ibnsinapharma

FY2020 EARNINGS RELEASE

Cairo | 1 March 2021

Ibnsina Pharma Releases FY2020 Results

Ibnsina Pharma closes 2020 with revenues up 12.5% year-on-year to EGP 18.7 billion; double-digit growth comes in spite of marked slowdown in wider market; company seeks to leverage market rebound in 2021 through cost optimization, investment plans.

FY2020 Highlights

Net Revenues

EGP 18.7 BN

▲ 12.5% y-o-y

Gross Profit

EGP 1.5 BN

▲1.9% y-o-y

EBITDA

EGP 689.1 MN

▼ 11.4% y-o-y

Net Profit

EGP 224.8 MN

▼31.6% y-o-y

Cairo, 1 March 2021

Ibnsina Pharma (ISPH.CA on the Egyptian Stock Exchange), Egypt's fastest-growing and second-largest pharmaceutical distributor, released today its audited results for the fiscal year ended 31 December 2020, booking net revenues of EGP 18.7 billion, an increase of 12.5% year-on-year. Gross profit booked EGP 1.5 billion, up by 1.9% year-on-year, with the gross profit margin contracting by 82 basis points to 7.85% for FY2020, reflecting an enlarged top-line contribution from Ibnsina Pharma's wholesale business, which utilizes cash discounts with customers in exchange for cash payments.

Ibnsina Pharma's EBITDA declined by 11.4% year-on-year to post EGP 689.1 million for FY2020, with the EBITDA margin recording 3.69% against the 4.68% booked for FY2019. This contraction in EBITDA profitability reflects the relatively weak market conditions prevailing during FY2020 and the consequent effects on Ibnsina Pharma's ability to leverage economies of scale, particularly during the first half of the year, when curfews and mobility restrictions were instituted to safeguard public health and prevent the spread of COVID-19. Reduced EBITDA for the year further reflects a significant year-on-year increase in operational expenses as a result of COVID-related outlays amounting to EGP 8.1 million. Ibnsina Pharma recorded a net profit of EGP 224.8 million for FY2020, down by 31.6% year-on-year, with the net profit margin declining by 78 basis points to book 1.20% for the year. This reduction was driven by the abovementioned outlays as well as an increase in depreciation and amortization expenses for the year and one-time donations of approximately EGP 9.1 million extended to aid the Egyptian government's efforts to halt the spread of the virus.

On a quarterly basis, Ibnsina Pharma's revenues increased by 6.6% year-on-year to book EGP 4.9 billion for 4Q2020. Quarterly gross profit contracted by 17.9% year-on-year, recording EGP 323.7 million and yielding a gross margin of 6.50%. EBITDA fell by 48.7% year-on-year to register EGP 113.3 million for 4Q2020, with the quarterly EBITDA margin booking 2.28%. EBITDA for the quarter was affected by an increase in SG&A expenses, which included an outlay of EGP 10.0 million following the implementation of a new social insurance law. Net profit declined by 70.9% year-on-year to book EGP 24.2 million in 4Q2020, while the net profit margin booked 0.49% for the quarter.

Summary Income Statement

EGP mn	4Q2020	4Q2019	Change	FY2020	FY2019	Change
Net Revenue	4,977.2	4,671.1	*6.6%*	18,679.0	16,600.5	*12.5%*
Gross Profit	**323.7**	**394.3**	***-17.9%***	**1,466.9**	**1,439.5**	***1.9%***
GP Margin	*6.50%*	*8.44%*		*7.85%*	*8.67%*	
OPEX	**228.2**	**168.9**	***35.1%***	**829.6**	**683.6**	***21.4%***
OPEX / Sales	*4.58%*	*3.62%*		*4.44%*	*4.12%*	
EBITDA	**113.3**	**220.7**	***-48.7%***	**689.1**	**777.4**	***-11.4%***
EBITDA Margin	*2.28%*	*4.72%*		*3.69%*	*4.68%*	
Net Profit	**24.2**	**83.2**	***-70.9%***	**224.8**	**328.8**	***-31.6%***
NP Margin	*0.49%*	*1.78%*		*1.20%*	*1.98%*	

Comments from our Co-CEOs

"Ibnsina Pharma has successfully weathered a year of unprecedented challenges," **said Omar Abdel Gawwad, Co-CEO of Ibnsina Pharma**. "Despite the effects of the COVID-19 pandemic on Egypt's pharmaceuticals market, the company's top-line growth continued to significantly outpace sales growth in the wider market, climbing at a double-digit rate. Our revenues of EGP 18.7 billion for 2020 mark yet another annual record, and Ibnsina Pharma remains the fastest-growing distributor in the market. The company displayed great resilience in the face of a slowdown in pharmacy sales during the year, particularly during the second quarter, when public health measures put significant restrictions on customer mobility. It is clear that only those organizations with the required operational capabilities and flexibility will be able to maneuver nimbly in an environment dominated by the pandemic."

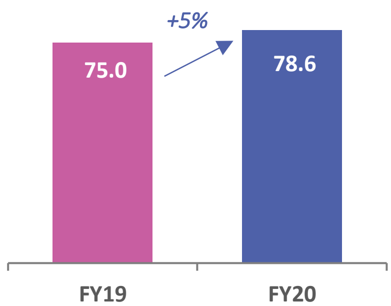
"We are confident that the market has used 2020 to build the experience necessary to cope successfully with COVID-related disruptions, and that Ibnsina Pharma will leverage the anticipated rebound in sales in FY2021," **Omar continued.** "The growth rate of sales in the retail market is expected to double to 10% in FY2021, while total pharmaceutical sales are anticipated to grow at a rate between 10% and 12%, up from the 8% rate recorded for FY2020. Meanwhile, the transfer of state purchasing to the Authority for Unified Procurement is progressing smoothly. While the system will need some time to mature, we expect it to bring a significant increase in efficiency, allowing Ibnsina Pharma to keep closer control of operational costs in the wholesale segment and shorten collection periods, with further benefits for the company's cash conversion cycle. We expect Ibnsina Pharma's cash conversion cycle to remain at the normalized level achieved at year-end 2020."

"Positive market developments will allow us to better utilize the economies of scale which give Ibnsina Pharma its competitive advantage, and we expect to gain at least one percentage point of retail market share over the course of FY2021. To ensure that the company continues to grow as profitably as possible, management aims to cap the growth of OPEX at 10% in FY2021 compared to 21% in FY2020. To this end, Ibsnina Pharma will put further recruitment on hold for the year and will focus on engendering further efficiencies and exploiting economies of scale."

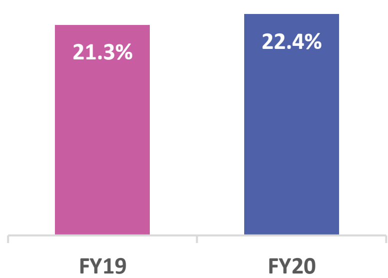
"Ibnsina Pharma remains as confident as ever in the dynamism and resilience of the Egyptian pharmaceuticals market, as indicated by our continued heavy investment in the development of our capabilities," **said Mahmoud Abdel Gawwad, Co-CEO of Ibnsina Pharma.** "The company has finalized a calibrated plan for investments and acquisitions that will allow us to deliver on our strategy of backward integration, expand our footprint in the field of digital healthcare, and further enhance our logistical capabilities. Ibnsina Pharma's Board of Directors is fully committed to marshalling the resources necessary for realizing this investment plan, and has to this end restricted year-end dividends to a distribution of new stocks. Meanwhile, the company has earmarked EGP 140 million for capital expenditures in FY2021 and will roll out a comprehensive network optimization plan during the year. This initiative will allow the company to optimize operational processes through the introduction of differentiated tiers of warehouses with varied functions and storage capacities, including four mini distribution centers and three regional facilities. Management expects a resultant improvement in inventory DOH, as well as enhanced product availability and forecast accuracy, materially reducing the company's supply chain costs through the maximization of productivity and asset utilization. In parallel, the company continues to optimize its capital structure, and will contract with a third party to construct the regional facilities, reducing the required initial investment and easing the burden on Ibnsina Pharma's balance sheet."

"Our strategies continue to prioritize digital transformation. Our aim in this space is to introduce value-creating innovations to every niche in the pharmaceutical industry's operating environment. In 2021 the company plans to pilot its Pharmacy Management System, the first ERP technology aimed at independent pharmacies based in the Egyptian market. Meanwhile, we are on track to release an updated version of the company's mobile app, which will provide enhanced functionality and features such as online payment. Ibnsina Pharma continues to explore mutually beneficial strategic partnerships with banks and other financial institutions to offer microfinance, cashless and electronic solutions, and other products and services to pharmacies, leveraging the company's wide customer base and distribution network to further enhance our top line and reduce operational costs," **Mahmoud concluded**.

Market Growth, Retail (EGP bn)



ISP Market Share (Retail)



Market Overview

Egypt's retail pharmaceutical market registered total sales of EGP 78.6 billion during FY2020, according to data published by IMS Health. Sales were up by 4.8% from the EGP 75.0 billion recorded during FY2019. Year-on-year growth was relatively subdued compared to the rate of 17.7% registered in FY2019, reflecting the market impact of the COVID-19 pandemic during the year. Such effects were particularly pronounced during the second quarter of FY2020, when the Egyptian authorities instituted curfews and other restrictions to contain the spread of the virus. Marked declines in customer mobility saw the value of pharmaceutical retail sales decline by 11.0% year-on-year in the month of April 2020 and by 16.0% in May.

Sales recovered as conditions normalized over the following months, with 4Q2020 seeing a rebound in activity: retail sales were up by 4.5% year-on-year for the month of October, by 14.8% in November, and by 7.8% for December. Sales growth during 2020 was driven by increases in the average selling price (ASP). Volumes sold for the retail segment of the pharmaceutical market recorded 2.40 billion units in FY2020, a decrease of 2.0% year-on-year from the 2.45 billion units sold in FY2019. This decline was driven by stringent mobility restrictions in place during 2Q2020 and by the temporary closure of public hospitals' outpatient clinics and doctors' clinics.

The non-retail segment of Egypt's pharmaceutical market recorded total sales of EGP 41.2 billion for FY2020, up by 14.7% from the EGP 35.9 billion recorded in FY2019. Growth in non-retail sales slowed markedly in 2H2020 compared to the rate registered over the first half of the year, reflecting the transfer of official purchasing processes from the Ministry of Health and Population to the Egyptian Authority for Unified Procurement during the period. The consequent decrease in non-retail growth is entirely consistent with this development and growth is expected to recover as the new process matures. It is anticipated that the Authority will significantly enhance the efficiency of procurement practices at upwards of 1,800 public hospitals and other establishments.

Total pharmaceutical sales are expected to record year-on-year growth of between 10% and 12% in FY2021, up from a rate of 8.0% for FY2020. Meanwhile, retail pharmaceutical sales are anticipated to record growth of approximately 10% in FY2021, double the rate achieved in FY2020. Such expectations are supported both by the government's efforts to avoid the economic effects of a reversion to full closures and mobility restrictions and the pharmaceutical industry's improved capacity to deal with recurrent waves of COVID-19 infections following the disruptions seen in 1H2020. Expectations of a rebound in growth are further backed by strong market fundamentals, including rapid population growth, an evolving epidemiological profile, and significant room for growth in per capital pharmaceutical expenditure.

Ibnsina Pharma has been the fastest-growing distributor of pharmaceutical products in Egypt for several consecutive years. FY2020 saw the company record retail sales growth of 10.2% year-on-year, exceeding overall market growth during the period by 5.3 percentage points and maintaining a multiyear record of market-beating top-line performance. Ibnsina Pharma supplied 22.4% of Egypt's retail pharmaceutical market in FY2020, up from 21.3% in FY2019. As growth rebounds, management expects Ibnsina Pharma to gain an additional percentage point or more of market share in the retail segment during FY2021.

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Operational Review

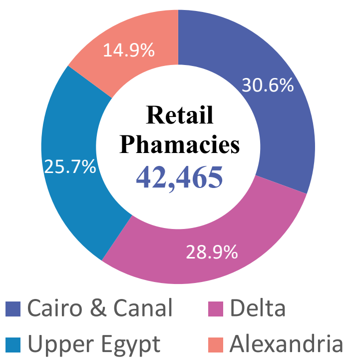
Ibnsina Pharma supplied a total of 46,256 clients during FY2020. Egypt's most heavily populated areas, Cairo and the Canal Zone, accounted for 31.4% of total clients served in FY2020. The Delta and Upper Egypt respectively accounted for 28.9% and 25.0% of Ibnsina Pharma's client base in FY2020. Alexandria, Egypt's second largest city, represented 14.7% of the company's clients in FY2020. Ibnsina Pharma works to optimize the geographical distribution of its client base, aligning the network as far as possible with population density in Egypt's various regions.

Ibnsina Pharma operated 63 sites at year-end 2020, up from 62 at the close of the previous year. Revenue per site expanded by 10.7% year-on-year to record EGP 296.5 million for FY2020 against EGP 267.8 million in FY2019.

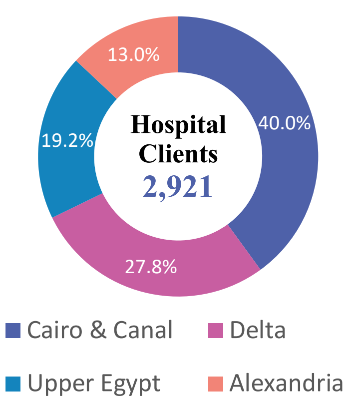
Meanwhile, the number of vehicles in Ibnsina Pharma's delivery fleet stood at 752 vehicles at year-end 2020, down from 761 vehicles one year previously. The company's optimized fleet strength has boosted Ibnsina's ability to efficiently satisfy rising demand, as demonstrated by an increase of 13.9% year-on-year in revenue per vehicle EGP 24.8 million in FY2020.

Revenue per employee increased by 6.7% during the period, recording EGP 2.8 million in FY2020, despite the net addition of 350 personnel to help meet Ibsnina Pharma's objectives for operational expansion.

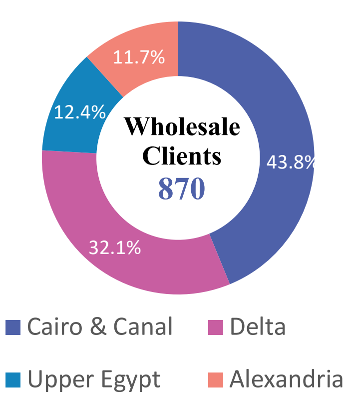
Retail Pharmacies by Geography (FY2020)



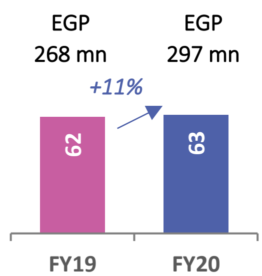
Hospital Clients by Geography (FY2020)



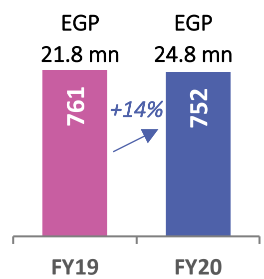
Wholesale Clients by Geography (FY2020)



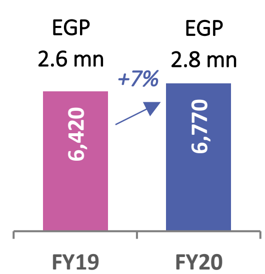
# of Sites (rev / Site)



# of Vehicles (rev / Vehicle)



# of Employees (rev / Employee)



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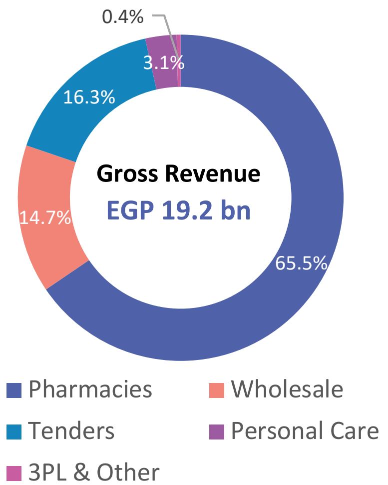
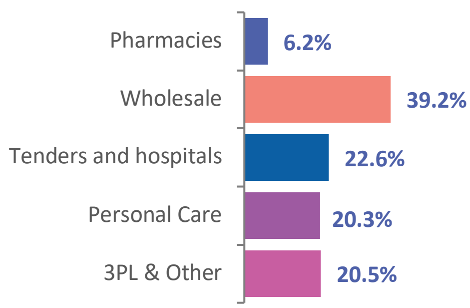
Revenue* by Business Line (FY2020)



***** Revenues refer to gross sales prior to discounts***

Business Line Revenue Growth (FY2020)

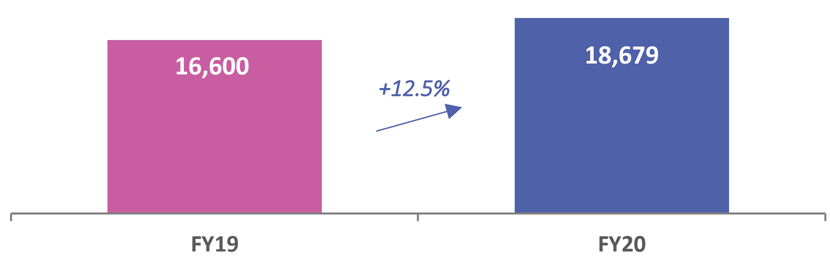


Financial Performance

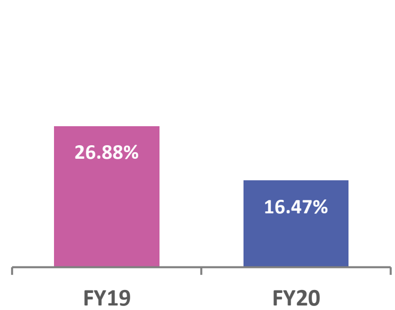
Revenues

Ibnsina Pharma booked gross revenues of EGP 19.2 billion for FY2020, up by 13.1% year-on-year on the back of broad-based growth across the company's business segments. Ibnsina Pharma's core business with retail pharmacies recorded revenues of EGP 12.6 billion in FY2020, up by 6.2% year-on-year and contributing 65.5% of consolidated revenues for FY2020 versus 69.7% in FY2019. This decrease in the retail segment's top-line contribution reflects restrictions on customer mobility in place during 2Q2020, with further pressure from the temporary closure of public hospitals' outpatient clinics and doctors' clinics during the period. Revenues from the company's wholesale business climbed by 39.2% year-on-year to record EGP 2.8 billion in FY2020, contributing 14.7% of total revenues against 11.9% one year previously. The wholesale business was Ibnsina Pharma's fastest-growing segment in FY2020. Meanwhile, revenues from tenders and private hospitals grew by 22.6% year-on-year to book EGP 3.1 billion for the year, constituting 16.3% of the company's top line for FY2020 against 15.1% in FY2019.

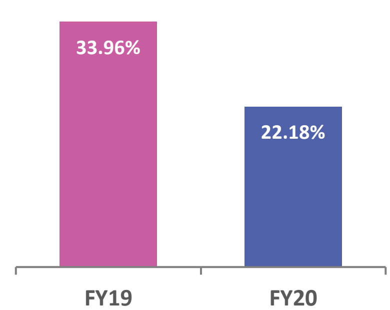
Net Revenue Progression (EGP mn)



Return on Equity



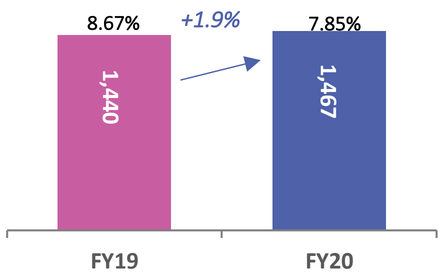
Return on Fixed Assets



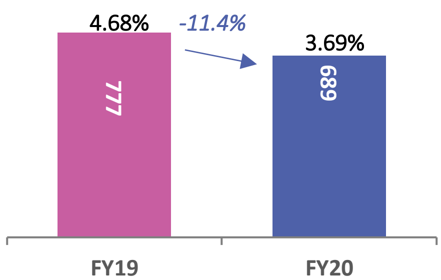
Gross Profit

Ibnsina Pharma booked a gross profit of EGP 1.47 billion in FY2020, up by 1.9% year-on-year from the EGP 1.43 billion recorded in FY2019. The company's gross profit margin contracted by 82 basis points to book 7.85% for FY2020. This reduction largely reflects continued rapid growth at the company's wholesale business segment and its contribution to the overall top line for

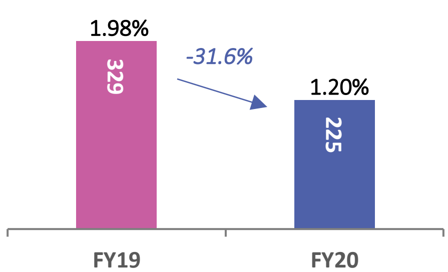
Gross Profit Progression (EGP mn, % margin)



EBITDA Progression (EGP mn, % margin)



Net Profit Progression (EGP mn, % margin)



the period. Ibnsina Pharma's wholesale clients typically transact in cash, receiving cash discounts from the company. The wholesale segment grew by 39.2% year-on-year, exerting pressure on the company's gross profit margin. Management expects Ibnsina Pharma's gross profit to revert to a normalized level as the retail market rebounds in 2021 and the contribution of the company's retail segment to top-line growth increases.

OPEX

The company booked EGP 829.6 million in operational expenses (OPEX) for FY2020, up by 21.4% year-on-year from the EGP 683.6 million recorded in FY2019. This increase was driven primarily by growth in salaries booked under SG&A expenses. Growth in salary outlays dates to the beginning of FY2020 and precedes the materialization of COVID-related impacts on Ibnsina's cost base. SG&A expenses for the period included an additional expense of EGP 10.0 million, reflecting the implementation of a new social insurance law. Salaries accounted for approximately 60% of OPEX in FY2020. The rate of OPEX growth is expected to slow significantly to approximately 10% in FY2021 as the company puts further recruitment on hold, with growth in salary expenses anticipated to fall to an average annual rate of 6% from the rate of 20% recorded in FY2020.

EBITDA

EBITDA recorded EGP 689.1 million in FY2020, down by 11.4% year-on-year from the EGP 777.4 million booked one year previously. The company registered an EBITDA margin of 3.69% in FY2020 against 4.68% in FY2019. Declining EBITDA profitability was driven heightened OPEX and temporarily weak market growth during the year, which prevented the company from fully utilizing its advantages in economies of scale during FY2020. EBITDA is expected to normalize over the course of FY2021.

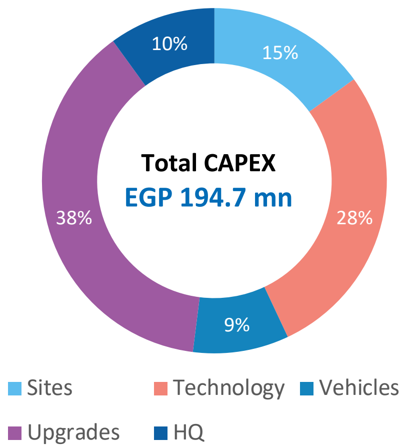
Depreciation & Amortization

Depreciation expense recorded EGP 131.1 million in FY2020, an increase of 52.1% from the EGP 86.2 million booked for FY2019, driven by an increase in long-term asset investments totaling EGP 1.2 billion. Heightened depreciation expense also stems from the coming online in late 2019 of assets added in 2018 and 2019, when CAPEX recorded EGP 479.0 million and 363.0 million, respectively. Management expects growth in depreciation expenses to slow markedly to approximately 13% in FY2021, with CAPEX of only EGP 140.0 million budgeted for FY2021 under the company's new network optimization model.

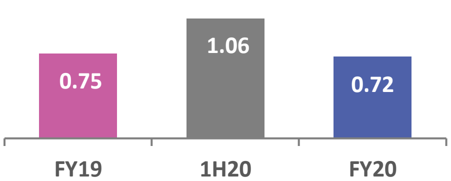
Interest Expense

Interest expense booked EGP 255.3 million for FY2020, up by 1.1% year-on-year from the EGP 252.5 million recorded in FY2019. This increase comes as Ibnsina Pharma has made use of MTLs in financing heightened CAPEX outlays, with secondary effects from the rapid expansion of the company's tenders' business and management's move to increase inventory levels as a risk management exercise at the beginning of the period. Management expects FY2021 to bring a year-on-year reduction in interest expense.

CAPEX Breakdown (FY2020)



Net Debt / Equity



Net Profit

Net profit decreased by 31.6% year-on-year to book EGP 224.8 million in FY2020 against EGP 328.8 million in FY2019. Ibnsina recorded a net profit margin of 1.20% in FY2020, down from the 1.38% booked one year previously. It should be noted that Ibnsina Pharma's net profit for FY2020 was affected by one-time COVID-assistance donations totaling EGP 9.1 million.

Operating Cash Flow

Ibnsina Pharma recorded a significant improvement in cash flow from operating activities during FY2020. Operating cash flow rose by EGP 306.7 million during the year, recording a net inflow of EGP 281.9 million compared to a net outflow of EGP 24.8 million in FY2019. The company's free cash flow reached EGP 218 million for FY2020, despite a relatively challenging external environment and the broader market's difficulties with respect to cash availability.

Key Balance Sheet Items

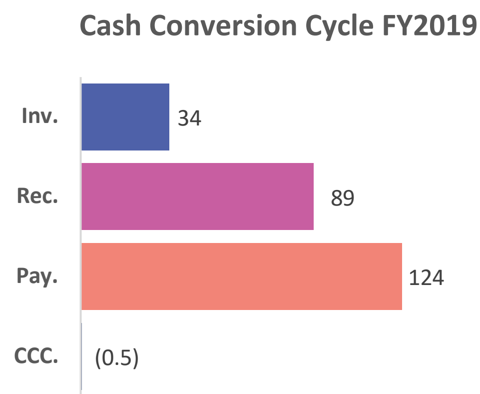
CAPEX

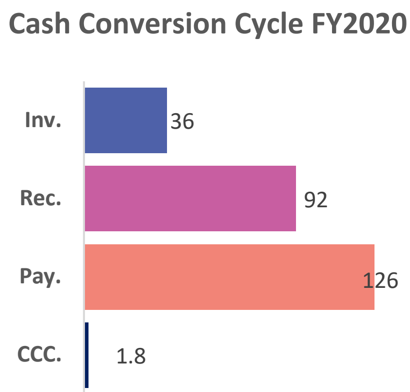
Ibnsina Pharma made CAPEX outlays of EGP 194.7 million in FY2020, down from the EGP 364.6 million committed in FY2019. Investments during the period included EGP 29.3 million on distribution centers and 14 new sales offices to enhance customer accessibility. At EGP 73.8 million, upgrades were allocated the highest share of CAPEX outlays for the year, while EGP 17.5 million was allocated to vehicles. Construction at Ibnsina Pharma's headquarters was allocated EGP 18.7 million during FY2020. Ibnsina Pharma invested EGP 55.5 million in technology projects as it continued to implement pre-COVID plans.

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

Working Capital

Ibnsina Pharma's cash conversion cycle recorded 1.8 days for FY2020 against negative 0.5 days in FY2019. The figure at year-end 2020 marks an improvement from the 8 days recorded for 1H2020. Receivable DOH registered 92 days in FY2020 against 89 days one year previously. Inventory DOH recorded 36 days in FY2020 against 34 days in FY2019 as the company sought to ensure product availability in the face of market uncertainty. Payables DOH recorded 126 days in FY2020 against 124 days in FY2019. Ibnsina Pharma expects to maintain normalized DOH for all working capital items and to reach a cash conversion cycle of between zero and negative 1 days in FY2021.





Net Debt

Ibnsina Pharma's net debt/equity ratio recorded 0.72 in FY2020. Total net debt booked EGP 984.5 million for the year, up from 920.5 million at the close of FY2019. Medium-term loans allocated to fund Ibnsina Pharma's CAPEX efforts represent approximately 43.8% of the company's net debt, while 63.3% of the company's net debt is represented by obligations under a financial lease and working capital financing extended in light of the rapid growth in Ibnsina's credit-intensive tender business. Nearly 80% of CAPEX budgeted for FY2021 will be financed through an MTL over five years, with the remaining 20% being self-financed.

RECENT CORPORATE DEVELOPMENTS

Ibnsina Pharma Board of Directors Proposes Distribution of Stock Dividend for FY2020

Ibnsina Pharma's Board of Directors convened on 28 February 2021 to approve the submission of a proposal to the company's General Assembly regarding the distribution of 1 free share for every 6 shares currently held. This share distribution will amount to a total of EGP 40 million and will take Ibnsina Pharma's paid-in capital to EGP 280 million, distributed over 1,120,000,000 shares each valued nominally at EGP 0.25 per share. The absence of a cash component to the dividend distribution for FY2020 reflects the Board of Directors commitment to the success of Ibnsina Pharma's comprehensive investment plan. This plan will see the company invest and heavily and complete targeted acquisitions that will further Ibnsina Pharma's strategic objective of backward integration, expand the company's presence in the field of digital healthcare, and accelerate the development of the company's logistical capabilities.

Income Statement

In EGP	4Q2019	4Q2020	YoY ▲	FY2019	FY2020	YoY ▲
Gross Revenue	**4,783,860**	**5,138,034**	**7.4%**	**17,001,529**	**19,224,978**	**13.1%**
Net Revenue	4,671,104	4,977,197		16,600,460	18,678,959	
Cost Of Revenue	(4,276,757)	(4,653,458)		(15,161,005)	(17,212,098)	
Gross Profit	**394,346**	**323,739**	**-17.9%**	**1,439,455**	**1,466,861**	**1.9%**
Gross Profit Margin	***8.44%***	***6.50%***		***8.67%***	***7.85%***	
Selling, General & Administrative	168,888	228,179		683,642	829,640	
Penalties on Returned Checks	(4,796)	17,702		21,592.6	51,852	
EBITDA	**220,663**	**113,262**	**-48.7%**	**777,405**	**689,073**	**-11.4%**
EBITDA Margin	***4.72%***	***2.28%***		***4.68%***	***3.69%***	
Depreciation & Amortization	27,795	33,980		86,229	131,121	
EBIT	**192,868**	**79,282**	**-58.9%**	**691,176**	**557,952**	**-19.3%**
EBIT Margin	***4.13%***	***1.59%***		***4.16%***	***2.99%***	
Financial Expenses	88,268	51,720		252,510	255,317	
Other Expenses	4,057	(539)		20,770	17,299	
Other Income	498	3,226		2,987	7,005	
EBT	**101,041**	**31,327**	**-69.0%**	**420,883**	**292,340**	**-30.5%**
EBT Margin	***2.16%***	***0.63%***		***2.54%***	***1.57%***	
Deferred Tax	(5,167)	(1,174)		344	2,320	
Income Tax	12,726	5,989		92,456	69,878	
Net Profit	**83,148**	**24,163**	**-70.9%**	**328,771**	**224,782**	**-31.6%**
Net Profit Margin	***1.78%***	***0.49%***		***1.98%***	***1.20%***	
EPS	***0.07***	***0.07***		***0.28***	***0.19***	

Balance Sheet

In EGP	FY2019	FY2020
Property & Equipment, net	898,220	952,716
Projects Under Construction, net	160,910	219,916
Other Assets	8,494	6,905
Leased Assets, net	61,477	54,023
Long Term NR	101,035	113,840
Deferred Income Taxes	9,256	11,575
Investment in Related Company - AIM	-	30,000
Total Long-term Assets	**1,239,392**	**1,388,974**
Inventories	1,690,645	2,100,870
Trade & Notes receivable, net	4,457,391	4,830,388
Supplier Advances	233,423	171,336
Debtors & Other Debit Balance, net	430,198	517,611
Due from Related Parties	372	372
Cash & Cash Equivalent	118,463	270,881
Total Current Assets	**6,930,492**	**7,891,459**
Total Assets	**8,169,883**	**9,280,433**
Paid-In Capital	205,000	240,000
Share Premium	277,500	277,500
General Reserve	3,079	3,079
Legal Reserve	33,633	50,072
Retained Earnings	375,258	569,590
Net Profit for The Year	328,771	224,782
Total Shareholders' Equity	**1,223,241**	**1,365,023**
Non-Current Portion of Medium-Term Loan	515,384	405,683
None-Current Notes Payable	-	20,895
Non-Current Portion of Obligation Under Finance Lease	34,115	26,271
Other Non-Current Liabilities	26,949	18,229
Total Long-term Liabilities	**576,449**	**471,078**
Credit Facilities	276,910	607,898
Contingency Provision	80,162	80,162
Customers Advance Payments	5,874	5,159
Due to Related Company - AIM		29,879
Current Portion of Obligation Under Finance Lease	15,490	15,358
Trade and Notes Payable	5,656,996	6,387,299
Current Portion of Medium-Term Loan	197,100	200,148
Income Tax	50,741	34,765
Creditors & Other Credit Balances	86,920	83,663
Total Current Liabilities	**6,370,193**	**7,444,332**
Total Liabilities & Shareholders' Equity	**8,169,883**	**9,280,433**

Cash Flow

In EGP	FY2019	FY2020
Cash flow from operating activities:		
Net profit before tax	420,882,906	292,340,073
Adjustments for:		
Depreciation of fixed assets	86,229,475	131,121,419
Allowance for impairment of accounts and Notes receivables	14,515,354	(24,340,071)
Provisions	9,761,429	-
Capital gain (loss)	(1,062,667)	(1,938,954)
Credit/Debit interest	252,509,973	255,317,412
Operating profit before changes in working capital	**782,836,469**	**701,180,021**
Changes in working capital:		
Change in inventory	(290,292,916)	(410,224,647)
Change in trade receivables	(916,831,104)	(410,142,542)
Change in supplier advances	(19,561,754)	62,087,073
Change in debtors and other debt balances	(226,312,107)	(87,263,503)
Change in trade payables	899,166,246	751,198,554
Change in customer advance payments	597,579	(715,542)
Change in creditors and other credit balances	16,587,944	(4,707,681)
Change in other noncurrent liabilities	(12,951,515)	(13,220,234)
Chang in due to related company	-	29,879,478
Cash flow from operating activities	**(233,238,842)**	**618,070,977**
Income taxes	-	(85,854,207)
Financing expense	(258,073,774)	(250,343,069)
Net cash flow from operating activities	**(24,834,932)**	**281,873,701**
Cash flow from investment activities:		
Payments for purchase of fixed and PUC	(396,452,416)	(230,450,314)
Proceeds from sale of fixed assets	1,768.973	2,415,890
Change in investment in related	-	(29,999,980)
Net cash flow from investment activities	**(394,683,443)**	**(258,034,404)**
Cash flow from financing activities:		
Dividends paid	(71,110,840)	(82,023,068)
Proceeds from borrowings	325,456,435	(106,653,792)
Overdraft facilities	211,823,195	330,988,040
Payment of lease liabilities	(24,805,728)	(13,731,890)
Net cash flow from financing activities	**441,363,062**	**128,579,290**
Net change in cash and cash equivalents during the period	**21,844,687**	**152,418,587**
Cash and cash equivalents at the beginning of the period	96,618,121	118,462,800
Cash and cash equivalents at the end of the period	**118,462,809**	**270,881,388**

About Ibnsina Pharma

Originally established in 2001, today Ibnsina Pharma is Egypt's fastest-growing and second largest pharmaceutical distribution company. The Company distributes a competitive portfolio of pharmaceutical products from over 350 Egyptian and multinational pharmaceutical companies to more than 46,000 customers including pharmacies, hospitals, retail outlets and wholesalers. Its fleet of around 750 vehicles completes an average of over 890,000 deliveries each month.

Ibnsina Pharma's core services for suppliers include management of warehousing and logistics for pharmaceutical products as well as the development and execution of tailored marketing solutions targeting a nationwide database of customers. The Company also provides efficient and reliable order-taking and delivery services to customers and was the first in its industry to pioneer a telesales model. Operating nationwide, Ibnsina Pharma's team of more than 6,000 employees is dedicated to improving people's quality of life by ensuring their access to safe and high quality pharmaceutical products.

For more information about Ibnsina Pharma, please visit: www.ibnsina-pharma.com.

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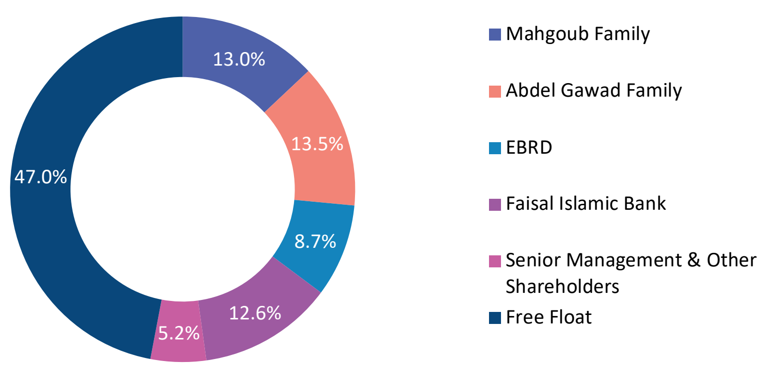
Shareholding Structure



Forward-Looking Statements

This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as "according to estimates", "anticipates", "assumes", "believes", "could", "estimates", "expects", "intends", "is of the opinion", "may", "plans", "potential", "predicts", "projects", "should", "to the knowledge of", "will", "would" or, in each case their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding our business and management, our future growth or profitability and general economic and regulatory conditions and other matters affecting us.

Forward-looking statements reflect our management's ("Management") current views of future events, are based on Management's assumptions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause our actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements. Our business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to become inaccurate. These risks include fluctuations prices, costs, ability to retain the services of certain key employees, ability to compete successfully, changes in political, social, legal or economic conditions in Egypt, worldwide economic trends, the impact of war and terrorist activity, inflation, interest rate and exchange rate fluctuations and Management's ability to timely and accurately identify future risks to our business and manage the risks mentioned above.