

Ibnsina Pharma Releases Audited FY18 Results

Ibnsina Pharma concludes its first full year as publicly traded company with bottom line growth of 55%; top line growth continues to outperform wider market, with revenues expanding 39% to EGP 13.3 billion.

Cairo, 7 March 2019

FY18 Highlights

Net Revenues

EGP 13.3 BN

▲ 39.0% y-o-y

Gross Profit

EGP 1.1 BN

▲ 36.0% y-o-y

EBITDA

EGP 573.9 MN

▲ 49.6% y-o-y

Operating Profit

EGP 412.7 MN

▲ 59.4 % y-o-y

Net Profit

EGP 262.5 MN

▲ 54.3% y-o-y

Normalized NP

EGP 322.2 MN

▲ 55.1% y-o-y

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 ending 31 December 2018, posting net revenues of EGP 13.3 billion, up 39.0% year-on-year.

Ibnsina's gross profit for the period grew by 36.0% year-on-year to reach EGP 1.1 billion in FY18, yielding a gross profit margin of 8.4%.

Operating profit grew 59.4% year-on-year to record EGP 412.7 million for FY18, while the company's operating profit margin climbed to 3.1 % from 2.7% in the previous year. EBITDA grew at a rapid 49.6% year-on-year, recording EGP 573.9 million for FY18 and yielding an EBITDA margin of 4.3%.

Net profit climbed by more than half year-on-year, recording EGP 262.5 million, despite one-off charges of EGP 59.7 million incurred during the period. Normalized net profit, which factors out these charges, rose by 55.1 % year-on-year to reach EGP 322.2 million in FY18.

On quarterly basis, Ibnsina Pharma's revenues grew 35.5% year-on-year to EGP 3.9 billion. Gross profit stood at EGP 316.5 million in 4Q18, growing 38.4% year-on-year and yielding a margin of 8.1%. Ibnsina's operating profit grew at a rapid 42.3% year-on-year during the period to record EGP 118.8 million, representing an operating profit margin of 3.1%. EBITDA recorded a significant 50.5% increased year-on-year to record EGP 167.2 million during the quarter, with EBITDA margin standing at 4.3%. Net profit recorded EGP 74.2 million in 4Q18, growing at a remarkable 172.8% year-on-year to yield a net profit margin of 1.9%.

The year saw Ibnsina Pharma serve 42,157 customers across Egypt and make 8 million deliveries, up 23% year-on-year.

Summary Income Statement

EGP mn	4Q2017	4Q2018	Change	FY2017	FY2018	Change
Net Revenue	2,871.1	3,890.3	35.5%	9,586.3	13,323.7	39.0%
Gross Profit	228.6	316.5	38.4%	826.4	1,124.3	36.0%
GP Margin	8.0%	8.1%		8.6%	8.4%	
OPEX	117.5	149.3		420.5	550.4	30.9%
OPEX / Sales	4.1 %	3.8%		4.4%	4.1%	
EBITDA	88.9	167.2	88.0 %	405.8	573.9	49.6%
EBITDA Margin	3.9%	4.3%		4.2%	4.3%	
Operating Profit	70.7	118.8	42.3%	258.9	412.7	59.4%
OP Margin	2.5% %	3.1%		2.7 %	3.1%	
Net Profit	27.1	74.2	174.1%	170.1	262.5	54.3%
NP Margin	0.9%	1.9%		1.8%	2.0%	
Normalized Net Profit	60.5	91.4	51.1 %	207.7	322.2	55.1%

Chairman's Note

I am pleased to report that in its first full year as a publicly-traded company, Ibnsina Pharma has delivered exceptional growth and value to shareholders while up-holding best corporate governance and disclosure standards. Although we witnessed several challenges during the year, including the rollout of stringent regulations, stock market volatility and a legal dispute that loomed over our business, we have emerged a more versatile company and have built on a solid reputation developed over our 18-year track record.

In February 2019, the Cairo Appellate Court ruled to reduce the antitrust fines handed by the Cairo Economic Court from EGP 2.04 billion to EGP 160 million. While we view this as a positive development, we have reserved the right to appeal the latest verdict and safeguard the interests of our shareholders. We are also keen on the swift conclusion of the dispute and are thus considering legal settlement as a viable option permitted by the law until a final verdict is reached. We stress that Ibnsina Pharma adheres to the highest standards in corporate governance and responsibility, including a strict code of conduct with a zero-tolerance policy for corruption or any other illegal or unethical practices. We remain committed to transparency and will continue to update our shareholders and the market on any new developments related to the case as they occur.

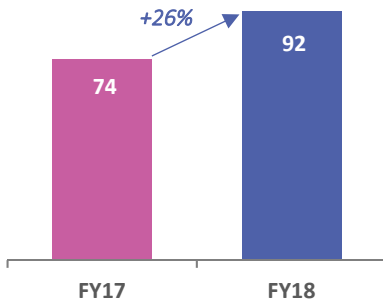
Finally, I wish to thank our employees, executive management and the entire team for their stellar performance in 2018. The company delivered double digit-growth in both our top and bottom lines during the year. Together, we have successfully navigated a challenging environment and have come out ahead of the market.

Comments from our Co-CEOs

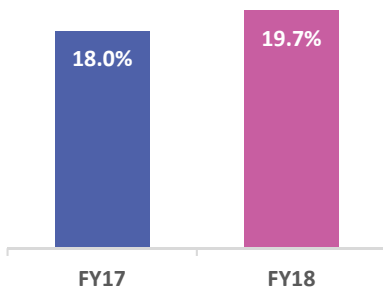
"Ibnsina Pharma ended its first full year as a publicly traded company on solid ground and with significant growth potential," said Omar Abdel Gawad, Co-CEO of Ibnsina Pharma. "In 2018, the company continued to lead the way in Egypt's pharmaceutical distribution industry, expanding its top line by 39% to a record-high of EGP 13.3 billion. Our growth outpaced the total market by c.12% and our company continued to gain market share month-on-month having closed the year at 19.7% of the total pharma market, which includes both retail and non-retail sales, versus 18% in 2017. On a segment basis, Ibnsina Pharma is perfectly aligned to capitalize on the prevailing market trends where retail sales are today the largest segment in the industry, growing at c.26% year-on-year. At Ibnsina Pharma, retail constitutes almost 70% of our top-line, thus ideally positioning us to capture the upside. More importantly, our continuous pursuit of operational excellence and our value-based differentiation strategy allow us to grow profitably, with significant year-on-year acceleration down our income statement despite operating in an industry with a predetermined distribution margin. Our results speak for themselves with a 49.6% increase in our EBITDA to EGP 573.9 million and a significant 54.3% increase in our bottom-line to EGP 262.5 million. Heading into 2019, we will continue to deploy our proven business model and execute our growth strategies as we seek to create long-term sustainable value," he concluded.

"At the core of our success is a commitment to providing a superior service and maximizing client satisfaction," said Mahmoud Abdel Gawad, Co-CEO of Ibnsina Pharma. "With over EGP 470 million in investments during 2018, we have expanded our capacities and bolstered our distribution capabilities to continue servicing customers with the efficiency and care they have come to expect from our company. In 2018, we brought online 4 new branches as part of our strategy to add 20 new locations by 2022. We have also relocated to a new headquarters which affords us the space to grow our customer-facing personnel and house our rapidly evolving institution with all our key administrative and managerial functions operating under one roof. In parallel, Ibnsina Pharma continues to explore business development opportunities akin to our distribution agreements with Novo Nordisk and Alcon. In an industry as vital as pharmaceuticals, our success as an efficient distributor not only serves our direct customers, but also extends to the end-user with improved accessibility to medicine; a cornerstone of our values in our new journey as a public concern," Mahmoud concluded.

Total Market Growth (EGP bn)



ISP Market Share



Market Overview

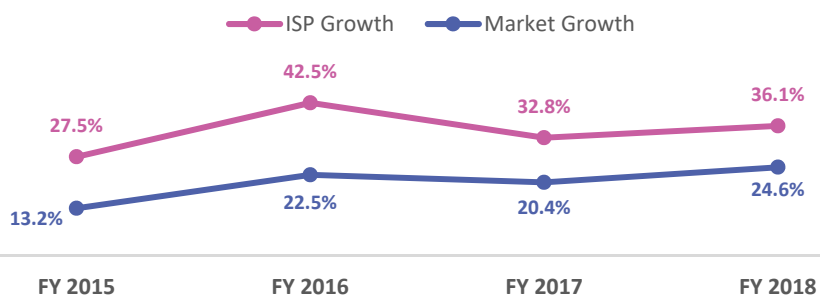
Egypt’s market for pharmaceutical products continued to grow at a rapid pace in 2018. According to data released for the first time by IMS Health about total pharmaceuticals market which includes retail and non-retail segments, total pharmaceutical sales in the country grew by nearly 24% from EGP 74.0 billion in 2017 to EGP 92.2 billion in 2018. The year saw sales to retail pharmacies grow relative to total sales, climbing from 67.6% in 2017 to 68.5% in 2018. Growth in the market’s retail segment came to approximately 26% year-on-year, outperforming overall market growth and outstripping growth in the non-retail segment by approximately 10%.

The sustained expansion in pharmaceutical sales, and the rapid growth seen in the market’s retail segment, exhibits the industry’s solid economic fundamentals. With Egypt’s population growing at a sustained rate of around 2% per annum, demand for pharmaceuticals remains elevated and steady. While the country’s epidemiological profile continues to evolve, expenditure on pharmaceuticals continues to catch up with peer economies and regional neighbors, driven by a growing middle class. 2018 saw volumes sold climb by 10%, while the average selling price (ASP) rose by approximately 14% (price effects usually account for two-thirds of market growth). Continuous ASP increases are a supply-side mechanism for adjusting prices in the absence of government intervention, allowing firms to mitigate the effects of inflation.

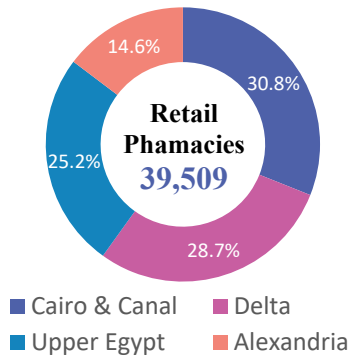
Ibnsina Pharma has built a solid foundation from which to capitalize on the trends and forces driving Egypt’s pharmaceutical market. The company derives approximately 70% of its revenues from the market’s retail segment, which has driven industry growth and considerably outperforms the non-retail and wholesale segments of the market. The contribution of retail and nonretail sources to Ibnsina’s total revenues, at 70% and 30% respectively, mirrors the total composition of sales in Egypt’s market for pharmaceutical products. This provides the company with sufficient exposure to the market’s fastest growing areas while buffering it from risks associated with concentration.

At year-end 2018, Ibnsina Pharma remained Egypt’s fastest growing distributor of pharmaceutical products. The company’s revenues grew at a rate of 36.1% during FY2018, outstripping growth in the overall market by a margin of 11.5%. FY2018 saw Ibnsina supply 19.7% of Egypt’s pharmaceutical distribution market, up from 18.0% in the previous year and securing the second highest market share in the industry. Ibnsina continues to optimally expand its distribution network, diversify its product portfolio, and enhance the efficiency and cost-effectiveness of its operations.

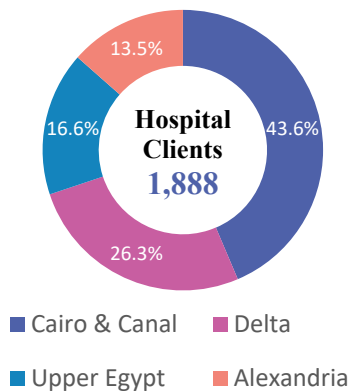
Market Growth vs. Ibnsina Pharma Growth (IMS Criteria)



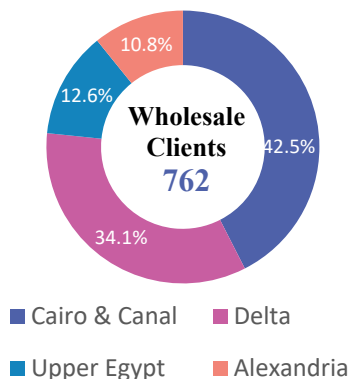
Retail Pharmacies by Geography (FY2018)



Hospital Clients by Geography (FY2018)



Wholesale Clients by Geography (FY2018)

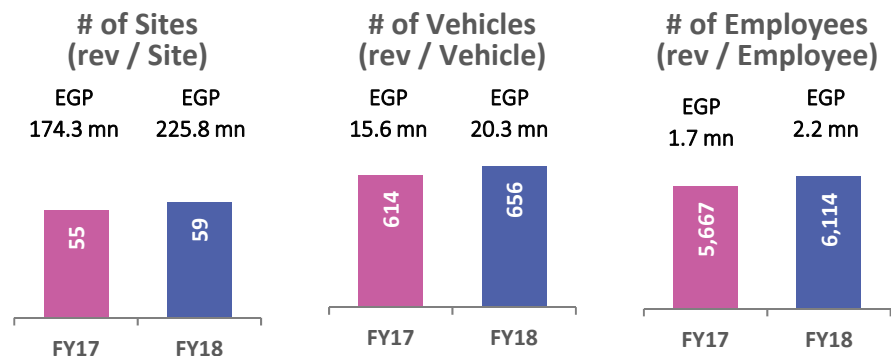


Operational Review

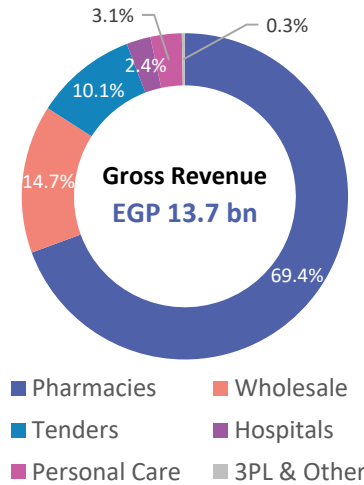
Ibsina Pharma supplied a total of 42,157 clients during FY18, 6% more than the 39,000 served in the previous year. Ibsina's client base is distributed in a manner that reflects the spatial distribution of Egypt's population. Egypt's most heavily populated areas, Cairo and the Canal Zone, accounted for 31.5% of total clients served in FY18. The Delta and Upper Egypt were home to 28.7% and 25.2% of clients, respectively. Egypt's second-largest city, Alexandria, accounted for 14.6% of Ibsina Pharma's client distribution during the year.

At Ibsina's core retail segment, sales accounted for 69.4% of total gross revenue in FY2018, growing at a rapid 37.6% year-on-year. Revenues from wholesale clients expanded by 41.8% year-on-year and contributing 15.4% of total revenues in FY2018. Meanwhile, the company's tenders segment expanded by more than half (50.4%) during the year, and now contributes 11.9% to the top line.

Ibsina Pharma operated 59 sites in FY18, against 55 sites a year previously. Total revenue per site increased by more than a third between FY18 and FY17, recording EGP 225.8 million at year-end 2018. Ibsina Pharma operated a fleet of 656 vehicles during FY18, up from 614 vehicles a year previously. This expanded fleet has helped Ibsina efficiently satisfy rising demand, as demonstrated by the 30.1% increase in revenue per vehicle from EGP 15.6 million in FY17 to 20.3 million for FY18.

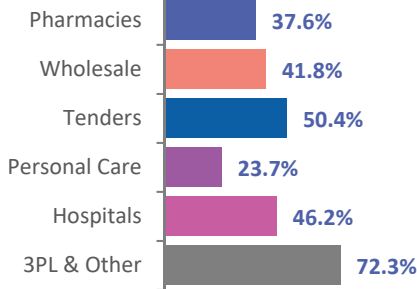


Revenue* by Business Line (FY2018)



* Revenues refer to gross sales prior to discounts

Business Line Revenue Growth (FY2018)

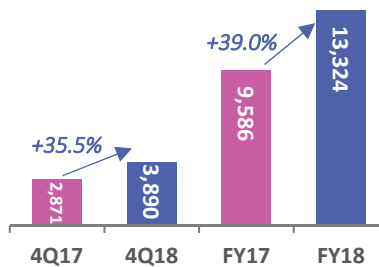


Financial Performance

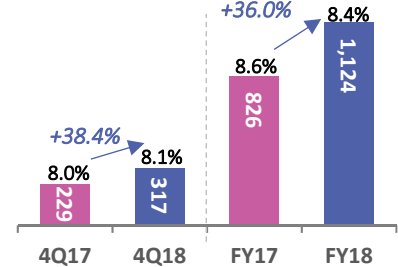
Revenues

Ibsina Pharma's gross revenues continued to grow rapidly in FY18, expanding by 39.3% year-on-year to reach EGP 13.7 billion. All of Ibsina's business lines delivered strong double-digit growth during FY18. The company's core retail business with pharmacies grew 37.6% year-on-year to EGP 9.5 billion and contributed the largest portion of absolute revenue growth at 67.1% in FY18. Ibsina's wholesale segment, its second largest, continued to grow rapidly during the year, expanding at 41.8% year-on-year to post revenues of EGP 2.0 billion. The company's 3PL and Other segment was its fastest growing in FY18, with revenues climbing 72.3% year-on-year during FY18. On a quarterly basis, Ibsina Pharma posted net revenues of EGP 3.9 billion in 4Q18, up 35.5% year-on-year. Growth continued to be driven by retail business with client pharmacies.

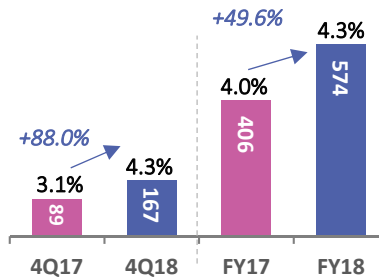
Net Revenue Progression (EGP mn)



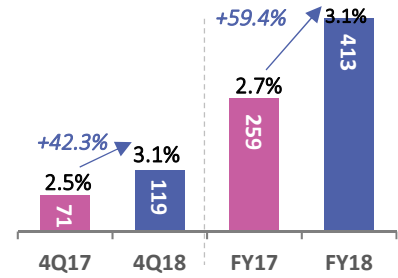
Gross Profit Progression (EGP mn, % margin)



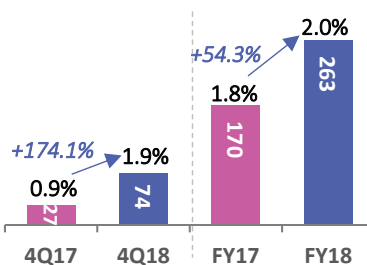
EBITDA Progression (EGP mn, % margin)



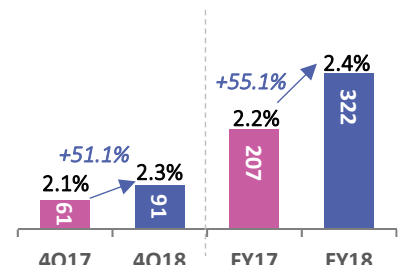
Operating Profit Progression (EGP mn, % margin)

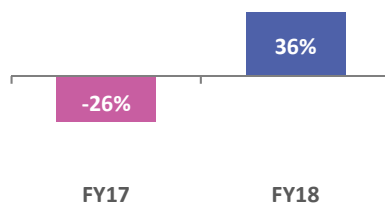
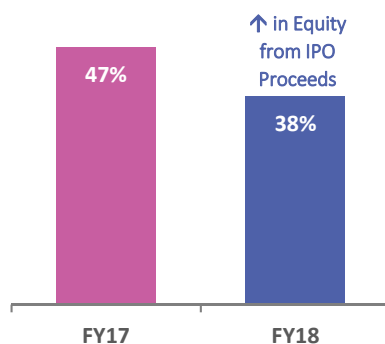
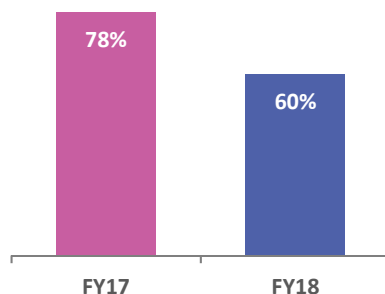


Net Profit Progression (EGP mn, % margin)



Normalized Net Profit Progression (EGP mn, % margin)



Net Debt / Equity

Return on Equity

Return on Fixed Assets

Gross Profit

Gross profit for FY18 recorded EGP 1.1 billion, up by 36.0% year-on-year from the EGP 826 million posted at year-end 2017. Ibnsina's gross profit margin contracted slightly over the year, recording 8.4% against 8.6% in FY17. This was driven by the growing volume of cash transactions with wholesale clients and their utilization of cash discounts. On balance, however, Ibnsina's growing wholesale business will increasingly allow it to limit the use of overdraft facilities, allowing it to limit its financial expenditures. Management's yearly guidance for Ibnsina Pharma's gross profit margin lies between 8.4% and 8.6%, irrespective of slight quarterly fluctuations.

Wholesale growth is providing the cash flow necessary to reduce Ibnsina Pharma's use of financing for working capital purposes: FY18 saw a decline in Ibnsina Pharma's financial expenses to sales ratio to 0.88% from 1.18% a year previously. Moreover, with the CBE expected to resume its policy of monetary loosening in 2019, Ibnsina Pharma will move to increase its use of accretive cash discounts with an eye to maximizing gross profitability over the coming quarters. Ibnsina Pharma made profitable use of the year-end bonuses offered by its suppliers.

On a quarterly basis, Ibnsina Pharma recorded a gross profit of EGP 316.5 million, a year-on-year increase of 38.4%. The company's gross profit margin climbed from 8.0% to 8.1% over the same period.

Operating Profit

Ibnsina Pharma's operating profit climbed by more than half (59.4%) year-on-year, posting EGP 412.7 million in FY18 against EGP 258.9 million in the previous year. Ibnsina's operating profit margin grew to 3.1% from 2.7% over the year. This growth in operating profit is a clear indication of the economies of scale Ibnsina Pharma increasingly extracts as it continued to effectively spread its fixed operational and administrative expenses across a wide revenue base during FY18, boosting profitability from core operations: Ibnsina's OPEX to revenue ratio registered 4.1% in FY18, down from 4.4% in FY17. The company's expanding client book, growing fleet and network of distribution centers, and the ongoing diversification of its product portfolio are enhancing its operating leverage, with an eye to sustaining high levels of profitability from core activities.

On a quarterly basis, operating profit expanded by a rapid 42.3% year-on-year to EGP 118.8 million in 4Q18 from EGP 70.7 million in 4Q17.

EBITDA

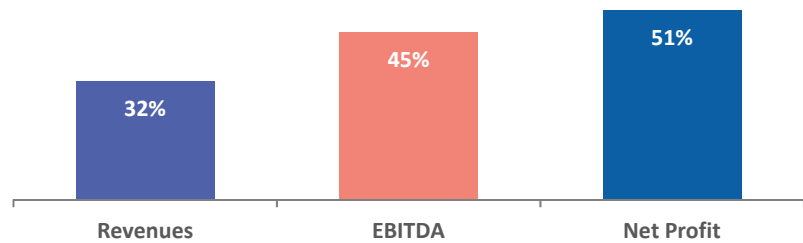
Ibnsina's EBITDA stood at EGP 573.9 million for FY18, up 41.4% on its level in FY17. The company's EBITDA margin climbed to 4.3% from 3.1% over the year.

In 4Q18, EBITDA registered EGP 167.2 million, against EGP 111.1 million in 4Q17, representing a rapid year-on-year expansion of 50.5%. Ibnsina's EBITDA margin grew to 4.3% from 3.9% over the same period.

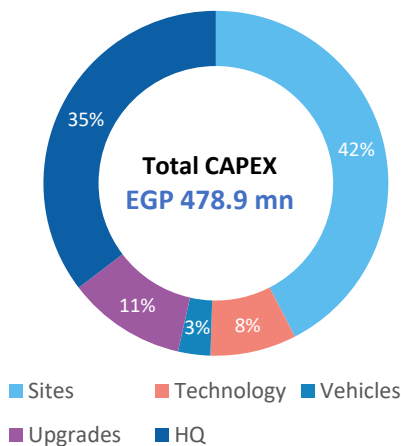
Net Profit

Ibnsina Pharma posted a net profit of EGP 262.5 million in FY18, an increase of 54.3% year-on-year on the EGP 170.1 million recorded in the previous year. The company's net profit margin grew to 2.0% from 1.8% over the same period. Normalized net profit, factoring out a one-time capital increase expense of EGP 9 million and a general provision and legal related fees of EGP 51 million, expanded at 55.1% year-on-year to record EGP 322.2 million in FY18. On a quarterly basis, Ibnsina Pharma posted an increase in net profit of 172.8% year-on-year to EGP 74.2 million, with an accompanying margin of 1.9%. Normalized net profit for the quarter reached EGP 91.4 million, up 51.0% year-on-year and yielding a margin of 2.3% against 2.1% for the same quarter last year.

Ibnsina Pharma 5-Year CAGRs



CAPEX Breakdown (FY2018)



Key Balance Sheet Items

CAPEX

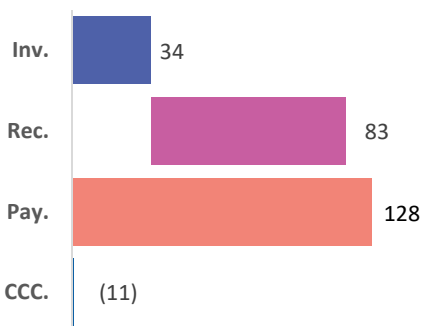
Ibnsina Pharma made total CAPEX outlays of EGP 478.9 million during FY18, a growth of more than double on the commitments made in FY17. Investments during the period included on time EGP 168.9 million on the company's new headquarters, which will add 303 seats to accommodate the rising headcount associated with rapid growth and increase efficiencies across the company's departments. Additional CAPEX outlays include EGP 201.3 million allocated for new distribution sites, as well as EGP 54.8 million in upgrades to existing ones. Of the remainder, EGP 40.0 million were used for technology projects and EGP 13.9 million for vehicles. This is in line with management's plan to expand Ibnsina Pharma's distribution reach across Egypt.

The expansion of Ibnsina Pharma's distribution reach in 2018 saw four site launches in 2018, bringing the total number of warehouse and distribution centers to 59 at year-end 2018.

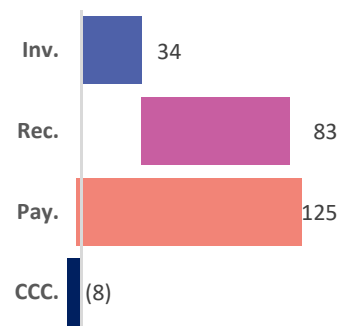
Working Capital

Ibnsina Pharma's cash conversion cycle rose slightly from negative 11 days during FY17 to negative 8 days in FY18. Ibnsina Pharma maintains a highly effective system for collection from debtors and works diligently to maintain favorable payment terms.

Cash Conversion Cycle FY2017



Cash Conversion Cycle FY2018



Inventory DOH remained constant at 34 days across FY17 and FY18. Payment terms with customers also remained constant, receivable DOH registering 83 days during both FY17 and FY18. Payables DOH fell from 128 days to 125 days over the course of the year.

It is worth noting that Ibnsina Pharma utilizes to its advantage a favorable spread between interest paid on overdraft facilities and supplier discounts for early payment. As a result, the company maintains an inverse correlation between accounts payable DOH and outstanding short-term debt.

RECENT CORPORATE DEVELOPMENTS

Cairo Appellate Court Reduces Fines On Ibsina Pharma's Executives From EGP 2.04 Billion to EGP 160 Million; Court Acquits Certain Company Executives

On 3 March 2018 Ibsina Pharma filed an appeal against the preliminary verdict in its case with the Economic Misdemeanors Court. On 19 February 2019, the appellate court's ruling was issued reducing the fines issued in the preliminary verdict of the Economic Misdemeanors Court from EGP 2.04 billion to EGP 160 million – a total reduction of EGP 1.88 billion – and barring civil plaintiffs from appeal.

Ibsina Pharma's executives maintain the right to appeal this latest verdict at the Court of Cassation within the permissible legal time frame. If the Court of Cassations revokes the Cairo Appellate Court's verdict, the case will be subject to a retrial albeit with a ceiling on the maximum fine penalty in accordance with the Cairo Appellate Court's ruling on 19 February 2019.

It is worth noting that the Egyptian law on the Protection of Competition and the Prohibition of Monopolistic Practices allows for legal settlements, and this option remains under consideration until a final verdict is reached by the Court of Cassation.

Ibsina Pharma asserts its strict adherence to the law and to the highest corporate governance standards in its day-to-day activities, policies and procedures. Ibsina Pharma will maintain its legal right to defend its position and to safeguard the interests of its shareholders. The company will continue to update its shareholders and the market on any new developments in the case as they occur.

The company reassures its shareholders, partners and the public that it remains committed to upholding the high standards of ethical behavior that have come to be associated with its brand.

Ibsina Pharma Begins Distribution of Novo Nordisk and Alcon Products to the Egyptian Market

In early September Ibsina Pharma received the first shipments of diabetes care, haemophilia and growth disorder products from Novo Nordisk, a leading manufacturer of insulin and haemophilia treatments. Prior to reaching an agreement with Ibsina Pharma, Novo Nordisk had been relying solely on one public sector distribution company and one private sector distribution company. Novo Nordisk's new agreement with Ibsina confirms an industry-wide trend of movement away from exclusivity in the distribution of licensed products. Customs on the September shipment were cleared in record time thanks to the Health Ministry's attachment of priority to the satisfaction of Egyptian demand for insulin products. Ibsina Pharma estimates that sales of Novo Nordisk products to pharmacies and in tenders will generate revenues of approximately EGP 300 million during the first 12 months of distribution, with an expected market share of 25% from the sale of Novo Nordisk products in the Egyptian market.

In another illustration of the trend away from distributive exclusivity, in 2018 Ibsina Pharma entered an agreement with Novartis to distribute 10+ stock-keeping units of Alcon products. Alcon is a division of Novartis and the global leader in eyecare products. Prior to its agreement with Ibsina, Novartis had been relying exclusively on a single Egyptian distributor, a private firm. The distribution of Alcon products is expected to contribute approximately EGP 125 million to Ibsina's top-line during the first year of distribution.

Income Statement

<i>In EGP</i>	4Q2017	4Q2018	YoY ▲	FY2017	FY2018	YoY ▲
Gross Revenue	2,946,349	3,995,353	36%	9,818,405	13,677,881	39%
Net Revenue	2,871,134	3,890,288		9,586,344	13,323,674	
Cost of Revenue	(2,642,493)	(3,573,779)		(8,759,914)	(12,199,359)	
Gross Profit	228,642	316,509	38%	826,430	1,124,315	36%
Gross Profit Margin	7.96%	8.14%		8.62%	8.44%	
Selling, General & Administrative	(119,777)	(155,812)		(431,815)	567,877)	
Penalties on Returned Checks	2,206	6,486		11,241	17,453	
EBITDA	111,070	167,182	51%	405,856	573,890	50%
EBITDA Margin	3.87%	4.30%		4.23%	4.31%	
Depreciation & Amortization	(8,487)	(10,770)		(31,097)	(41,421)	
EBIT	102,583	156,412	94%	374,760	532,470	51%
EBIT Margin	3.57%	4.02%		3.91%	4.00%	
Net Interest	(31,914)	(37,606)		(115,830)	(119,731)	
Other Expenses	(33,321)	(17,201)		(37,432)	(59,701)	
Other Income	3,398	1,762		6,326	4,092	
EBT	40,746	103,367	154%	227,824	357,129	57%
EBT Margin	1.42%	2.66%		2.38%	2.68%	
Deferred Tax	(190)	(2,323)		(600)	(650)	
Income Tax	(13,371)	(26,872)		(56,960)	(93,957)	
Net Profit	27,185	74,172	174%	170,264	262,522	54%
EPS	0.03	0.09	192%	0.24	0.36	46%
Net Profit Margin	0.95%	1.91%		1.78%	1.97%	

Balance Sheet

<i>In EGP</i>	Dec-2017	Dec-2018
Property & Equipment, net	210,264	431,409
Other Assets	8,804	7,641
Projects Under Construction	161,267	336,288
Deferred Income Taxes	11,104	10,453
Total Long-term Assets	391,438	785,791
Inventories	1,050,822	1,407,363
Trade & Notes receivable, net	2,459,296	3,648,233
Supplier Advances	101,360	213,862
Debtors & Other Debit Balance, net	165,718	296,570
Due from Related Parties	372	372
Cash & Cash Equivalent	164,791	96,618
Total Current Assets	3,942,358	5,663,017
Total Assets	4,333,796	6,448,809
Paid-In Capital	168,000	180,500
Share Premium	-	277,500
General Reserve	3,079	3,079
Legal Reserve	12,000	20,507
Retained Earnings	62,980	216,161
Net Profit for The Year	170,137	262,522
Total Shareholders' Equity	416,196	960,270
Non-Current Portion of Medium-Term Loan	25,083	348,179
Non-Current Notes Payable	7,660	4,779
Other Non-Current Liabilities	20,815	30,360
Total Long-term Liabilities	57,099	86,726
Credit Facilities	6,952	65,087
Contingency Provision	24,067	70,400
Customers Advance Payments	6,453	5,276
Current Portion of Land Creditors	71	-
Trade and Notes Payable	3,700,786	4,753,051
Current Portion of Medium-Term Loan	25,794	38,850
Creditors & Other Credit Balances	99,919	172,557
Total Current Liabilities	3,864,041	5,105,221
Total Liabilities & Shareholders' Equity	4,333,796	6,448,809

Cash Flow

<i>In EGP</i>	Dec-2017	Dec-2018
<u>Cash flow from operating activities:</u>		
Net profit before tax	227,697	355,857
<u>Adjustments for:</u>		
Depreciation of fixed assets	28,526	39,086
Amortization of leased assets	2,570	2,334
Allowance for impairment of current assets	2,066	2,602
Provisions	22,000	47,333
Capital gain (loss)	(4,752)	(2,562)
Credit/Debit interest	115,830	125,843
Operating profit before changes in working capital	393,937	570,494
<u>Changes in working capital:</u>		
Change in inventory	(436,471)	(356,541)
Change in trade receivables	(515,058)	(1,188,936)
Change in supplier advances	(41,408)	(112,502)
Change in debtors and other debt balances	(12,116)	(130,852)
Change in trade payables	1,180,801	1,052,265
Change in customer advance payments	129	(1,177)
Change in creditors and other credit balances	26,074	72,582
Cash flow from operating activities	595,888	(94,667)
Income taxes	(36,143)	(56,960)
Financing expense	(123,337)	(158,523)
Net cash flow from operating activities	436,409	(310,150)
<u>Cash flow from investment activities:</u>		
Payments for purchase of fixed assets and projects under construction	(196,620)	(435,360)
Payments for purchase of other assets	(4,563)	(1,172)
Credit balance on purchase of land	(101)	(71)
Proceeds from sale of fixed assets	4,909	2,742
Net cash flow from investment activities	(196,375)	(433,861)
<u>Cash flow from financing activities:</u>		
Dividends paid	(65,564)	(8,449)
Proceeds from capital increase	-	290,000
Proceeds from borrowings	23,215	361,910
Repayment of borrowings	(15,082)	(25,759)
Overdraft facilities	(61,692)	58,135
Net cash flow from financing activities	(119,123)	(675,838)
Net change in cash and cash equivalents during the period	120,911	(68,173)
Cash and cash equivalents at the beginning of the period	43,880	164,791
Cash and cash equivalents at the end of the period	164,791	96,618

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 42,000 customers including pharmacies, hospitals, retail outlets and wholesalers. Its fleet of around 650 vehicles completes an average of over 460,000 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 across 59 sites in 23 cities nationwide, Ibnsina Pharma’s team of more than 5,500 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:

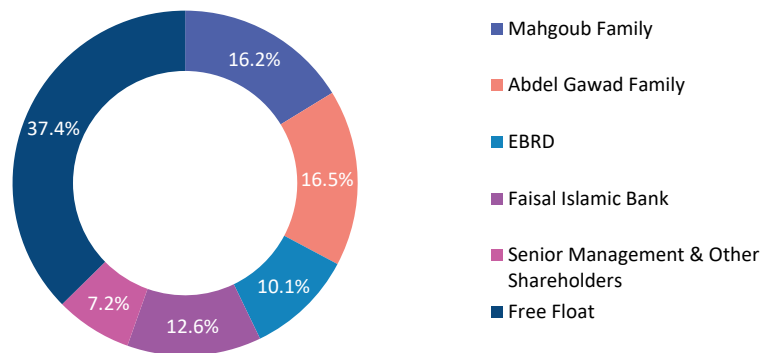
Mohamed Shawky

Investor Relations Manager

Email:

mohamed.shawky@ibnsina-pharma.com

Shareholding Structure (Post IPO and Capital Increase)



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.