



Quality For All

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

EARNINGS PRESS RELEASE 1Q21

Tenth of Ramadan for Pharmaceutical Industries and Diagnostic Reagents (Rameda) S.A.E. book top line growth of 17% y-o-y to EGP 270.8 mn in 1Q21; Net profit after minority interest grew by 26% y-o-y to EGP 30.2 million for the period.

Rameda's consolidated revenues grew by 16.5% y-o-y to EGP 270.8 million on the back of the Group's optimized portfolio strategy coupled with a ramp-up in sales of its new COVID-19 related antiviral products, Anviziram and Remdesivir, both domestically and internationally in 1Q21. Total volume sold (excluding toll sales) declined by 10.6% y-o-y to 14.9 million units in 1Q21 on the back of a 27.9% y-o-y decrease in tender volumes, the Group's largest contributing segment in 1Q21. Meanwhile, gross profit grew by 9.3% y-o-y to EGP 116.1 million in 1Q21, yielding a gross profit margin of 42.9%, down by 2.8 percentage points y-o-y for the period. Moreover, adjusted EBITDA grew by 3.9% y-o-y to EGP 65.9 million in 1Q21, reflecting an EBITDA margin decline of 2.9 percentage points to 24.3% in 1Q21. Meanwhile, net profit after minority interest grew by 26.2% y-o-y to EGP 30.2 million, yielding an NPM of 11.1%, up 0.9 percentage points y-o-y in 1Q21.

May 6th, 2021 | 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 2021.

Consolidated revenues grew by 16.5% y-o-y to EGP 270.8 million on the back of the Group's optimized portfolio strategy coupled with a ramp-up in sales of Rameda's new antiviral products, Anviziram and Remdesivir, both domestically and internationally in 1Q21.

Revenue growth came despite a decline in volumes sold by 10.6% y-o-y to 14.9 million units in 1Q21. The decline was attributed to a 27.9% y-o-y decrease in tender volumes, the Group's largest contributing segment, driven by slower orders from the Unified Medical Procurement Authority (UMPA), selectivity in tender participation, and the strategic decision to remove certain products associated with lower margins.

Rameda's gross profit grew by 9.3% y-o-y to EGP 116.1 million in 1Q21, yielding a gross profit margin of 42.9%, down by 2.8 percentage points y-o-y for the period. The contraction in gross margin was primarily attributed to high API costs associated with the production of COVID-19-related antiviral products, which was ramped-up during the period to support growing demand.

The Group's adjusted EBITDA grew by 3.9% y-o-y to EGP 65.9 million in 1Q21, reflecting an EBITDA margin decline of 2.9 percentage points to 24.3%, in line with the 2.8 percentage-point fall in gross margins during the same period.

Net profit after minority interest grew by 26.2% y-o-y to EGP 30.2 million, yielding an NPM of 11.1%, up 0.9 percentage points y-o-y in 1Q21. The increase was driven by operating leverage, coupled with an improved working capital cycle, resulting in lower working capital facilities and financing costs.



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Summary Income Statement

| EGP mn | 1Q20 | 1Q21 | YoY Change |
|------------------------------------|--------|--------|------------|
| Revenues | 232.4 | 270.8 | 16.5% |
| Gross Profit | 106.2 | 116.1 | 9.3% |
| GP Margin | 45.7% | 42.9% | -2.8 pp |
| Adjusted EBITDA | 63.4 | 65.9 | 3.9% |
| Adj. EBITDA Margin | 27.3% | 24.3% | -2.9 pp |
| EBIT | 50.4 | 50.9 | 1.0% |
| EBIT Margin | 21.7% | 18.8% | -2.9 pp |
| Net Profit after Minority Interest | 23.9 | 30.2 | 26.2% |
| NP Margin | 10.3% | 11.1% | +0.9 pp |
| EPS | 0.0311 | 0.0392 | 26.2% |

Volumes sold at Rameda's private sales segment sales grew by 13.6% y-o-y to 6.7 million units in 1Q21, driven by the Group's recent new launches. Coupled with Group's portfolio optimization strategy, these factors drove a revenue increase of 12.7% y-o-y to EGP 169.9 million for the Group's private sales line of business and supported Rameda's overall top line growth in 1Q21. Moreover, private sales contributed the majority of revenue and revenue growth for the period, at 63% and 43% respectively in 1Q21.

Volume sold from Rameda's tenders line of business declined by 27.9% y-o-y to 7.5 million units in 1Q21. The decline was primarily driven by a decline in orders from the UMPA, selectivity in tender participation, and the strategic decision taken by the Group to remove certain products associated with lower margins, in line with our portfolio optimization strategy. Consequently, tenders revenue declined by 9.8% y-o-y to EGP 59.6 million in 1Q21. The segment came in second in terms of its contribution to the Group's total revenues at 22% for the period.

After international restrictions related to the pandemic eased, combined with growing regional demand for Rameda's new antiviral medication for the treatment of COVID-19, the Group's export volume increased by 96.8% y-o-y to 0.7 million units in 1Q21. Rameda's new antiviral medication successfully opened up new export markets for the Group, including the Levant, with the region now holding the lion's share of the Group's export volumes in 1Q21. Its performance reflected positively on the Group's export revenues, which recorded more than a four-fold increase year-on-year to EGP 22.7 million in 1Q21.

Toll manufacturing volumes grew by a steady 15.0% y-o-y to record 7.2 million units in 1Q21, with the vertical's positive performance directly attributed to an increase in capacity utilization at Rameda's lyophilized production facility. The increase in volumes led to a strong growth in revenues of 79.6% y-o-y to EGP 18.6 million for the period.

Comments from our Management Team

"With the worst of the pandemic behind us, we entered 2021 on stronger footing and ended our first quarter of operations having achieved multiple milestones and operational developments across our verticals," **commented Dr. Amr Morsy, CEO of Rameda.** "The easing of COVID-19 related restrictions across our home country of Egypt boded well for the Group's operations and saw Rameda deliver strong top and bottom line growth. Our proven ability to identify lucrative opportunities across high-growth therapeutic areas, such as the 2020 year-end launch of our new COVID-19 related antiviral products, Anviziram and Remdesivir, has supported Rameda's growth in the first quarter of the year and has helped the Group maintain its position as one of the leading and fastest-growing pharmaceutical players in the region, with a private market evolution index of 129 recorded for the period.

"Easing import restrictions and strong demand for our antiviral medication regionally saw us enter new markets in 1Q21, with sales to the Levant driving pronounced growth at the Group's exports vertical resulting in more than four-



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fold growth in export sales. Growing demand for the Group's antiviral products abroad, with further orders already received from across the Levant region, is expected to boost export sales and open up new markets for the Group. Additionally, Rameda is currently completing the registration process to export its products to select GCC and Eastern European markets, with the aim of expanding our operations and unlocking additional value for the Group and its stakeholders."

"The first quarter of the year has been positive on Rameda's operations and financial performance, with net revenues and net income up by 17% and 26% respectively in 1Q21, driven by strong performance from our recent launches and a ramp up in sales of the new COVID-19 related antiviral products, both domestically and internationally," **said Mahmoud Fayek, CFO of Rameda.** "Rameda's strong results for the quarter stand testament to the Group's ability to swiftly respond to the changing market conditions and new market demands. Meanwhile, our state-of-the-art lyophilized production facility continued to drive growth at our toll manufacturing operations."

"We remain focused on bringing new products to market and growing our comprehensive portfolio as well expanding our offering into new therapeutic areas and markets beyond our home borders," **added Dr. Amr Morsy.** "This quarter, we added two new products to Rameda's growing portfolio, Doxytroler and Opranate. In line with our portfolio optimization strategy, we expect the solid performance from Doxytroler and Opranate to support top line and gross margin growth within their therapeutic areas.

"Going forward, we expect significant improvement in the Group's operating margins associated with its COVID-19 related antiviral products as the cost of raw materials declined significantly over the past year and production overheads are diluted more efficiently. Meanwhile, the Group will continue to press on with its portfolio optimization strategy, with a focus on the launching products associated with higher margins to support its operating margins and deliver on its guidance for the year," **concluded Mahmoud Fayek.**

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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.