

Ibnsina Pharma Releases 9M2021 Results

Ibnsina Pharma records double-digit net profit growth of 20% year-on-year; Optimization strategy started to reap fruits.

Cairo, 14 November 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 nine-month period ended 30 September 2021, booking net revenues of EGP 15.7 billion, up 14.9% year-on-year despite market growing below historical levels. Ibnsina Pharma booked a net profit of EGP 241.3 million for 9M2021, marking an increase of 20.3% year-on-year and yielding an increase in the net profit margin from 1.46% to 1.53%.

Key Financial and Operational Highlights:

- Strong 3rd quarter bringing 9M2021 net profit to exceed the full year of 2020.
- Economies of scale clearly shown in the model with net profit growing faster than revenues growth.
- Optimization and digitalization strategy started to reap some fruits.
- Ibnsina Pharma invested EGP 120 million in non-core investments through its investment arm.
- Ibnsina Pharma Launches "Ramp Logistics" to invest EGP 440 million in 3rd party Logistics Services.

Summary Income Statement

EGP mn	3Q2020	3Q2021	Change	9M2020	9M2021	Change
Net Revenue	4,828,506	5,620,385	16.4%	13,701,762	15,743,908	14.9%
Gross Profit	441,946	498,788	12.9%	1,143,122	1,260,429	10.3%
GP Margin	9.15%	8.87%		8.34%	8.01%	
OPEX	(202,418)	(211,547)	4.5%	(585,149)	(603,615)	3.6%
OPEX / Sales	4.19%	3.76%		4.27%	3.83%	
EBITDA	247,023	294,477	19.2%	557,973	656,814	17.7%
EBITDA Margin	5.12%	5.24%		4.07%	4.17%	
Net Profit	111,632	134,559	20.5%	200,618	241,272	20.3%
NP Margin	2.31%	2.39%		1.46%	1.53%	

9M2021 Highlights

Net Revenues

EGP 15.7 BN

▲ 14.9% y-o-y

Gross Profit

EGP 1.26 BN

▲ 10.3% y-o-y

EBITDA

EGP 656.8 MN

▲ 17.7% y-o-y

Net Profit

EGP 241.3 MN

▲ 20.3% y-o-y

Comments from our Co-CEOs

“With the year coming to a close, Ibnsina Pharma is in clear view of achieving its strategic objectives for the year. Ibnsina Pharma recorded a strong third quarter bringing 9M2021 net profit to exceed the full year of 2020. The four pillars of our strategy; Growth, Optimization, Digitalization and Investment started to reap some fruits in the second half of 2021 which will give Ibnsina Pharma the opportunity in 2022 and beyond to have a full year effect with yearly improvement in margins” **commented Omar Abdel Gawad, Co-CEO of Ibnsina Pharma**

“On the optimization front, we are working to engender margin-boosting efficiencies through a variety of cost-based initiatives in our supply chain and employment cost. As previously announced, the company aims to keep OPEX growth at a maximum level of 5% year-on-year for FY2021, down from the rate of 21% booked for FY2020. We expect the effects of this measure to become progressively more evident in our financial performance over years. On the digitalization front, we remain committed to introducing meaningful innovations across each link in the pharmaceutical value chain which started with ISP mobile application and continues with a new ERP system, pharmacy management system, supplier digital platform. On the Investment side, we optimize investment in our core business through a light asset model that introduces new generation of tiered warehouses while attracting developers willing to invest in a build and rent model for our new regional warehouses which will keep our CAPEX for the year in the level of EGP 150 million only. For the non-core business investment, we invested EGP 120 million in our investment arm “AIM” for investments in logistics and digital transformation beside equity stakes in potential investment opportunities” **Omar continued.**

“We remain Egypt’s fastest-growing pharmaceutical distributor, registering revenue growth of 14.9% for the nine-month period and booking a top line of EGP 13.7 billion. Although retail growth for the period remained below by historical standards, the rebound reflects a market that retains its solid nature with defensive fundamentals. Bottom-line growth in the first nine months of the year reflects our success in leveraging economies of scale to spread fixed operational and administrative costs across a wide revenue base with a bottom-line growth of 20.3% while revenues grow with 14.9%. The bottom line was additionally affected by the adoption of IFRS 16 accounting standards during the period, with a new treatment of lease assets and liabilities yielding a net negative effect of EGP 6.5 million in 9M2021.” **said Mahmoud Abdel Gawad, Co-CEO of Ibnsina Pharma.**

Market Overview

Egypt's retail pharmaceutical market registered total sales of EGP 62 billion during the first nine of 2021. Sales were up by 6.1%. Sales growth during 2021 was mainly driven by increases in the average selling price (ASP).

Retail pharmaceutical sales are anticipated to record growth approaching a rate of 10% in FY2021, higher than the rate achieved in FY2020. Such expectations are supported by the pharmaceutical industry's improved ability to deal with recurrent waves of COVID-19 infections following the disruptions seen during the previous year.

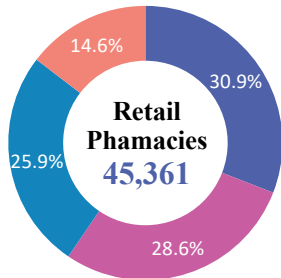
Expectations of double-digit growth in FY2022 and beyond are further backed by strong market fundamentals. Egypt is one of the few regional economies expected to generate strong GDP growth during 2022, while demand is further bolstered by rapid population growth. Rising at an annual rate of c.2%, Egypt's population has surpassed the 100-million mark. Consumer demand is consequently a major driver of Egypt's economic growth, with relatively inelastic goods such as pharmaceuticals experiencing consistent demand growth. Egypt's per capita outlay on pharmaceuticals continues to lag behind regional peers, leaving significant room for further growth and attracting large investments from domestic and foreign pharma players.

Growth in non-retail sales is expected to accelerate more in 2022 following a relative slowdown starting the second half of FY2020 as official purchasing processes were transferred from the Ministry of Health and Population to the Egyptian Authority for Unified Procurement during the period. With the new process maturing, it is anticipated that the Authority will significantly enhance the efficiency of procurement practices at upwards of 1,800 public hospitals and other establishments. Ibnsina Pharma's strong presence in both the retail and non-retail segments continues to support the company's performance and provides it with a strong competitive advantage.

Ibnsina Pharma has been the fastest-growing distributor of pharmaceutical products in Egypt for several consecutive years. 9M21 saw the company record retail sales growth of 6.1% year-on-year.

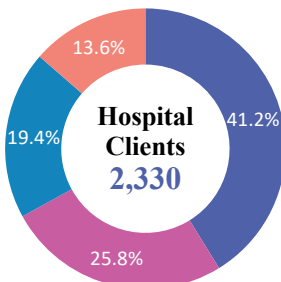
It should be noted that Ibnsina Pharma has received several corrections from IQVIA regarding retail market growth data starting 2021. Moreover, data on market shares provided by IQVIA is different from the data that Ibnsina Pharma have from pharmaceutical manufacturers, a discrepancy that need to be revised from IQVIA. Ibnsina Pharma is currently in talks with IQVIA to agree on a mechanism which will validate the data sent by different players in the pharma market, with the aim of ensuring the accuracy and consistency of the IQVIA reports.

Retail Pharmacies by Geography (9M2021)



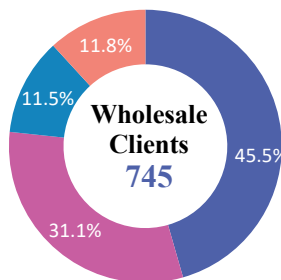
■ Cairo & Canal ■ Delta
■ Upper Egypt ■ Alexandria

Hospital Clients by Geography (9M2021)



■ Cairo & Canal ■ Delta
■ Upper Egypt ■ Alexandria

Wholesale Clients by Geography (9M2021)



■ Cairo & Canal ■ Delta
■ Upper Egypt ■ Alexandria

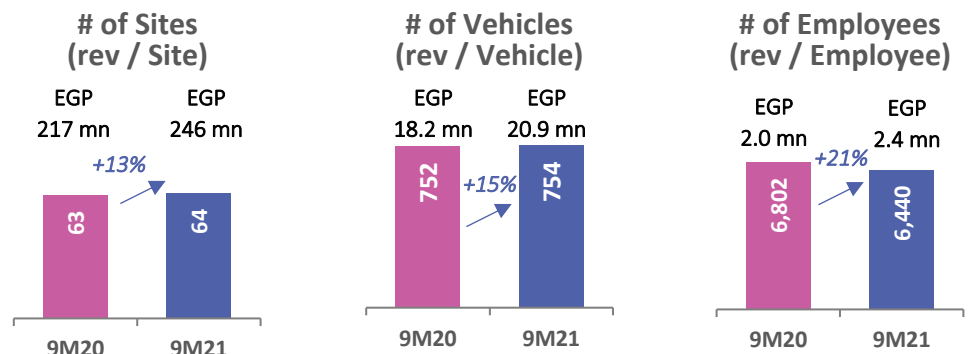
Operational Review

Ibnsina Pharma served 48,436 clients during the first nine months of 2021. Cairo and the Canal Zone, Egypt’s most heavily populated metropolitan areas and the country’s commercial pivot, accounted for 31.6% of Ibnsina Pharma’s client base during the period. Clients in the Delta and Upper Egypt constituted 28.5% and 25.4% of Ibnsina’s client base, respectively. Meanwhile, Egypt’s second largest city, Alexandria, represented 14.5% of the company’s clients in 9M2021. 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.

The company’s distribution network encompassed 64 sites in 9M2021 against 63 sites one year previously. Revenue per site climbed by 13% year-on-year to record EGP 245.9 million in 9M2021 versus EGP 217.5 million in 9M2020.

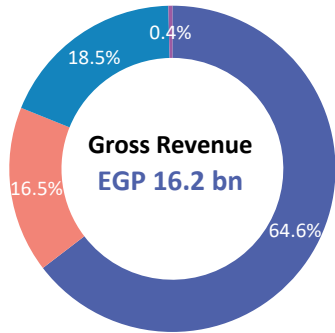
Meanwhile, Ibnsina Pharma’s delivery fleet stood at 754 vehicles in 9M2021, nearly unchanged from 9M2020. The company’s optimized fleet strength has boosted Ibnsina’s ability to efficiently satisfy rising demand, with revenue per vehicle growing by 15% year-on-year to EGP 20.9 million in 9M2021.

Revenue per employee increased by 21% during the period, recording EGP 2.4 million in 9M2021, an optimization of 362 personnel as part of operational optimization plan.



Financial Performance

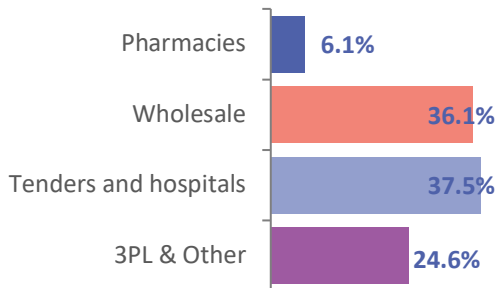
Revenue* by Business Line
(9M2021)



- Pharmacies
- Wholesale
- Tenders and Private Hospitals
- 3PL & Other

* Revenues refer to gross sales prior to discounts

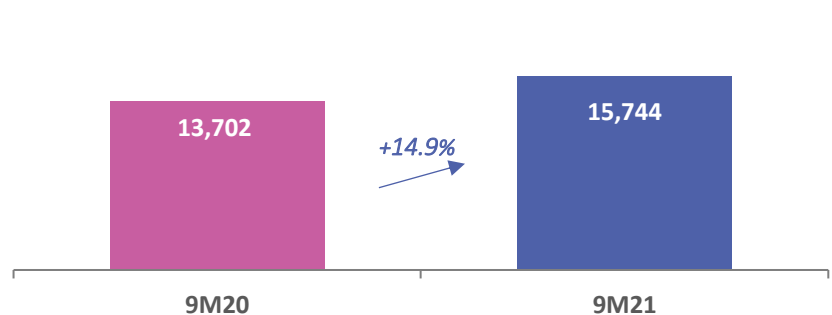
Business Line Revenue Growth
(9M2021)

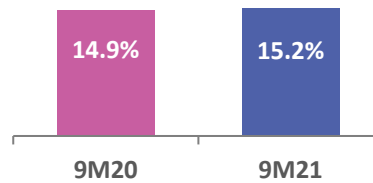
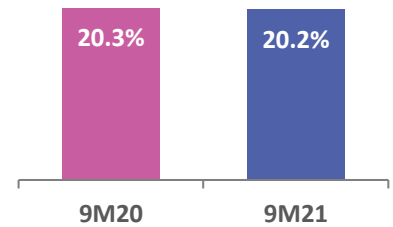
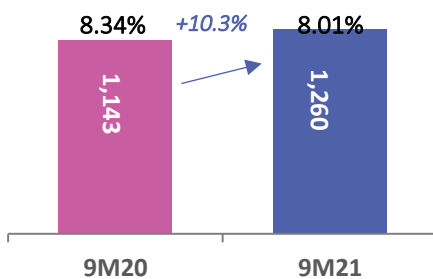


Revenues

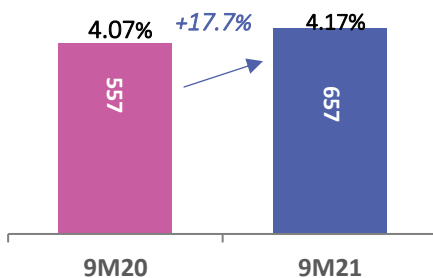
Ibnsina Pharma recorded gross revenues of EGP 16.2 billion in 9M2021, up by 15.3% year-on-year on the back of double-digit growth across each of the company's lines of business. The company's core business with retail pharmacies generated revenues of EGP 10.49 billion in 9M2021, up by 6.1% year-on-year and contributing 64.6% of the overall top line for 9M2021 against 70.2% one year previously. This decrease in the retail segment's top-line contribution reflects the implications of COVID-19 on the pharma market since 2020 as the market didn't fully recover yet. Revenues from Ibnsina Pharma's wholesale business rose by 36.1% year-on-year to register EGP 2.67 billion in 9M2021, forming 16.5% of the company's total revenues versus a contribution of 13.9% as at 9M2020. Meanwhile, Tenders and hospitals was the company's fastest-growing business segment in 9M2021, generating EGP 3.00 billion during the period, contributing 18.5% of the top line for 9M2021 against 15.5% one year previously, expanding by 37.5% year-on-year and contributing the majority of top-line growth for the nine-month period.

Net Revenue Progression (EGP mn)



Return on Equity

Return on Fixed Assets

**Gross Profit Progression
(EGP mn, % margin)**

Gross Profit

Ibnsina Pharma booked a gross profit of EGP 1,260.4 million for 9M21, an increase of 10.3% from the EGP 1,143.1 million recorded in 9M20. The gross profit margin recorded 8.01% over the period down from 8.34% one year previously. This reflects growth in the wholesale segment's contribution to the overall top line for the period. Ibnsina Pharma's wholesale clients typically transact in cash, receiving cash discounts from the company. The wholesale segment grew by 36.1% year-on-year, exerting pressure on the company's gross profit margin.

**EBITDA Progression
(EGP mn, % margin)**

OPEX

The company registered EGP 603.6 million in operational expenses (OPEX) for 9M21, up by 3.6% year-on-year from the EGP 585.1 million booked in 9M20. The rate of OPEX growth has slowed significantly from the pace of 20% year-on-year recorded at the close of FY2020 due to the optimization strategy adopted in SG&A, CAPEX and working capital. The company aims to keep OPEX growth at a level of 5% year-on-year for FY2021 compared to the rate of 20% registered for FY2020.

EBITDA

EBITDA booked EGP 656.8 million in 9M21, an increase of 17.7% from the EGP 557.9 million recorded in 9M20. This climb in EBITDA reflects the relatively slow growth of OPEX in 9M2021. Ibnsina Pharma saw its EBITDA margin growing to 4.17% in 9M21 up from 4.07% recorded in 9M20. The company will continue to successfully leverage economies of scale, effectively spreading fixed operational and administrative costs across a wide revenue base as the year progresses.

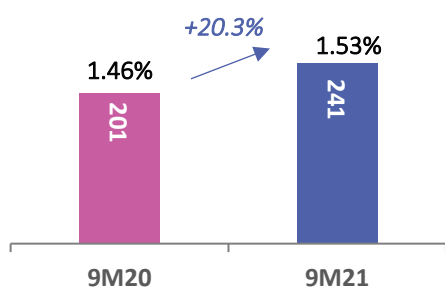
Depreciation & Amortization

Depreciation expense registered EGP 131.8 million in 9M21, up by 35.6% from the EGP 97.1 million booked for 9M20, driven largely by the adoption of IFRS 16 accounting standards during the period which impacted increased depreciation by around EGP 31.2 million. IFRS 16 requires lessees to recognize assets and liabilities for all high-value leases, with consequent effects for depreciation expense.

Interest Expense

Interest expense booked EGP 217.1 million for 9M21, up only by 6.6% year-on-year from the EGP 203.6 million recorded in 9M20. Interest expenses as a percentage of sales enhanced to record 1.38% compared to 1.49% in 9M20 driven by the decrease in interest rates during the period, as well a reduction in the outstanding balance of Ibnsina Pharma’s medium-term loans. This decrease comes despite the adoption of IFRS 16 during 1Q21 and the consequent reclassification of certain lease-related expenses as interest expenses.

**Net Profit Progression
(EGP mn, % margin)**

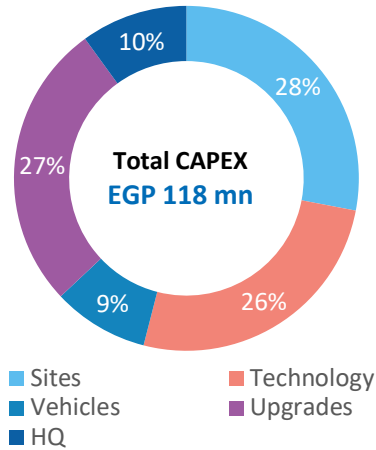


Net Profit

Net profit came in at EGP 241.3 million in 9M21, up by 20.3% year-on-year from the EGP 200.6 million posted in 9M20. The period saw Ibnsina Pharma’s net profit margin enhancing to 1.53% in 9M21 from 1.46% in 9M20. Bottom-line growth came as revenues growth outpaced Ibnsina Pharma’s OPEX growth as the company successfully leverages economies of scale to spread fixed operational and administrative costs over its wide revenue base. Net profit was further affected by the implementation of IFRS 16 accounting standards during the period. IFRS 16 mandates a new treatment of lease assets and liabilities, producing a net negative effect on the bottom line amounting to EGP 6.5 million in 9M2021.

Key Balance Sheet Items

Core Business
CAPEX Breakdown
(9M2021)



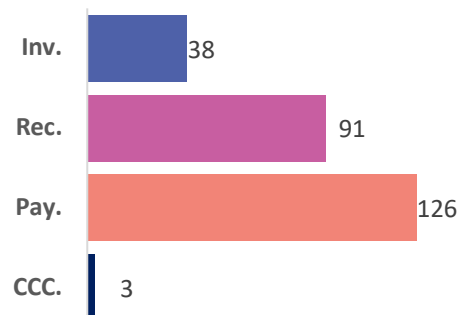
CAPEX

Ibnsina Pharma made CAPEX outlays in core business of EGP 118 million in 9M2021, down from the EGP 173 million committed one year previously. Investments during the period included EGP 33.4 million on distribution centers. At EGP 31.6 million, upgrades were allocated the highest share of CAPEX outlays for the period, while approximately EGP 10.4 million was invested in vehicles during 9M2021. CAPEX related to the construction of Ibnsina Pharma’s headquarters registered EGP 12 million during the period. Technology projects were allocated EGP 30.6 million as Ibnsina Pharma continued to implement its pre-COVID plans for technology investment. In addition, Ibnsina Pharma invested EGP 120 million in AIM (ISP investment arm) as part of diversification strategy

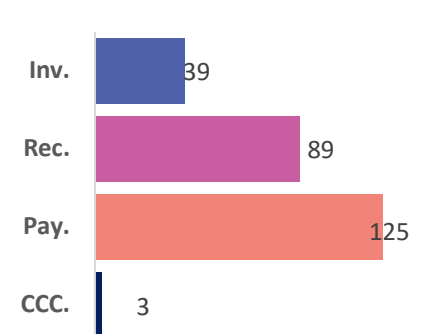
Working Capital

Ibnsina Pharma’s cash conversion cycle recorded 3 days for 9M2021, maintaining the same level in 9M2020. Receivable DOH registered 89 days in 9M2021 against 91 days one year previously. Inventory DOH recorded 39 days in 9M2021 against 38 days in 9M2020. Payables DOH recorded 125 days in 9M2021 against 126 days in 9M2020. Pharma expects to maintain normalized DOH for all working capital items and to reach a cash conversion cycle of between zero and negative 1 day end of FY2021.

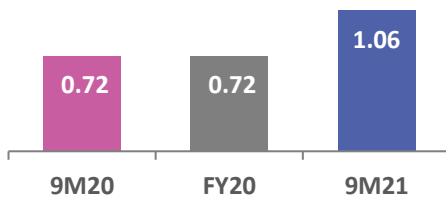
Cash Conversion Cycle 9M2020



Cash Conversion Cycle 9M2021



Net Debt / Equity



Net Debt

Ibnsina Pharma recorded a net debt/equity ratio of 1.06 in 9M2021, with the company booking a total net debt of EGP 1,643 million as at 30 September 2021 compared to a balance of 963 million as of 30 September 2020. The implementation of IFRS16 increased the lease obligations with EGP 262 million. Approximately 28% of the company's net debt is composed of a medium-term loan allocated to fund Ibnsina's CAPEX efforts, while 16% is composed of obligations under a financial lease and the remainder is working capital financing extended in light of the rapid growth in Ibnsina's credit-intensive tender business.

RECENT CORPORATE DEVELOPMENTS

Ibnsina Pharma Launches “Ramp Logistics” to invest EGP 440 million in Third party Logistics Services

Ibnsina Pharma announced that “AIM” Ibnsina Pharma’s investment arm established a pure logistics service provider to cater for the growing demand for warehousing , transportation and other 3PL services outsourcing . Accordingly, the third-party logistics business will be spun off to “Ramp Logistics” which is 99% owned by “AIM”.

“As the fastest growing pharmaceutical distributor in Egypt, Ibnsina Pharma is always keen to provide its’ clients with high quality service. Ibnsina Pharma’s extensive experience allowed us to manage the responsibility of warehousing and logistics services for pharma manufacturers in order to help them achieve their goals. we’ve made incredible progress during the past years in this healthy margin business and we are receiving a lot of demand for our services. To leverage our expertise in logistics and supply chain management, our investment arm “AIM” established a subsidiary called “Ramp Logistics” a pure logistics service provider to cater for the growing demand for warehousing and transportation outsourcing in different business sectors in Egypt while eyeing regional expansion. Our expertise in 3PL in a sophisticated market like pharma, opens the door for future expansion in other industries beside pharma” said **Mohsen Mahgoub, Managing Director of Ibnsina Pharma**

“Having a subsidiary focusing on warehousing, transportation and other 3PL services for our partners will allow Ramp Logistics to expand its storage capacity and fleet while having a dedicated team that focus on serving clients with the highest standards in term of efficiency, speed, accountability and reliability of operating systems, powered by Ibnsina Pharma support. The planned expansion by Ramp Logistics in collaboration with developers is considered a new model for expansion that will allow Ramp Logistics to lower the required initial capex needed for expansion and extend the payment of investment cost over a long period which will have favorable financial implications” said **Omar Abdel-Gawad, Co-CEO of Ibnsina Pharma**.

Ramp Logistics currently owns logistics areas in two different locations serving pharma clients and as part of its expansion plan, Ramp Logistics signed a contract with Orchid Kuwait Egyptian Company to establish a new warehouse in 10th of Ramadan area over an area of 31,000 square meters to double its storage capacity to serve pharma and other sectors.

Income Statement

<i>In EGP</i>	3Q20	3Q21	YoY ▲	9M2020	9M2021	YoY ▲
Gross Revenue	4,981,336	5,801,092	16%	14,086,944	16,234,012	15%
Net Revenue	4,828,506	5,620,385		13,701,762	15,743,908	
Cost Of Revenue	(4,386,560)	(5,121,596)		(12,558,640)	(14,483,479)	
Gross Profit	441,946	498,788	13%	1,143,122	1,260,429	10%
Gross Profit Margin	9.15%	8.87%		8.34%	8.01%	
Selling, General & Administrative	(202,418)	(211,547)		(601,382)	(623,237)	
Penalties on Returned Checks	14,126	14,373		34,150	39,741	
AR Provision	(6,630)	(7,137)		(17,917)	(20,119)	
EBITDA	247,023	294,477	19%	557,973	656,814	18%
EBITDA Margin	5.12%	5.24%		4.07%	4.17%	
Depreciation & Amortization	(33,756)	(43,899)		(97,142)	(131,785)	
EBIT	213,267	250,578	17%	460,832	525,030	14%
EBIT Margin	4.42%	4.46%		3.36%	3.33%	
Financial Expenses	(68,658)	(80,728)		(203,597)	(217,123)	
Other Income	516	4,646		3,779	5,773	
EBT	145,125	174,325	20%	261,013	313,680	20%
EBT Margin	3.01%	3.10%		1.90%	1.99%	
Deferred Tax	1,251	1,046		3,494	6,340	
Income Tax	(34,744)	(40,983)		(63,889)	(78,748)	
Net Profit	111,632	134,559	20%	200,618	241,272	20%
Net Profit Margin	2.31%	2.39%		1.46%	1.53%	

Balance Sheet

<i>In EGP</i>	FY2020	9M2021
Property & Equipment, net	952,716	944,877
Projects Under Construction	219,916	223,691
Other Assets	6,905	8,118
Leased Assets net	54,023	242,873
Long Term NR	113,840	93,002
Deferred Income Taxes	11,575	24,383
Investment In related Company - AIM	30,000	120,000
Total Long-term Assets	1,388,974	1,657,045
Inventories	2,100,870	2,505,136
Trade & Notes receivable, net	4,830,388	5,378,423
Assets Held for Sale	0	127,506
Supplier Advances	171,336	134,191
Debtors & Other Debit Balance, net	517,611	535,537
Due from Related Parties	372	14,835
Cash & Cash Equivalent	270,881	308,107
Total Current Assets	7,891,459	9,003,736
Total Assets	9,280,433	10,660,781
Paid-In Capital	240,000	240,000
Share Premium	277,500	277,500
General Reserve	3,079	3,079
Legal Reserve	50,072	61,311
Retained Earnings	794,372	987,094
Treasury stock	0	-14,399
Total Shareholders' Equity	1,365,023	1,554,585
Non-Current Portion of Medium-Term Loan	405,683	241,801
Non-Current Notes Payable	0	3,489
Non-Current Portion of Obligation Under Finance Lease	26,271	197,937
Total Long-term Liabilities	431,954	443,226
Credit Facilities	607,898	1,226,007
Current Portion of Medium-Term Loan	200,148	220,349
Trade and Notes Payable	6,408,194	6,935,001
Creditors & Other Credit Balances	101,893	55,557
Customers Advance Payments	5,159	5,812
Due for Related Company - AIM	29,879	-
Income Tax	34,765	37,194
Current Portion of Obligation Under Finance Lease	15,358	64,081
Contingency Provision	80,162	80,162
Total Current Liabilities	7,483,456	8,662,969
Total Liabilities	7,915,410	9,106,196
Total Liabilities & Shareholders' Equity	9,280,433	10,660,781

Cash Flow

<i>In EGP</i>	9M2020	9M2021
<u>Cash flow from operating activities:</u>		
Net profit before tax	261,013	313,680
<u>Adjustments for:</u>		
Depreciation & Amortization	97,142	131,785
Allowance for impairment of current assets	17,917	20,119
Capital gain (loss)	(811)	(3,888)
Credit/Debit interest	203,597	217,123
Operating profit before changes in working capital	578,858	678,817
<u>Changes in working capital:</u>		
Change in inventory	(429,079)	(414,352)
Change in trade receivables	(179,752)	(654,500)
Change in supplier advances	137,775	37,145
Change in debtors and other debt balances	18,517	(18,186)
Change in trade payables	355,756	530,295
Change in customer advance payments	(4)	(9,582)
Change in creditors and other credit balances	(4,625)	(9,491)
Change in other noncurrent liabilities	(13,763)	-
Change in due from related parties	-	(14,464)
Change in due to related parties		(29,879)
Cash flow from operating activities	463,682	95,805
Income tax paid	(85,854)	(76,319)
Finance cost paid	(165,080)	(215,606)
Net cash flow from operating activities	212,748	(196,120)
<u>Cash flow from investment activities:</u>		
Payments for purchase of fixed assets	(165,700)	(90,520)
Payments for purchase of intangible assets	(319)	(3,088)
(Decrease) Increase in related investment AIM	-	(89,999)
Proceeds from sale of fixed assets	2,361	10,340
Net cash flow from investment activities	(163,658)	(173,268)
<u>Cash flow from financing activities:</u>		
Dividends paid	(82,023)	(14,586)
Treasury Stocks	-	(14,399)
Proceeds from MTL	(76,618)	(143,681)
Overdraft facilities	265,638	618,108
Payment of lease liabilities	(13,732)	(38,828)
Net cash flow from financing activities	93,266	406,614
Net change in cash and cash equivalents during the period	142,356	37,226

Cash and cash equivalents at the beginning of the period	118,463	270,881
Cash and cash equivalents at the end of the period	260,819	308,107

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.

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 across 62 sites in 23 cities 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.

For further information, please contact:

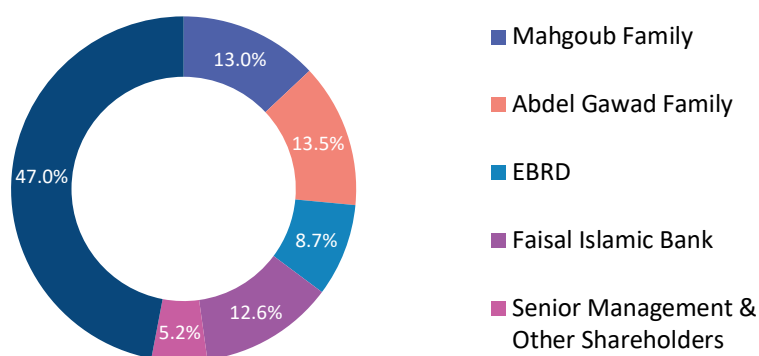
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Shareholding Structure



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.