

**Ibn Sina Pharma Company**  
**(S.A.E)**  
**Standalone Financial Statements**  
**For The Three-Months Financial Period Ended On 31 March 2024**  
**Together With Limited Review Report**

**Ibn Sina Pharma Company (S.A.E)**  
**Periodic standalone Financial Statements**  
**For the financial period ended, 31 March 2024**

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## **Limited Review Report on the Periodic Standalone Financial Statements**

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

#### **Introduction**

We have conducted the limited review of the attached periodic standalone statement of financial position of **Ibn Sina Pharma "Egyptian Joint Stock Company"** as of March 31, 2024 as well as the periodic standalone statements of profit & loss, comprehensive income, change in equity and related cash flows for the three months ended on that date, and management is responsible for preparing these Periodic standalone financial statements and fair and clear presentation there of in accordance with Egyptian Accounting Standard No. (30) "Periodic Standalone Financial Statements", and our responsibility is limited to making a conclusion on the periodic standalone financial statements in light of our limited review of them.

#### **Scope of limited review**

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

#### **Conclusion**

**Based on our limited review**, it has nothing come to our attention that the standalone financial statements accompanying **Ibn Sina Pharma Company's "Egyptian Joint Stock Company"** financial position as of March 31, 2024, and its standalone 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 and Giza offices**

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**Directing attention**

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

The Notice (6) to the attached standalone financial statements, where the company has an investment in subsidiaries and the company has prepared consolidated periodic financial statements as at 31 March 2024 in accordance with the Egyptian accounting standards and for a more comprehensive understanding of the company's financial position as at 31 March 2024 as well as its financial performance and cash flows for the three months ended on that date, it is necessary to refer to the consolidated financial statements.

Cairo: 18 May 2024

Auditor  
Eissa Refai  
R. A. A. (16166)  
Financial Supervisory Authority Register No. (192)  
Khaled Al-Ghannam, Eissa Refai & Co.



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

Periodic standalone Financial Statements position  
as of 31 March 2024

	<u>Note No.</u>	<u>31/3/2024 EGP</u>	<u>31/12/2023 EGP</u>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets (net)	(3)	999,627,350	1,026,580,015
Projects under construction	(4)	191,921,627	142,914,782
Intangible assets (net)	(5)	199,065,016	204,074,454
Right of use assets (net)	(15)	669,994,424	678,343,867
Investments in subsidiary	(6)	119,999,920	119,999,920
Notes receivable – Long term	(8)	50,280,861	78,932,234
Deferred tax assets	(27)	115,320,874	108,155,820
<b>Total non-current assets</b>		<b>2,346,210,072</b>	<b>2,359,001,092</b>
<b>Current Assets</b>			
Inventory	(7)	4,499,492,538	3,193,525,514
Accounts and notes receivable (net)	(8)	10,857,225,964	9,702,097,946
Suppliers in-advance		172,503,600	238,307,421
Debtors and other debit balances (net)	(9)	841,151,909	757,767,686
Due from related parties	(19-a)	180,313,056	140,842,243
Cash on hand and at banks	(10)	935,246,489	1,117,288,752
Assets held for sale	(11)	771,873,889	771,873,889
<b>Total Current Assets</b>		<b>18,257,807,445</b>	<b>15,921,703,451</b>
<b>Total Assets</b>		<b>20,604,017,517</b>	<b>18,280,704,543</b>
<b>Owner's Equity</b>			
Issued and paid-up capital	(12-a)	252,000,000	252,000,000
Share premium (Special reserve)	(12-b)	237,412,116	237,412,116
Legal reserve	(13-a)	126,000,000	126,000,000
General reserve	(13-b)	3,079,334	3,079,334
Treasury Stock Reserve	(12-c)	(171,643,212)	(171,643,212)
Retained earnings		1,149,756,383	1,047,918,983
<b>Total Owner's Equity</b>		<b>1,596,604,621</b>	<b>1,494,767,221</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans – Long term	(14)	224,676,796	348,810,663
Lease liabilities – Long term	(15)	586,611,201	603,858,579
<b>Total non-current liabilities</b>		<b>811,287,997</b>	<b>952,669,242</b>
<b>Current liabilities</b>			
Credit Facilities	(16)	3,608,457,957	3,165,443,777
Short term loans and current portion of long-term loans	(14)	478,671,196	475,877,345
Suppliers and notes payable	(17)	13,673,363,732	11,776,977,682
Creditors and other credit balances	(18)	190,233,293	201,231,838
Account receivable in advance		11,338,577	12,802,150
Income taxes payable	(27)	106,868,757	79,906,663
Current portion of lease liabilities	(15)	120,334,441	114,171,679
Provisions	(20)	6,856,946	6,856,946
<b>Total Current Liabilities</b>		<b>18,196,124,899</b>	<b>15,833,268,080</b>
<b>Total liabilities</b>		<b>19,007,412,896</b>	<b>16,785,937,322</b>
<b>Total Owner's Equity and Liabilities</b>		<b>20,604,017,517</b>	<b>18,280,704,543</b>

- Limited Report Attached.

Chief Financial Officer

Mo'men Gomaa

Chief Executive Officer

Omar Abdul Gawad

Chairman

Abd El, Aziz Ali Abd El, Aziz

- Attached notes are from (1) to (32) an integral part of the periodic Standalone financial statements

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

Statement of Periodic Standalone Profit or Loss  
during period Ended ,31 March 2024

	<u>Note No.</u>	<u>From 1/1/2024 to 31/3/2024 EGP</u>	<u>From 1/1/2023 to 31/3/2023 EGP</u>
Net Sales	(21)	10,537,635,476	6,819,721,225
<b>Deduct:</b>			
Cost of sales	(22)	<u>(9,762,093,139)</u>	<u>(6,266,612,192)</u>
<b>Total Profit</b>		<u><b>775,542,337</b></u>	<u><b>553,109,033</b></u>
<b>Deduct:</b>			
Other revenues		3,991,930	1,336,216
Sales and marketing expenses	(23)	(242,198,277)	(177,226,900)
Administrative and general expenses	(23)	(152,432,069)	(113,410,840)
Expected credit losses in the value of customers and receivables		<u>(29,777,166)</u>	<u>(19,963,144)</u>
		<u><b>355,126,755</b></u>	<u><b>243,844,365</b></u>
<b>Add/Deduct:</b>			
Financing income	(24)	47,951,449	14,400,715
Foreign currency revaluation (Profit)	(25)	47,481,089	35,168,554
Financing expenses	(26)	<u>(328,742,445)</u>	<u>(197,071,667)</u>
<b>Net financing cost</b>		<u><b>(233,309,907)</b></u>	<u><b>(147,502,398)</b></u>
<b>Deduct:</b>			
Other expenses		<u>(182,407)</u>	<u>--</u>
<b>Net profit for the period before income taxes</b>		<u><b>121,634,441</b></u>	<u><b>96,341,967</b></u>
<b>Deduct/add:</b>			
Current Income Taxes	(27)	<u>(26,962,095)</u>	<u>(20,786,553)</u>
Deferred income taxes	(27)	<u>7,165,054</u>	<u>6,356,183</u>
<b>Net profit for the period</b>		<u><b>101,837,400</b></u>	<u><b>81,911,597</b></u>
<b>Earning per share from net profit for the period (Share / EGP)</b>	(28)	<u><b>0.08</b></u>	<u><b>0.06</b></u>

- Limited Report Attached.

Chief Financial Officer

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Chief Executive Officer

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

Statement of Periodic Standalone of other comprehensive income  
during Financial period Ended, 31 March 2024

	<u>From 1/1/2024</u> <u>to 31/3/2024</u>	<u>From 1/1/2023</u> <u>to 31/3/2023</u>
	<u>EGP</u>	<u>EGP</u>
Net profit for the period	101,837,400	81,911,597
<b>Add/Discount:</b>		
Other comprehensive income	--	--
<b>Total Comprehensive Income</b>	<u>101,837,400</u>	<u>81,911,597</u>

- Limited Report Attached.

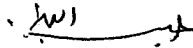
Chief Financial Officer

  
Mo'men Gomaa

Chief Executive Officer

  
Omar Abdul Gawad

Chairman

  
Abd El, Aziz Ali Abd El, Aziz

- Attached notes are from (1) to (32) an integral part of the periodic standalone financial statements.

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

Statement of Periodic Standalone change in equity  
As of 31 March 2024

Statement	Issued and Paid-up Cap- ital EGP	Share Premium EGP	Legal Reserve EGP	General Reserve EGP	Treasury Stocks reserve EGP	Treasury Stocks EGP	Retained Earning EGP	Total Equity EGP
<b>Balance on January 1, 2023</b>	279,041,877	277,500,000	77,093,363	3,079,334	(12,949,932)	(185,735,156)	833,353,686	1,271,383,172
Transferred to the legal reserve	--	(40,087,884)	48,906,637	--	--	--	(8,818,753)	--
Dividends	--	--	--	--	--	--	(23,598,057)	(23,598,057)
Write off treasury stocks	(27,041,877)	--	--	--	--	185,735,156	--	158,693,279
(losses) Write off treasury stocks	--	--	--	--	(158,693,280)	--	--	(158,693,280)
Net profit for the period	--	--	--	--	--	--	246,982,107	246,982,107
<b>Balance as at 31 December 2023</b>	<b>252,000,000</b>	<b>237,412,116</b>	<b>126,000,000</b>	<b>3,079,334</b>	<b>(171,643,212)</b>	<b>--</b>	<b>1,047,918,983</b>	<b>1,494,767,221</b>
Net profit for the period	--	--	--	--	--	--	101,837,400	101,837,400
<b>Balance as at 31 March 2024</b>	<b>252,000,000</b>	<b>237,412,116</b>	<b>126,000,000</b>	<b>3,079,334</b>	<b>(171,643,212)</b>	<b>--</b>	<b>1,149,756,383</b>	<b>1,596,604,621</b>

- Limited Report Attached.

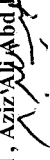
Chief Financial Officer  
Mo'men Gomaa



Chief Executive Officer  
Omar Abdul Gawad



Chairman  
Abd El, Aziz Alj Abd El, Aziz



- Attached notes are from (1) to (32) an integral part of the periodic standalone financial statements.



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

Statement of Periodic Standalone of cash flows  
during period Ended ,31 March 2024

	<u>From 1/1/2024</u> <u>to 31/3/2024</u>	<u>From 1/1/2023</u> <u>to 31/3/2023</u>
	<u>EGP</u>	<u>EGP</u>
<b><u>Cash flow from operating activities</u></b>		
Net profit for the period before income taxes	121,634,441	96,341,967
<b>Adjustments to reconcile net profit with cash flow from operating activities</b>		
Depreciation of fixed assets	31,376,800	26,411,093
Amortization of intangible assets	5,431,725	1,102,863
Amortization of Right of use assets	18,839,998	15,974,702
Expected credit losses on customer balances and receivables	29,777,166	19,963,144
Gain from sale of fixed assets	--	(322,473)
Loss (profit) sale of fixed assets	(207,600)	(51,323)
Financing Expenses	328,742,445	197,071,667
<b>Net operating profit before changes in working capital</b>	<b>535,594,975</b>	<b>356,491,640</b>
Change in inventory	(1,305,967,024)	(1,117,241,764)
Change in accounts and notes receivable	(1,156,253,811)	(1,171,249,056)
Change in suppliers' advance payments	65,803,821	(73,302,136)
Change in debtors and other debit balance	(83,384,223)	(54,415,664)
Change in due related parties	(39,470,813)	(25,109,619)
Change in suppliers and notes payable	1,896,386,050	1,653,286,576
Change in customer advanced payment	(1,463,573)	6,179,851
Change in creditors and other credit balances	5,426,325	47,802,268
<b>Cash flows (used in) operating activities</b>	<b>(83,328,273)</b>	<b>(377,557,904)</b>
Financing interest paid	(312,459,288)	(181,830,242)
Provision Use	--	(318,769)
<b>Net cash flow (used in) operating activities</b>	<b>(395,787,561)</b>	<b>(559,706,915)</b>
<b><u>Cash flows from investment activities</u></b>		
(Payments) to acquire fixed assets and projects under construction	(54,621,625)	(57,713,592)
(Payments) to acquire intangible assets	(422,287)	(3,092,967)
Proceeds from selling assets held for sale	--	22,324,922
Proceeds from selling fixed assets	1,398,245	520,661
<b>Net cash flow (used in) investment activities</b>	<b>(53,645,667)</b>	<b>(37,960,976)</b>
<b><u>Cash flows from financing activities</u></b>		
Proceeds from short and long-term loans	(121,340,016)	(130,195,281)
Proceeds from credit facilities	443,014,180	768,395,999
lease liabilities paid	(54,283,199)	(16,294,033)
<b>Net cash flow from financing activities</b>	<b>267,390,965</b>	<b>621,906,685</b>
<b>Net change in cash and cash equivalents during the period</b>	<b>(182,042,263)</b>	<b>24,238,794</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,117,288,752</b>	<b>536,222,514</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>935,246,489</b>	<b>560,461,308</b>

- Limited Report Attached.  
Chief Financial Officer

*Mb*  
Mo'men Gomaa

Chief Executive Officer

*Oms*  
Omar Abdul Gawad

Chairman

*Abd El*  
Abd El, Aziz Ali Abd El, Aziz

- Attached notes are from (1) to (32) an integral part of the periodic standalone financial statements.

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

Complementary notes to the periodic standalone  
Financial statements as of 31 March 2024

### **1- Company background**

Ibn Sina Pharma Company (the "Company") was established in accordance with Law No. 159 of 1981 and its executive regulations, taking into account the provisions of Law No. 95 of 1992 and the executive regulations for the purpose of buying, selling wholesale and distributing all pharmaceutical and semi-pharmaceutical products manufactured locally or imported, buying, selling wholesale and distributing any other products and tools related to health and health care, exporting and importing all products, equipment and tools, manufacturing and packaging all products, equipment and tools related to health and medical care, owning, maintaining and supplying information and consultations. Which is related to the field of medicine, carrying out training and supplying the necessary materials for training in all fields and activities, obtaining economic income, carrying out commercial and scientific advertising for all aspects of the drug market, as well as all activities, obtaining commercial agencies from foreign and local companies specialized in the manufacture and distribution of pharmaceutical and semi-pharmaceutical products, equipment, tools and reagents related to health and medical care, storage of pharmaceutical and semi-pharmaceutical products, equipment, tools, reagents, advertising and marketing offers about Pharmaceutical, semi-pharmaceutical products and reagents by all means, collecting, manufacturing and packaging human, vital and veterinary medicines, cosmetics, nutritional supplements and disinfectants of all kinds, manufacturing with others for all the company's products, laboratory and hospital supplies, drug production supplies, practicing services related to all types of forms, owning pharmaceutical and semi-pharmaceutical items, publicizing the aforementioned products with the provisions, packaging and packaging of products, tools, equipment, pharmaceutical and semi-pharmaceutical reagents related to health and intensive care with the company's pledge By extracting all the necessary permits in this regard for practicing each activity and observing all laws and regulations in carrying out these activities, the date of the beginning of the activity of the company was considered on January 8, 2002 according to what was stated in the commercial register, and the name of the company was amended during 2007 from **Ibn Sina Laborex** to become **Ibn Sina Pharma** This company has added some activities.

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

Buying, selling wholesale, distribution, manufacturing, manufacturing with others, packaging, transporting, storing, importing, exporting, owning, carrying out commercial and scientific advertising and marketing offers for all human, biological, veterinary and semi-pharmaceutical products, chemicals, cosmetics, food, nutritional supplements, pesticides and disinfectants of all kinds, medical and prosthetic devices, laboratory and hospital supplies, equipment, tools and materials for laboratory reagents, packaging and advertising materials - whether locally manufactured or imported, in addition to the skilled products The aforementioned seals, as well as carrying out training, providing information, systems and consulting programs related to the aforementioned fields, rental and sale services for administrative and storage spaces, with the company's pledge to extract all the necessary permits in this regard for practicing each activity and taking into account all laws and regulations in carrying out these activities, and it was noted in the commercial register on September 12, 2017.

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

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

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

Complementary notes to the periodic standalone  
Financial statements as of 31 March 2024

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

Buying, selling wholesale, distribution, manufacturing, manufacturing with others, packaging, packaging, transporting, storing, importing, exporting, owning and carrying out commercial and scientific advertising, marketing offers, public supplies and electronic trade for all pharmaceutical, human, biological, veterinary products, semi-pharmaceutical preparations, chemicals, cosmetics, food, nutritional supplements, slaves, disinfectants of all kinds, medical and compensatory devices, laboratory and hospital supplies, equipment, tools and materials Laboratory reagents, packaging and advertising materials, whether locally manufactured or imported, in addition to the foals of the aforementioned products with seals, as well as carrying out training, information supply, systems programs, consulting the region in the aforementioned fields, rental and sale of administrative and storage spaces, and it may have an interest or share any aspect of existence with companies that engage in business similar to their business or that may help them achieve their offer in Egypt or abroad, as they may merge into these companies or You buy it and entitle it to it, in accordance with the provisions of the law and 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 21 April, 2022.

### **Approval of financial statements**

The periodic standalone financial statements of the company for the financial period ended on March 31, 2024, on 18 May 2024 have been adopted in accordance with the decision of the Board of Directors convened on that date.

## **2- 1 Principles of preparing financial statements**

### **Compliance with standards and laws**

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

### **Basis of measurement**

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

### **Currency of dealing and presentation**

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

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

Complementary notes to the periodic standalone  
Financial statements as of 31 March 2024

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### **2.2 Changes in accounting policies**

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

### **2.3 Summary of significant accounting policies**

#### **Revenue recognition**

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

#### **Sale of goods**

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

#### **Logistics**

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

#### **Financing income**

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

#### **Contract Lease**

##### **Company as a tenant:**

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

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

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

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

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

Complementary notes to the periodic standalone  
Financial statements as of 31 March 2024

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### **2.3 Summary of significant accounting policies - continued**

#### **Financial Instruments**

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

#### **A. Financial assets**

##### **Recognition and initial measurement**

The classification of financial assets at initial recognition is based on the characteristics of the contractual cash flows of the financial asset and the company's business model for its management. Except for client balances and assets arising from contracts that do not contain a significant financing element. The company measures the financial asset initially at its fair value plus transaction costs, in the case of a non-valued financial asset at fair value through profits or losses.

##### **Subsequent measurement**

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

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

##### **Financial assets at depreciated cost (debt instruments)**

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

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

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

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

##### **Derecognition of financial assets**

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

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

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

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### **2.3 Summary of significant accounting policies - continued**

#### **Financial Instruments - Continued**

##### **A. Financial Assets - Continued**

###### **Impairment of financial assets**

The Company recognizes the provision for expected credit losses for all debt instruments not held at fair value through profit or loss. Projected credit losses are based on the difference between the contractual cash flows due under the contract and all cash flows expected by the company to receive, approximately deducted from the original effective interest rate. Projected cash flows will include cash flows from the sale of retained collateral or other credit enhancements that are an integral part of the contractual terms.

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

##### **B. Financial obligations**

###### **Initial recognition and measurement**

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

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

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

###### **Subsequent measurement**

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

###### **Financial liabilities at fair value through profit and loss**

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

###### **Financial liabilities at amortized cost (loans and borrowings)**

This is the category most relevant to the company. After the initial recognition, loans and advances are subsequently measured at amortized cost using the effective interest rate method. Profit and loss are recognized in the statement of profit or loss, when the recognition of obligations is cancelled through the effective interest rate amortization process. The amortized cost is calculated by taking into account any discount or premium upon acquisition and fees or costs that form an integral part of the effective interest rate. Effective interest rate amortization as financing costs is included in the profit statement or Losses. This category generally applies to loans and facilities.

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

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### **2.3 Summary of significant accounting policies - Continued**

#### **Financial Instruments - Continued**

##### **B. Financial Obligations - Continued**

##### **De-recognition of financial obligations**

The recognition of financial obligations is revoked when the obligation under the obligation is exempted, canceled or expires. When an existing financial obligation is replaced by another from the same lender on vastly different terms, or the terms of an existing obligation are substantially modified, such exchange or adjustment is treated as an exclusion of the original obligation and recognition of a new obligation

**The difference in relevant book values is recognized in the statement of profit or loss.**

##### **Fixed assets**

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

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

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

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

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

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

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

##### **Projects under constructions**

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

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

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### **2.3 Summary of significant accounting policies - Continued**

#### **Intangible assets**

Intangible assets acquired individually are initially recognized at cost.

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

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

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

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

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

#### **Non-current assets held for the purpose of sale**

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

#### **Inventory**

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

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

#### **Investments in subsidiaries**

subsidiaries are companies controlled by the Group. The Group controls the investee company when it is exposed to - or is entitled to - variable returns through its contribution to the investee company and has the ability to influence those returns through its authority over the investee company The existence and impact of the currently exercising potential voting right or the right of transfer is taken into account when assessing whether the Group has control over another company.

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

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

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



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

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### **2.3 Summary of significant accounting policies - Continued**

#### **Investments in subsidiaries companies - Continued**

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

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

Investments in subsidiaries are accounted for in the independent financial statements at cost, including the cost of acquisition, and in the event of a decline in the value of those investments, the book value is adjusted by the value of this impairment and is included in the list of profits or losses, for each investment separately.

#### **Related Party Transactions:**

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

#### **Borrowing**

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

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

#### **Borrowing cost**

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

#### **Income taxes**

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

#### **Current Income Taxes**

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

#### **Deferred income taxes**

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

Deferred income tax is recognized as an asset when there is an expectation that this asset can be used to reduce future tax profits, and the asset is reduced by the value of the part from which it will not yield a future benefit.

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### **2.3 Summary of significant accounting policies - Continued**

#### **Cash and cash equivalents**

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

#### **Suppliers, accrued expenses and other credit balances**

Suppliers, accrued expenses and other credit balances are initially recognized at fair value including the direct cost of the transaction and are consequentially measured at amortized cost using the interest rate. Obligations are recognized with values that will be paid in the future for goods and services received whether or not the company receives invoices from suppliers.

#### **Dividends**

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

#### **Employees' share of profits**

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

#### **Provisions**

Provisions are recognized when the company has a current legal or judgmental obligation as a result of a previous event, the provisions relate to an anticipated claim from certain third parties in relation to the company's activities.

This is expected to require an outflow of economic resources to settle the obligation, with the possibility of a reliable estimate of the amount of the obligation.

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

#### **Social insurance and end-of-service benefits**

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

#### **Foreign Currency Translation**

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

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

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

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

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

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### **2.3 Summary of significant accounting policies - Continued**

#### **Potential liabilities and potential assets**

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

#### **Expenses**

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

#### **Customers, receivables and other debit balances**

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

#### **Fair Value Measurement**

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

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

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

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

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

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

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

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

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### **2.3 Summary of significant accounting policies – Continued**

#### **Fair Value Measurement - Continued**

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

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

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

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

#### **Statement of cash flows**

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

### **2.4 Significant accounting judgments and estimates**

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

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

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

#### **Judgments**

##### **Revenue recognition**

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

#### **Estimates**

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

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

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

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### **2.4 Significant accounting judgments and estimates – Continued**

#### **Estimation of the net selling value of inventory**

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

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

#### **Useful life of fixed assets and right of use assets**

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

#### **Taxes**

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

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

#### **Impairment of non-financial assets**

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

#### **Measuring fair values**

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

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

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

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### 3- Fixed assets (net)

The balance of fixed assets (net) as of 31 March 2024 amounting to EGP 999,627,350 as follows:

Statement	Cost as of 1/1/2024	disposals during The period	Additions during The period	Cost as of 31/3/2024	Accumulated Depreciation as of 1/1/2024	Accumulated Depreciations during the period	Depreciation During the period	Accumulated depreciations as of 31/3/2024	Net book value 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	798,712,293	25,314	713,851	799,400,830	318,401,540	25,314	12,387,498	330,763,724	468,637,106
Equipment	570,379,794	259,835	859,094	570,979,053	200,902,758	255,252	10,885,420	211,532,926	359,446,127
Vehicles	69,618,097	2,500,000	1,613,433	68,731,530	34,658,921	1,349,359	3,944,292	37,253,854	31,477,676
Computer hardware and software	121,149,434	352,616	2,406,581	123,203,399	80,744,772	317,195	3,589,970	84,017,547	39,185,852
Furniture and fixtures	28,105,681	10,089	21,821	28,117,413	20,431,101	10,089	569,620	20,990,632	7,126,781
	<u>1,681,719,107</u>	<u>3,147,854</u>	<u>5,614,780</u>	<u>1,684,186,033</u>	<u>655,139,092</u>	<u>1,957,209</u>	<u>31,376,800</u>	<u>684,558,683</u>	<u>999,627,350</u>
									<u>1,026,580,015</u>

\* The balance of fixed assets (net) as of December 31, 2023 (the year of comparison) amounting to 1,026,580,015 Egyptian pounds is represented as follows:

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

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### 4- Projects under constructions

- The additions of projects under constructions during the period ending, 31 March, 2024 amounted to 49,006,845 EGP, which included the value of buildings in the amount of 11,618,436 EGP, and included payments under the computer software account in the amount of 2,584,302 EGP and the completion of the necessary equipment and improvements for the company's branches in the amount of 34,804,107 EGP, including capitalized interests.

The Items of the projects under constructions are as follows:

	<u>31 Mar 2024</u> <u>EGP</u>	<u>31 Dec 2023</u> <u>EGP</u>
Computer applications and peripherals	28,876,283	26,291,980
Buildings	74,951,406	63,618,946
Devices and equipment	68,853,220	34,272,090
Lands	18,772,735	18,486,760
Furniture	467,983	245,006
	<u>191,921,627</u>	<u>142,914,782</u>

### 5- Intangible assets (Net)

Balance of Intangible assets (net) are computer software is represented as follows:

	<u>31 Mar 2024</u> <u>EGP</u>	<u>31 Dec 2023</u> <u>EGP</u>
<b>Cost</b>		
<b>Balance on January 1, 2024</b>	221,277,740	29,676,757
Disposals during Period / year	--	26,077
Transferred from projects under constructions	--	187,198,009
Additions during the Period / year	422,287	4,429,051
<b>Balance as of 31 March 2024</b>	<u>221,700,027</u>	<u>221,277,740</u>
<b>Accumulated Amortization</b>		
<b>Balance on January 1, 2024</b>	17,203,286	12,093,994
Amortization of the Period / year	5,431,725	5,109,292
<b>Balance as of 31 March 2024</b>	<u>22,635,011</u>	<u>17,203,286</u>
<b>Net book value as of 31 March 2024</b>	<u>199,065,016</u>	<u>204,074,454</u>

### 6- Investment in a subsidiary company

	<u>Number of</u> <u>Stock</u>	<u>Contribution</u> <u>Percentage</u>	<u>Nominal</u> <u>value</u> <u>per share</u> <u>EGP</u>	<u>Cost</u> <u>as of</u> <u>31 Mar 2024</u> <u>EGP</u>	<u>Cost</u> <u>as of</u> <u>31 Dec 2023</u> <u>EGP</u>
AIM Healthcare Investment & Consulting Company (S.A.E)	299,999,980	%99,99	%40	119,999,920	119,999,920
				<u>119,999,920</u>	<u>119,999,920</u>

- Capital Commitments in 31 March 2024 From investing in a company AIM Healthcare Investment & Consulting (S.A.E) in the unpaid value by 60% amount to 180,000,060 Egyptian pound (for an amount of 180,000,060 EGP on 31 Dec 2023).

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

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### **7- Inventory**

	<u>31 Mar 2024</u> <u>EGP</u>	<u>31 Dec 2023</u> <u>EGP</u>
Goods for sale	3,797,009,666	2,515,856,950
Goods in transit	302,001,502	369,269,591
Returns	349,728,525	272,395,454
Spare Parts	50,752,845	36,003,519
	<u>4,499,492,538</u>	<u>3,193,525,514</u>

The increase in inventory is due to an increase in the volume of purchases and an increase in the purchase prices, activity and the growth of the market during the period, and there is no significant change in the average inventory holding 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- Accounts and notes receivables (net)**

	<u>31 Mar 2024</u> <u>EGP</u>	<u>31 Dec 2023</u> <u>EGP</u>
Accounts receivable	8,628,819,779	7,656,837,571
Notes receivable	2,719,271,786	2,535,000,183
	<u>11,348,091,565</u>	<u>10,191,837,754</u>
<b><u>Deduct:</u></b>		
Expected credit losses of accounts and notes receivables*	(440,584,740)	(410,807,574)
	<u>10,907,506,825</u>	<u>9,781,030,180</u>

- The reason for the increasing in the balance of accounts receivable 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 material change in the average collection period from customers.
- The company consolidated the expected credit losses in the value of customer balances and receivables by EGP 29,777,166 during the period ending 31 March 2024.

**The balance of accounts receivable and notes receivable has been tabulated in the financial statement's balance sheet as follows:**

	<u>31 Mar 2024</u> <u>EGP</u>	<u>31 Dec 2023</u> <u>EGP</u>
Accounts and notes receivable less than 12 months	10,857,225,964	9,702,097,946
Notes receivable more than 12 months	50,280,861	78,932,234
	<u>10,907,506,825</u>	<u>9,781,030,180</u>



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

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### **9- Debtor and other debit balances (net)**

	<u>31 Mar 2024</u> <u>EGP</u>	<u>31 Dec 2023</u> <u>EGP</u>
Suppliers under Adjustment*	449,015,004	411,756,148
Tax Authority- Withholding tax	108,498,709	99,537,378
Advance payments to Tax Authority	60,569,487	60,569,487
Prepaid expenses	42,676,106	24,449,876
Insurance for third parties	23,363,009	21,956,006
Contract Assets – Expected Sales Returns	16,513,690	16,680,951
Imprests of employees	16,176,569	10,694,178
Tax Authority- value added tax	261,280	--
Other debit balances**	131,952,068	119,997,675
	<u>849,025,922</u>	<u>765,641,699</u>
<b>Deduct:</b>		
Expected credit losses on the value of debtors and other debit balances	(7,874,013)	(7,874,013)
	<u>841,151,909</u>	<u>757,767,686</u>

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

\*\* Other debit balances included payments to complete El-Shrouq Hospital licences.

### **10- Cash on hand and at banks**

	<u>31 Mar 2024</u> <u>EGP</u>	<u>31 Dec 2023</u> <u>EGP</u>
Current Accounts Banks – Egyptian Pound	716,366,832	892,786,580
Current Accounts Banks – Foreign Currencies	160,898,980	212,900,256
Letters of guarantee cover	57,853,688	11,112,364
Cash on hand	126,989	489,552
	<u>935,246,489</u>	<u>1,117,288,752</u>

### **11- 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.

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

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### **12- Capital, Share premium (Special reserve), Treasury stocks reserve and Treasury stocks**

#### **A. Capital**

- The company's authorized capital was set at 50 million Egyptian pounds (fifty million Egyptian pounds only, no more). The issued and paid-up capital of the company is specified at an amount of 35 million Egyptian pounds (thirty-five million Egyptian pounds only, no more), distributed over 350,000 shares, with each share valued at 100 Egyptian pounds (one hundred pounds only, no more). All of these shares are cash shares.
- On August 26, 2005, the Extraordinary General Assembly of the Company decided to increase the issued and fully paid-up capital to become 50 million Egyptian pounds (fifty million Egyptian pounds only, no more), distributed over 500,000 shares, with each share valued at 100 Egyptian pounds (one hundred pounds only, no more). All of these shares are cash shares.
- On December 10, 2006, an Extraordinary General Assembly was held, during which a decision was made to purchase shares from the French side, with a nominal value of 34,193,900 Egyptian pounds (thirty-four million, one hundred and ninety-three thousand, nine hundred Egyptian pounds only, no more), representing 68.38% of the total contribution from the existing shareholders, with 93.5% held by investors and 6.5% by employees. Registration was completed by the end of 2007.
- On September 17, 2008, an Extraordinary General Assembly was convened, during which an agreement was reached to amend Article (6) of the Company's Articles of Association, by reducing the accumulated losses by the amount of 30 million pounds (thirty million Egyptian pounds only, no more) from the issued and fully paid-up capital, which was initially 50 million Egyptian pounds (fifty million Egyptian pounds only, no more) before the amendment. Consequently, the authorized capital of the company remains 50 million Egyptian pounds (fifty million Egyptian pounds only, no more), while the issued capital after the amendment becomes 20 million Egyptian pounds (twenty million Egyptian pounds only, no more), distributed over 200,000 shares, each valued at 100 Egyptian pounds (one hundred pounds only, no more), all of which are cash shares.
- On May 27, 2015, an Extraordinary General Assembly of the company was held, during which an agreement was reached to amend Article (6) of the Company's Articles of Association. This entailed reducing the authorized capital of the company to be 24 million Egyptian pounds (twenty-four million Egyptian pounds only, no more) instead of the previous 50 million Egyptian pounds (fifty million Egyptian pounds only, no more). Consequently, the issued and fully paid-up capital of the company after the amendment also became 24 million Egyptian pounds (twenty-four million Egyptian pounds only, no more), instead of the previous amount of 20 million Egyptian pounds (twenty million Egyptian pounds only, no more), distributed over 240,000 shares, each valued at 100 Egyptian pounds (one hundred pounds only, no more), all of which are cash shares. The amendment was registered in the commercial registry on June 29, 2015.
- On March 5, 2017, the Extraordinary General Assembly decided to increase the authorized capital of the company by an amount of 144 million Egyptian pounds to become 168 million Egyptian pounds, as well as to increase the issued capital of the company by an amount of 144 million Egyptian pounds to become 168 million Egyptian pounds. This increase was financed from the general reserve balance as of December 31, 2016. Additionally, it was decided to allocate (6) free shares from the increased shares of the company in exchange for (1) share of the original shares of the company owned by the shareholders at the time of the assembly, and to split the nominal value of the share to adjust the nominal value of the share from 100 Egyptian pounds to 1 Egyptian pound, and consequently increase the total number of company shares after the increase and stock split to 168 million shares, fully paid-up. This adjustment was registered in the commercial registry on September 12, 2017.

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

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### **12- Capital, Share premium (Special reserve), Treasury stocks reserve and Treasury stocks- Continued**

#### **A- Capital – Continued:**

- On September 7, 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 pound to 0.25 Egyptian pounds. This resulted in the issued capital of the company, amounting to 168 million Egyptian pounds, being distributed over a total of 672 million shares, with a nominal value of 0.25 Egyptian pounds per share. The amendment was registered in the commercial registry on September 28, 2017.
- On January 17, 2018, the board of directors of Ibn Sina Pharma approved an increase in the issued capital from 168 million Egyptian pounds to 180.50 million Egyptian pounds through a subscription for existing shareholders who were selling their shares in the public or private offering. This increase in capital was achieved by issuing 50 million shares, subscribed to at the final offering price of 5.80 Egyptian pounds per share, resulting in an increase in both the issued and paid-up capital of the company by 12.50 million Egyptian pounds, making the total issued and paid-up capital 180.50 million Egyptian pounds. This was in accordance with a banking deposit certificate for the capital increase from Arab African International Bank dated February 13, 2018. The issuance premium for the additional shares amounted to 277.50 million Egyptian pounds. This was registered in the company's commercial registry on March 22, 2018.
- On May 19, 2022, the Board of Directors of the company decided, in a meeting, that the company would cancel a total of 3,832,492 treasury shares, resulting in the number of issued shares as of June 30, 2022, to be 1,116,167,508 shares. This action was taken in accordance with the provisions of Law No. 159 of the year 1981. The company had retained these shares for one year, and as a result of the cancellation process, the capital would be reduced by the nominal value of those shares, totaling 958,123 Egyptian pounds. Necessary steps are underway to register this action in the commercial registry.
- On June 30, 2023, the company canceled 14,100,000 treasury shares, resulting in the number of issued shares as of June 30, 2023, being 1,102,067,508 shares. This action was taken in accordance with the provisions of Law No. 159 of the year 1981. The company had retained these shares for one year, and as a result of the cancellation process, the capital was reduced by the nominal value of those shares, totaling 3,525,000 Egyptian pounds. Necessary steps are being taken to register this action in the commercial registry.
- On September 30, 2023, the company canceled 74,758,900 treasury shares, resulting in the number of issued shares as of September 30, 2023, being 1,027,308,608 shares. This action was taken in accordance with the provisions of Law No. 159 of the year 1981. The company had retained these shares for one year, and as a result of the cancellation process, the capital was reduced by the nominal value of those shares, totaling 18,689,725 Egyptian pounds. Necessary steps are being taken to approve the decision of the General Assembly and register it in the commercial registry.
- On December 4, 2023, the Extraordinary General Assembly held on July 30, 2023, approved the reduction of the issued and paid-up capital by 28,000,000 Egyptian pounds through the cancellation of treasury shares purchased by the company, amounting to 112,000,000 shares (10% of the company's shares) at their nominal value. Consequently, the issued and paid-up capital became 252,000,000 Egyptian pounds, distributed over 1,008,000,000 shares with a nominal value of 25 Egyptian piasters per share. This decision was registered in the commercial registry on December 18, 2023.

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

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### **12- Capital, Share premium (Special reserve), Treasury stocks reserve and Treasury stocks - Continued**

#### **B- Share premium (Special reserve)**

- On 20 April 2019, the Extraordinary General Assembly decided to increase the Company's issued capital from EGP 180.5 million to EGP 205 million, an increase of EGP 24.5 million by issuing 98 million bonus shares financed from the company's distributable net profits for the financial year ended 31 December 2018 by 0,1357340720 bonus shares each One original share of the company's issued capital before the increase of 722 million shares with Gabr Fractions in favor of small shareholders from smallest to largest until the quantity runs out, so that the company's issued capital after the increase is 205 million Egyptian pounds distributed over 820 million shares, the value of the share is 25, piasters. It was noted in the commercial register on 19 June, 2019, and it was decided to distribute the bonus shares as of 15 July 2019, taking into account the reparation of fractions in favor of small shareholders from smallest to largest until the quantity runs out, through Misr for Central Clearing, Depository and Registry, after the issuance of the Listing Committee's decision to approve the increase.
- On 31 March 2020, the AGM decided to increase the Company's issued capital to EGP 240 million, an increase of EGP 35 million, by issuing 140 million bonus shares financed from the company's distributable net profits for the fiscal year ended 31 December, 2019 at a rate of 0,170731707 bonus shares each. An original share of the company's issued capital shares before the increase of 820 million shares with reparation of fractions in favor of small shareholders from the smallest to the largest until the quantity runs out, so that the company's issued capital after the increase becomes 240 million Egyptian pounds distributed over 960 million shares, the value of the share is 25 piasters. It was marked in the commercial register on 30 August 2020, and it was decided to distribute the bonus shares as of 1 October 2020, after the issuance of the registration committee's decision to approve the increase.
- On 11 April 2022 the Extraordinary General Assembly decided to increase the issued capital of the company to 280 million Egyptian pounds with an increase of 40 million Egyptian pounds by issuing 160 million bonus shares financed from the company's distributable net profits for the fiscal year ending on 31 December 2020 distributed over 1.120 million cash shares and the nominal value of the share is 25 Egyptian piasters, and it was marked in the commercial register on 21 April 2022, It was also decided to distribute the bonus shares as of 1 May 2022, after the issuance of the decision of the Listing Committee to approve the increase.
- The company's management transferred an amount of 42,501,460 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 would purchase treasury shares, up to a maximum of 9,600,000 shares, representing 1% of the company's capital, to support the share price on the stock exchange and enhance investor confidence and expectations regarding the company's future performance. The shares would be sold at market price through the open market. The company notified the Egyptian Stock Exchange on March 24, 2021, of its intention to buy back a portion of its shares using the authorized template during the period from March 24, 2021, to June 21, 2021, in accordance with listing rules, executive procedures, and their amendments. The company purchased 4 million shares by the end of the specified buyback period on June 21, 2021.
- On March 27, 2022, the board of directors, at its meeting, approved the commencement of selling treasury shares, totaling 4 million shares previously purchased, at market prices to comply with the listing rules issued by the decision of the board of the Egyptian Financial Regulatory Authority, which prohibits retaining treasury shares for more than one year.

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### **12- Capital, Share premium (Specail reserve).Treasury stocks reserve and Treasury stocks - Continued** **C-Treasury stocks and Treasury stocks reserve- Continued**

- On March 28, 2022, a total of 47,508 shares were sold at a price of 2.8763 Egyptian pounds per share, with the total sales value amounting to 136,648 Egyptian pounds. This resulted in losses totaling 83,213 Egyptian pounds from the sale, which, according to Egyptian Accounting Standard No. 25, were categorized under equity.
- On April 3, 2022, a total of 120,000 shares were sold at a price of 2.868 Egyptian pounds per share, resulting in a total sales value of 355,800 Egyptian pounds. This transaction incurred losses totaling 154,122 Egyptian pounds. Per Egyptian Accounting Standard No. 25, these losses were classified under equity.
- On May 19, 2022, the Board of Directors, in session, decided that the company would undertake the cancellation of 3,832,492 treasury shares. As a result, the total number of issued shares as of June 30, 2022, would be 1,116,167,508 shares, in accordance with the provisions of Law No. 159 of 1981. The company had held onto these shares for a year, and the cancellation led to a reduction in the issued and paid-up capital by the nominal value of these shares, totaling 958,123 Egyptian pounds. Necessary steps are currently being taken to record this action in the commercial register.
- On June 1, 2022, the Board of Directors, convened in session, decided that the company would initiate the purchase of treasury shares up to a maximum of 10% of the company's capital to support the stock price on the stock exchange and enhance investor confidence and expectations regarding the company's future performance. The purchases would be made at market price through the open market. The company notified the Egyptian Stock Exchange on June 2, 2022, of its intention to buy a portion of its shares using the issuance model during the period from June 7, 2022, until the acquisition of 10% of the company's shares, or until the company announces the conclusion of the execution, in accordance with the listing rules, executive procedures, and amendments thereof.
- On June 30, 2023, the company conducted the cancellation of 14,100,000 treasury shares, resulting in the total issued shares being 1,102,067,508 shares. This action was carried out in accordance with the provisions of Law No. 159 of 1981, as the company had retained these shares for one year. The cancellation of these shares led to a reduction in the company's capital by the nominal value of these shares, amounting to a total of 3,525,000 Egyptian pounds. The necessary procedures are currently underway to register this action in the commercial registry.
- On September 30, 2023, the company executed 74,758,900 shares from the name of the treasury, bringing the number of shares issued on September 30, 2023 to 1,027,308,608 shares, in accordance with the provisions of Law 159 of 1981, where the company kept those shares for a year, which resulted in the execution process reducing the capital at the nominal value of those shares with a total amount of 18,689,725 EGP, and the necessary measures are being taken to approve the general assembly and register notation.
- On December 4, 2023, the Extraordinary General Assembly held on July 30, 2023 approved and decided to reduce the issued and paid up capital by EGP 28,000,000 by executing the treasury shares that the company purchased, which amounted to 112,000,000 shares (10% of the company's shares) at the nominal value of those shares, so that the issued and paid up capital becomes EGP 252,000,000 distributed over 1,008,000,000 shares with a nominal value of 25 piasters per share, and this has been noted in the commercial register on 18 December 2023.

**The net treasury share reserve (losses) resulting from the sale and execution of treasury shares until 31 March 2024 will be 171,643,212 EGP.**

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

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### **13-Reserves**

#### **A- Legal Reserve**

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

#### **B- General Reserve**

- On May 27, 2015, an extraordinary general assembly of the company was convened, and it was agreed to increase the company's authorized and paid-up capital to 24 million Egyptian pounds (twenty-four million Egyptian pounds only), distributed over 240,000 shares (two hundred and forty thousand shares), instead of the previous amount of 20 million Egyptian pounds (twenty million Egyptian pounds only), distributed over 200,000 shares (two hundred thousand shares). As a result of this increase, an issuance premium of 148 million Egyptian pounds (one hundred and forty-eight million Egyptian pounds only) was generated. This premium represents the difference between the nominal value of 40,000 shares, which is 100 Egyptian pounds (one hundred Egyptian pounds only) per share, and the fair value of the shares, which amounted to 3,800 Egyptian pounds (three thousand eight hundred Egyptian pounds only) as of the date of this increase. Subscription to this increase included 39,950 shares by the European Bank for Reconstruction and Development, with the remaining 50 shares allocated to other shareholders in accordance with 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 144,000,000 EGP to become 168,000,000 EGP, as well as to increase the company's issued capital by 144,000,000 EGP to become 168,000 EGP, 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 EGP.

### **14-Long term and short-term loans**

- During December 2018, the company obtained a new medium-term loan with an authorized value of EGP 420 million from CIB and another with an authorized value of EGP 143 million from Attijariwafa bank.
- During 2022, the company also obtained a new loan from CIB with an authorized value of EGP 730 million, another from Crédit Agricole Bank with an authorized value of EGP 50 million, and another with an authorized value of EGP 250 million from the National Bank of Kuwait.
- During 2023, the company obtained a new loan from the National Bank of Egypt with an authorized value of EGP 200 million.
- The company also paid long-term installments due to CIB amounting to EGP 79.71 million, Crédit Agricole Bank EGP 4.17 million, National Bank of Kuwait EGP 20.82 million and the National Bank of Egypt EGP 16.65 million.

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### 15-Contract Leases

The total value of the obligations of the lease contracts in 31 March 2024 amounted to 706,945,642 EGP (on 31 December 2023: 718,030,258 EGP) represented by short-term lease obligations 120,334,441 EGP on 31 March 2024 (on 31 December 2023 : 114,171,679 EGP ) and long-term lease obligations of 586,611,201 EGP on 31 March 2024 (on 31 December 2023: 603,858,579 EGP), and the balances of right of use assets and lease obligation are 31 March 2024 and 31 December 2023 are as follows:

	Right of use assets (net)			Lease liability		
	Buildings EGP	Vehicles EGP	Machinery & Equipment EGP	Total EGP	EGP	EGP
<b>Balance 1 January 2024</b>	660,776,412	14,604,745	2,962,710	678,343,867	718,030,258	
Additions during the period	10,490,555	--	--	10,490,555	10,490,555	
Depreciation of the period	(17,154,477)	(1,527,255)	(158,266)	(18,839,998)	--	
Financing expenses	--	--	--	--	32,708,028	
Payments during the period	--	--	--	--	(54,283,199)	
<b>Balance as of 31 March 2024</b>	<b>654,112,490</b>	<b>13,077,490</b>	<b>2,804,444</b>	<b>669,994,424</b>	<b>706,945,642</b>	

\* Represents additions during the period amounting to 10,490,555 EGP for the renewal of operating lease contracts.

	Right of use assets (net)			Lease liability		
	Buildings EGP	Vehicles EGP	Machinery & Equipment EGP	Total EGP	EGP	EGP
<b>Balance 1 January 2023</b>	254,636,187	22,492,651	4,150,239	281,279,077	350,093,122	
Additions during the year	463,989,678	--	--	463,989,678	440,077,342	
Depreciation of the year	(57,849,453)	(7,887,906)	(1,187,529)	(66,924,888)	--	
Financing expenses	--	--	--	--	58,529,622	
Payments during the year	--	--	--	--	(130,669,828)	
<b>Balance as of 31 December 2023</b>	<b>660,776,412</b>	<b>14,604,745</b>	<b>2,962,710</b>	<b>678,343,867</b>	<b>718,030,258</b>	

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

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### **16-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
HSBC Bank	246,701,376	209,311,146
Cairo Bank	192,142,048	145,514,904
Emirates Bank Dubai	173,629,333	161,540,859
Housing & Development Bank (HDB)	127,557,029	19,907,840
Attijariwafa Bank	120,535,261	133,085,931
Suez Canal Bank	93,731,230	97,546,457
Crédit Agricole Bank	84,561,816	199,702,208
The United Bank	67,695,620	16,388,220
National Bank of Kuwait (NBK)	40,021,054	39,483,500
National Bank of Egypt	20,970,130	62,385,195
Abu Dhabi Islamic Bank	15,429,053	21,604,217
EG Bank	205,054	39,486,116
Banque Misr	448,279	--
Bank of Alexandria	--	57,294,172
Mashreq Bank	--	12,161
	<u>3,608,457,957</u>	<u>3,165,443,777</u>

The increase in the utilization of credit facilities extended to the company is attributed to higher purchases compared to the comparative period, as well as the settlement of operating expenses and financing on-going projects under implementation. Some of these facilities are unsecured, while others are secured by either promissory notes or collateralizing a portion of inventory in favor of the banks.

### **17-Suppliers and notes payable**

	<u>31 Mar 2024</u> <u>EGP</u>	<u>31 Dec 2023</u> <u>EGP</u>
Suppliers	5,018,084,761	3,660,365,873
Notes payables	8,655,278,971	8,116,611,809
	<u>13,673,363,732</u>	<u>11,776,977,682</u>

The increase in the total balance of accounts payable and notes payable is attributed to higher purchases, in addition to engaging with new suppliers during the period. There hasn't been a fundamental change in the average payment period to suppliers.



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

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### 18- Creditors and other credit balances

	<u>31 Mar 2024</u>	<u>31 Dec 2023</u>
	<u>EGP</u>	<u>EGP</u>
Tax authority- withholding tax	41,794,126	44,233,193
Tax authority-value added tax	--	26,762,617
National Organization for Social Insurance	8,316,859	6,229,714
Tax authority- Salary tax	5,010,404	5,264,167
Accrued expenses*	102,230,342	81,071,835
Contract Obligations – Expected Sales Returns	17,057,867	17,964,633
Dividend payable	659,648	659,648
Other credit balances	15,164,047	19,046,031
	<u>190 233 293</u>	<u>201,231,838</u>

\*The increase in accrued expenses is due to the rise in financial interest accruals during the period, resulting from an increase in credit facilities as well as an uptick in the interest rate by ratio 8%.

### 19- Related Parties

The related parties in the company consist of the parent company, subsidiaries, major shareholders, department managers, and senior management employees, as well as entities with joint control, significant influence, or substantial association with these parties. Pricing policies (comparable market prices) and terms of these transactions are adopted by management following the procedures established for approving such transactions. Transactions with related parties involve the following balances:

#### a) Related Parties Balances (Net)

	<u>31 March 2024</u>	<u>31 December 2023</u>
	<u>Due from</u>	<u>Due from</u>
	<u>related parties</u>	<u>related parties</u>
	<u>EGP</u>	<u>EGP</u>
Ramp Logistics	134,981,588	99,763,966
AIM Investment & Health Consulting (AIM)	20,654,448	19,003,923
DIGI 360 for Software Company	22,467,567	19,873,862
Ibn Sina for Import & Export Company	371,635	371,635
Ibn Sina Trade	2,209,453	2,200,492
	<u>180,684,691</u>	<u>141,213,878</u>
<b><u>Deduct:</u></b>		
Impairment in the value of related parties	(371,635)	(371,635)
	<u>180,313,056</u>	<u>140,842,243</u>

#### b) Related Parties Transactions

<u>Company</u>	<u>Nature of the relationship</u>	<u>Nature Transaction</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
			<u>EGP</u>	<u>EGP</u>
AIM Investment & Health Consulting (AIM)	Subsidiary	financing	1,650,525	8,464,507
		financing	32,655,550	54,515,383
Ramp Logistics	subsidiary of (AIM)	Purchases	(4,452,857)	(16,021,791)
		sales	7,014,929	25,306,135
DIGI 360 for Software Company	subsidiary of (AIM)	financing	2,580,254	10,723,394
		sales	13,452	5,634
Ibn Sina Trade	subsidiary of (AIM)	financing	8,960	2,200,492

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

	<u>From 1 January</u> <u>Till 31 March 2024</u>	<u>From 1 January</u> <u>Till 31 March 2023</u>
	<u>EGP</u>	<u>EGP</u>
Salaries and incentives of key managers	15,621,282	11,970,776
Rewards of Board Members	5,825,272	2,346,272
	<u>21,446,554</u>	<u>14,317,048</u>

### 20-Provisions

	<u>January 1, 2024</u>	<u>March 31, 2024</u>
	<u>EGP</u>	<u>EGP</u>
Provision for other claims	6,856,946	6,856,946
	<u>6,856,946</u>	<u>6,856,946</u>

	<u>January 1, 2023</u>	<u>(Used)</u> <u>During the</u>	<u>Formed</u> <u>During the year</u>	<u>December 31,</u> <u>2023</u>
	<u>EGP</u>	<u>year</u> <u>EGP</u>	<u>EGP</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 (31) 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.

### 21-Sales (Net)

The increase in sales is attributed to the company's increased market share, as well as the growth of the pharmaceutical market. Additionally, the rise in selling prices of certain products, an increase in the number of units sold. The company's sales amounted to 10,537,635,476 Egyptian pounds during the period ending on March 31, 2024, compared to 6,819,721,225 Egyptian pounds for the period ending on March 31, 2023.

	<u>From 1 January</u> <u>Till 31 March 2024</u>	<u>From 1 January</u> <u>Till 31 March 2023</u>
	<u>EGP</u>	<u>EGP</u>
Net sales of medicines, cosmetics, and marketing services	10,522,792,442	6,805,448,249
storage, transportation, and printing	7,903,709	9,220,613
Revenue sales reports and other	6,939,325	5,052,363
	<u>10,537,635,476</u>	<u>6,819,721,225</u>

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### **22-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 “pharmaceuticals and cosmetics “amounted to 9,762,093,139 EGP during the period ending on 31 March 2024 (compared to the period ending on 31 March 2023 amount of 6,266,612,192 EGP).

### **23-Administrative, general, sales and marketing expenses**

The increase in general, administrative, sales, and marketing expenses can be attributed to rising wages and salaries due to an increase in the number of employees and annual raises. Additionally, there is an increase in expenses for general facilities and branch maintenance as a result of higher fuel prices and spare parts costs during the period ended March 31, 2024, compared to the period ended March 31, 2023.

### **24-Financing income**

Other income includes interest income on returned cheques collected from customers amounting to EGP 47,951,449 during the period ending on 31 March 2024 (for the period ending 31 March 2023 amounting to EGP 14,400,715).

### **25-Foreign currency revaluation exchange**

- The increase in the foreign currency revaluation differences was due to the movement of the exchange rate of the Egyptian pound during the month of March 2024 against foreign currencies by more than 54% from the corresponding period. The foreign currency revaluation differences amounted to EGP 47,481,089 (during the period ending on 31 March 2023 EGP 35,168,554).
- In addition to having agreements with external suppliers to compensate the company for any changes in the exchange rate

### **26-Financing expenses**

The increase in interest and financing expenses was 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, and the financing expenses amounted to EGP 328,742,445 during the period Ended 31 March 2024 (compared to the period ending on 31 March 2023 amount of 197,071,667 EGP).

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### 27- Income taxes

	<u>From 1 January</u> <u>Till 31 March 2024</u>	<u>From 1 January</u> <u>Till 31 March 2023</u>
	<u>EGP</u>	<u>EGP</u>
Current Tax	(26,962,095)	( 20,786,553)
Deferred tax	7,165,054	6,356,183
	<u>(19,797,041)</u>	<u>(14,430,370)</u>

	<u>Tax</u> <u>Base</u>	<u>Account</u> <u>Base</u>	<u>Temporary</u> <u>Difference</u>	<u>Tax</u> <u>Rate</u>	<u>Deferred Tax</u> <u>Assets / (Liability)</u> <u>March 31, 2024</u>	<u>Deferred Tax</u> <u>Assets / (Liability)</u> <u>March 31, 2023</u>
					<u>EGP</u>	<u>EGP</u>
Fixed & Intangible assets	1,103,278,631	1,100,817,620	2,461,011	22.50%	553,727	( 3,357,179)
Operating lease assets and liabilities	457,980,686	393,860,808	64,119,878	22.50%	14,426,973	11,041,099
ECL, Impairments and provisions	-	(445,956,375)	445,956,375	22.50%	100,340,184	78,150,147
					<u>115,320,874</u>	<u>85,834,067</u>
Deferred tax Ending balance - Asset					<u>(108,155,820 )</u>	<u>( 79,477,884)</u>
Deferred tax Opening balance - Asset					<u>7,165,054</u>	<u>6,356,183</u>
Deferred income tax - revenue						

### 28- Earning per share

	<u>31 March 2024</u> <u>Egyptian pound</u>	<u>31 March 2023</u> <u>Egyptian pound</u>
Net profit for the Period	101,837,400	81,911,597
Legal reserve	--	(4,095,580)
Employees' share and Board of Directors' bonuses (estimated).	(19,349,106)	(14,779,888)
<b>Net distributable profit</b>	<b>82,488,294</b>	<b>63,036,129</b>
Average number of shares outstanding during the period	<b>1,008,000,000</b>	<b>1,008,000,000</b>
<b>Earning per share (EGP / share)</b>	<b>0,08</b>	<b>0.06</b>

- Dividends per share were calculated by dividing the net profit distributable to the owners of ordinary shares by dividing by the weighted average number of shares outstanding during the period, and the company does not have reduced shares.
- On 30 June 2020, the Ordinary General Assembly decided to increase the Company's issued capital to EGP 240 million, an increase of EGP 35 million, by issuing 140 million bonus shares financed from the company's distributable net profits for the fiscal year ended 31 December 2019 at the rate of 0,170731707 bonus shares for each original share of the company's issued capital before the increase of 820 million shares, with fractions rounded in favor of small shareholders from smallest to largest until the quantity is exhausted, making the company's authorized capital after the increase amount to 240 million Egyptian pounds divided into 960 million shares, with a share value of 25 piasters. The entry was recorded in the commercial register on August 30, 2020.

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### **28- Earning per share - Continued**

- On March 21, 2021, the Board of Directors of the company decided that the company would repurchase treasury shares, up to a maximum of 9,600,000 shares representing 1% of the company's capital. The company repurchased 4,000,000 shares by the end of the specified repurchase period on June 21, 2021. (Note 13-c).
- On April 11, 2022, the Extraordinary General Assembly decided to increase the issued capital of the company to 280 million Egyptian pounds with an increase of 40 million Egyptian pounds by issuing 160 million bonus shares financed from the company's distributable net profits for the fiscal year ending on 31 December 2020 distributed over 1.120 million cash shares and the nominal value of the share is 25 Egyptian piasters, and it was marked in the commercial register on 21 April 2022, It was also decided to distribute the bonus shares as of May 1, 2022, after the issuance of the decision of the Listing Committee to approve the increase.
- On May 19, 2022, the company's board of directors decided that the company will execute 3,832,492 treasury shares, bringing the number of shares issued on June 30, 2022 to 1,116,167,508 shares, in accordance with the provisions of Law 159 of 1981, where the company kept those shares for a year, which resulted in the execution process reducing the issued and paid up capital at the nominal value of those shares by a total amount of 958,123 Egyptian pounds, and the necessary measures are being taken to mark in the commercial register.
- On June 30, 2023, the company executed 14,100,000 shares from the name of the treasury, bringing the number of shares issued on June 30, 2023 to 1,102,067,508 shares, in accordance with the provisions of Law 159 of 1981, where the company kept those shares for a year, which resulted in the execution process reducing the capital at the nominal value of those shares with a total amount of 3,525,000 Egyptian pounds, and the necessary measures are being taken to register in the commercial register.
- On September 30, 2023, the company executed 74,758,900 shares from the name of the treasury, bringing the number of shares issued on September 30, 2023 to 1,027,308,608 shares, in accordance with the provisions of Law 159 of 1981, where the company kept those shares for a year, which resulted in the execution process reducing the capital at the nominal value of those shares with a total amount of 18,689,725 Egyptian pounds, and the necessary measures are being taken to approve the general assembly and register notation.
- On December 4, 2023, the Extraordinary General Assembly held on July 30, 2023 approved and decided to reduce the issued and paid up capital by EGP 28,000,000 by executing the treasury shares that the company purchased, which amounted to 112,000,000 shares (10% of the company's shares) at the nominal value of those shares, so that the issued and paid up capital becomes EGP 252,000,000 distributed over 1,008,000,000 shares with a nominal value of 25 piasters per share, and this has been noted in the commercial register on 18 December 2023.

### **29- Tax Position**

#### **First: Corporate Income Taxes**

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

#### **Second: payroll tax**

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

#### **Third: Stamp Taxes**

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

#### **Fourth: Value Added Taxes**

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

#### **Fifth: withholding tax**

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

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### **30-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 consist of financial assets (cash balances in hand and at banks, creditors, receivables from related parties, customers, and promissory notes) as well as financial liabilities (creditors, payable balances, credit facilities, loans, suppliers, bills payable, lease obligations, other long-term obligations, and amounts 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.

### **31-Important event**

- Some fundamental global events have occurred, which included the Arab Republic of Egypt, where the Egyptian economy, which is already suffering from stumbling blocks, faces new risks, as the war in the neighboring Gaza Strip casts a shadow on tourism reservations and the country's imports of natural gas, and the war in the Gaza Strip comes on the border with the Sinai Peninsula after the impact of the Russian-Ukrainian war and the Corona virus pandemic revealed long-term weaknesses in the Egyptian economy, Egypt has long relied heavily on short-term portfolio investment flows, tourism revenues and remittances from expatriates to cover part of the trade deficit, making it vulnerable to shocks.
- On February 1, 2024, contrary to the global trend of central banks maintaining unchanged interest rates, inflationary pressures in the Egyptian economy prompted the Monetary Policy Committee of the Central Bank to raise deposit and lending rates, as well as the overnight lending rate, by 200 basis points to 25.21%, 25.22%, and 75.21%, respectively. This move aims to curb inflation expectations and tighten monetary conditions to sustain the downward trajectory of inflation rates. Current developments indicate continued inflationary pressures, deviating from the usual pattern, affecting both food and non-food inflation.
- This is in addition to expectations of continued pressure in light of fiscal consolidation measures, as well as continued supply-side pressures, as the higher rate of domestic liquidity growth than the historical average contributed to the escalation of inflationary pressures.

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### **32-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:

<b><u>New or reissued standards</u></b>	<b><u>Summary of the most important amendments</u></b>	<b><u>Potential impact on financial statements</u></b>	<b><u>Implementation date</u></b>
<p>Egyptian Accounting Standard No. (10) amended 2023 "Depreciated fixed assets" and Egyptian Accounting Standard No. (23) amended 2023 "Intangible Assets"</p>	<p>1- These standards were reissued in 2023, allowing the use of the revaluation model when postmeasurement of fixed assets and intangible assets.</p> <p>- As a result, the paragraphs related to the use of the revaluation model option have been amended to some of the applicable Egyptian accounting standards, which are as follows:</p> <ul style="list-style-type: none"> <li>- Egyptian Accounting Standard No. (5) "Accounting Policies and Changes in Accounting Estimates and Errors".</li> <li>- Egyptian Accounting Standard No. (24) "Income Taxes".</li> <li>- Egyptian Accounting Standard No. (30) "Periodic Financial Statements".</li> <li>- Egyptian Accounting Standard No. "31" "Impairment of Assets"</li> <li>- Egyptian Accounting Standard No. "49" "Lease Contracts".</li> </ul>	<p>The company's management has decided not to opt for the application of the change in accounting policy, specifically the "revaluation model" option provided by those standards, and to continue using the "historical cost model" for those standards in the financial statements ending on December 31, 2023. However, management will subsequently explore the possibility of changing the accounting policy and using the revaluation model option provided by those standards. They will evaluate the potential impact on the financial statements if that option is used.</p>	<p>The amendments allowing for the option to utilize the revaluation model on financial periods commencing on or after January 1, 2023, are applied retrospectively. This includes demonstrating the cumulative impact of adopting the revaluation model initially by adding it to the revaluation surplus, alongside equity, at the outset of the financial period when the company first implements this model.</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>Implementation date</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"> <li>- 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.</li> <li>- 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.</li> </ul>	<p>The standard has no impact on the financial statements</p>	<p>These adjustments shall be applied for the annual periods <b>commencing on or after January 1, 2023, retroactively</b>, 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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<u>New or reissued standards</u>	<u>Summary of the most important amendments</u>	<u>Potential impact on financial statements</u>	<u>Implementation date</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"> <li>- Egyptian Accounting Standard No. (1) "Presentation of Financial Statements"</li> <li>- Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors"</li> <li>- Egyptian Accounting Standard No. (13) "Effects of Changes in Foreign Exchange Rates"</li> <li>- Egyptian Accounting Standard No. (24) "Income Taxes"</li> <li>- Egyptian Accounting Standard No. (30) "Periodic Financial Statements"</li> <li>- Egyptian Accounting Standard No. (31) "Impairment of Assets"</li> <li>- Egyptian Accounting Standard No. (32) "Non-current Assets Held for Sale and Non-Continuing Operations"</li> <li>- Egyptian Accounting Standard No. (49) "Lease Contracts"</li> </ul>	<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 <b>financial periods commencing on or after January 1, 2023, retroactively</b>, 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>Implementation date</u>
<p>Egyptian Accounting Standard No. (50) "Insurance Contracts"</p>	<p>1. This standard shall determine the principles of proof of insurance contracts falling within the scope of this standard, and shall determine their measurement, presentation and disclosure. The objective of the standard is to ensure that the company provides appropriate information that truthfully expresses those contracts. This information provides users of the financial statements with the basis for assessing the impact of such insurance contracts on the company's financial position, financial performance and cash flows.</p> <p>2- Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. (37) "Insurance Contracts".</p> <p>3- Any reference in other Egyptian accounting standards to Egyptian Accounting Standard No. (37) shall be replaced by Egyptian Accounting Standard No. (50).</p> <p>4 -- The following amendments have been made to the following Egyptian accounting standards to comply with the requirements of the application of Egyptian Accounting Standard No. (50) "Insurance Contracts", which are as follows:</p> <p>Egyptian Accounting Standard No. (10) "Fixed Assets and Depreciation". And Egyptian Accounting Standard No. (23) "Intangible Assets". Egyptian Accounting Standard No. (34) "Real Estate Investment".</p>	<p>The standard has no impact on the financial statements</p>	<p>Egyptian Accounting Standard No. (50) must be applied for annual financial periods commencing <u>on or after July 1, 2024</u>, and if Egyptian Accounting Standard No. (50) is applied for an earlier period, the company must disclose that fact.</p>