



Quality For All

Tenth of Ramadan for Pharmaceutical Industries and Diagnostic Reagents (Rameda) S.A.E

EARNINGS RELEASE 1Q22

Tenth of Ramadan for Pharmaceutical Industries and Diagnostic Reagents (Rameda) S.A.E. reports robust performance in 1Q22, with double-digit top and bottom line growth of 27% and 138% y-o-y respectively

1Q22 Financial & Operational Highlights

Consolidated Revenue	Gross Profit	EBITDA ¹	Net Income After Minority
EGP 343.1 million ▲ 27% y-o-y	EGP 173.2 million (50% margin) ▲ 49% y-o-y	EGP 110.7 million (32% margin) ▲ 74% y-o-y	EGP 71.8 million (21% margin) ▲ 138% y-o-y
EPS ²	Net Debt	Average Unit Price (Retail Market)	Units Sold
EGP 0.0732 ▲ 138% y-o-y	EGP 298.3 ▼ 17% y-t-d	EGP 38.7 (IQVIA) ▲ 4% y-o-y	18.3 million (excludes toll volume) ▲ 23% y-o-y

May 12, 2022 | Cairo, Egypt

Tenth of Ramadan for Pharmaceutical Industries and Diagnostic Reagents (Rameda) S.A.E. (the “Company”, and, together with its consolidated subsidiaries, “Rameda” or the “Group”), RMDA.CA on the EGX, a leading Egyptian pharmaceutical company, announces today its consolidated first quarter results for 2022.

Financial & Operational Highlights

- **Revenues** recorded EGP 343.1 million in 1Q22, reflecting an increase of 26.7% y-o-y and driven by the Group’s portfolio of antibiotics, particularly Rametax and Ramceftrax, followed by strong sales of Colona, which became the top-selling product for the Group during the quarter, in addition to solid revenues already generated by its most recent acquisition, Vaxato.
- **COGS** grew by 9.8% y-o-y to record EGP 169.9 million in 1Q22, whereas COGS as a percentage of revenues declined 7.6 percentage points y-o-y to 49.5% in 1Q22, driven by the contraction of raw material costs as a percentage of revenues and overall cost optimization.
- **Gross profit** increased by 49.2% y-o-y to record EGP 173.2 million in 1Q22, yielding a GPM of 50.5%, up 7.6 percentage points y-o-y and 1.5 percentage points q-o-q. Gross margin growth was driven by the Group’s ongoing portfolio optimization strategy towards higher-margin products.
- **EBITDA¹** grew by 74% y-o-y to EGP 110.7 million in 1Q22, reflecting an EBITDA margin increase of 8.7 percentage points to 32.3%, in line with the 7.6 percentage-point growth in gross profit margin during the same period, and further enhanced by operational leverage.
- **Net Income after minority interest** recorded significant growth of 138.0% y-o-y to EGP 71.8 million in 1Q22, yielding a net profit margin of 20.9%, up 9.8 percentage points y-o-y.
- **EPS** increased 138% y-o-y to record EGP 0.0732 in 1Q22.

¹ Reported EBITDA is no longer adjusted for the write-down/reversal of inventories

² EPS before dividend distribution



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Notes from the Management Team

Dr. Amr Morsy, Chief Executive Officer

We are pleased to report yet another strong quarter for Rameda, which saw us record stellar top line growth and strengthen our margins significantly on both the operational level and bottom-line. At a year-on-year growth of 30.6% we outgrew the market in 1Q22 by a spread of 17.1%, according to IQVIA's latest estimates, underscoring Rameda's ability to consistently outperform against a challenging and often unpredictable economic environment. Our margins exhibited similar growth as a result of our ongoing cost reduction strategy, culminating into EBITDA margin and net profit margin expansions of 8.7 and 9.8 percentage points respectively.

Rameda has once again delivered double-digit growth across all of its business channels as a result of our ongoing portfolio expansion strategy, with revenues from products launched and acquired since our December 2019 listing contributing 25% to our overall top line during the quarter. We are pleased to report the ongoing success in Vaxato, our most recent acquisition, which at a contribution to revenues of 5.6% in 1Q22 was the 6th highest selling product for the quarter. Further, the launch of our latest concentration under Rametax in 2021 has seen combined revenues for the antibiotic grow by 92% year-on-year in 1Q22, making it the second-highest seller during the quarter at a contribution to revenues of 10.8%.

We launched 2 new products during the first quarter of the year, with the first being our previously announced antiviral, Molnupiravir Rameda. At a retail price of EGP 625 per box and generating a gross profit margin upwards of 70%, this latest addition to our portfolio of antivirals falls in line with our previously communicated strategy to enhance Rameda's average selling prices and profitability. The quarter also saw us launch nutraceutical, Selestoc, a multivitamin and immunity booster. With the free pricing framework of nutraceutical products, we look forward to the continued launch of products under the segment to further enhance the Group's margins.

The last few years has seen the Egyptian market face a number of internal disruptions and external shocks, and with every event, Rameda has emerged on stronger footing and ideally positioned for accelerated growth. Our business model emphasizes the dynamic and integrated mitigation of business risk, and we have been proactive in optimizing our portfolio and expenses to maximize Group profitability while continuing to generate market-leading top line growth. We look forward to maintaining this superior growth trajectory while we deliver on both our short-and-long-term goals.



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Mahmoud Fayek, Chief Financial Officer

Rameda's has once again delivered strong financial and operational performance for the first quarter which brings us one step closer to achieving our full year guidance. With revenues recording double-digit growth of 26.7% year-on-year, a strong indicator of the overall recovery of the Egyptian pharmaceutical market and the Group's efforts to outperforming the market growth through launching promising products coupled with accretive product acquisitions. Top-line growth was led by anti-infectives (excluding antivirals) as a result of strong market recovery of the antibiotics segment, followed by strong sales of Colona, which became the Group's top-selling product during the quarter, in addition to solid revenues generated by our most recent acquisition, Vaxato.

The last few quarters have also seen us focus on enhancing Rameda's margins and profitability by enhancing its portfolio of products and implementing efficient cost optimization strategies, successfully driving up our operational results by the high-double digits, with our gross profit and EBITDA up by 49.2% year-on-year and 73.7% year-on-year respectively in 1Q22, culminating in margin growth of 7.6 and 8.7 percentage points respectively during the same period. Strong economies of scale trickled down to bottom line growth of 138% year-on-year.

The recent depreciation of the Egyptian pound has posed a significant challenge in the local pharmaceutical industry as a whole, and we are not exempt from its impact. Having anticipated the recent market conditions, our team has secured sufficient raw materials to meet its production requirements until June of this year. Moreover, in light of the continuous support of the government and the strong track record of favorable regulatory intervention, we have applied to reprice 13 key products in our portfolio as a way to offset the impact of the currency depreciation on raw material costs.

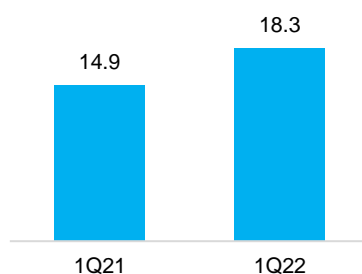
With a number of potential acquisitions currently under evaluation, we will continue to focus on our portfolio expansion and optimization strategy to enhance our operating profitability and drive sustainable, long-term growth, and remain confident in our ability to continue to deliver strong results for the remainder of the year.



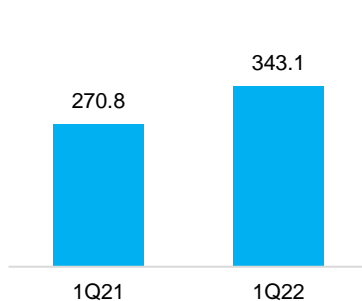
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Financial & Operational Performance

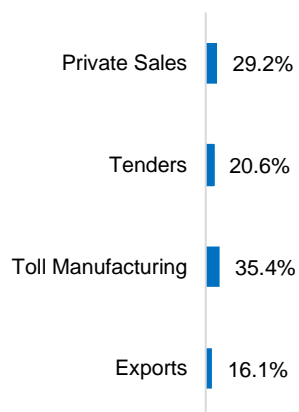
Volume Progression
(excludes toll sales)
(mn units)



Revenue Progression
(EGP mn)



1Q22 Revenue Growth Rates
by Business Line



Volumes

Volumes sold (excluding toll manufacturing) reported a double-digit growth of 23.4% y-o-y to 18.3 million units in 1Q22. Growth came on the back of strong volume growth within the Group's private sales and export channels by 37.5% and 152.7% respectively in 1Q22, whereas tender volumes showed a minor decline of 1.2% y-o-y. Toll manufacturing volumes grew significantly in 1Q22, by 102.1% y-o-y to 14.5 million units on the back of an expanding third-party client base.

Revenues

Consolidated revenues recorded EGP 343.1 million in 1Q22, climbing 26.7% y-o-y on the back of a surge in sales volumes as a result of the overall recovery of the Egyptian market compared to the same period one year previously, and further helped by the Group's efforts to optimize its portfolio towards higher-priced products.

Revenues by Business Line

Revenue Analysis	1Q21	1Q22	% YoY
Private Sales			
Volumes Sold ('000)	6,802	9,353	37.5%
Sales (EGP mn)	171.3	221.3	29.2%
Tenders			
Volumes Sold ('000)	7,394	7,308	-1.2%
Sales (EGP mn)	58.2	70.2	20.6%
Exports			
Volumes Sold ('000)	666	1,684	152.7%
Sales (EGP mn)	22.7	26.4	16.1%
Volume (excluding toll) ('000)	14,862	18,345	23.4%
Revenue (excluding toll) (EGP mn)	252.3	317.9	26.0%
Toll Manufacturing			
Volumes Sold ('000)	7,167	14,488	102.1%
Sales (EGP mn)	18.6	25.2	35.4%
Total Revenue (EGP mn)	270.8	343.1	26.7%

Private Sales

Rameda sells its products to domestic distributors who in turn distribute the Group's products to pharmacies throughout Egypt. Products sold by the private sales segment include pharmaceuticals, nutraceuticals, and food supplements. The primary sales strategy in this field is largely prescription-based, whereby marketing representatives engage with physicians to create demand for the Group's products.

Rameda's private sales volumes grew by 37.5% y-o-y to 9.4 million units in 1Q22, driven by strong sales of the Group's recent acquired and launched products coupled with the recovery in Egypt's overall pharmaceutical retail segment post-pandemic during 1Q22 compared to the same period one year previously.

Strong volume growth culminated into private sales growth of 29.2% y-o-y to reach EGP 221.3 million in 1Q22. The vertical maintained its position as the

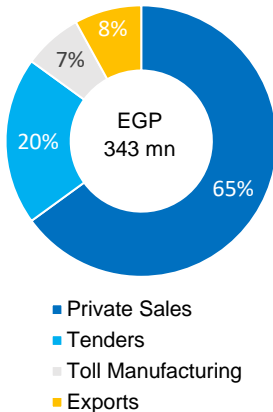


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1Q22 Sales Contribution by Vertical



largest revenue contributor for the Group at 65% of total revenues, while contributing 69% to total revenue growth for the period.

Tenders

Rameda also engages in institutional sales by selling its products through tender processes through the Egyptian Authority for Unified Medical Procurement (UMPA) to government-owned institutions such as the Ministry of Health and public hospitals. Rameda focuses on participating in selective tender contracts that ensure certain profitability levels in line with its strategy.

Volumes sold from Rameda's tenders business segment reported a slight decline of 1.2% y-o-y to 7.3 million units in 1Q22. The decline was mostly attributed to management's strategy to selectively participate in tenders that satisfy minimum profitability levels for the Group. Despite the decline in volumes sold, revenues from tenders recorded an increase of 20.6% y-o-y to come in at EGP 70.2 million in 1Q22, contributing 20% to Rameda's total revenues and 17% to the overall revenue growth for the period.

Exports

Rameda sells its products to export agents, responsible for distributing its products across different regional markets; 56% of total export sales were sold in the Iraq during 1Q22, with 39% sold in Yemen and 3% in Libya. The remaining 1% of exports were sold in Saudi Arabia and South Sudan for the period.

Export volumes sold more than doubled in 1Q22, growing by 152.7% y-o-y to 1.8 million units and primarily driven by sales to Iraq, with no sales from Rameda's largest export market seen during the comparable period in 2021 due to an imposed COVID-19 associated lockdown. Growth within the channel came despite the absence of antiviral sales during the quarter.

With the recovery of the global market conditions compared to the same period of the previous year, Rameda's export revenues recorded an increase of 16.1% y-o-y to EGP 26.4 million in 1Q22 with revenues largely driven by its existing export markets, Iraq and Yemen. Recording revenues of EGP 14.7 million in 1Q22 and accounted for 56% of total export revenues, Iraq held the lion's share of Rameda's export revenue, followed by Yemen, which recorded revenues of EGP 10.2 million and contributed 39% to total export revenues during the same period.

Rameda is looking forward to further expanding its footprint both regionally and globally, and is currently completing the registration process to export its products to select GCC and Eastern European markets.

Toll Manufacturing

To monetise its excess production capacity and dilute the Group's existing fixed overheads, Rameda selectively engages in toll manufacturing arrangements. Over the years, the Group has developed a solid and diverse client base, including well-known regional and international pharmaceutical companies, which has in turn has enabled Rameda to benefit from enhanced brand equity and acts as a testament to the quality and the standards of its production facilities.

Toll manufacturing volumes more than doubled y-o-y in 1Q22 to record 14.5 million units on the back of the ongoing securing of contractual agreements, which saw increased utilization of the Group's liquid and penicillin lines in

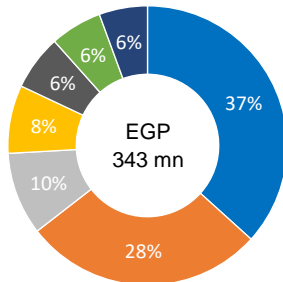


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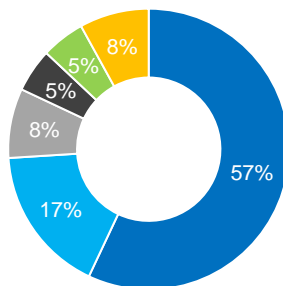
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1Q22 Sales Contribution by Therapeutic Area



- Systemic anti-infectives
- Alimentary tract and metabolism
- Musculo-Skeletal System
- Antiviral Therapy
- Blood and Blood Forming Organs
- Genitourinary system and sex hormones
- Others

1Q22 Cost of Revenues Breakdown



- Raw materials
- Salaries & social insurance
- Depreciation & amortisation
- Utilities
- Spare parts & materials
- Other

addition to its lyophilized production capabilities. The increase in volumes led to solid revenue growth of 35.4% y-o-y to EGP 25.2 million for the period, while accounting for 7% of the Group's total revenues and contributing to 9% of its total growth for 1Q22.

Revenue by Therapeutic Area³

Systemic anti-infectives (excluding antivirals) continued to lead the pack in terms of revenue contribution, at 37% in 1Q22, driven by sales of Rametax and Ramceftrax, followed by alimentary tract & metabolism which contributed 28% on the back of strong sales of Colona, which became the top contributor to the Group's top line during the same period. Musculoskeletal system accounted for 10% of revenues, while genitourinary system & sex hormones and blood and blood forming organs each contributed 6% during the same period.

Cost of Revenues

Cost of revenues comprises raw materials, employee salaries and social insurance, depreciation and amortisation, utilities charges, spare parts & materials and other operating expenses.

Rameda's cost of revenues recorded EGP 169.9 million in 1Q22, growing 9.8% y-o-y primarily on the back of a 27.7% y-o-y increase in salaries and social insurance during the period. Raw material costs declined by 6.1 percentage points to 28.2% as a result of management's efforts to expand the Group's portfolio with higher-margin products and decrease the contribution of its tenders vertical, combined with significantly lower API costs associated with the production of antivirals between 1Q21 and 1Q22. As a result, the cost of revenues as a percentage of total revenues saw a significant decline of 7.6 percentage points y-o-y to 49.5% in 1Q22.

Gross Profit

Rameda's gross profit grew by a remarkable 49.2% y-o-y to record EGP 173.2 million in 1Q22, yielding a gross profit margin of 50.5%, up by 7.6 percentage points y-o-y for the period. Gross profit margin expansion was primarily driven by the significant improvement in raw material costs as a percentage of revenues as a result of the Group's ongoing portfolio optimization strategy.

Selling and Marketing Expenses

Selling and marketing expenses principally comprise salaries, social insurance & other fringe benefits associated with the Group's sales and marketing function, advertising & marketing expenses, rent, and depreciation.

Selling and marketing expenses increased by 16.7% y-o-y to EGP 63.1 million in 1Q22, driven by a 33.9% y-o-y increase in advertising and marketing expenses during the period to support the Group's recent launches, Despite the ramp-up in marketing activities during the period, selling & Marketing expenses as a percentage of revenues recorded 18.4% during the same period, representing a decline of 1.6 percentage points y-o-

³ Contributions here are calculated on revenues before toll manufacturing revenue, discounts & incentives and sales returns

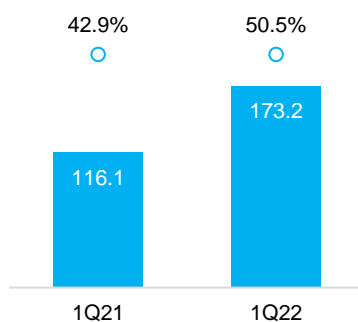


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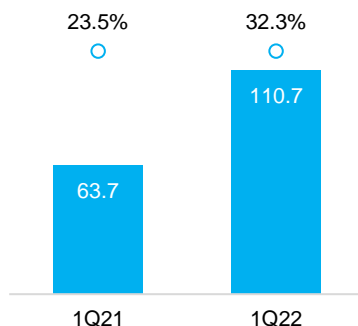
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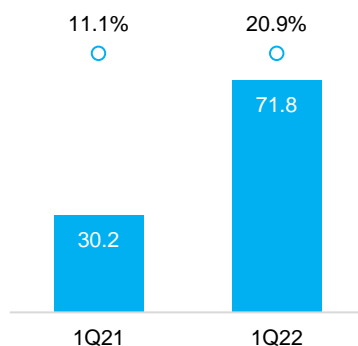
Gross Profit and Margin Progression
(EGP mn | %)



EBITDA and Margin Progression
(EGP mn | %)



Net Income and Margin Progression
(EGP mn | %)



y as a result of the Group's ongoing cost optimization strategy, coupled with operating leverage.

General and Administrative Expenses

General and administrative expenses mainly comprise salaries, social insurance & other fringe benefits not directly attributable to the production, sales or marketing of the Group's products.

General and administrative expenses grew by 11.0% y-o-y to EGP 14.6 million in 1Q22, driven largely by 11.0% y-o-y increase in salaries and social insurance costs, the Group's largest cost component of G&A expenses. As a percentage of revenue, general and administrative expenses declined slightly by 0.6 percentage points y-o-y to 4.3% in 1Q22, a result of economies of scale.

EBITDA

EBITDA is defined as earnings before finance expenses (including bank charges), income taxes, depreciation and amortisation, impairment of trade and notes receivable, provisions for expected claims and universal healthcare tax. Reported EBITDA will no longer be adjusted for the write-down/reversal of inventories.

The Group's EBITDA came in at EGP 110.7 in 1Q22, marking a 73.7% y-o-y increase during the period and reflecting an EBITDA margin of 32.3%, up 8.7 percentage points during the same period. This was attributed to the 2.2 percentage point overall decline in SG&A expenses to 22.7% as a percentage of revenue driven by economies of scale.

Net Finance Expenses

Net finance expenses, which includes the Group's interest expense and interest income from treasury operations, decreased by 7.1% y-o-y to EGP 22.2 million in 1Q21 on the back of declining debt levels between 1Q21 and 1Q22.

Net Income

Net profit after minority interest more than doubled during 1Q22 to record EGP 71.8 million, up 138.0% y-o-y, yielding a net profit margin of 20.9% up by 9.8 percentage points during the same period on the back of increased operating profitability, coupled with declining interest expenses on an absolute basis.

Operating Cash Flow, Capital Expenditure and Debt

Rameda recorded EGP 94.0 million in operating cashflows in 1Q22, up by 130% y-o-y and driven of a significant improvement in the Group's cash conversion cycle by 92 days YoY, with a marked decrease in days outstanding for receivables and inventories.

Net debt stood at EGP 298.3 million as of 31 March 2022, representing a decline of 17.3% YTD, driven by a 6.6% YTD decrease in total debt.



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About Rameda

Established in 1986, Rameda (RMDA.CA on EGX) is a leading Egyptian pharmaceutical company led by a team of professionals with extensive multinational experience. The company develops and produces a wide range of branded generic pharmaceuticals, nutraceuticals, food supplements and veterinary products. Rameda combines global standards with local insights and a customer-centric approach. It has developed a broad portfolio of products across multiple therapeutic areas, by successfully leveraging its strong product portfolio with its accretive product acquisitions to become one of the fastest-growing pharmaceutical players in Egypt. The company produces its wide range of dosage forms at its three manufacturing facilities located at the industrial complex in Cairo's Sixth of October Industrial Zone.

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 that 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 in the prices of raw materials or employee costs required by our operations, its ability to retain the services of certain key employees, its 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.

Certain figures contained in this document, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this document may not conform exactly to the total figure given.