

Ibnsina Pharma acquires 75% stake in “3elagi tech” as part of digital transformation plan

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In line with Ibnsina Pharma’s (ISPH.CA on the Egyptian Stock Exchange) digital transformation plan, the company signed an agreement to acquire 75% stake in “3elagi Tech “which owns one of the fastest growing application that links pharmacies with patients willing to order medicines and cosmetics online. This step is considered the second in Ibnsina Pharma’s digital transformation plan following the launch of ibnsina pharma’s online ordering application which was launched last July.

The majority of the capital involved EGP 25 million will be directed to increase “Elagy tech” capital to finance future expansions . The remaining 25% stake in the business will stay with the founders who will with the existing management team remain onboard to further expand the business and strengthen Ibnsina Pharma’s digital footprint.

“This acquisition came in line with the growing importance of the e-commerce during the COVID-19 pandemic and the social distancing measures. The lockdown that was implemented in most of the world, highlighted the need to give patients access to have their medications without having to leave their homes.” said **Mohsen Mahgoub, Ibnsina Pharma’s Chairman**

“This strategic move supports the state efforts to apply Track & Trace system in order to prevents the counterfeit and illegal drugs getting into the system by following the drugs at every step of the supply chain. Also, it supports the national agenda “Egypt Vision 2030” which reflects the state’s long-term strategic plan to achieve sustainable development through knowledge-based economic growth and digital transformation. “**added Mahgoub**

“As part of our strategic objectives directed by the Board of Directors, we pursue value-adding acquisitions adjacent to our core operations in order to strengthen our business. This agreement is a proof point of implementing our investment strategy in the healthcare sector. It is also in line with our objective to strengthen our competitive edge in the area of digitalization to create meaningful innovations for the entire pharma sector” said **Omar Abdel Gawad Ibnsina Pharma’s Co-CEO.**

“This is our first acquisition in digital healthcare field, we will continue searching for similar opportunities that will help us to enhance our offerings and add more efficiencies to operations for the benefit of our stakeholders “added **Omar Abdel Gawad.**

“The application is a new service that links the pharmacies with clients willing to order medicines and cosmetics online. The client will have the option to choose which pharmacy he wants to order from, consequently the order and the invoice will be issued from the pharmacy to be delivered to the client at the official price. This means that the application doesn’t compete with pharmacies or favor specific pharmacies, on the contrary it will boost orders to pharmacies and will increase the competitive advantage of small and medium size pharmacies all over Egypt.

We aim to have all the pharmacies in Egypt on the application whether the pharmacy is ibnsina pharma's client or no" said **Mahmoud Abdel Gawad, Ibnsina Pharma's Co-CEO.**

"Ibnsina pharma have been in the market for almost 20 years, we are currently serving more than 40k pharmacy all over Egypt which will facilitate the registration process for interested pharmacies "added **Mahmoud Abdel Gawad.**

"We are excited to partner with ibnsina pharma, the fastest growing pharma distributor in Egypt with its high-efficiency and strong distribution capabilities. We are confident that choosing the right partner whose values and strategic vision are aligned with our own will transform the application into a full-fledged-healthcare platform." said **Mostafa Hamouda, 3elagi Tech Managing Director.**

"The application provides the customer a user-friendly experience with easy navigation between different sections. Using the capital increase proceeds, we will be able to execute our ambitious plans to increase both the number of users who reached currently 600 k annually and also the number of registered pharmacies which will have the luxury to benefit from online orders without having to bear the cost of building their own application."

" As a shareholders , we are excited with the deal which is compatible with Falak Startups' mission to empower talented and ambitious early-stage tech startup founders and help them thrive in the region's rapidly changing entrepreneurship landscape powered by the Egyptian Ministry of International Cooperation and it's venture capital arm, Egypt Ventures "said **Youssef ElSammaa , Falak Startups' CEO.**

It is worth mentioning that Ibnsina Pharma invested around EGP 22 million in 2020 in internal digital related projects which includes Ibnsina Pharma online ordering application which was successfully launched last July reaching 4k pharmacy using the application monthly in a short period of time which shows pharmacists' desire to benefit from digital services. The application enables the pharmacist to order 24/7 while getting information concerning product availability and order receiving time. The application also enables the pharmacist to see his balances and invoices in addition to other services that will be launched soon which will transform the application to a full-fledged platform for pharmacies. in 2021, Ibnsina Pharma plans to invest around EGP 16 million.

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About Ibnsina Pharma

Originally established in 2001, today Ibnsina Pharma is Egypt's fastest-growing and second largest pharmaceutical distribution company in term of market share. The Company distributes a competitive portfolio of pharmaceutical products from over 350 multinational and Egyptian pharmaceutical companies to more than 42,000 customers including pharmacies, hospitals and wholesalers with a fleet of around 680 vehicles

Ibnsina Pharma's provide suppliers with a range of efficient services. 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 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.