977,131	147,227,115
Crédit Agricole Bank	106,411,513	222,747,628
National Bank of Egypt	78,249,566	34,017,457
Suez Canal Bank	49,796,914	36,265,283
National Bank of Kuwait (NBK)	49,040,915	--
The United Bank	41,531,174	27,368,039
Bank of Alexandria	38,082,927	3,656,286
Mashreq bank	8,223,977	--
Banque Misr	4,586,112	--
Qatar National Bank Alahli	986,107	2,230,687
First Abu Dhabi Bank	177,849	102,082
	<u>3,270,302,802</u>	<u>2,289,930,326</u>

The increase in the use of credit facilities granted to the company is due to the increase in the payment of suppliers' dues for previous periods, as well as the increase in purchases compared to the comparative period and the establishment of new branches due to the expansion of the company's activity in addition to the payment of operating expenses and financing projects under implementation, some of which are without guarantee and others are guaranteed by receivables or an insurance policy with part of the inventory in favor of banks.

17- Suppliers and notes payable (net)

	<u>30 September 2023</u>	<u>31 Dec 2022</u>
	<u>EGP</u>	<u>EGP</u>
Suppliers	4,287,724,871	1,593,448,430
Notes payables	7,966,499,779	6,070,720,157
	<u>12,254,224,650</u>	<u>7,664,168,587</u>
Deduct:		
Deferred interest	(1,970,635)	--
	<u>12,252,254,015</u>	<u>7,664,168,587</u>

The increase in the total balance of suppliers and payables is due to the increase in purchases, in addition to contracting with new suppliers during the period, and there is no material change in the average repayment period for suppliers.

The suppliers and Notes payables balances are classified in the statement of financial position as follows

	<u>30 September 2023</u>	<u>31 Dec 2022</u>
	<u>EGP</u>	<u>EGP</u>
Suppliers of notes due within 12 months	12,057,672,511	7,452,906,511
Notes payables due over 12 months	194,581,504	211,262,076
	<u>12,252,254,015</u>	<u>7,664,168,587</u>

Ibn Sina Pharma Company (S.A.E)Complementary notes to the financial statements
Periodic consolidated as of 30 September 2023Translation of Auditor's Report
Originally Issued in Arabic**18- Creditors and other credit balances**

	<u>30 September 2023</u> <u>EGP</u>	<u>31 Dec2022</u> <u>EGP</u>
Tax authority- withholding tax	38,736,988	28,834,962
Tax authority-value added tax	2,488,412	520,183
Tax authority- Salary tax	8,220,856	3,420,562
National Organization for Social Insurance	9,626,111	7,093,918
* Accrued expenses	99,790,351	52,159,396
Contract Obligations – Expected Sales Returns	11,539,212	16,768,695
Dividend payable	659,648	2,252,594
Insurance from third parties	--	328,000
Other credit balances	26,745,085	11,853,503
	<u>197,806,663</u>	<u>123,231,813</u>

* The increase in accrued expenses is due to the increase in the maturity of financing interest during the period as a result of the increase in credit facilities in addition to the increase in the interest rate.

19- Related Parties

The related parties are the parent company and subsidiaries, major shareholders, directors of departments and senior management, and entities that have common control or influence or are substantially associated with these parties, the pricing policies and terms of these transactions are approved by management. Transactions with related parties are represented in the following balances:

A) Related Party Balances (Net)

	<u>30 September 2023</u>	<u>31 Dec2022</u>
	<u>Due from</u> <u>related parties</u> <u>EGP</u>	<u>Due to</u> <u>related parties</u> <u>EGP</u>
Ibn Sina Company Trade for Export	--	136,592
Ibn Sina Company for Import & Export	371,635	72,023
	<u>371,635</u>	<u>371,635</u>
	<u>371,635</u>	<u>443,658</u>
Deduct:		
Expected credit losses in the value of related parties	(371,635)	(371,635)
	<u>--</u>	<u>72,023</u>

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

	<u>30 September</u> <u>2023</u> <u>EGP</u>	<u>30 September</u> <u>2022</u> <u>EGP</u>
Salaries and incentives of key managers	35,354,506	26,370,080
Remuneration of Board Members	8,490,349	4,434,938
	<u>43,844,855</u>	<u>30,805,018</u>

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the financial statements
Periodic consolidated as of 30 September 2023

Translation of Auditor's Report
Originally Issued in Arabic

20- Net Sales

The increase in net sales is due to the increase in the company's market share as well as the growth of the drug market, in addition to the increase in the selling prices of some items, and the company's net sales amounted to 23,805,209,037 Egyptian pounds during the period ending on 30 September 2023 (compared to the period ending on 30 September 2022 the amount of 15,811,409,445 Egyptian pounds).

	<u>From 1/1/2023</u> <u>to 30/9/2023</u>	<u>From 1/1/2022</u> <u>to 30/9/2022</u>
	<u>EGP</u>	<u>EGP</u>
Net sales of pharmaceuticals and cosmetics	23,625,940,789	15,708,097,398
Warehousing & Transportation Services	92,880,844	80,027,896
Marketing Services	76,439,962	14,528,481
Printing revenue	8,078,191	6,620,737
Database programming and development	1,869,251	2,134,933
	<u>23,805,209,037</u>	<u>15,811,409,445</u>

21- Cost of sales

The increase in the cost of sales is generally due to the increase in the volume of sales in addition to the increase in the prices of some items, and the cost of sales amounted to 21,948,306,215 EGP during the period ending on September 30, 2023 (compared to the period ending on September 30, 2022 the amount of 14,613,885,726 EGP).

22- Administrative, general, sales and marketing expenses

The increase in administrative, general, sales and marketing expenses is generally due to the increase in wages and salaries as a result of the increase in the number of employees, the annual increase and the expenses of public utilities for branches during the period ending on September 30, 2023 compared to the period ending on September 30, 2022.

23- Financing income

The financing income includes interest on bounced cheques collected from customers amounting to EGP 66,469,206 during the period ending on 30 September 2023 (compared to EGP 105,734,326 for the period ending on 30 September 2022).

24- Foreign currency revaluation profit

-The increase in foreign currency revaluation differences profits is due to the movement of the exchange rate of the Egyptian pound during the month of March 2023 against foreign currencies by more than 58% over the corresponding period, and the foreign currency revaluation differences during the period ending on September 30, 2023 amounted to 32,739,558 Egp (compared to the period ending on September 30, 2022 amount of 9,697,052Egp).

-In addition to the existence of agreements with external suppliers to compensate the company for any changes in the exchange rate.

25- Financing expenses

The increase in financing expenses is due to the increase in the interest rate during the period ending on 30 September 2023 by 9% compared to the corresponding period, in addition to the increase in the use of credit facilities as a result of the increase in purchases during the period, and the financing expenses during the period ending on 30 September 2023 amounted to EGP 733,820,498 (compared to the period ending on 30 September 2022 of EGP 321,694,094).

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the financial statements
Periodic consolidated as of 30 September 2023

Translation of Auditor's Report
Originally Issued in Arabic

26- Current and deferred income taxes

	<u>30 September</u> <u>2023</u> <u>EGP</u>	<u>30 September 2022</u> <u>EGP</u>
Current Income Taxes	(68,572,885)	(48,174,779)
Deferred income taxes	17,898,194	17,271,033
	<u>(50,674,691)</u>	<u>(30,903,746)</u>

	Statement of Financial Position		Statement of profit or loss	
	<u>2023</u> <u>EGP</u>	<u>2022</u> <u>EGP</u>	<u>2023</u> <u>EGP</u>	<u>2022</u> <u>EGP</u>
Depreciation of fixed assets	(4,822,736)	(4,637,913)	(184,823)	1,529,361
Right use of asst and lease liability	12,210,341	10,465,649	1,744,692	3,642,538
Accrued provisions and expenses	92,510,864	76,172,539	16,338,325	12,099,134
Deferred income tax asset	<u>99,898,469</u>	<u>82,000,275</u>	<u>17,898,194</u>	<u>17,271,033</u>

27- Earning per share

The share in the net profit was calculated by dividing the net profit for the period distributable to the owners of ordinary shares by dividing by the weighted average number of shares outstanding during the period, and the company does not have discounted shares.

	<u>1/1/2023</u> <u>till 30/9/2023</u> <u>EGP</u>	<u>1/1/2022</u> <u>till 30/9/2022</u> <u>EGP</u>	<u>1/7/2023</u> <u>till 30/9/2023</u> <u>EGP</u>	<u>1/7/2022</u> <u>till 30/9/2022</u> <u>EGP</u>
Net profit for the period	173,648,941	118,404,428	42,033,854	30,664,728
Legal reserve expected to be formed	--	5,920,221	--	1,533,236
Deduct:				
Employees' share and board remuneration (discretionary)	32,993,299	21,371,999	7,986,433	5,534,983
Net distributable profit	<u>140,655,642</u>	<u>91,112,208</u>	<u>34,047,421</u>	<u>23,596,509</u>
Average number of shares outstanding during the period	1,008,000,000	1,008,000,000	1,008,000,000	1,008,000,000
Net profit per share for the period (EGP / share)	<u>0.14</u>	<u>0.10</u>	<u>0.03</u>	<u>0.02</u>

- On 30 June 2020, the Ordinary General Assembly decided to increase the Company's issued capital to EGP 240 million, an increase of EGP 35 million, by issuing 140 million bonus shares financed from the company's distributable net profits for the fiscal year ending on December 31, 2019 at the rate of 0,170731707 bonus shares each. An original share of the company's issued capital before the increase of 820 million shares with reparation of fractions in favor of small shareholders from The smallest to the largest until the quantity runs out, so that the company's issued capital after the increase is 240 million Egyptian pounds distributed over 960 million shares, the value of the share is 25 piasters. It was registered in the Commercial Register on August 30, 2020.
- On 21 March 2021, the Company's Board of Directors decided that the Company will purchase treasury shares up to a maximum of 9,600,000 shares at a rate of 1% of the Company's capital, and the Company purchased 4,000,000 shares until the end of the period specified for the purchase of shares on June 21, 2021. (Note 12-c).

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the financial statements
Periodic consolidated as of 30 September 2023

Translation of Auditor's Report
Originally Issued in Arabic

- On 11 April 2022, the Extraordinary General Assembly decided to increase the company's issued capital to EGP 280 million, an increase of EGP 40 million, by issuing 160 million bonus shares financed from the company's distributable net profits for the fiscal year ending on December 31, 2020, distributed over 1.120 million cash shares and the nominal value of the share is 25 piasters, and it was noted in the commercial register on 21 April 2022, and it was decided to distribute the bonus shares as of May 1, 2022, after the issuance of the Listing Committee's decision to approve the increase.
- On 19 May 2022, the company's board of directors decided to approve the execution of 3,832,492 shares of the remaining treasury shares that have not been sold, due to the expiration of the legal deadline for holding them, in accordance with the provisions of Law 159 of 1981, which resulted in losses of 12,712,597 Egyptian pounds According to Egyptian Accounting Standard No. (25), these losses in equity have been classified.
- On June 30, 2023, the company executed 14,100,000 shares from the name of the treasury, bringing the number of shares issued on June 30, 2023 to 1,102,067,508 shares, in accordance with the provisions of Law 159 of 1981, where the company kept those shares for a year, which resulted in the execution process reducing the capital at the nominal value of those shares with a total amount of 3,525,000 Egyptian pounds, and the necessary measures are being taken to register in the commercial register.
- On Sep 30, 2023, the company executed 74,758,900 shares of the treasury name, bringing the number of shares issued on June 30, 2023 to 1,027,308,608 shares, in accordance with the provisions of Law 159 of 1981, where the company kept those shares for a year, which resulted in the execution process reducing the capital at the nominal value of those shares with a total amount of 18,689,725 Egyptian pounds, and the necessary procedures are being taken to register in the commercial register.

28- Tax Position

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

First: Taxes on the profits of capital companies

- The company's books were examined and payment from the beginning of the activity until 2019 and the due differences were paid.
- The company's books have not been examined for the years 2020 to date.

Second: Employment Gains Taxes

- The company's books were examined and the payment was made until 2020.

Third: Stamp Taxes

- The company's books were examined and the payment was made until 2020.

Fourth: Value Added Taxes

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

Fifth: Deduction taxes at source

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

B) AIM Healthcare Investment & Consulting Company (S.A.E)

Since the company was incorporated on December 8, 2020 and given that the company's first tax return is December 31, 2021 and therefore there are no tax claims or tax position for the company.

29- Financial Instruments

During the exercise of its activities, the Company is exposed to the following risks resulting from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The company's financial instruments are financial assets (cash balances in the fund, banks, debtors, debit balances, related parties receivables, customers and receivables) as well as financial obligations (creditors, credit balances, credit facilities, loans, suppliers, payment papers, lease obligations and other long-term obligations due to related parties).

The overall responsibility for setting the company's risk management framework and following up on its implementation lies with the Board of Directors, and the Board of Directors is also responsible for developing and monitoring the implementation of the Company's risk management policies.

Risk management policies are developed with the aim of determining the risks facing the company, the limits of acceptable risk, the rules for monitoring those risks and ensuring that acceptable limits are adhered to.

Risk policies and regulations are reviewed periodically to reflect changes in market conditions and the company's activities, and the company aims, through its own training, management standards and procedures, to develop a disciplined control environment through which employees understand the role entrusted to them and their obligations.

The company's board of directors oversees how management monitors compliance with risk policies and procedures, reviews the appropriateness of the company's risk system framework, and cooperates with the company's board of directors in carrying out its supervisory and control cycle. The internal audit undertakes both periodic and related to risk management controls and procedures and submits a report on its results to management.

30- Important event

- On 24 February 2022, Russia launched a military invasion of Ukraine, and according to a study conducted by the Central Agency for Public Mobilization and Statistics, the incomes of about 20% of Egyptian families decreased due to the Russian-Ukrainian crisis, and the consumption of about 74% of families of food commodities decreased and about 90% of families consumed less proteins, and since the outbreak of the war, Egypt has faced many economic troubles as a result of hindering many of its important imports from Russia and Ukraine.
- Inflation hit the pillars of the Egyptian economy and caused the Central Bank to hold two emergency meetings during 2022 to raise interest rates on 21 March 2020 and on 27 October 2022, as the Central Bank announced the liberalization of the exchange rate of the Egyptian pound and raised the interest rate by 200 points, which is reflected in the exchange rate of the value of the pound against foreign currencies, and on the other hand, the rise in oil prices globally due to the war caused an increase in the burdens on the Egyptian budget.
- On 4 January 2023, the Central Bank held an emergency meeting and freed the price of the Egyptian pound, which has a tangible impact on economic activities during the coming periods, and therefore it is possible that the aforementioned event will have a material impact on the elements of assets and liabilities and their redemption value, as well as business results during the coming periods, and it is currently impossible to determine the size of this impact on the assets and liabilities listed in the company's current financial statements..
- On 30 July, 2023, the Extraordinary General Assembly decided to proceed with the procedures for reducing the company's capital by writing off the treasury, which the company purchased, amounting to 112 million shares, which were purchased for 3 months in accordance with the rules of listing and delisting securities, and the necessary procedures are being taken to mark in the commercial register.
- On 3 August 2023, the MPC decided to raise the deposit and loan returns overnights, the central bank's main operation rate by 100 basis points to reach 19.25%, 20.25% and 19.75%, respectively, the credit and discount rate was raised by 100 basis points to reach 19.75%.

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the financial statements
Periodic consolidated as of 30 September 2023

Translation of Auditor's Report
Originally Issued in Arabic

31- New Publications and Amendments to Egyptian Accounting Standards:

On March 6, 2023, the Prime Minister's Decree No. (883) of 2023 was issued amending some of the provisions of accounting standards, and the following is a summary of the most important of these amendments:

<u>New or reissued standards</u>	<u>Summary of the most important amendments</u>	<u>Potential impact on financial statements</u>	<u>Application history</u>
Egyptian Accounting Standard No. (10) amended 2023 "Depreciated fixed assets" and Egyptian Accounting Standard No. (23) amended 2023 "Intangible Assets"	<p>1- These standards were reissued in 2023, allowing the use of the revaluation model when post-measurement of fixed assets and intangible assets.</p> <p>- As a result, the paragraphs related to the use of the revaluation model option have been amended to some of the applicable Egyptian accounting standards, which are as follows:</p> <ul style="list-style-type: none"> - Egyptian Accounting Standard No. (5) "Accounting Policies and Changes in Accounting Estimates and Errors". - Egyptian Accounting Standard No. (24) "Income Taxes". - Egyptian Accounting Standard No. (30) "Periodic Financial Statements". - Egyptian Accounting Standard No. "31" "Impairment of Assets" - Egyptian Accounting Standard No. "49" "Lease Contracts". 	<p>The management is currently studying the possibility of changing the accounting policy followed and using the revaluation model option contained in those standards, and evaluating the potential impact on the financial statements if this option is used.</p>	<p>The amendments to add the option to use the revaluation model shall apply to financial periods <u>commencing on or after January 1, 2023, retroactively</u>, with proof of the cumulative impact of applying the revaluation model initially by adding it to the revaluation surplus account next to equity at the beginning of the financial period in which the company applies this model for the first time.</p>

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the financial statements
Periodic consolidated as of 30 September 2023

Translation of Auditor's Report
Originally Issued in Arabic

<u>New or reissued standards</u>	<u>Summary of the most important amendments</u>	<u>Potential impact on financial statements</u>	<u>Application history</u>
	<p>2- In line with the amendments made to the amended Egyptian Accounting Standard No. (35) 2023 "Agriculture", paragraphs (3), (6), and (37) of the Egyptian Accounting Standard No. (10) "Fixed assets and their depreciation" have been amended, and paragraphs 22 (a), 80 (c) and 80 (d) have been added to the same standard, with regard to fruitful plants.</p> <ul style="list-style-type: none"> - The Company is not required to disclose the quantitative information required under paragraph 28(f) of Egyptian Accounting Standard No. (5) for the current period, which is the period of financial statements in which the amended Egyptian Accounting Standard No. (35) 2023 and Egyptian Accounting Standard No. (10) amended 2023 are applied for the first time in relation to fruitful plants, but the quantitative information required under paragraph 28(f) of Egyptian Accounting Standard No. (5) for each previous period presented shall be disclosed. - The Company may choose to measure an item of fruitful building at its fair value at the beginning of the earliest period presented in the financial statements for the period in which the Company first applied the above adjustments and to use that fair value as its notional cost on that date, and any difference between the previous book value and the fair value must be recognized in the opening balance by adding it to the revaluation surplus account next to the equity at the beginning of the earlier period presented. 	<p>Management is currently assessing the potential impact on the financial statements of the application of amendments to the standard.</p>	<p>These adjustments shall be applied for the annual periods <u>commencing on or after January 1, 2023, retroactively</u>, with the cumulative effect of the accounting treatment of fruit plants being recognized primarily by adding it to the balance of profits or losses carried forward at the beginning of the financial period in which the Company applies such treatment for the first time.</p>

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the financial statements
Periodic consolidated as of 30 September 2023

Translation of Auditor's Report
Originally Issued in Arabic

<u>New or reissued standards</u>	<u>Summary of the most important amendments</u>	<u>Potential impact on financial statements</u>	<u>Application history</u>
<p>Egyptian Accounting Standard No. (34) amended 2023 "Real Estate Investment"</p>	<p>1- This standard was reissued in 2023, allowing the use of the fair value model when subsequent measurement of real estate investments.</p> <p>2- This resulted in the amendment of some paragraphs related to the use of the fair value model option in some of the applicable Egyptian accounting standards, and these standards are as follows:</p> <ul style="list-style-type: none"> - Egyptian Accounting Standard No. (1) "Presentation of Financial Statements" - Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors" - Egyptian Accounting Standard No. (13) "Effects of Changes in Foreign Exchange Rates" - Egyptian Accounting Standard No. (24) "Income Taxes" - Egyptian Accounting Standard No. (30) "Periodic Financial Statements" - Egyptian Accounting Standard No. (31) "Impairment of Assets" - Egyptian Accounting Standard No. (32) "Non-current Assets Held for Sale and Non-Continuing Operations" - Egyptian Accounting Standard No. (49) "Lease Contracts" 	<p>Management is currently studying the possibility of changing the accounting policy and using the fair value model option contained in the standard, and assessing the potential impact on the financial statements if this option is used.</p>	<p>The amendments to the adoption of the option to use the fair value model shall apply to <u>financial periods commencing on or after January 1, 2023, retroactively</u>, with proof of the cumulative effect of applying the fair value model initially by adding it to the balance of profits or losses carried forward at the beginning of the financial period in which the Company applies this model for the first time.</p>

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the financial statements
Periodic consolidated as of 30 September 2023

Translation of Auditor's Report
Originally Issued in Arabic

<u>New or reissued standards</u>	<u>Summary of the most important amendments</u>	<u>Potential impact on financial statements</u>	<u>Application history</u>
<p>Egyptian Accounting Standard No. (50) "Insurance Contracts"</p>	<p>1. This standard shall determine the principles of proof of insurance contracts falling within the scope of this standard, and shall determine their measurement, presentation and disclosure. The objective of the standard is to ensure that the company provides appropriate information that truthfully expresses those contracts. This information provides users of the financial statements with the basis for assessing the impact of such insurance contracts on the company's financial position, financial performance and cash flows.</p> <p>2- Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. (37) "Insurance Contracts".</p> <p>3- Any reference in other Egyptian accounting standards to Egyptian Accounting Standard No. (37) shall be replaced by Egyptian Accounting Standard No. (50).</p> <p>4 – The following amendments have been made to the following Egyptian accounting standards to comply with the requirements of the application of Egyptian Accounting Standard No. (50) "Insurance Contracts", which are as follows: Egyptian Accounting Standard No. (10) "Fixed Assets and Depreciation". And Egyptian Accounting Standard No. (23) "Intangible Assets". Egyptian Accounting Standard No. (34) "Real Estate Investment".</p>	<p>Management is currently assessing the potential impact on the financial statements from the application of the standard.</p>	<p>Egyptian Accounting Standard No. (50) must be applied for annual financial periods commencing <u>on or after July 1, 2024</u>, and if Egyptian Accounting Standard No. (50) is applied for an earlier period, the company must disclose that fact.</p>