



Ibn Sina Pharma Company
(S.A.E)
Standalone Financial Statements
For the financial year ended 31 December 2023
as well as the auditor's report on it

Ibn Sina Pharma Company (S.A.E)
Standalone Financial Statements
For the financial year ended , 31 December 2023

Contents

	the page
Auditor's Report on the Standalone Financial Statements	2
Standalone Statement of Financial Position	3
Standalone Statement of Profit & Loss Statement	4
Standalone Statement of Comprehensive Income	5
Standalone Statement of Change in Equity	6
Standalone Statement of Cash Flow	7
Complementary Notes to the Standalone Financial Statements	8 - 44

Auditor's Report

To the shareholders of Ibn Sina Pharma Company (S.A.E)

Report on The separated financial statements

We have audited the accompanying separated financial statements of **Ibn sina Pharma company (S.A.E)** represented in the separated statement of financial position as of 31 December 2023 as well as the statements of income (profit or loss), comprehensive income, change in equity and cash flows for the year then ended and , a summary of significant accounting policies and other explanatory notes.

Management responsibility for the separated financial statements

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

Auditor's Responsibility

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

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

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

Cairo and Giza offices

Opinion

In our opinion, the Separated financial statements referred to above, give a true and fair view, in all material respects, of the Separated financial position of **IBN SINA PHARMA COMPANY (S.A.E.)**, as of 31 December 2023, and of its Separated financial performance and its Separated cash flows for the year then ended in accordance with Egyptian Accounting Standards and the related applicable Egyptian laws and regulations.

Directing attention

While not considering this as a reservation to our conclusion, we draw attention to the following:



The Notice (6) to the attached standalone financial statements, where the company has an investment in subsidiaries and the company has prepared consolidated financial statements as of 31 December 2023 in accordance with the Egyptian accounting standards and for a more comprehensive understanding of the company's financial position as of 31 December 2023 as well as its financial performance and cash flows for the year ended on that date, it is necessary to refer to the consolidated financial statements.

Report on other legal and regulatory requirements

The company maintains regular financial accounts that include everything that the law and the company's system stipulate that it must be recorded in them. The independent financial statements were found to be in agreement with what is stated in those accounts. The inventory was made by the company's management in accordance with the established principles.

The financial data contained in the report of the Board of Directors prepared in accordance with the requirements of Law 159 of 1981 and its executive regulations are consistent with what is contained in the company's books, within the limits in which such data are recorded in the books.

Cairo: 29 February 2024

Auditor

Eissa Refai

R. A. A.

Financial Supervisory Authority Register No. (192)

Khaled Al-Ghannam, Eissa Refai & Co.

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

Standalone Statement of Financial Position
as of 31 December 2023

Translation of Auditor's Report
Originally Issued in Arabic

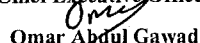
	<u>Note No.</u>	<u>31/12/2023 EGP</u>	<u>31/12/2022 EGP</u>
Assets			
Non-current assets			
Fixed assets (net)	(3)	1,026,580,015	882,239,942
Projects under construction	(4)	142,914,782	697,962,706
Intangible assets (net)	(5)	204,074,454	17,582,763
Right of use assets (net)	(16)	678,343,867	281,279,078
Investments in subsidiaries	(6)	119,999,920	119,999,920
Notes receivable – Long term	(8)	78,932,234	84,457,838
Deferred tax assets	(27)	108,155,820	79,477,884
Total non-current assets		2,359,001,092	2,163,000,131
Current Assets			
Inventory	(7)	3,193,525,514	2,611,889,678
Accounts and notes receivable (net)	(8)	9,702,097,946	5,733,164,393
Suppliers in-advance		238,307,421	141,491,434
Debtors and other debit balances (net)	(9)	757,767,686	539,456,524
Due from related parties	(20-a)	140,842,243	75,573,124
Cash on hand and at banks	(10)	1,117,288,752	536,222,514
Assets held for sale	(11)	771,873,889	792,272,436
Total Current Assets		15,921,703,451	10,430,070,103
Total Assets		18,280,704,543	12,593,070,234
Owner's Equity			
Issued and paid-up capital	(12-a)	252,000,000	279,041,877
Share premium (Special reserve)	(12-b)	237,412,116	277,500,000
Legal reserve	(13-a)	126,000,000	77,093,363
General reserve	(13-b)	3,079,334	3,079,334
Treasury Stock Reserve	(12-c)	(171,643,212)	(12,949,932)
Treasury stocks	(12-c)	--	(185,735,156)
Retained earnings	(14)	1,047,918,983	833,353,686
Total Owner's Equity		1,494,767,221	1,271,383,172
Liabilities			
Non-current liabilities			
Loans – Long term	(15)	348,810,663	640,919,318
Lease liabilities – Long term	(16)	603,858,579	263,107,739
Total non-current liabilities		952,669,242	904,027,057
Current liabilities			
Credit Facilities	(17)	3,165,443,777	2,289,930,326
Short term loans and current portion of long-term loans	(15)	475,877,345	479,174,878
Suppliers and notes payable	(18)	11,776,977,682	7,410,779,763
Creditors and other credit balances	(19)	201,231,838	117,979,202
Account receivable in advance		12,802,150	4,980,713
Income taxes payable	(27)	79,906,663	25,654,025
Current portion of lease liabilities	(16)	114,171,679	86,985,383
Provisions	(21)	6,856,946	2,175,715
Total Current Liabilities		15,833,268,080	10,417,660,005
Total liabilities		16,785,937,322	11,321,687,062
Total Owner's Equity and Liabilities		18,280,704,543	12,593,070,234

- Auditor's Report Attached.

Chief Financial Officer


Momen Gomaa

Chief Executive Officer


Omar Abdul Gawad

Chairman


Abd El, Aziz Ali Abd El, Aziz

- Attached notes are from (1) to (35) an integral part of the periodic Standalone financial statements

Ibn Sina Pharma Company (S.A.E)

Standalone Statement of Profit & Loss
for Financial year Ended ,31 December 2023

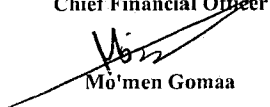
Translation of Auditor's Report

Originally Issued in Arabic

	<u>Note</u>	<u>31/12/2023</u>	<u>31/12/2022</u>
	<u>No.</u>	<u>EGP</u>	<u>EGP</u>
Net sales	(22)	33,842,900,609	22,178,183,044
<u>Lesst:</u>			
Cost of sales	(23)	<u>(31,313,285,399)</u>	<u>(20,569,233,006)</u>
Gross Profit		2,529,615,210	1,608,950,038
<u>less / Add:</u>			
Other income	(26-a)	10,017,192	7,189,489
Salling and marketing expenses	(24)	(794,098,686)	(650,165,715)
General and administrative expenses	(25)	(474,400,361)	(412,311,451)
Expected credit losses in the value of customer balances and receivables	(8)	(83,845,217)	(65,333,018)
Component of Provisions	(21)	<u>(5,000,000)</u>	<u>--</u>
		1,182,288,138	488,329,343
<u>less / Add:</u>			
Financing income	(26-b)	126,648,146	132,396,973
Foreign currency revaluation profit		38,526,137	40,713,747
Financing expenses		<u>(1,042,051,595)</u>	<u>(477,087,007)</u>
Net financing cost		(876,877,312)	(303,976,287)
<u>less:</u>			
Other expenses		<u>--</u>	<u>(2,246,546)</u>
Net profit for the year before tax		305,410,826	182,106,510
<u>less / Add:</u>			
Income taxes	(27)	(87,106,667)	(25,654,025)
Deferred income taxes	(27)	28,677,948	19,922,573
Net profit for the year after taxes		246,982,107	176,375,058
Earning per share from net profit for the year	(28)	<u>0,20</u>	<u>0.14</u>

- Auditor's Report Attached.

Chief Financial Officer


Mo'men Gomaa

Chief Executive Officer


Omar Abdul Gawad

Chairman


Abd El, Aziz Ali Abd El, Aziz

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Ibn Sina Pharma Company (S.A.E)

Standalone Statement of other comprehensive income
for Financial year Ended ,31 December 2023

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	<u>31/12/2023</u>	<u>31/12/2022</u>
	<u>EGP</u>	<u>EGP</u>
Net profit for the year	246,982,107	176,375,058
Other comprehensive income	--	-
Total Comprehensive Income	246,982,107	176,375,058

- Auditor's Report Attached.

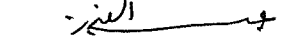
Chief Financial Officer


Mo'men Gomaa

Chief Executive Officer


Omar Abdul Gawad

Chairman


Abd El, Aziz Ali Abd El, Aziz

- Attached notes arc from (1) to (35) an integral part of the periodic standalone financial statements.

Ibnsina Pharma Company (S.A.E)

Standalone Statement of change in equity
For Financial year Ended, 31 December 2023

	<u>Issued and Paid-up Capital</u>		<u>Share Premium</u>		<u>Legal Reserve</u>		<u>General Reserve</u>		<u>Treasury Stocks reserve</u>		<u>Treasury Stocks</u>		<u>Retained earnings for the year</u>		<u>Total equity</u>	
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance on 1 January 2022	240,000,000	277,500,000	61,310,594	3,079,334	--	--	(14,399,111)	885,161,397	1,452,652,214							
Capital increase	40,000,000	--	--	--	--	--	--	(40,000,000)	--							
Transferred to the legal reserve	--	--	15,782,769	--	--	--	--	(15,782,769)	--							
Dividends	--	--	--	--	--	--	--	--	--							
Adjustment on retained earnings	--	--	--	--	--	--	--	--	--							
Selling treasury stocks	--	--	--	--	--	--	--	--	--							
Write off treasury stocks	(958,123)	--	--	--	--	--	728,390	--	728,390							
(losses) Sell of treasury stocks	--	--	--	--	--	--	(12,712,597)	--	13,670,720							
Payments for the purchase of treasury stocks	--	--	--	--	--	--	(237,335)	--	--							
Net profit for the year	--	--	--	--	--	--	--	--	(185,735,156)							
Balance on 31 December 2022	279,041,877	277,500,000	77,093,363	3,079,334	(12,949,932)	(185,735,156)	833,353,686	1,271,383,172								
Transferred to the legal reserve	--	(40,087,884)	48,906,637	--	--	--	--	(8,818,753)	--							
Dividends	--	--	--	--	--	--	--	(23,598,057)	--							
Write off treasury stocks	(27,041,877)	--	--	--	--	--	--	--	185,735,156							
(losses) Write off treasury stocks	--	--	--	--	--	--	(158,693,280)	--	--							
Net profit for the year	--	--	--	--	--	--	--	--	--							
Balance on 31 December 2023	252,000,000	237,412,116	126,000,000	3,079,334	(171,643,212)	1,047,918,983	246,982,107	1,494,767,221								

- Auditor's Report Attached.

Chief Financial Officer
Mohamed Gomaa

Chief Executive Officer
Omar Abdel Gawad

Chairman
Abd El, Aziz Ali Abd El, Aziz

- Attached notes are from (1) to (35) an integral part of the periodic standalone financial statements.

Ibn Sina Pharma Company (S.A.E)

Standalone Statement of cash flows
For year Ended ,31 December 2023

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	<u>31/12/2023</u>	<u>31/12/2022</u>
	<u>EGP</u>	<u>EGP</u>
	<u>EGP</u>	<u>EGP</u>
<u>Cash flows from operating activities</u>		
Net profit for the year before tax	305,410,826	182,106,510
<u>Adjustments to reconcile net profit to cash flows from operating activities</u>		
Fixed assets depreciation	(3) 105,364,479	109,535,601
Intangible assets amortization	(5) 5,109,292	4,511,491
Right of use assets amortization	(16) 66,924,888	65,208,825
Expected credit losses in the value of customer balances and receivables	(8) 83,845,217	65,333,018
Component of Provisions	(21) 5,000,000	--
Capital gain	(466,199)	(754,433)
Gain from sale of assets held for sale	(909,509)	(458,817)
Financing expenses	1,042,051,595	477,087,007
Operating profit before changes in working capital	1,612,330,589	902,569,202
Change in inventory	(581,635,836)	(268,367,723)
Change in accounts and notes receivable	(4,052,503,166)	(69,311,114)
Change in suppliers' advance payments	(96,815,987)	(33,971,069)
Change in debtors and other debit balance	(275,034,700)	35,994,681
Change in due related parties	(65,269,119)	(75,573,124)
Change in accounts and notes payable	4,366,197,919	337,219,933
Change in creditors and other credit balance	83,242,153	(150,870,332)
Change in prepayment customers	7,821,437	(3,152,307)
Change in Due to related parties	--	(2,566,981)
Cash flows generated from operating activities	998,333,290	671,971,166
Financing interest paid	(949,740,293)	(440,707,366)
Provisions used	(318,769)	(1,257,476)
Net cash flows generated from (used in) operating activities	48,274,228	230,006,324
<u>Cash flows from investment activities</u>		
(Payments) to acquire fixed assets and projects under construction	(298,351,569)	(513,548,378)
(Payments) to acquire intangible assets	(4,429,051)	(12,483,713)
Proceeds from sale of fixed assets	26,077	--
Proceeds from intangible assets	1,291,921	1,995,439
(Payments) in assets held for sales	--	(601,863,669)
Proceeds from selling assets held for sale	78,966,915	48,456,499
Net cash flows (used in) investing activities	(222,495,707)	(1,077,443,822)
<u>Cash flows from financing activities</u>		
Dividends paid	(22,938,409)	(140,400,000)
Proceeds from short and long-term loans	(329,187,868)	676,009,923
Proceeds from credit facilities	875,513,451	721,629,353
lease liabilities paid	(130,669,828)	(139,587,930)
Increase in Lease liabilities	--	(185,735,156)
(payment)in treasury stocks	362,570,371	--
Receipts from the sale of treasury shares	--	491,055
Net cash flows generated from financing activities	755,287,717	932,407,245
Net change in cash and cash equivalents during the year	581,066,238	84,969,747
Cash and cash equivalents at beginning of the year	(10) 536,222,514	451,252,767
Cash and cash equivalents at end of the year	(10) 1,117,288,752	536,222,514

- Auditor's 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 (1) to (35) an integral part of the periodic standalone financial statements.

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Standalone
financial statements as of 31 December 2023

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1- Company background

Ibn Sina Pharma Company (the "Company") 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 the executive regulations for the purpose of buying, selling wholesale and distributing all pharmaceutical and semi-pharmaceutical products manufactured locally or imported, buying, selling wholesale and distributing any other products and tools related to health and health care, exporting and importing all products, equipment and tools, manufacturing and packaging all products, equipment and tools related to health and medical care, owning, maintaining and supplying information and consultations. Which is related to the field of medicine, carrying out training and supplying the necessary materials for training in all fields and activities, obtaining economic income, carrying out commercial and scientific advertising for all aspects of the drug market, as well as all activities, obtaining 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, storage of pharmaceutical and semi-pharmaceutical products, equipment, tools, reagents, advertising and marketing offers about Pharmaceutical, semi-pharmaceutical products and reagents by all means, collecting, manufacturing and packaging human, vital and veterinary medicines, cosmetics, nutritional supplements and disinfectants of all kinds, manufacturing with others for all the company's products, laboratory and hospital supplies, drug production supplies, practicing services related to all types of forms, owning pharmaceutical and semi-pharmaceutical items, publicizing the aforementioned products with the provisions, packaging and packaging of products, tools, equipment, pharmaceutical and semi-pharmaceutical reagents related to health and intensive care with the company's pledge. By extracting all the necessary permits in this regard for practicing each activity and observing all laws and regulations in carrying out these activities, the date of the beginning of the activity of the company was considered on January 8, 2002 according to what was stated in the commercial register, and the name of the company was amended during 2007 from **Ibn Sina Laborex** to become **Ibn Sina Pharma**. This company has added some activities.

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

Buying, selling wholesale, distribution, manufacturing, manufacturing with others, packaging, transporting, storing, importing, exporting, owning, carrying out commercial and scientific advertising and marketing offers for all human, biological, veterinary and semi-pharmaceutical products, chemicals, cosmetics, food, nutritional supplements, pesticides and 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 the skilled products. The aforementioned seals, as well as carrying out training, providing information, systems and consulting programs related to the aforementioned fields, rental and sale services for administrative and storage spaces, 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 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 providing information and systems programs and consultations related to the aforementioned areas and services for 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 help them 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 a pledge. The company 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 was marked in the commercial register on June 19, 2019.

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Standalone
financial statements as of 31 December 2023

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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 trade 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 Laboratory reagents, packaging and advertising materials, 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 programs, consulting the region in the aforementioned fields, rental and sale of administrative and storage spaces, and it may have an interest or share any aspect of existence with companies that engage in business similar to their business or that may help them achieve their offer in Egypt or abroad, as they may merge into these companies or You buy it and entitle it to it, in accordance with the provisions of the law and itsexecutive 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 21 April, 2022.

Approval of financial statements

The Company's Standalone financial statements for the year ended 31 December 2023, on 29 February, 2024 have been approved in accordance with the resolution of the Board of Directors held on that date.

2- 1 Principles of preparing financial statements

Compliance with standards and laws

The Company's Standalone financial statements have been prepared in accordance with Egyptian Accounting Standards and applicable laws and regulations.

Basis of measurement

The Company's standalone financial statements have been prepared in accordance with the going concern assumption and the historical cost principle.

Currency of dealing and presentation

The standalone financial statements have been prepared and presented in Egyptian pounds, which is the company's currency of dealing.

2.2 Changes in accounting policies

The accounting policies applied in this period are those applied in the financial previous year .

2.3 Summary of significant accounting policies

Revenue recognition

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customer in an amount that reflects 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 trade discount, quantity discount, 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.

Contract Lease

Company as a tenant:

Contract Lease 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.

Wright of right of use asstes: The principal of the right of use assets 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 right of use 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 right of use 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 right of use asset from the date of the beginning of the lease contract to the end of the useful life of the right of use asset or the end of the lease term, whichever is earlier.

2.3 Summary of significant 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 company's business model for its management. Except for client balances and assets arising from contracts that do not contain a significant financing element. 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 profits or losses.

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 is recognized in the statement of profit or loss when an asset is excluded, adjusted or devalued.

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

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 significant 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 fair value through profit or loss. Projected credit losses are based on the difference between the contractual cash flows due under the contract and all cash flows expected by the company to receive, approximately deducted from the original effective interest rate. Projected 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 loss provision based on expected credit losses over a lifetime at the date of each report. The Company has created 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 deduction or amortization, 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 liabilities 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 cancelled through the effective interest rate amortization process. The 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 profit statement or Losses. This category generally applies to loans and facilities.

2.3 Summary of significant 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 substantially modified, such exchange or adjustment is treated as an exclusion of the original obligation and recognition of a new obligation. **The difference in 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 complex, and this cost includes the cost of replacing part of the fixed assets when that 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 requirements 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
Vehicles	5
Computer	3-40
Furniture & Office 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 at the date 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.

Losses resulting from impairment are reimbursed only if there is a change in the assumptions used to determine the redemption value of the asset since the last impairment losses are recognized, and the refund of impairment losses is limited so that the carrying amount of the asset does not exceed its redemption value or exceed the book value that would have been determined (in net after depreciation) unless the losses resulting from impairment are recognized for the asset in previous years and the refund is recognized in the losses. resulting from the impairment of the value of the statement of profits or losses.

Projects under constructions

Projects under constructions 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 constructions are valued at cost after deducting impairment (if any).

2.3 Summary of significant 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 fiscal 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 the purpose of 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 based on the expected price of the sale through the normal activity less the estimated cost of completion and the estimated cost required 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 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.

Specifically, the Company controls the entity in which the investor is invested if and only if, the Company has:

- Authority over the investee enterprise (i.e. existing rights granted by the current ability to direct the relevant activities of the investee).
- Exposure to the variable returns resulting from the partnership in the investee entity, or its ownership of rights in these returns.
- The ability to use its authority over the investee company to influence the amount of returns therefrom.

In general, there is an assumption that owning a majority of voting rights leads to control to support this assumption and when a company has less than a majority of voting rights or similar rights of the entity invested, the company takes into account all relevant facts and circumstances in assessing whether it has authority over the investee entity, including:

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Standalone
financial statement as of 31 December 2023

Translation of Auditor's Report
Originally Issued in Arabic

2.3 Summary of significant accounting policies - Continued

Investments in subsidiaries companies - Continued

- Contractual arrangements with other voters of the investee company
- Right arising from other contractual arrangements
- Voting rights of the company and potential voting rights

The Company re-assesses whether or not the Company controls the entity invested, if facts and circumstances indicate changes in one or more of the three elements of authority.

Investments in subsidiaries are accounted for in the independent financial statements at cost, including the cost of acquisition, and in the event of a decline in the value of those investments, the book value is adjusted by the value of this impairment and is included in the list of profits or losses, 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 among the current obligations, unless the company has the right to postpone the repayment of the loan balance for a period exceeding 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 prepared for use for the purposes specified for it or for its 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 are realized and borrowing costs are the interest and other costs spent by the company to borrow funds.

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 from which it will not yield a future benefit.

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Standalone
financial statement as of 31 December 2023

Translation of Auditor's Report
Originally Issued in Arabic

2.3 Summary of significant accounting policies - Continued

Cash and cash equivalents

For the purpose of preparing the statement of cash flows, cash and cash equivalent 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 - overdrafts that are repaid on demand and which are an integral part of the company's money management system.

Suppliers, accrued expenses and other credit balances

Suppliers, accrued expenses and other credit balances are initially recognized at fair value including 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.

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.

If the discount (present value) is used, 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 shall provide contributions to the Authority for the period of pensions and social security calculated as a percentage of the employees' salaries. 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.

2.3 Summary of significant accounting policies - Continued

Potential liabilities and potential assets

Contingent liabilities are not recognized in the financial position Disclosed unless the potential outflow of sources 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.

Expenses

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.

Customers, receivables and other debit balances

Customers, 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.

Fair Value Measurement

Fair value represents the price that can be obtained from the sale of an asset or that can be paid for the transfer / transfer of an obligation in a structured transaction between market participants at the measurement date and fair value measurement is based on the assumption that the transaction for the sale of the asset or transfer of obligation will occur in the main market of the asset, liability, or market that will yield the greatest benefit (the most beneficial market) to the asset or obligation.

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

Fair value measurement of a non-financial asset takes into account the ability of a market participant to generate economic benefits by using the asset with the best use or by selling it to another market participant who would make the best use of the asset.

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

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

For assets that are not listed in an active market, fair value is determined by reference to the market value of a similar asset or based on expected discounted cash flows.

The company uses appropriate valuation methods under ambient circumstances for which sufficient data are available to measure fair value, thereby maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

2.3 Summary of significant accounting policies – Continued

Fair Value Measurement - Continued

All assets and liabilities whose fair value is measured or disclosed in the financial statements are classified within the fair value sequence at the lowest level, which is essential for measuring fair value as a whole, as follows:

- **Level I:** Measure the fair value using the (unadjusted) trading prices of exactly identical assets or liabilities in active markets.
- **Level II:** Measure the fair value using inputs other than the trading prices listed in the first level but observable to the asset or commitment directly (i.e. prices) or indirectly (i.e. derived from prices).
- **Level III:** Measure fair value using valuation methods that include inputs to the asset or liability that are not based on observable market data (observable data).

With respect to assets and liabilities recognized in the financial statements on a recurring basis, the entity determines whether transfers have occurred between the three levels of the fair value sequence from the revaluation of the rating as at the date of the financial statements.

- For the purposes of fair value disclosures, the Company has established asset and liability classes based on their nature, characteristics, associated risks and the level at which they are classified in the fair value sequence as described above.

Statement of cash flows

The cash flow statement is prepared using the non-direct method.

2.4 Significant accounting judgments and estimates

The preparation of these financial statements requires management to make judgments and estimates that affect the values of revenues, expenses, assets and liabilities included in the financial statements and the accompanying disclosures, as well as the disclosure of potential liabilities at the date of the financial statements.

Estimates and associated assumptions are reviewed on an ongoing basis and adjustments to accounting estimates are recognized in the period during which the estimates are reviewed.

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Standalone
financial statement as of 31 December 2023

Translation of Auditor's Report
Originally Issued in Arabic

2.4 Significant accounting judgments and estimates – Continued

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

Judgments

Revenue recognition

In making its judgment, management shall take into account the detailed requirements for revenue recognition as set out in Egyptian Accounting Standard No. (48) Revenue from Contracts with Customers, particularly with regard to whether the Company has transferred to the Buyer control associated with the ownership of the commodity.

Estimates

Expected credit losses on value of accounts and notes receivable and other debit balances

The amount collectible from customers, receivables and other debit balances is estimated when the full amount is no longer expected. For material amounts individually, the estimate is made on an individual basis and amounts that are not considered materially individually, but have exceeded their due date, are assessed in aggregate and provided for according to the period of time that has elapsed since their maturity based on the expected credit losses.

Estimation of the net selling value of inventory

Inventory is measured by cost or net selling value, whichever is lower.

The net selling value of inventory is determined by reference to market conditions and prices at the date of the financial statements and determined by the Company based on similar transactions minus the estimated cost of completing the sale.

Useful life of fixed assets and right of use assets

The company's management determines the estimated useful life of fixed assets and usufruct assets for the purpose of calculating depreciation. This estimate would be determined following consideration of the expected useful life of the asset or physical depreciation of assets, and management periodically reviews the estimated useful life and depreciation method in order to ensure that the method and duration of depreciation are consistent with the expected pattern of economic benefits arising from such assets.

Taxes

The Company is subject to income tax levied in Egypt and important provisions are imperative in order to determine the total provisions for current taxes and deferred taxes and the Company has made the provisions, based on reasonable estimates, taking into account the potential consequences of inspections conducted by the tax authorities in Egypt. The amount of this provision is based on several factors, including experience with previous tax reviews and different interpretations of tax regulations by the company and the tax authority, and such differences in interpretation may arise in several subjects according to the conditions prevailing in Egypt at the time.

Deferred tax assets are recognized when they are likely to be offset by taxable profits that these tax assets can be used to cover and substantial management provisions must determine the amount of deferred tax assets that can be recognized, based on the likely timing and level of future taxable profits as well as future tax planning strategies.

2.4 Significant accounting judgments and estimates Continued

Impairment of non-financial assets

The Company assesses whether there are indications of impairment of non-financial assets in each financial statement period and non-financial assets are tested to assess impairment when there are indications that the book value may not be recoverable and when calculating the use value, management estimates the expected future cash flows from the asset or from the cash-generating unit and selects the appropriate discount rate in order to calculate the present value of those cash flows.

Measuring fair values

The fair value of financial instruments is determined on the basis of the market value of the financial instrument or similar financial instruments at the date of the financial statements without deducting any estimated future selling costs. The values of financial assets are determined at the current purchase prices of those assets in an active market, while the value of financial obligations is determined at the current prices at which those liabilities can be settled.

In the absence of an active market to determine the fair value of financial instruments, the fair value is estimated using various valuation methods taking into account the prices of recent transactions, guided by the present fair value of other substantially similar instruments – discounted cash flow method – or any other method of valuation that results in reliable values.

When discounted cash flows are used as a valuation method, future cash flows are estimated on the basis of the best management estimates and the discount rate used is determined in light of the prevailing market price at the date of the financial statements of financial instruments that are similar in nature and conditions.

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Standalone financial statement
as of 31 December 2023

Translation of Auditor's Report
Originally Issued in Arabic

3- Fixed assets (net)

The balance of fixed assets (net) as of 31 December 2023 amounting to EGP 1,026,580,015 as follows:

Statement	Cost as of 1/1/2023	disposals during The period	Additions during The period	transferred from projects under constructions during The period	Cost as of 31/12/2023	Accumulated Depreciation as of 1/1/2023	Depreciations of disposals during the period	Depreciation During the period	Accumulated depreciations as of 31/12/2023	Net book value as of 31/12/2023	Net book value as of 31/12/2022
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Lands	93,753,808	--	--	--	93,753,808	--	--	--	--	93,753,808	93,753,808
Buildings	716,207,476	315,498	2,676,903	80,143,412	798,712,293	278,127,571	292,390	40,566,359	318,401,540	480,310,753	438,079,905
Equipment	445,680,694	580,592	12,392,889	112,886,803	570,379,794	164,924,559	580,592	36,558,791	200,902,758	369,477,036	280,756,135
vehicles	48,217,872	1,350,000	3,622,965	19,127,260	69,618,097	24,812,774	854,361	10,700,508	34,658,921	34,959,176	23,405,098
Computer hardware and software	103,817,449	1,166,212	16,768,392	1,729,805	121,149,434	66,405,343	859,238	15,198,667	80,744,772	40,404,662	37,412,106
Furniture and fixtures	26,941,083	17,247	207,147	974,698	28,105,681	18,108,193	17,246	2,340,154	20,431,101	7,674,580	8,832,890
	1,434,618,382	3,429,549	35,668,296	214,861,978	1,681,719,107	552,378,440	2,603,827	105,364,479	655,139,092	1,026,580,015	882,239,942

* The balance of fixed assets (net) as at 31 December 2022 (comparative year) of 882,239,942 EGP is as follows:

Statement	Cost as of 1/1/2022	disposals during The year	Transferred from projects under constructions during The year	Additions during The year	Cost as of 31/12/2022	Accumulated Depreciation as of 1/1/2022	depreciations of disposals during the year	Depreciation During the year	Accumulated depreciations as of 31/12/2022	Net book value as of 31/12/2022	Net book value as of 31/12/2021
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Lands	93,753,808	--	--	--	93,753,808	--	--	--	--	93,753,808	93,753,808
Buildings	691,927,520	57,702	22,441,243	1,896,415	716,207,476	232,243,468	50,441	45,934,544	278,127,571	438,079,905	459,684,052
Equipment	430,599,989	1,117,183	8,587,315	7,610,573	445,680,694	130,408,793	788,987	35,304,753	164,924,559	280,756,135	300,191,196
Vehicles	42,500,937	2,681,521	3,293,882	5,104,574	48,217,872	18,628,789	1,917,728	8,101,713	24,812,774	23,405,098	23,872,148
Computer hardware and software	101,662,538	640,888	1,666,500	2,629,299	103,817,449	49,311,524	502,228	17,396,047	66,405,343	37,412,106	52,151,014
Furniture and fixtures	24,621,279	13,199	2,215,430	117,573	26,941,083	13,322,848	13,199	2,798,544	18,108,193	8,832,890	9,298,431
	1,385,066,071	4,510,493	36,704,370	17,358,434	1,434,618,382	446,115,422	3,272,582	109,535,601	552,378,441	882,239,942	938,950,649

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Standalone financial statement
as of 31 December 2023

Translation of Auditor's Report
Originally Issued in Arabic

4- Projects under constructions

The balance of the projects under constructions as follows:

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
	<u>EGP</u>	<u>EGP</u>
Balance on January 1, 2023	697,692,706	238,480,228
Additions during the year*	262,034,114	505,571,153
Transferred to fixed and intangible assets	(402,059,987)	(46,088,675)
Transferred to assets held for sale**	(415,022,051)	--
Balance at 31 December 2023	142,914,782	697,962,706

*The additions of projects under constructions during the year ending,31 December, 2023 amounted to 262,034,114 EGP, which included the value of buildings in the amount of 97,665,619 EGP, and included payments under the computer programs account in the amount of 51,750,066 EGP and the completion of the necessary equipment and improvements for the company's branches in the amount of 112,619,429 EGP, including capitalized interests.

** The value of some assets amounting to EGP 415,022,051 has been converted to assets held for sale in accordance with the Board of Directors No. (140) held on 22,May 2023.

The Items of the projects under implementation are as follows:

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
	<u>EGP</u>	<u>EGP</u>
Computer applications and peripherals	26,291,980	161,931,714
Buildings	63,618,946	350,030,605
Machinery and Equipment	34,272,090	63,413,699
Lands	18,486,760	117,183,305
furniture	245,006	1,276,585
Vehicles	--	4,126,798
	142,914,782	697,962,706

5- Intangible assets (net)

Balance of Intangible assets (net) are computer programs as follows:

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
	<u>EGP</u>	<u>EGP</u>
Cost		
Balance on January 1, 2023	29,676,757	17,193,044
Disposals during year	26,077	--
Trasnfereed from projects under constructions	187,198,009	9,384,305
Additions during the year	4,429,051	3,099,408
Balance as of 31 December 2023	221,277,740	29,676,757
Accumulated Amortization		
Balance on January 1, 2023	12,093,994	7,582,503
Amortization of the year	5,109,292	4,511,491
Balance as of 31 December 2023	17,203,286	12,093,994
Net book value as of 31 December 2023	204,074,454	17,582,763

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Standalone financial statement
as of 31 December 2023

Translation of Auditor's Report
Originally Issued in Arabic

6- Investment in a subsidiary

	<u>Number of Stock</u>	<u>Contribution Percentage</u>	<u>Nominal value per share EGP</u>	<u>Cost as of 31 Dec 2023 EGP</u>	<u>Cost as of 31 Dec 2022 EGP</u>
AIM Healthcare Investment & Consulting Company (S.A.E)	299,999,980	%99,99	%40	119,999,920	119,999,920
				<u>119,999,920</u>	<u>119,999,920</u>

- **Capital Commitments in 31 December 2023** From investing in a company AIM Healthcare Investment & Consulting (S.A.E) in the unpaid value by 60% amount to 180,000,060 Egyptian pound (for an amount of 180,000,060 EGP on 31 Dec 2022).

7- Inventory

	<u>31 Dec 2023 EGP</u>	<u>31 Dec 2022 EGP</u>
Goods for sale	2,515,856,950	2,151,529,672
Goods in transit	369,269,591	314,172,598
Returns	272,395,454	131,518,202
Spare Parts	36,003,519	14,669,206
	<u>3,193,525,514</u>	<u>2,611,889,678</u>

8- Accounts and notes receivables (net)

	<u>31 Dec 2023 EGP</u>	<u>31 Dec 2022 EGP</u>
Accounts receivable	7,656,837,571	3,913,325,271
Notes receivable	2,535,000,183	2,231,259,317
	<u>10,191,837,754</u>	<u>6,144,584,588</u>
Deduct:		
Expected credit losses of accounts and notes receivables*	(410,807,574)	(326,962,357)
	<u>9,781,030,180</u>	<u>5,817,622,231</u>

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

	<u>31 Dec 2023 EGP</u>	<u>31 Dec 2022 EGP</u>
Accounts and notes receivable less than 12 months	9,702,097,946	5,733,164,393
Notes receivable more than 12 months	78,932,234	84,457,838
	<u>9,781,030,180</u>	<u>5,817,622,231</u>

* The movement in the expected credit losses of accounts & notes receivable is represented as follows:

	<u>31 Dec 2023 EGP</u>	<u>31 Dec 2022 EGP</u>
beginning balance	326,962,357	261,629,339
Component of expected credit losses in the value of accounts & notes receivable	83,845,217	65,333,018
Ending balance	<u>410,807,574</u>	<u>326,962,357</u>

Ibn Sina Pharma Company (S.A.E)Complementary notes to the Standalone financial statement
as of 31 December 2023Translation of Auditor's Report
Originally Issued in Arabic**9- Debtor and other debit balances (net)**

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
	<u>EGP</u>	<u>EGP</u>
Suppliers under Adjustment*	411,756,148	250,592,195
Prepaid expenses	24,449,876	35,564,560
Advance payments to Tax Authority	60,569,487	41,927,059
Insurance for third parties	21,956,006	18,277,010
Tax Authority- Withholding tax	99,537,378	47,997,654
Imprest of employees	10,694,178	12,611,363
Contract Assets – Expected Sales Returns	16,680,951	15,318,771
Tax Authority- value added tax	--	377,397
Other debit balances**	119,997,675	124,664,528
	<u>765,641,699</u>	<u>547,330,537</u>
Deduct:		
Expected credit losses on the value of debtors and other debit balances	(7,874,013)	(7,874,013)
	<u>757,767,686</u>	<u>539,456,524</u>

*the balance of suppliers under adjustment is the value of suppliers' compensation for sales price differences, discounts and free units.

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

10- Cash on hand and at banks

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
	<u>EGP</u>	<u>EGP</u>
Current Accounts Banks – Egyptian Pound	892,786,580	349,842,083
Current Accounts Banks – Foreign Currencies	212,900,256	151,323,110
Letters of guarantee cover	11,112,364	34,069,589
Cash on hand	489,552	987,732
	<u>1,117,288,752</u>	<u>536,222,514</u>

11- Assets held for sale

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
	<u>EGP</u>	<u>EGP</u>
Balance on January 1, 2023	792,272,436	238,406,449
Additions and assets transferred from customers	20,159,870	601,863,669
Transferred from projects under constructions	415,022,051	--
Transferred to right of use assets*	(377,523,062)	--
Disposals during the year**	(78,057,406)	(47,997,682)
Balance at 31 December 2023	771,873,889	792,272,436

*Part of the building was converted to right of use assets for 377,523,062 EGP, under "sale and leaseback" Contract.

**Some buildings were sold during the year for 78,057,406 EGP.

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Standalone financial statement
as of 31 December 2023

Translation of Auditor's Report
Originally Issued in Arabic

11-Assets held for sale- Continued

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
	<u>EGP</u>	<u>EGP</u>
Assets held for sale less than 12 months	435,181,921	601,863,669
Assets held for sale more than 12 months	336,691,968	190,408,767
	<u>771,873,889</u>	<u>792,272,436</u>

* According to the Board of Directors Resolution No. (144), the company's management decided to keep the assets held for sale for more than 12 months to achieve a higher return during the coming period.

12- Capital, Share premium (Specail 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.
- 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.

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Standalone financial statement
as of 31 December 2023

Translation of Auditor's Report
Originally Issued in Arabic

12- Capital, Share premium (Specail reserve),Treasury stocks reserve and Treasury stocks- Continued

A- Capital – Continued:

- On 5 March 2017, the Extraordinary General Assembly decided to increase the company's authorized capital by 144 million Egyptian pounds to become 168 million Egyptian pounds, as well as to increase the company's issued capital by 144 million Egyptian pounds to become 168 million Egyptian pounds, as financing from the general reserve balance on 31 December 2016, provided that (6) bonus shares of the company's increase shares are allocated against 1 share of the original shares of the company owned by the shareholders at the time of the meeting. Assembly and split of the nominal value of the share
- 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.
- 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 EGP, 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 EGP, and the necessary procedures are being taken to register in the commercial register.
- On September 30, 2023, the company executed 74,758,900 shares from the name of the treasury, bringing the number of shares issued on September 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 EGP, and the necessary measures are being taken to approve the general assembly and register notation.
- On December 4, 2023, the Extraordinary General Assembly held on July 30, 2023 approved and decided to reduce the issued and paid up capital by EGP 28,000,000 by executing the treasury shares that the company purchased, which amounted to 112,000,000 shares (10% of the company's shares) at the nominal value of those shares, so that the issued and paid up capital becomes EGP 252,000,000 distributed over 1,008,000,000 shares with a nominal value of 25 piasters per share, and this has been noted in the commercial register on 18 December 2023.

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Standalone financial statement
as of 31 December 2023

Translation of Auditor's Report
Originally Issued in Arabic

12- Capital, Share premium (Specail reserve), Treasury stocks reserve and Treasury stocks- Continued

B- Share premium (Specail 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.
- The company's management transferred an amount of 40,087,884 Egyptian pounds from the issuance premium item (special reserve) to the legal reserve to reach half of the issued capital, provided that the remaining balance is kept within a special reserve item, provided that this does not include distributing it as a profit, in accordance with Article (94) of the Executive Bylaws of the Joint Stock Companies Law promulgated by Law No. 159 of 1981.

C-Treasury stocks and Treasury stocks reserve

- 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 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 EGP and the total sale value reached 136,648 EGP, which resulted in losses of 83,213 EGP and according to Egyptian Accounting Standard No. (25), these losses in equity were classified.

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Standalone financial statement
as of 31 December 2023

Translation of Auditor's Report
Originally Issued in Arabic

- 12- Capital, Share premium (Specail reserve), Treasury stocks reserve and Treasury stocks - Continued

- C-Treasury stocks and Treasury stocks reserve- Continued

- On 3 April 2022, 120,000 shares were sold at a price of 2,868 EGP per share and the total sale value reached 355,800 EGP, which resulted in losses of 154,122 EGP, 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 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 EGP, and the necessary measures are being taken to register in the commercial register.
- 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 EGP, and the necessary measures are being taken to register in the commercial register.
- On September 30, 2023, the company executed 74,758,900 shares from the name of the treasury, bringing the number of shares issued on September 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 EGP, and the necessary measures are being taken to approve the general assembly and register notation.
- On December 4, 2023, the Extraordinary General Assembly held on July 30, 2023 approved and decided to reduce the issued and paid up capital by EGP 28,000,000 by executing the treasury shares that the company purchased, which amounted to 112,000,000 shares (10% of the company's shares) at the nominal value of those shares, so that the issued and paid up capital becomes EGP 252,000,000 distributed over 1,008,000,000 shares with a nominal value of 25 piasters per share, and this has been noted in the commercial register on 18 December 2023.

The net treasury share reserve (losses) resulting from the sale and execution of treasury shares until 31 December 2023 will be 171,643,212 EGP.

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Standalone financial statement
as of 31 December 2023

Translation of Auditor's Report
Originally Issued in Arabic

- 13-Reserves

A- Legal Reserve

As required by Egyptian Companies' law and the Company's articles of association, 5% of the profits of the year is transferred to the legal reserve until this reserve reaches 50% of the capital.

B- General Reserve

- On May 27, 2015 the company's extraordinary general assembly was held and it was agreed to increase the company's issued and paid-up capital to 24 million Egyptian pounds (twenty-four Egyptian pounds only) distributed over 240,000 shares (two hundred and forty thousand shares) instead of the amount of 20 One million Egyptian pounds (twenty million Egyptian pounds only) distributed over 200,000 shares (two hundred thousand shares). As a result of this increase, an issue premium amounted to 148 million Egyptian pounds (one hundred and forty-eight million Egyptian pounds only), Which is represented in the resulting difference between the nominal value of 40 thousand shares, which amounts to 100 Egyptian pounds (one hundred Egyptian pounds only) per share and the fair value of the share, which amounted to 3,800 Egyptian pounds (three thousand eight hundred Egyptian pounds only) at the date of this increase. This increase was subscribed to by 39,950 shares by the shareholder, the European Bank for Reconstruction and Development, and the rest for 50 shares by other shareholders, according to the approval of the Extraordinary General Assembly.
- Part of the issue premium was transferred to the general reserve to match the legal percentage of the capital and the remainder was transferred to the general reserve in accordance with Article 94 of the Companies Law (159) of 1981 and its amendments in accordance with Article (94).
- On March 5, 2017, the Extraordinary General Assembly decided to increase the company's authorized capital by an amount of EGP 144,000,000 to become EGP 168,000,000, as well as to increase the company's issued capital by EGP 144,000,000 to become EGP 168,000, in financing from the balance of the general reserve in 12/31/2016, so the balance of the general reserve on December 31, 2017 amounted to 3,079,334 Egyptian pounds.

14-Retained earnings

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
	<u>EGP</u>	<u>EGP</u>
Retained earning before adjustment	1,047,918,983	865,353,686
<u>LESS:</u>		
Expenses related to previous years*	--	(32,000,000)
	<u>1,047,918,983</u>	<u>833,353,686</u>

* Some loans are guaranteed under insurance policies against all risks on the company's stores in favor of banks, and there are financial pledges that must be available, as well as pledges with some banks not to change the structure of the main shareholders, waive part of the company, or abandon the company's assets except after obtaining written approval from the bank, except for the usual sale of assets for the company's activity, in addition to not distributing profits until after paying all the installments that were due to be paid

Ibn Sina Pharma Company (S.A.E)Complementary notes to the Standalone financial statement
as of 31 December 2023Translation of Auditor's Report
Originally Issued in Arabic**15- Long term and short-term loans**

	<u>Credit Limit</u>	<u>Last maturity date</u>	<u>Outstanding balance</u>	
			<u>December 31, 2023</u>	<u>December 31, 2022</u>
			<u>EGP</u>	<u>EGP</u>
Commercial International Bank	420,000,000	15/3/2024	22,206,140	142,263,283
Commercial International Bank	730,000,000	29/4/2025	420,650,000	645,000,000
National Bank of Kuwait (NBK)	250,000,000	30/11/2025	166,570,344	249,855,516
Attijariwafa Bank	100,000,000	31/3/2024	7,135,714	42,857,120
Crédit Agricole Bank	200,000,000	1/6/2026	41,666,667	26,784,944
First Abu Dhabi Bank Audi previously	160,000,000	5/3/2023	--	13,333,333
National Bank Of Egypt	200,000,000	1/6/2026	166,459,143	--
			824,688,008	1,120,094,196

*The movement in loans during the year is as follows:

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
	<u>EGP</u>	<u>EGP</u>
Beginning balance	1,120,094,196	407,704,632
Used during the year	222,966,056	1,006,640,460
Paid during the year	(518,372,244)	(294,250,896)
Ending balance	824,688,008	1,120,094,196

**Loans are classified as follows:

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
	<u>EGP</u>	<u>EGP</u>
Long term loans with maturity date in more than 12 months	348,810,663	640,919,318
Short term loans with maturity date within 12 months	475,877,345	479,174,878
	824,688,008	1,120,094,196

- Some loans are secured by all risk Insurance policies on the company's warehouses in favor of the banks. Financial commitment must also be fulfilled, as well as undertakings with some of the banks not to change the structure of the main shareholders or to transfer part of the company or sell the company assets without obtaining written approval from the bank, except for the sale of assets customary for the company's activities. Additionally, profits should not be distributed until all due financial installments are paid

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Standalone financial statement
as of 31 December 2023

Translation of Auditor's Report
Originally Issued in Arabic

16- Contract Leases

The total value of the obligations of the lease contracts in 31 December 2023 amounted to 718,030,258 EGP (on 31 December 2022: 350,093,122 EGP) represented by short-term lease obligations 114,171,679 EGP on 31 December 2023 (on 31 December 2022 : 86,985,383 EGP) and long-term lease obligations of 603,858,579 EGP on 31 December 2023 (on 31 December 2022: 263,107,739 EGP), and the balances of right of use assets and lease obligation are 31 December 2023 and 31 December 2022 are as follows:

	Right of use assets (net)				Lease liability	
	Buildings EGP	Vehicles EGP	Computer & Accessories EGP	Machinery & Equipment EGP	Total EGP	EGP
Balance 1 January 2023	254,636,188	22,492,651	1	4,150,238	281,279,077	350,093,122
Additions during the year	463,989,677	--	--	--	463,989,677	440,077,342
Depreciation of the year	(57,849,453)	(7,887,906)	--	(1,187,529)	(66,924,888)	--
Financing expenses	--	--	--	--	--	58,529,622
Payments during the year	--	--	--	--	--	(130,669,828)
Balance as of 31 December 2023	660,776,412	14,604,745	1	2,962,709	678,343,867	718,030,258

* Represents additions during the period amounting to EGP 463,989,678 in the value of 386,482,706 financial leasing contracts and the value of 77,506,972 for the renewal of operating lease contracts

	Right of use assets (net)				Lease liability	
	Buildings EGP	vehicles EGP	Computer & Accessories EGP	Machinery & Equipment EGP	Total EGP	EGP
Balance 1 January 2022	228,917,170	31,733,673	830,590	5,151,365	266,632,798	290,360,297
Additions	79,855,104	--	--	--	79,855,104	79,855,104
Depreciation during the year	(54,136,087)	(9,241,022)	(830,589)	(1,001,127)	(65,208,825)	--
Financing expenses	--	--	--	--	--	56,305,206
Payments during the year	--	--	--	--	--	(76,427,485)
Balance as of 31 December 2022	254,636,187	22,492,651	1	4,150,238	281,279,077	350,093,122

Ibn Sina Pharma Company (S.A.E)Complementary notes to the Standalone financial statement
as of 31 December 2023Translation of Auditor's Report
Originally Issued in Arabic**17- Credit Facilities**

	<u>31 Dec 2023</u> <u>EGP</u>	<u>31 Dec 2022</u> <u>EGP</u>
Ahli United Bank	885,978,895	366,386,950
Commercial International Bank	813,976,919	639,580,007
Arab African Bank	262,225,037	257,116,747
Emirates Bank Dubai	161,540,859	323,319,113
Cairo Bank	145,514,904	33,916,068
HSBC Bank	209,311,146	153,363,283
Abu Dhabi Islamic Bank	21,604,217	42,633,581
Housing & Development Bank (HDB)	19,907,840	--
Attijariwafa Bank	133,085,931	147,227,115
Crédit Agricole Bank	199,702,208	222,747,628
National Bank of Egypt	62,385,195	34,017,457
Suez Canal Bank	97,546,457	36,265,283
National Bank of Kuwait (NBK)	39,483,500	--
The United Bank	16,388,220	27,368,039
Bank of Alexandria	57,294,172	3,656,286
Mashreq Bank	12,161	--
Banque EGB	39,486,116	--
Qatar National Bank Alahli	--	2,230,687
First Abu Dhabi Bank	--	102,082
	<u>3,165,443,777</u>	<u>2,289,930,326</u>

18-Suppliers and notes payable

	<u>31 Dec 2023</u> <u>EGP</u>	<u>31 Dec2022</u> <u>EGP</u>
Suppliers	3,660,365,873	1,592,360,287
Notes payables	8,116,611,809	5,818,419,476
	<u>11,776,977,682</u>	<u>7,410,779,763</u>

19-Creditors and other credit balances

	<u>31 Dec 2023</u> <u>EGP</u>	<u>31 Dec2022</u> <u>EGP</u>
Tax authority- withholding tax	44,233,193	28,507,087
Tax authority-value added tax	26,762,617	--
Tax authority- Salary tax	5,264,167	3,109,015
National Organization for Social Insurance	6,229,714	6,140,769
Contract Obligations – Expected Sales Returns	17,964,633	16,768,695
Dividend payable	659,648	2,252,594
Accrued expenses	81,071,835	50,257,125
Other credit balances	19,046,031	10,943,917
	<u>201,231,838</u>	<u>117,979,202</u>

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Standalone financial statement
as of 31 December 2023

Translation of Auditor's Report
Originally Issued in Arabic

20-Related Parties

Related parties are the parent company and subsidiaries, major shareholders, directors of departments and senior management staff, and entities that have joint control or influence or are heavily associated with these parties, pricing policies (comparative free price) and the terms of these transactions are approved by management in accordance with the procedures taken to approve such transactions, transactions with related parties are represented in the following balances:

a) Related Parties Balances (Net)

	<u>31 December 2023</u> <u>Due from</u> <u>related parties</u> <u>EGP</u>	<u>31 December 2022</u> <u>Due from</u> <u>related parties</u> <u>EGP</u>
Ramp Logistics	99,763,966	55,908,321
AIM Investment & Health Consulting (AIM)	19,003,923	10,519,969
DIGI 360 for Software Company	19,873,862	9,144,834
Ibn Sina for Import & Export Company	371,635	371,635
Ibn Sina Trade	2,200,492	--
	<u>141,213,878</u>	<u>75,944,759</u>
<u>Deduct:</u>		
Impairment in the value of related parties	(371,635)	(371,635)
	<u>140,842,243</u>	<u>75,573,124</u>

b) Related Parties Transactions

Company	<u>Nature of the relationship</u>	<u>Nature Transaction</u>	<u>31 December 2023</u> <u>EGP</u>	<u>31 December 2022</u> <u>EGP</u>
AIM Investment & Health Consulting (AIM)	Subsidiary	financing Other income	8,464,507 --	10,506,137 33,279
Ramp Logistics	subsidiary of (AIM)	financing Purchases Other Income	54,515,383 (16,021,791) 25,306,135	40,090,328 (13,955,767) 29,773,760
DIGI 360 for Software Company	subsidiary of (AIM)	financing Purchases Other Income	10,723,394 -- 5,634	9,419,981 (526,855) 251,707
Ibn Sina Trade	subsidiary of (AIM)	financing	2,200,492	--

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

	<u>31 December 2023</u> <u>EGP</u>	<u>31 December 2022</u> <u>EGP</u>
Salaries and incentives of key managers	39,576,530	31,825,136
Rewards of Board Members	12,674,245	8,126,539
	<u>52,250,775</u>	<u>39,951,675</u>

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Standalone financial statement
as of 31 December 2023

Translation of Auditor's Report
Originally Issued in Arabic

21-Provisions

	<u>January 1, 2023</u>	<u>component</u> <u>During the year</u>	<u>(Used)</u> <u>During the year</u>	<u>December 31,</u> <u>2023</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Provision for other claims	2,175,715	5,000,000	(318,769)	6,856,946
	<u>2,175,715</u>	<u>5,000,000</u>	<u>(318,769)</u>	<u>6,856,946</u>

	<u>January 1, 2022</u>	<u>(Used)</u> <u>During the year</u>	<u>December 31, 2022</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Provision claims – Issues	128,000,000	(128,000,000)	--
Provision for other claims	3,433,191	(1,257,476)	2,175,715
	<u>131,433,191</u>	<u>(129,257,476)</u>	<u>2,175,715</u>

-There are no material potential liabilities other than those mentioned in the Note to the Provisions and what was disclosed in Note (30) on the Tax Position and the Clarification of (32) Potential Liabilities.

-The usual published information about provisions in accordance with accounting standards is not disclosed because management believes that doing so may severely affect the outcome of negotiations with those parties, and management reviews those provisions annually and adjusts the provision according to the latest developments, discussions and agreements with the entities.

22-Sales(net)

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
	<u>EGP</u>	<u>EGP</u>
Net sales of pharmaceuticals and cosmetics	33,694,065,497	22,125,122,274
Marketing service and other	112,820,518	23,167,905
Warehousing & transportation service	36,014,594	29,892,865
	<u>33,842,900,609</u>	<u>22,178,183,044</u>

23-Cost of sales

The cost of sales is the cost of "Pharmaceuticals and Cosmetics" of EGP 31,313,285,399 during the year ended December 31, 2023 (compared to the year ended December 31, 2022 of EGP 20,569,233,006).

24-Selling and marketing expenses

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
	<u>EGP</u>	<u>EGP</u>
Salaries, travel and transportation expenses	482,990,685	407,316,277
Maintenance, services and utilities expenses	171,318,303	129,074,679
Rent, insurance, security and cleaning expenses	83,946,206	61,608,783
Other expenses	55,843,492	52,165,976
	<u>794,098,686</u>	<u>650,165,715</u>

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Standalone financial statement
as of 31 December 2023

Translation of Auditor's Report
Originally Issued in Arabic

25-General and administrative expenses

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
	<u>EGP</u>	<u>EGP</u>
Salaries, travel and transportation expenses	214,415,202	172,903,033
Bank charges	34,950,586	20,303,759
Rent, insurance, security and cleaning expenses	6,634,276	5,422,946
Maintenance, services and utilities expenses	13,704,065	9,697,630
Fixed assets depreciation	105,364,479	109,535,601
Right of use assets amortization	66,924,888	65,208,825
Intangible assets amortization	5,109,292	4,511,491
Management remuneration and benefits	12,832,074	8,286,549
Other expenses	14,465,499	16,441,617
	<u>474,400,361</u>	<u>412,311,451</u>

26-a Other Income

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
	<u>EGP</u>	<u>EGP</u>
Gain from sale of fixed assets	466,199	754,433
Gain from scrap sales	3,149,283	2,020,354
Other income	6,401,710	4,414,702
	<u>10,017,192</u>	<u>7,189,489</u>

26-b Financing Income

The financing income of EGP 126,648,146 is represented in the value of penalties on bounced cheques from customers during the year ended 31 December 2023 (compared to the year ended 31 December 2022 of 132,396,973 EGP).

27-Income taxes

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
	<u>EGP</u>	<u>EGP</u>
Current Tax	(87,106,667)	(25,654,052)
Deferred tax	28,677,948	19,922,573
	<u>(58,428,719)</u>	<u>(5,731,452)</u>

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Standalone financial statement
as of 31 December 2023

Translation of Auditor's Report
Originally Issued in Arabic

27-Income taxes - Continued

	Tax Base	Account Base	Temporary Difference	Tax Rate	Deffered Tax	Deffered Tax
					Assets / (Liability)	Assets / (Liability)
					December 31, 2023	December 31, 2022
					EGP	EGP
Fixed & Intangible assets	1,139,975,845	1,132,566,414	7,409,431	22.50%	1,667,122	(4,637,913)
Right of use assets & lease "operating"	430,707,003	373,603,059	57,103,944	22.50%	12,848,387	10,465,649
ECL ,Imparments and provisions	—	(416,179,209)	416,179,209	22.50%	93,640,322	73,650,148
Deffered tax Ending balance-Asset					108,155,820	79,477,844
Deffered tax Opening balance-Asset					(79,477,844)	(59,555,311)
Deffered income tax - revenue					28,677,948	19,922,573

28-Earning per share

The earnings per share were calculated by dividing the net profit distributable to the owners of ordinary shares by the weighted average number of shares outstanding during the period, and the company does not have reduced shares..

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
	<u>EGP</u>	<u>EGP</u>
Net profit of year	246,982,107	176,375,058
Employees' and board of directors' share (estimated)	(46,926,600)	(31,835,698)
Net profit applicable to attribute	200,055,506	144,539,360
Weighted average number of ordinary shares for basic earnings*	1,008,000,000	1,008,000,000
Earnings per share – (EGP / Share)	0.20	0.14

- Dividends per share were calculated by dividing the net profit 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 reduced shares.
- 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 ended 31 December 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 of 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 with a share value of 25 piasters. It was registered in the Commercial Register on 30 August 2020.

28- Earning per share - Continued

- 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

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Standalone financial statement
as of 31 December 2023

Translation of Auditor's Report
Originally Issued in Arabic

purchased 4,000,000 shares until the end of the period specified for the purchase of shares on 21 June 2021.
(Note 13-c).

- 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 May 1, 2022, after the issuance of the decision of the Listing Committee to approve the increase.
- On May 19, 2022, the company's board of directors decided that the company will execute 3,832,492 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 issued and paid up capital at the nominal value of those shares by a total amount of 958,123 Egyptian pounds, and the necessary measures are being taken to mark in the commercial register.
- 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 September 30, 2023, the company executed 74,758,900 shares from the name of the treasury, bringing the number of shares issued on September 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 measures are being taken to approve the general assembly and register notation.
- On December 4, 2023, the Extraordinary General Assembly held on July 30, 2023 approved and decided to reduce the issued and paid up capital by EGP 28,000,000 by executing the treasury shares that the company purchased, which amounted to 112,000,000 shares (10% of the company's shares) at the nominal value of those shares, so that the issued and paid up capital becomes EGP 252,000,000 distributed over 1,008,000,000 shares with a nominal value of 25 piasters per share, and this has been noted in the commercial register on 18 December 2023.

29- Litigations:

- Based on a complaint from one of the pharmacies about the existence of a written agreement between pharmaceutical distribution companies, including Ibnsina Pharma, who represent the members of the Association of Pharmaceutical Distribution Companies, and where it was claimed that these companies agreed to unify sales policies, reduce cash discount rates and reduce credit periods, which resulted in damage to small pharmacies.
- The lawsuit has already been disclosed in the prospectus of the position of the company's lawsuits in item IV regarding lawsuit No. 2952 of 2015 Economic Inventory and registered No. 1898 of 2016 Economic Misdemeanors.

The subject matter of the case concludes as follows:

- The Public Prosecution referred the defendants in the lawsuit to five pharmaceutical distribution companies to trial on charges of agreeing between competing companies in the drug distribution market, namely "A Bin Sina Pharma", "United Pharmacists" Company, "Ramcovarma Pharmaceutical Trading and Distribution Company", "Multipharma Pharmaceutical and Chemicals Company" and "Middle East Chemicals" Company, claiming to follow a sales policy that would raise the price of medicines to pharmacists and restrict the marketing of medicines.

The prosecution requested their punishment under Articles 2,1/a-b,3, 6/paragraph (1) items a, d, 19/1, 21/22,1/1 (first), 24, 25 of Law No. 3 of 2005 as amended, and articles 1, 2, 5, 6, 9, 10, 11/a, d, 31, 32, 33, 34, 35, 38 of the executive regulations of the law issued by Prime Minister's Decree No. 1316 of 2005, and the Public Prosecution has determined the violation period from January 2013 to December 2015.

29- Litigations - Continued

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Standalone financial statement
as of 31 December 2023

Translation of Auditor's Report
Originally Issued in Arabic

- On February 28, 2018, the Second Circuit Economic Misdemeanors issued its verdict convicting all the defendants, including four people from Ibn Sina Pharma Company, applying the maximum penalty, and the court sentenced that fine to the representatives of the companies based on the report of the Competition Protection Authority and the prosecution's investigations, which concluded that the companies mentioned in the judgment agreed to determine a sales policy that would raise the price of medicines for pharmacists and restrict the process of marketing medicines, and this violates Article VI of the Competition Protection Law. The court applied the maximum penalty because the total revenue of the product in question could not be calculated.
- Article 6 of Law No. 3 of 2005 on the Protection of Competition and Monopolistic Practices prohibits agreement or contracting between competing persons in any relevant market if it would raise or reduce or stabilize the prices of the products in question.
- Article 22 of the law decided to punish anyone who violates the provision of Article 6 with a fine of not less than two percent of the total revenues of the product subject of the violation and not exceeding twelve percent of the total revenues referred to, during the period of the violation, and in the event that the total revenues referred to cannot be calculated, the penalty shall be a fine of not less than five hundred thousand pounds, and not exceeding five hundred million Egyptian pounds.
- All the defendants, including representatives of Ibsina Pharma, appealed the said verdict, and the appeal was scheduled for May 19, 2018.
- On February 19, 2019, an appeal ruling was issued to reduce fines to EGP 160 mn and some of the company's managers acquitted him.
- The company's managers appealed in cassation against the appeal judgment within the dates prescribed in accordance with the law and registered the appeal No. 67 of 2019 in cassation, confirming the company's adherence to all available legal means to defend its legal rights.
- Believing in the necessity of adhering to the implementation of judicial rulings in accordance with the law and given that the law and the articles of association of the company oblige it to fulfill jointly what may be judged on behalf of its representative, based on the text of Article 25 of the Competition Protection Law, which stipulates that the legal person "the company" shall be jointly responsible for fulfilling the financial penalties and compensation if the violation was committed by one of the employees in the name of the legal person or for his benefit, and also based on Article 33 of the Law. The basic of the company, which stipulates that the members of the Board of Directors, because of carrying out their duties within the limits of their agency, do not bear any responsibility with regard to the company's financial responsibility, and although the judgment of the Court of Appeal is a conclusive ruling, as it is subject to appeal before the Court of Cassation, but it is enforceable according to Egyptian law, until the Court of Cassation decides on it, and accordingly, the company has paid the fine of 160 million Egyptian pounds under the account until the appeal is decided in cassation. This is an acknowledgment by the company of the occurrence of the violation and does not forfeit the right of managers to appeal the judgment, especially since the full payment before the dismissal of the Court of Cassation is something that does not prevent the company from recovering what has been paid in the event of a judgment to cancel the contested judgment or reduce it from what was ruled and the company will take all legal measures and procedures and defenses that support the integrity of its legal position.

29- Litigations - Continued

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Standalone financial statement
as of 31 December 2023

Translation of Auditor's Report
Originally Issued in Arabic

- On September 19, 2022, the Court of Cassation ruled in the session held on its date to accept the Public Prosecution's appeal, reject the appeal submitted by the company's managers, and prove the judgment, which resulted in the company bearing the prepaid fine of 160 million Egyptian pounds, and then using the claims provision of 128 million and proving the remaining 32 million Egyptian pounds on the carry-over profits.

30-Tax Position

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 for the years from 2020 have not been examined to date.

Second: payroll tax

- The company's books were examined and the payment was made until 2019.

Third: Stamp Taxes

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

Fourth: Value Added Taxes

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

Fifth: withholding tax

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

31-Commitments

- The company's contracts for existing projects under implementation that are not included in the financial statements at the date of the financial position amounted to EGP 17,282,261 (2022: EGP 76,789,982).

32-Contingent liabilities

- In addition to the amounts recognized within the elements of the financial position, there are potential uncovered liabilities from the Company as at 31 December 2023 in the amount of EGP 2,176,977,562 (2022: EGP 1,784,834,050), represented in documentary credits of EGP 746,402,580 (2022: EGP 744,476,555) and letters of guarantee in the amount of EGP 1,427,574,982 (2022: EGP 1,040,357,495).

33-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.

33- Financial Instruments- Continued

Risk policies and regulations are reviewed periodically to reflect changes in market conditions and the

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Standalone financial statement
as of 31 December 2023

Translation of Auditor's Report
Originally Issued in Arabic

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

34-Important event

- Some fundamental global events have occurred, which included the Arab Republic of Egypt, where the Egyptian economy, which is already suffering from stumbling blocks, faces new risks, as the war in the neighboring Gaza Strip casts a shadow on tourism reservations and the country's imports of natural gas, and the war in the Gaza Strip comes on the border with the Sinai Peninsula after the impact of the Russian-Ukrainian war and the Corona virus pandemic revealed long-term weaknesses in the Egyptian economy, Egypt has long relied heavily on short-term portfolio investment flows, tourism revenues and remittances from expatriates to cover part of the trade deficit, making it vulnerable to shocks.
- On March 30, 2023, the Monetary Policy Committee of the Central Bank of Egypt decided to raise the overnight deposit and lending rates and the main operation rate of the Central Bank by 200 basis points to reach 18.25%, 19.25% and 18.75%, respectively, and the credit and discount rate was raised by 200 basis points to reach 18.75%.
- On 3 August 2023, the Monetary Policy Committee of the Central Bank of Egypt decided in its meeting to raise the overnight deposit and lending rates and the rate of the main operation of the Central Bank by 100 basis points to reach 19.25%, 20.25% and 19.75% respectively, and the credit and discount rate was raised by 100 basis points to reach 19.75%.
- On February 1, 2024, and in a direction contrary to the orientations of central banks around the world towards keeping interest rates unchanged, inflation in the pillars of the Egyptian economy led to the decision of the Monetary Policy Committee of the Central Bank to raise the return on deposit, borrowing and the official process rate by 200 points to reach 25.21%, 25.22% and 25.21%, respectively, with the aim of reducing inflation expectations and restricting monetary conditions to maintain the path of decline in inflation rates, as current developments indicate the continuity of pressures Inflation and its rise above its usual pattern, which is reflected in the inflation of both food and non-food commodities.
- This is in addition to expectations of continued pressure in light of fiscal consolidation measures, as well as continued supply-side pressures, as the higher rate of domestic liquidity growth than the historical average contributed to the escalation of inflationary pressures.

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Standalone financial statement
as of 31 December 2023

Translation of Auditor's Report
Originally Issued in Arabic

35-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>
<p>Egyptian Accounting Standard No. (10) amended 2023 "Depreciated fixed assets" and Egyptian Accounting Standard No. (23) amended 2023 "Intangible Assets"</p>	<p>1- These standards were reissued in 2023, allowing the use of the revaluation model when postmeasurement 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 Company's management has taken the decision not to choose to apply the accounting policy change to the "revaluation model option" contained in those standards and to continue with the "historical cost model" of those standards on the financial statements ending on December 31, 2023.</p> <p>At the later time, management will study the possibility of changing the accounting policy followed and use the revaluation model option contained in those standards, and assess the potential impact on the financial statements if such option is used.</p>	<p>The amendments to add the option to use the revaluation model shall apply to financial periods commencing on or after January 1, 2023, retroactively, 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 Standalone financial statement
as of 31 December 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> <p>- 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.</p> <p>- 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>	<p>The standard has no impact on the financial statements</p>	<p>These adjustments shall be applied for the annual periods commencing on or after January 1, 2023, retroactively, 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 Standalone financial statement
as of 31 December 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>The standard has no impact on the financial statements</p>	<p>The amendments to the addition of the option to use the fair value model shall apply to financial periods commencing on or after January 1, 2023, retroactively, 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 Standalone financial statement
as of 31 December 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:</p> <p>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>The standard has no impact on the financial statements</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>