

Ibn Sina Pharma Company
(S.A.E)
Periodic consolidated financial statements
For the three-month financial period ended , 31 March 2024
as well as the limited review report on it

Ibn Sina Pharma Company (S.A.E)
Periodic consolidated financial statements
for the financial period ended on, 31 March 2024

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Limited Review Report On Periodic Consolidated Financial Statements
TO THE BOARD OF DIRECTORS OF IBN SINA PHARMA COMPANY (S.A.E.)

Introduction

We have limited review the accompanying Periodic consolidated financial statements of **IBN SINA PHARMA COMPANY (S.A.E.)- (The company or Mother company) and its Subsidiaries (the Group) as on 31 March 2024** , as well as the periodic consolidated statements of profit or loss and comprehensive income for the three-month period ended 31 March 2024 as well as the periodic consolidated statements of change in equity and related cash flows for the three months then ended, and management is responsible for the preparation of these periodic consolidated financial statements and a fair and clear presentation there of in accordance with Egyptian Accounting Standard No. (30) "Periodic Consolidated Financial Statements", Our responsibility is to make a conclusion on the periodic consolidated financial statements according to our limited review of them.

Scop of limited review

We conducted our limited review in accordance with the Egyptian Standard for Limited Inspection Tasks No. (2410) "Limited review of the periodic consolidated financial statements of an entity performed by its auditor" and the limited review of the periodic consolidated financial statements includes making inquiries mainly from persons responsible for financial and accounting matters, applying analytical procedures, and other limited review procedures. A limited review is materially less in scope than an audit conducted in accordance with Egyptian Auditing Standards and therefore we cannot obtain assurance that we will become aware of all material matters that may be discovered in an audit, and therefore we do not express an audit opinion on these periodic consolidated financial statements

Cairo and Giza offices


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Conclusion:

Based on our limited review, it has nothing come to our attention that consolidated financial statements accompanying **Ibn Sina Pharma Company's "Egyptian Joint Stock Company"** financial position as of March 31, 2024, and its consolidated financial performance, cash flows, and changes in its equity as on 31 March 2024, do not fairly and clearly represent all significant aspects. This assessment is made in accordance with Egyptian accounting standards and in light of relevant Egyptian laws and regulations.

Cairo: 18 May 2024

Auditor
Eissa Refai
R. A. A. No. 1601



Financial Supervisory Authority Register No. (192)

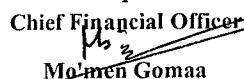
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
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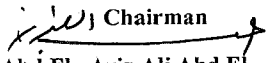
Periodic consolidated of Financial Position
On 31 March 2024

	<u>Note</u> <u>No.</u>	<u>31/3/2024</u> <u>EGP</u>	<u>31/12/2023</u> <u>EGP</u>
<u>Assets</u>			
<u>Non-Current Assets</u>			
Fixed assets (net)	(3)	1,038,396,640	1 061 746 170
Projects under construction	(4)	208,923,000	427 510 272
Intangible assets (net)	(5)	213,642,150	219 017 302
Right of use assets(net)	(17)	702,323,105	695 052 758
Investment in a sister company	(6)	16,019,981	15 918 463
Notes receivable – Long term	(8)	50,280,861	78,932,234
Deferred tax assets	(28)	122,656,528	114,398,274
Total Non-Current Assets		2,352,242,265	2 612 575 473
<u>Current Assets</u>			
Inventory	(7)	4,500,914,273	3 194 808 025
Accounts and notes receivable (net)	(8)	10,912,837,524	9 743 889 331
Suppliers in-advance		320,602,560	328 105 821
Debtors and other debit balances (net)	(9)	854,372,627	767 821 328
Due from related parties	(10-a)	10,540	10 540
Cash on hand and at banks	(11)	942,232,903	1 130 726 519
Assets held for sale	(12)	771,873,889	771,873,889
Total Current Assets		18,302,844,316	15 937 235 453
Total Assets		20,655,086,581	18,549,810,926
<u>Owner's Equity</u>			
Issued and paid- up capital	(13-a)	252,000,000	252,000,000
Share premium (Special reserve)	(13-b)	237,412,116	237,412,116
Legal reserve	(14-a)	126,000,000	126,000,000
Legal reserve subsidiaries companies	(14-a)	217,252	217,252
General reserve	(14-b)	3,079,334	3,079,334
Treasury stock reserve	(13-c)	(171,643,212)	(171,643,212)
Retained earnings	(15)	1,100,064,614	1,002,054,151
Total Owner's Equity of the Holding Company		1,547,130,104	1,449,119,641
Rights of non-controlling interests holders		234	158
Total Owner's Equity		1,547,130,338	1,449,119,799
<u>Liabilities</u>			
<u>Non-Current Liabilities</u>			
Loans – Long term	(16)	239,682,715	363,816,582
Lease liabilities – Long term	(17)	614,114,572	620,416,926
Notes payable-Long term	(19)	--	192,200,504
Total Non-Current Liabilities		853,797,287	1,176,434,012
<u>Current liabilities</u>			
Credit Facilities	(18)	3,608,954,753	3,165,450,940
Short term loans and current portion of long-term loans	(16)	478,671,196	475,877,345
Suppliers and notes payable (net)	(19)	13,712,463,984	11,858,321,994
Creditors and other credit balances	(20)	198,986,252	206,855,072
Account receivable in advance		11,638,205	13,048,790
Income taxes payable	(28)	106,984,686	79,906,663
Current portion of lease liabilities	(17)	129,602,934	117,939,365
Provision	(21)	6,856,946	6,856,946
Total Current Liabilities		18,254,158,956	15,924,257,115
Total Liabilities		19,107,956,243	17,100,691,127
Total Owner's Equity and Liabilities		20,655,086,581	18,549,810,926

- Limited Review Report Attached.

Chief Financial Officer

Mohamed Gomaa

Chief Executive Officer

Omar Abdul Gawad

Chairman

Abd El , Aziz Ali Abd El , Aziz

- Attached notes are from note (1) to (33) are an integral part of the consolidated financial statements.

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

Periodic Consolidated Statement of Profit or Loss
For the financial period ended 31 March 2024

	Note No.	<u>From 1/1/2024 to 31/3/2024</u> EGP	<u>From 1/1/2023 to 31/3/2023</u> EGP
Net Sales	(22)	10,574,227,734	6,843,373,142
<u>Deduct:</u>			
Cost of sales	(23)	(9,796,542,403)	(6,296,944,183)
Total Profit		<u>777,685,331</u>	<u>546,428,959</u>
<u>Deduct:</u>			
Other revenues		5,753,538	1,436,907
Sales and marketing expenses	(24)	(237,791,652)	(173,853,467)
Administrative and general expenses	(24)	(164,050,226)	(120,003,692)
Expected credit losses in the value of customer balances and receivables		(29,777,166)	(19,963,144)
		<u>351,819,825</u>	<u>234,045,563</u>
<u>Add/Deduct:</u>			
Financing income	(25)	47,951,449	14,432,568
Profit from foreign currency revaluation	(26)	47,693,714	35,168,554
Credit interest		37,359	--
Financing expenses	(27)	(330,048,093)	(197,556,024)
Net financing cost		<u>(234,365,571)</u>	<u>(147,954,902)</u>
<u>Deduct:</u>			
(Losses) from investment in a sister company		(308,650)	--
Other expenses		(182,407)	--
Net profit for the period before income taxes and non-controlling interests		<u>116,963,197</u>	<u>86,090,661</u>
<u>Deduct/add:</u>			
Current Income Taxes	(28)	(27,078,024)	(20,786,553)
Deferred income taxes	(28)	8,258,254	6,862,485
Net profit for the period		<u>98,143,427</u>	<u>72,166,593</u>
<u>They are distributed as follows:</u>			
Controlling Stake Holders		98,143,427	72,554,850
Rights of non-controlling interests holders		--	(388,257)
Net profit for the period		<u>98,143,427</u>	<u>72,166,593</u>
Net Profit per Share (EGP / Share)	(29)	<u>0,08</u>	<u>0,06</u>

- Limited Review Report Attached.

Chief Financial Officer

Mo'men Gomaa

Chief Executive Officer

Omar Abdul Gawad

Chairman

Abd El, Aziz Ali Abd El, Aziz

- Attached notes are from note (1) to (33) are an integral part of the consolidated financial statements.

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

Periodic Consolidated of Other comprehensive income
For the financial period ended 31 March 2024

	<u>From 1/1/2024</u> <u>to 31/3/2024</u> <u>EGP</u>	<u>From 1/1/2023</u> <u>to 31/3/2023</u> <u>EGP</u>
Net profit for the year	98,143,427	72,166,593
Add/Deduct:		
Other comprehensive income	--	--
Total Comprehensive Income	<u>98,143,427</u>	<u>72,166,593</u>
Distributed as follows:		
Controlling Stake Holders	98,143,427	72,554,850
Rights of non-controlling interests holders	--	(388,257)
Gross Comprehensive Income	<u>98,143,427</u>	<u>72,166,593</u>

- Limited Review Report Attached.

Chief Financial Officer


Mo'men Gomaa

Chief Executive Officer


Omar Abdul Gawad

Chairman of the Board of Directors


Abd El, Aziz Ali Abd El, Aziz

- Attached notes are from note (1) to (33) are an integral part of the consolidated financial statements.

Ibsinsa Pharma Company (Egyptian shareholding company)

Periodic Consolidated of change in equity

On 31 March 2024

	Issued & Paid- up Capital EGP	Share Premium (Special reserve)	Legal Reserve	Legal reserve subsidiaries companies	General Reserve	Treasury Stocks reserve	Treasury Stocks	Retained Earning	Total equity of the company	Rights of non-control- ing interests holders	Total equity of parent company
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance on January 1, 2023	279,041,877	277,500,000	77,093,363	-	3,079,334	(12,949,932)	(185,735,156)	821,457,439	1,259,486,925	389,733	1,259,876,659
Transferred to the legal reserve	-	(40,087,884)	48,906,637	-	-	-	-	(8,818,753)	-	-	-
Legal reserve subsidiaries companies	-	-	-	217,252	-	-	-	(217,252)	-	-	-
Dividend distributions	-	-	-	-	-	-	-	(23,598,057)	(23,598,057)	-	(23,598,057)
Adjusting on retained earning	-	-	-	-	-	-	-	(429,861)	(429,861)	(1,411)	(431,272)
Disposal of treasury stock	(27,041,877)	-	-	-	-	-	185,735,156	-	158,693,279	-	158,693,279
(losses) from disposal of treasury stock	-	-	-	-	-	(158,693,280)	-	-	(158,693,280)	-	(158,693,280)
Net profit for the period	-	-	-	-	-	-	-	213,660,634	213,660,634	(388,164)	213,272,470
Balance at 31 december 2023	252,000,000	237,412,116	126,000,000	217,252	3,079,334	(171,643,212)	-	1,002,054,151	1,449,119,641	158	1,449,119,799
Adjusting on retained earning	-	-	-	-	-	-	-	(132,964)	(132,964)	76	(132,988)
Net profit for the period	-	-	-	-	-	-	-	98,143,427	98,143,427	-	98,143,427
Balance at 31 March 2024	252,000,000	237,412,116	126,000,000	217,252	3,079,334	(171,643,212)	-	1,100,064,614	1,547,130,106	234	1,547,130,338

- Limited Review Report Attached.

Chief Financial Officer

Mo'amen Gomaa

Chief Executive Officer

Omar Abdel Gawad

Chairman

Abd El Aziz Ali Abd El , Aziz

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Ibn Sina Pharma Company (S.A.E)

Periodic Consolidated of Cash flow

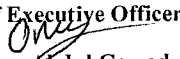
For the financial period ended 31 March 2024

	<u>Note No.</u>	<u>31/3/2024 EGP</u>	<u>31/3/2023 EGP</u>
<u>Cash flows from operating activities</u>			
Net profit for the year before tax and Rights of non-controlling interests holders		116,963,197	86,090,661
<u>Adjustments to reconcile net profit to cash flows from operating activities</u>			
Fixed assets depreciation	(3)	33,756,647	28,201,619
amortization of Intangible assets	(5)	5,797,438	1,462,569
Amortization of Right of use assets	(17)	20,756,439	16,742,755
Expected credit losses in the value of customer balances and receivables		29,777,166	19,963,144
(Losses) from investment in a sister company		308,650	--
Gain from sale of fixed assets		(207,600)	(51,323)
Gain from Sale of assets held for sale		--	(322,473)
Financing Expenses		330,048,093	197,556,024
Net operating profit before changes in working capital		537,200,030	349,642,976
Change in inventory		(1,306,106,248)	(1,117,200,558)
Change in accounts and notes receivable		(1,170,073,986)	(1,172,060,489)
Change in suppliers' advance payments		7,503,261	(74,192,694)
Change in debtors and other debit balance		(86,551,299)	(72,523,551)
Change in suppliers and notes receivable		1,927,651,981	1,674,343,739
Change in customer advanced payment		(1,410,585)	5,990,470
Change in due related parties		--	(3,161,377)
Change in creditors and other credit balances		8,553,006	49,222,470
Cash flow from operating activities		(83,233,840)	(359,939,077)
Payment from financing interest		(312,459,288)	(181,830,242)
Provision use		--	(318,769)
Net cash flow (used in) from operating activities		(395,693,128)	(542,088,088)
<u>Cash flows from investment activities</u>			
(Payments) to acquire fixed assets and projects under construction		(58,720,985)	(74,271,219)
(Payments) to acquire intangible assets		(422,287)	(1,075,733)
(Payments) in assets held for sales		(543,058)	--
Proceeds from selling fixed assets		1,398,245	495,999
Proceeds from selling assets held for sale		--	22,324,922
Net cash flows (used in) investment activities		(58,288,085)	(52,526,031)
<u>Cash flows from financing activities</u>			
Proceeds from short and long-term loans		(121,340,016)	(130,195,281)
Proceeds from credit facilities		443,503,813	768,395,999
lease liabilities (paid)		(56,676,201)	(17,174,032)
Net cash flow from financing activities		265,487,596	621,026,686
Net change in cash and cash equivalents during the year		(188,493,616)	26,412,567
Cash and cash equivalents at the beginning of the year	(11)	1,130,726,519	541,210,495
Cash and cash equivalents at the end of the year	(11)	942,232,903	567,623,062

- limited adult Report Attached.

Chief Financial Officer

Mo'men Gomaa

Chief Executive Officer

Omar Abdul Gawad

Chairman

Abd El, Aziz Ali Abd El, Aziz

- Attached notes are from note (1) to (33) are an integral part of the consolidated financial statements.

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Periodic Consolidated financial statements

On 31 March 2024

1 – company's background

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

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

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

with the company's pledge extracted all permits due in this regard and the private practice of each activity and the observance of all laws and regulations in direct to th ese activities, The entry was made in the commercial registry on September 12, 2017

On 5 March 2019 the Extraordinary General Assembly decided to amend the purpose of the Company to become as follows:

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

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Periodic Consolidated financial statements

On 31 March 2024

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

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

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

<u>Company Name</u>	<u>% of ownership</u>
1- AIM Healthcare Investments and Consultancy (S.A.E)	99.99 %
2- Ramp company for logistic services (S.A.E)	99.99%
3- Digi 360 Software Company (S.A.E)	78.99%

Approval of the consolidated financial statements

The Company's consolidated financial statements for the financial period ended on 31 March 2024 were approved on 18 May 2024 in accordance with the resolution of the Board of Directors held on that date.

2.1 Principles for the preparation of consolidated financial statements:

The consolidated financial statements have been prepared in accordance with Egyptian Accounting Standard No. (30), the financial statements do not include all the financial statements and disclosures required in the annual financial statements, and must be read in conjunction with the financial statements for the year ended 31 December 2023, in addition, the results for the financial period ended 31 March 2024 may not be considered an accurate indicator of the expected results for the financial period ended 31 March 2024.

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Periodic Consolidated financial statements

On 31 March 2024

2.1 Principles for the preparation of consolidated financial statements - continued

Basis of combination

a) Subsidiaries

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

b) Transactions with non-controlling stake holders

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

Follow these steps when preparing consolidated financial statements:

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

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

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

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

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Periodic Consolidated financial statements

On 31 March 2024

2.2 Summary of applicable accounting policies

Revenue recognition

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

- Sale of goods

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

- Logistics

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

- Financing income

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

Lease Contracts

Company as a tenant:

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

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

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

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

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Periodic Consolidated financial statements

On 31 March 2024

2.2 Summary of applicable accounting policies - continued

Financial Instruments

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

a) Financial assets

Recognition and initial measurement

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

Subsequent measurement

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

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

Financial assets at depreciated cost (debt instruments)

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

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

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

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

Derecognition of financial assets

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

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

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Periodic Consolidated financial statements

On 31 March 2024

2.2 Summary of applicable accounting policies - continued

Financial Instruments - Continued

a) Financial Assets - Continued

Impairment of financial assets

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

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

b) Financial Obligations

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit and loss

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

Financial obligations at amortized cost (loans and borrowings)

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

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

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Periodic Consolidated financial statements

On 31 March 2024

2.2 Summary of applicable accounting policies - continued

Financial Instruments - Continued

b) Financial obligations - Continued

De-recognition of financial obligations

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

Fixed assets

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

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

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

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

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

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

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

Projects under constructions

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

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Periodic Consolidated financial statements

On 31 March 2024

2.2 Summary of applicable accounting policies - continued

Intangible assets

Intangible assets acquired individually are initially recognized at cost.

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

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

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

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

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

Non-current assets held for sale

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

Inventory

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

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

Investments in sister companies

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

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

Related Party Transactions

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

2.2 Summary of applicable accounting policies - continued

Borrowing

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

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

Borrowing cost

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

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Periodic Consolidated financial statements

On 31 March 2024

2.2 Summary of applicable accounting policies - continued

Income taxes

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

Current Income Taxes

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

Deferred income taxes

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

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

Cash and cash equivalents

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

Account and notes receivables and other debit balances

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

Suppliers, accrued expenses and other credit balances

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

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

Dividends

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

Employees' share of profits

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

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Periodic Consolidated financial statements

On 31 March 2024

2.2 Summary of applicable accounting policies - continued

Provisions

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

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

Social insurance and end-of-service benefits

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

Foreign Currency Translation

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

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

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

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

Potential liabilities and potential assets

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

Expense

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

Cash flow statement

The cash flow statement is prepared following the indirect method.

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Periodic Consolidated financial statements

On 31 March 2024

4-2 Significant accounting judgments and estimates

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

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

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

Judgments

Revenue recognition

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

Estimates

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

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

Estimation of the net selling value of inventory

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

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

Useful life of fixed assets and right of use assets

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

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

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Periodic Consolidated financial statements

On 31 March 2024

4-2 Significant accounting provisions and estimates – continued

taxes

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

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

Impairment of non-financial assets

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

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the consolidated financial statements as of, 31 March 2024

3- Fixed assets (net)

The balance of fixed assets (net) is represented in 31 March 2024 amounting to EGP 1,038,396,640 (EGP) is as follows:

Statement	Cost	Disposal	Additions	Converted from	Cost	Accumulated	Accumulated	Accumulated	Net book value
	as of 1/1/2024	During the period	During the period	Projects under constructions	as of 31/3/2024	as of 1/1/2024	depreciations of disposals	depreciations of period	as of 31/3/2024
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Lands	93,753,808	--	--	--	93,753,808	--	--	--	93,753,808
Buildings	807,745,555	25,314	713,851	1,753,724	810,187,816	321,283,011	25,314	12,798,546	476,131,573
equipment	584,802,305	259,835	4,503,680	488,276	589,534,426	203,125,261	255,252	11,613,440	375,050,977
Vehicles	89,698,247	2,500,000	1,613,433	--	88,811,680	41,404,337	1,349,359	4,921,228	43,835,474
Computerhardware and software	124,890,794	352,616	2,502,977	--	127,041,155	81,749,583	317,195	3,782,868	41,825,899
Furniture and fixtures	29,076,305	10,089	21,821	--	29,088,037	20,658,652	10,089	640,565	7,798,909
	<u>1,729,967,014</u>	<u>3,147,854</u>	<u>9,355,762</u>	<u>2,242,000</u>	<u>1,738,416,922</u>	<u>668,220,844</u>	<u>1,957,209</u>	<u>33,756,647</u>	<u>1,038,396,640</u>

* The balance of fixed assets (net) as at 31 December 2023 (comparative year) amounting to EGP 1,061,746,170 (EGP) is as follows:

Statement	Cost	Disposal	Additions	Converted from	Cost	Accumulated	Accumulated	Accumulated	Net book value
	as of 1/1/2023	During the year	During the year	Projects under constructions	as of 31/12/2023	as of 1/1/2023	depreciations of disposals	depreciation of year	as of 31/12/2023
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Lands	93,753,808	--	--	--	93,753,808	--	--	--	93,753,808
Buildings	724,302,091	315,498	3,104,243	80,654,719	807,745,555	279,088,325	292,390	42,487,076	486,462,544
Equipment	450,919,902	2,670,199	22,142,541	114,410,060	584,802,305	165,114,689	789,247	38,799,819	381,677,044
Vehicles	64,235,590	1,412,510	3,770,407	23,104,760	89,698,247	27,835,756	860,317	14,428,898	48,293,910
Computerhardware and software	105,667,800	1,166,212	18,659,401	1,729,805	124,890,794	66,739,183	859,238	15,869,638	43,141,211
Furniture and fixtures	27,786,797	258,202	573,013	974,698	29,076,305	18,108,662	46,222	2,596,212	8,417,653
	<u>1,466,665,988</u>	<u>5,822,621</u>	<u>48,249,605</u>	<u>220,874,042</u>	<u>1,729,967,014</u>	<u>556,886,615</u>	<u>2,847,414</u>	<u>114,181,643</u>	<u>1,061,746,170</u>

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Periodic Consolidated financial statements

On 31 March 2024

4- Projects under constructions

The additions of projects under constructions during the period ending on 31 March 2024 amounted to 49,365,223 EGP, which included the value of buildings and lands in the amount of 11,618,435 EGP, and included payments under the computer hardware and software account in the amount of 2,935,180 EGP and the completion of the necessary equipment and improvements for the company's branches in the amount of 34,811,608 EGP, including capitalized interests.

The balance of projects under constructions is as follows:

	<u>1 Jan 2024</u>	<u>Additions During the period</u>	<u>Converted To fixed assets</u>	<u>Disposal During the year</u>	<u>1 Mar 2024</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Computer and software	31,332,043	2,935,180	--	--	34,267,223
Buildings, stores *	343,174,373	11,332,460	(1,753,724)	(265,710,495)	87,042,614
Machines and equipment	34,272,090	34,588,631	(488,276)	--	68,372,445
Land	18,486,760	285,975	--	--	18,772,735
Furniture	245,006	222,977	--	--	467,983
	<u>427,510,272</u>	<u>49,365,223</u>	<u>(2,242,000)</u>	<u>(265,710,495)</u>	<u>208,923,000</u>

* During the period, **Ramp Logistics Services Company "S.A.E"** terminated the contract concluded under a contract dated October 2021, and then the company recovered the payment papers from the contractor and closed the **balance of the project "Orchid Stores"**, which is the value of the payments made to the contractor under long-term payment papers, and the company is currently agreeing on new contracts to complete the "Orchid Stores" project.

5- Intangible assets (net)

	<u>31 Mar 2024</u>	<u>31 Dec 2023</u>
	<u>EGP</u>	<u>EGP</u>
Cost		
Balance on January 1, 2024	238,809,064	43,408,640
Disposals during period / year	--	(26,077)
Trasfered from projects under constructions	--	190,997,450
Additions during the period / year	422,287	4,429,051
Balance as of 31 March 2024	<u>239,231,351</u>	<u>238,809,064</u>
Accumulated amortization		
Balance on January 1, 2024	19,791,763	13,224,654
Amortization of the period / year	5,797,438	6,567,108
Balance on 31 March 2024	<u>25,589,201</u>	<u>19,791,762</u>
Net Book Value as of 31 March 2024	<u>213,642,150</u>	<u>219,017,302</u>

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Periodic Consolidated financial statements

On 31 March 2024

6- Investment in a sister company

The balance of investments in sister companies as at 31 December 2023 amounting to 16,019,981 EGP is represented in the net value of the investment value in Rabbit Express Transport Company LLC, which is as follows:

<u>Investor Name</u>	<u>Investment Percentage</u>	<u>Number of shares in-vested in it</u>	<u>Investment</u>	<u>Purchase cost</u>	<u>Purchase cost</u>
			<u>Cost</u>	<u>EGP</u>	<u>EGP</u>
AIM Investment & Health Consulting (AIM)	% 3	4,519	451,900	--	451,900
Ramp Logistics	% 37	5,272	5,272,000	11,756,560	17,028,560
			<u>5,723,900</u>	<u>11,756,560</u>	<u>17,480,460</u>

* The equity method was applied in measuring the value of investment in sister companies in accordance with the requirements of the Egyptian accounting standards and adjusting the value of the investment according to the following:

Total cost of investment	17 480,460
Deduct:	
The company's share of the carry-over	(1,151,829)
Company's share of net (loss) for the year	(308,650)
Net investment value at 31 December	<u>16,019,981</u>

7- Inventory

	<u>31 Mar 2024</u>	<u>31 Dec 2023</u>
	<u>EGP</u>	<u>EGP</u>
Goods for sale	3,797,009,666	2,517,139,461
Goods in transit	302,001,502	369,269,591
Returns	349,728,525	272,395,454
Spare parts	52,174,580	36,003,519
	<u>4,500,914,273</u>	<u>3,194,808,025</u>

-The increase in inventory is due to the increase in the volume of purchases, the increase in purchase prices and the growth of the market during the period, and there is no fundamental change in the average inventory retention period, and there is no impairment in the value of inventory for the period ending on March 31, 2024 and the year ending on December 31, 2023

8- Receivables and notes receivables (net)

	<u>31 Mar 2024</u>	<u>31 Dec 2023</u>
	<u>EGP</u>	<u>EGP</u>
Accounts receivable	8,682,974,528	7,695,065,530
Notes receivable	2,720,868,925	2,538,703,937
	<u>11,403,843,453</u>	<u>10,233,769,467</u>
Deduct:		
*Expected credit losses in the value of customer balances and receivables	(440,725,068)	(410,947,902)
	<u>10,963,118,385</u>	<u>9,822,821,565</u>

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

- The company supported the expected credit losses in the value of customer balances and receivables by EGP 29,777,166 during the period ending March 31, 2024.

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Periodic Consolidated financial statements

On 31 March 2024

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

	<u>31 Mar 2024</u>	<u>31 Dec 2023</u>
	<u>EGP</u>	<u>EGP</u>
Accounts and notes receivable less than 12 months	11,353,562,592	10,154,837,233
Notes receivable more than 12 months	50,280,861	78,932,234
	<u>11,403,843,453</u>	<u>10,233,769,467</u>

9- Debtors and other debit balances (net)

	<u>31 Mar 2024</u>	<u>31 Dec 2023</u>
	<u>EGP</u>	<u>EGP</u>
Suppliers under Adjustment*	449,015,004	411,756,148
Prepaid expenses	49,413,702	28,394,283
Advance payments to Tax Authority	60,569,487	60,569,487
Insurance for third parties	25,342,159	24,255,156
Tax Authority Withholding tax	110,522,460	101,044,916
Imprest of employees	16,671,895	11,188,774
Contract Assets – Expected Sales Returns	16,513,690	16,680,951
Outstanding balances with employees	102,416	133,917
Other debit balances**	134,152,477	121,728,359
	<u>862,303,290</u>	<u>775,751,991</u>
Deduct:		
Expected credit losses on the value of debtors and other debit balances	(7,930,663)	(7,930,663)
	<u>854,372,627</u>	<u>767,821,328</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-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 re-lated parties are represented in the following balances:

A)Related party balances (Net)

	<u>31 Mar 2024</u>	<u>31 Dec 2023</u>
	<u>Due from</u>	<u>Due from</u>
	<u>related parties</u>	<u>related parties</u>
	<u>EGP</u>	<u>EGP</u>
Ibn Sina Company for Import & export	371,635	371,635
Rabbit Express Company	10,540	10,540
	<u>382,175</u>	<u>382,175</u>
Deduct:		
Expected credit losses in the value of related parties	(371,635)	(371,635)
	<u>10,540</u>	<u>10,540</u>

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Periodic Consolidated financial statements

On 31 March 2024

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

	<u>From 1 Jan 2024</u> <u>To 31 Mar 2024</u>	<u>From 1 Jan 2023</u> <u>To 31 Mar 2023</u>
	<u>EGP</u>	<u>EGP</u>
Salaries and benefits of directors	18,709,947	14,430,792
Board of directors' bonus	5,825,272	2,346,272
	<u>24,535,219</u>	<u>16,777,064</u>

11- Cash on hand and at banks

	<u>31 Mar 2024</u> <u>EGP</u>	<u>31 Dec 2023</u> <u>EGP</u>
Letters of guarantee cover	57,853,688	11,112,364
Bank current accounts - EGP	723,314,205	906,115,146
Bank current accounts - foreign currency	160,898,980	212,900,256
Cash on hand	166,030	598,753
	<u>942,232,903</u>	<u>1,130,726,519</u>

12- Assets held for sale

	<u>31 Mar 2024</u> <u>EGP</u>	<u>31 Dec 2023</u> <u>EGP</u>
Assets held for sale less than 12 months	435,181,921	435,181,921
Assets held for sale more than 12 months	336,691,968	336,691,968
	<u>771,873,889</u>	<u>771,873,889</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.

13- 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.

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Periodic Consolidated financial statements

On 31 March 2024

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

A. Capital - Continued

- On 17 September, 2008, the Extraordinary General Assembly was held, according to which it was agreed to amend Article (6) of the Company's Articles of Association by reducing the carry-over losses by 30 million Egyptian pounds (thirty million Egyptian pounds only) of the company's issued and paid up capital of 50 million Egyptian pounds (fifty million Egyptian pounds only) before the amendment, thus bringing the company's authorized capital to 50 million Egyptian pounds (fifty million Egyptian pounds only). The company's issued capital after the amendment becomes the amount of 20 million Egyptian pounds (twenty million Egyptian pounds only) distributed over 200,000 shares (two hundred thousand shares) the value of each share is 100 Egyptian pounds (one hundred Egyptian pounds only) all cash shares.
- On 27 May 2015, the Extraordinary General Assembly of the Company was held, according to which it was agreed to amend Article (6) of the Company's Bylaws by reducing the Company's authorized capital to 24 million Egyptian pounds (twenty-four Egyptian pounds only) instead of 50 million Egyptian pounds (fifty million Egyptian pounds only) and to become the company's issued and fully paid up capital after the amendment 24 million Egyptian pounds (twenty-four Egyptian pounds only) instead of The amount of 20 million Egyptian pounds (twenty million Egyptian pounds only) distributed over 240.000 shares (two hundred and forty thousand shares) the value of each share is 100 Egyptian pounds (one hundred Egyptian pounds only) all cash shares and was marked in the commercial register on 29 June 2015.
- On 5 March 2017, the Extraordinary General Assembly decided to increase the company's authorized capital by 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. The assembly and split the nominal value of the share from 100 Egyptian pounds to 1 Egyptian pounds, bringing the total number of shares of the company after the increase and split of the nominal value of the share to 168 million shares paid in full Registered in the Commercial Register on September 12, 2017.
- On 7 September 2017, the Extraordinary General Assembly decided to approve the split of the company's capital shares by amending the nominal value of the share from (1) Egyptian pounds to (0.25) Egyptian pounds, so that the company's issued capital of 168 million Egyptian pounds distributed over 672 million shares with a nominal value of (0.25) Egyptian pounds per share, was marked in the commercial register on 28 September 2017.
- On 17 January 2018, the Board of Directors of Ibsina Pharma approved the increase of the issued capital from EGP 168 million to EGP 180.50 million, by subscribing to the old shareholders selling their shares in the public or private offering, where the capital was increased by issuing 50 million shares to be subscribed to at the final price of the offering of EGP 5.80, and accordingly, the issued and paid up capital of the company was increased by EGP 12.50 million to become the issued capital. The amount of EGP 180.50 million was paid, according to a bank deposit certificate for the capital increase from Arab African International Bank on 13 February 2018, and the value of the issuance premium for the increase shares amounted to EGP 277.50 million, which was noted in the company's commercial register on 22 March 2018.

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Periodic Consolidated financial statements
On 31 March 2024

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

A- Capital - Continued

- On May 19, 2022, the company's board of directors decided that the company will execute 3,823,492 treasury shares, bringing the number of shares issued on June 30, 2022 to 1,116,167,508 shares, in accordance with the provisions of Law 159 of 1981, where the company kept those shares for a year, which resulted in the execution process reducing the capital at the nominal value of those shares with a total amount of 958,123 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.

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.

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Periodic Consolidated financial statements

On 31 March 2024

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

C- Share premium (Specail reserve) - Continued

- 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.
- 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.

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Periodic Consolidated financial statements

On 31 March 2024

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

C- Treasury stocks and Treasury stocks reserve - Continued

- 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 28,000,000 EGP 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 252,000,000 EGP 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 March 2024 will be 171,643,212 EGP.

14-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.

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Complementary notes to the Periodic Consolidated financial statements

On 31 March 2024

15- Retained earnings

	<u>31 Mar 2024</u> <u>EGP</u>	<u>31 Dec 2023</u> <u>EGP</u>
Retained before adjustment	1,002,054,151	788,823,378
<u>Deduct:</u>		
Adjustments on retained earnings	(132,964)	(429,861)
Profit for the period	<u>98,143,427</u>	<u>213,660,634</u>
	<u>1,100,064,614</u>	<u>1,002,054,151</u>

16-- Long term and short-term loans

- On December 2018, the company obtained a new medium-term loan with an authorized value of 420 million EGP from CIB and another with an authorized value of 143 million EGP from Attijariwafa Bank.
- In 2022, the company also obtained a new loan from CIB with an authorized value of EGP 730 million, another loan from Crédit Agricole with an authorized value of EGP 50 million, and another with an authorized value of 250 million EGP from the National Bank of Kuwait
- In 2023, the company also obtained a new loan from the National Bank of Egypt with an authorized value of 200 million EGP.
- In 2023, **Ramp Logistics Services Company "S.A.E"** A subsidiary also obtained a loan from Faisal Islamic Bank with an authorized value of 42,3 million EGP.
- The company also paid installments of outstanding loans to CIB amounting to 79.71 million EGP, Credit Agricole Bank 4.17 million EGP, National Bank of Kuwait 20.82 million EGP and National Bank of Egypt 16.65 million EGP.

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Periodic Consolidated financial statements
On 31 March 2024

17- Leases

The total value of lease obligations as on 31 March 2024 amounted to 743,717,506 EGP (vs. 31 December 2023 of 738,356,291 EGP) represented by short-term lease obligations as at 31 March 2024 of 129,602,934 EGP (vs. 31 December 2023 of 117,939,365 EGP) and long lease obligations as at 31 March 2024 of 614,114,572 (vs. 31 December 2023 of 620,416,926 EGP), and the balances of usufruct assets and lease obligations as at 31 March 2024 and 31 December 2023 is as follows:

	Right of use (net)				Lease liabilities	
	<u>Buildings</u> EGP	<u>Vehicles</u> EGP	<u>Machinery & Equipment</u> EGP	<u>Total</u> EGP	<u>EGP</u>	<u>EGP</u>
Balance 1 January 2024	677,485,303	14,604,745	2,962,710	695,052,758	738,356,291	
Additions during the period	28,026,786	--	--	28,026,786	28,026,786	
Depreciation during the period	(19,070,918)	(1,527,255)	(158,266)	(20,756,439)	--	
Financing expenses	--	--	--	--	34,010,630	
Payments during the period	--	--	--	--	(56,676,201)	
Balance as of 31 March 2024	686,441,171	13,077,490	2,804,443	702,323,105	743,717,506	

* The additions during the period amounting to 28,026,786 EGP are represented in new lease contract.

	Right of use (net)				Lease liabilities	
	<u>Buildings</u> EGP	<u>Vehicles</u> EGP	<u>Machinery & Equipment</u> EGP	<u>Total</u> EGP	<u>EGP</u>	<u>EGP</u>
Balance 1 January 2023	274,459,958	22,492,651	4,150,239	301,102,848	372,081,585	
Additions during the year	463,989,677	--	--	463,989,677	440,077,342	
Depreciation during the year	(60,964,332)	(7,887,906)	(1,187,529)	(70,039,767)	--	
Financing expenses	--	--	--	--	60,438,525	
Payments during the year	--	--	--	--	(134,241,161)	
Balance as of 31 December 2023	677,485,303	14,604,745	2,962,710	695,052,758	738,356,291	

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Periodic Consolidated financial statements

On 31 March 2024

18- Credit Facilities

	<u>31 Mar 2024</u> <u>EGP</u>	<u>31 Dec 2023</u> <u>EGP</u>
Ahli United Bank	1,176,764,515	885,978,895
Commercial International Bank	994,083,596	813,976,919
Arab African Bank	253,982,563	262,225,037
Emirates Bank Dubai	173,629,333	161,540,859
Cairo Bank	192,142,048	145,514,904
HSBC Bank	246,701,376	209,311,146
Abu Dhabi Islamic Bank	15,429,053	21,604,217
Housing and Development Bank	127,557,029	19,907,840
Attijariwafa Bank	120,535,261	133,085,931
Crédit Agricole Bank	84,561,816	199,702,208
National Bank of Egypt	21,466,926	62,392,358
Suez Canal Bank	93,731,230	97,546,457
National Bank of Kuwait (NBK)	40,021,054	39,483,500
EG Bank	205,054	39,486,117
The United Bank	67,695,620	16,388,219
Bank of Alexandria	--	57,294,172
Mashreq bank	--	12,161
Banque masr	448,279	--
	<u>3,608,954,753</u>	<u>3,165,450,940</u>

The increase in the use of credit facilities granted to the company is due to the increase in purchases compared to the comparative period, in addition to the payment of operating expenses and financing of projects under implementation, some of which are without guarantee and others are guaranteed by receivables or an insurance policy with part of the inventory in favor of banks.

19- Suppliers and notes payable (net)

	<u>31 Mar 2024</u> <u>EGP</u>	<u>31 Dec 2023</u> <u>EGP</u>
Suppliers	5,024,310,325	3,661,025,139
Notes payables	8,688,153,659	8,391,182,704
	<u>13,712,463,984</u>	<u>12,052,207,843</u>
Deduct:		
Deferred interest	--	(1,685,345)
	<u>13,712,463,984</u>	<u>12,050,522,498</u>

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

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Periodic Consolidated financial statements

On 31 March 2024

20- Creditors and other credit balances

	<u>31 Mar 2024</u> <u>EGP</u>	<u>31 Dec 2023</u> <u>EGP</u>
Tax authority- withholding tax	42,245,883	44,706,920
Tax authority-value added tax	157,950	24,695,037
Tax authority- Salary tax	5,565,770	5,824,512
National Organization for Social Insurance	9,302,500	6,802,449
Accrued expenses*	107,257,772	85,575,410
Contract Obligations – Expected Sales Returns	17,057,867	17,964,633
Dividend payable	659,648	659,648
Employee entitlements	161,482	120,345
Fellowship Fund	37,532	37,013
Other credit balances	16,539,848	20,469,105
	<u>198,986,252</u>	<u>206,855,072</u>

* The increase in accrued expenses is due to the increase in the maturity of financing interest during the period as a result of the increase in credit facilities in addition to the increase in the interest rate by 8%.

21- Provisions

	<u>January 1, 2024</u> <u>EGP</u>	<u>component</u> <u>During</u> <u>the period</u> <u>EGP</u>	<u>(Used)</u> <u>During</u> <u>the period</u> <u>EGP</u>	<u>March 31, 2024</u> <u>EGP</u>
Provision for other claims	6,856,946	--	--	6,856,946
	<u>6,856,946</u>	<u>--</u>	<u>--</u>	<u>6,856,946</u>
	<u>January 1, 2023</u> <u>EGP</u>	<u>(Used)</u> <u>During the</u> <u>year</u> <u>EGP</u>	<u>Formed</u> <u>During the year</u> <u>EGP</u>	<u>December 31,</u> <u>2023</u> <u>EGP</u>
Provision for other claims	2,175,715	(318,769)	5,000,000	6,856,946
	<u>2,175,715</u>	<u>(318,769)</u>	<u>5,000,000</u>	<u>6,856,946</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.

-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.

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Periodic Consolidated financial statements

On 31 March 2024

22- Net of sales(net)

	<u>From 1 JAN 2024</u> <u>To 31 Mar 2024</u> <u>EGP</u>	<u>From 1 JAN 2023</u> <u>To 31 Mar 2023</u> <u>EGP</u>
Net sales of medicines, cosmetics and marketing services	10,522,792,442	6,805,448,249
storage, transportation and printing	43,579,792	32,177,642
Revenue sales reports and other	6,939,325	5,052,363
Database programming and development	916,175	694,888
	<u>10,574,227,734</u>	<u>6,843,373,142</u>

The increase in sales is due to the growth in the drug market during the period ending on 31 March , 2024, in addition to the increase in selling prices, the increase in the number of units sold and the increase in the number of customers with the company.

23- Cost of sales

The increase in the cost of sales is generally due to the increase in the volume of sales and then the increase in the volume of purchases and the cost to meet the sales, and the cost of sales amounted to 9,796,542,403 EGP during the period ending on 31 March 2024 (compared to the period ending on 31 March 2023 the amount of 6,296,944,183 EGP).

24- Administrative, general, sales and marketing expenses

The increase in administrative, general, sales and marketing expenses is generally due to the increase in wages and salaries as a result of the increase in the number of employees, the annual increase and the expenses of public utilities for branches during the period ending on 31 March , 2024 compared to the period ending on 31 March, 2023.

25- Financing income

Other income includes interest income on bounced cheques collected from customers amounting to 47,951,449 EGP during the period ending on 31 March , 2024 (compared to the period ending on 31 March , 2023 of 14,432,568 EGP).

26- Foreign currency revaluation spreads

- The increase in foreign currency revaluation differences is due to the movement of the exchange rate of the Egyptian pound during March 2024 against foreign currencies by more than 54%, and the foreign currency revaluation differences amounted 47,693,714 Egyptian pounds (compared to the period ending on March 31, 2023, the amount of 35,168,554 Egyptian pounds).
- In addition to the existence of agreements with external suppliers to compensate the company for any changes in the exchange rate.

27- Financing expenses

The increase in interest and financing expenses is due to the increase in the interest rate during the period ending on 31 March , 2024 by 11% compared to the corresponding period, in addition to the increase in the use of credit facilities as a result of the increase in purchases during the period, as the financing expenses amounted to 330,048,093 EGP during the period ending on 31 March 2024 (compared to the period ended 31 March 2023 of 197,556,024 EGP).

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Complementary notes to the Periodic Consolidated financial statements

On 31 March 2024

28- Income taxes

			<u>31 Mar 2024</u>		<u>31 Mar 2023</u>	
			<u>EGP</u>		<u>EGP</u>	
Current taxes			(27,078,024)		(20 786 553)	
Deferred taxes			8,258,254		6,862,485	
			<u>(18,819,770)</u>		<u>(13,924,068)</u>	

	<u>Tax Basis</u>	<u>Accounting Basis</u>	<u>temporary difference</u>	<u>Tax rate</u>	<u>Deferred tax Assat/(Liability) 31 Mar 2024</u>	<u>Deferred tax Assat/(Liability) 31 Mar 2023</u>
					<u>EGP</u>	<u>EGP</u>
Fixed and intangible assets (net)	1,157,994,461	1,159,822,895	(1,828,435)	22.50%	(411,398)	(3,938,944)
ROUA and lease obligations "Operational"	490,221,959	393,860,808	96,361,151	22.50%	21,681,259	13,563,488
Expected credit losses, incursions and provisions	--	(445,956,375)	445,956,375	22.50%	100,340,184	78,150,150
Tax losses of subsidiaries	4,651,030	--	4,651,030	22.50%	1,046,482	1,088,066
Deferred tax at the end of the period					122,656,527	88,862,760
Deferred tax at the beginning of the period					(114,398,274)	82,000,275
Deferred Tax Income Statement - Revenue					<u>8,258,253</u>	<u>6,862,485</u>

29- Earning per share

The earning per share in the net profit is calculated by dividing the net profit for the period that is 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.

	<u>31 Mar 2024</u>		<u>31 Mar 2023</u>	
	<u>EGP</u>		<u>EGP</u>	
Net profit of year	98,143,427		72,166,593	
Employees' and board of directors' share (estimated)	(18,647,251)		(14,855,709)	
Net profit applicable to attribute	79,496,176		57,310,882	
Weighted average number of ordinary shares for basic earnings*	1,008,000,000		1,008,000,000	
Earnings per share – (EGP / Share)	0,08		0,06	

- 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 by the company's distributable net profits for the fiscal year ended 31 December 2019 by 0,170731707 bonus shares each. An original share of the issued company's 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 with a share value of 25 piasters. It was registered in the Commercial Register on August 30, 2020.
- On 21 March 2021, the Company's Board of Directors decided that the Company will purchase treasury shares up to a maximum of 9,600,000 shares at a rate of 1% of the Company's capital, and the Company purchased 4,000,000 shares until the end of the period specified for the purchase of shares on June 21, 2021. (Note 13-c)

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Periodic Consolidated financial statements

On 31 March 2024

29- Earning per share - Continued

- On 11 April 2022, the Extraordinary General Assembly decided to increase the company's issued capital to EGP 280 million, an increase of EGP 40 million, by issuing 160 million bonus shares financed from the company's distributable net profits for the fiscal year ending on December 31, 2020, distributed over 1.120 million cash shares and the nominal value of the share is 25 piasters, and it was noted in the commercial register on April 21, 2022, It was also decided to distribute the bonus shares as of May 1, 2022, after the issuance of the Listing Committee's decision to approve the increase.
- On May 19, 2022, the company's board of directors decided that the company will execute 3,832,492 treasury shares, bringing the number of issued shares 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 issued shares 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 issued shares 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 enter in the register.
- 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.

30- Tax Position

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

First: Taxes on the profits of capital companies

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

Second: payroll tax

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

Third: Stamp Taxes

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

Fourth: Value Added Taxes

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

Fifth: Deduction taxes at source

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

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Periodic Consolidated financial statements

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30- Tax Position- Continued

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

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

31- Financial Instruments

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

- Credit risk
- Liquidity risk
- Market risk

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

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

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

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

The company's board of directors 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.

32- Important event

- Some fundamental global events 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.

Ibn Sina Pharma Company (S.A.E)

Complementary notes to the Periodic Consolidated financial statements

On 31 March 2024

32- Important event- Continued

- 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 75.21%, 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. To the continuation of inflationary pressures and their rise from their usual pattern, which is reflected in the inflation of both food and non-food commodities.
- On 6 March 2024, the Monetary Policy Committee decided in its extraordinary meeting to raise the deposit and loan rates and the rate of the main operation of the Central Bank by 600 basis points to reach 27.25%, 28.25%, and 27.75%, respectively, and the credit and discount rate was raised by 600 basis points to reach 27.75%, with the aim of reducing the expected deviation of inflation from its target rate, as well as the deviation of economic activity from its maximum production capacity.
- This is in addition to expectations that these pressures will continue 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.

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Complementary notes to the Periodic Consolidated financial statements
On 31 March 2024

33- New Publications and Amendments to Egyptian Accounting Standards:

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

<u>New or reissued standards</u>	<u>Summary of the most important amendments</u>	<u>Potential impact on financial statements</u>	<u>Application history</u>
Egyptian Accounting Standard No. (10) amended 2023 "Depreciated fixed assets" and Egyptian Accounting Standard No. (23) amended 2023 "Intangible Assets"	<p>1- These standards were reissued in 2023, allowing the use of the revaluation model when post-measurement of fixed assets and intangible assets.</p> <ul style="list-style-type: none"> - 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: - 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) " 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 <u>commencing on or after January 1, 2023, retroactively</u>, with proof of the cumulative impact of applying the revaluation model initially by adding it to the revaluation surplus account next to equity at the beginning of the financial period in which the company applies this model for the first time.</p>

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Complementary notes to the Periodic Consolidated financial statements

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

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On 31 March 2024

<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) "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>

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