

**TENTH OF RAMADAN FOR PHARMACEUTICAL
INDUSTRIES AND DIAGNOSTIC REAGENTS
(RAMEDA) (S.A.E)
CONDENSED INTERIM SEPARATE FINANCIAL
STATEMENTS
TOGETHER WITH REVIEW REPORT
FOR THE PERIOD ENDED 30 JUNE 2022**

**TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC
REAGENTS (RAMEDA) (S.A.E)**

**Condensed Interim Separate Financial Statements
For the Period Ended 30 June 2022**

Table of Contents	Page
Review Report on the Condensed Interim Separate Financial Statements	3
Condensed Interim Separate Statement of Financial Position	4
Condensed Interim Separate Statement of Profit or Loss	5
Condensed Interim Separate Statement of Comprehensive Income	6
Condensed Interim Separate Statement of Changes in Equity	7
Condensed Interim Separate Statement of Cash Flows	8
Notes to the Condensed Interim Separate Financial Statements	9 -25

Translation of Auditor's report

Originally issued in Arabic

REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE MEMBERS OF THE BOARD OF DIRECTORS OF TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)

Introduction


We have reviewed the accompanying condensed interim financial position of **TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)** as of 30 June 2022 as well as the related condensed statements of profit or loss, Comprehensive income, changes in equity and cash flows for the Six months ended on 30 June 2022, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed interim separate financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these condensed interim separate financial statements based on our review.

Scope of Review

We conducted our review in accordance with Egyptian Standard on Review Engagements No. 2410, "Review of Condensed Interim Financial Statements Performed by the Independent Auditor of the Entity." A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim separate financial statements does not give a true and fair view, in all material respects, of the financial position of the entity as at 30 June 2022, and of its financial performance and its cash flows for the Six months ended on 30 June 2022 in accordance with Egyptian Accounting Standards.



Ehab Morad Azer
A Member Of
Ernst & Young Global
FESAA FESST
(RAA 6557)
(EFSA 87)

Cairo: 15 August 2022

TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)

CONDENSED INTERIM SEPARATE STATEMENT OF FINANCIAL POSITION
As At 30 June 2022

ASSETS	Notes	30 June 2022 EGP	31 December 2021 EGP
Non-current assets			
Fixed assets & Assets under construction	(5)	537,739,422	541,954,828
Right of use assets	(6-A)	14,494,687	13,032,359
Intangible assets	(7)	447,934,296	369,440,856
Investment in subsidiaries		1,461,800	1,461,800
Total non-current assets		<u>1,001,630,205</u>	<u>925,889,843</u>
Current assets			
Inventories	(8)	295,994,083	259,350,256
Trade and notes receivable	(9)	713,131,862	659,403,591
Treasury Bills	(10)	437,040,964	468,010,954
Due from related parties	(29)	21,356,106	25,180,985
Prepayments and other receivables		69,713,401	74,784,887
Cash on hand and at banks	(11)	18,628,893	13,221,950
Total current assets		<u>1,555,865,309</u>	<u>1,499,952,623</u>
TOTAL ASSETS		<u>2,557,495,514</u>	<u>2,425,842,466</u>
EQUITY AND LIABILITIES			
Equity			
Capital	(14)	250,000,000	250,000,000
Legal reserve		35,556,390	26,446,118
General reserves - issuance Premium	(15)	486,965,000	486,965,000
Treasury Shares	(16)	(39,695,319)	-
Share based payment reserve	(17)	6,536,280	-
Other reserves		278,952	278,952
Profits for the period and retained earnings		679,292,746	587,471,195
Total equity		<u>1,418,934,049</u>	<u>1,351,161,265</u>
LIABILITIES			
Non-current liabilities			
Lease liabilities	(6-B)	13,679,322	12,256,160
Deferred tax liabilities	(26)	45,841,479	40,498,236
Total non-current liabilities		<u>59,520,801</u>	<u>52,754,396</u>
Current liabilities			
Provisions	(12)	13,934,268	14,261,845
Credit facilities	(18)	829,073,777	820,655,235
Current portion of long-term loans	(19)	-	21,949,676
Current lease liabilities	(6-B)	3,612,566	3,130,595
Trade, notes & other payables	(13)	204,340,718	128,276,066
Due to related parties	(29)	-	290,361
Income taxes payable		28,079,335	33,363,027
Total current liabilities		<u>1,079,040,664</u>	<u>1,021,926,805</u>
TOTAL LIABILITIES		<u>1,138,561,465</u>	<u>1,074,681,201</u>
TOTAL LIABILITIES AND EQUITY		<u>2,557,495,514</u>	<u>2,425,842,466</u>

 **Finance Director**
Mohamed Abo Amira

Board Member
Amr Abdallah Morsy 

The accompanying notes from (1) to (30) are an integral part of these condensed interim separate financial statements.
Review Report attached.

TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)

CONDENSED INTERIM SEPARATE STATEMENT OF PROFIT OR LOSS

For the Period Ended 30 June 2022

	Notes	Six Months Ended		Three Months Ended	
		30 June 2022 EGP	30 June 2021 EGP	30 June 2022 EGP	30 June 2021 EGP
Revenues	(20)	708,115,660	537,771,770	365,616,427	266,926,035
Cost of revenues	(21)	(365,944,477)	(293,613,450)	(194,939,317)	(139,094,012)
GROSS PROFIT		342,171,183	244,158,320	170,677,110	127,832,023
Selling and marketing expenses	(22)	(135,577,407)	(116,362,635)	(72,437,811)	(62,236,103)
General and administrative expenses	(23)	(30,679,099)	(26,110,876)	(16,208,729)	(13,032,573)
Other income		5,032,981	425,597	4,756,341	205,738
Operating profit		180,947,658	102,110,406	86,786,911	52,769,085
Finance income	(24)	27,666,965	29,611,654	13,706,278	15,002,910
Finance expenses	(25)	(43,671,024)	(48,132,456)	(21,483,721)	(24,258,171)
Net foreign exchange gain (losses)		7,325,339	(401,991)	(29,608)	(439,801)
Net Finance expense		(8,678,720)	(18,922,793)	(7,807,051)	(9,695,062)
Impairment of trade and notes receivable		(1,000,000)	-	-	-
Provision expense		-	(500,000)	-	(500,000)
Share Based payment expenses		(6,536,280)	-	(6,536,280)	-
Contribution for health insurance		(1,848,702)	(1,424,522)	(956,223)	(714,276)
PROFITS FOR THE PERIOD BEFORE INCOME TAXES		162,883,956	81,263,091	71,487,357	41,859,747
Income taxes	(26)	(37,644,633)	(19,165,703)	(16,664,396)	(10,094,074)
PROFITS FOR THE PEIROD		125,239,323	62,097,388	54,822,961	31,765,673
Earnings Per Share - basic and diluted	(27)	0.1256	0.0621	0.0550	0.0318

Finance Director

Mohamed Abo Amira

Board Member

Amr Abdallah Morsy

The accompanying notes from (1) to (30) are an integral part of these condensed interim separate financial statements.

TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)

CONDENSED INTERIM SEPARATE STATEMENT OF COMPREHENSIVE INCOME

For the Period Ended 30 June 2022

	Six Months Ended		Three Months Ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	EGP	EGP	EGP	EGP
PROFITS FOR THE PERIOD	125,239,323	62,097,388	54,822,961	31,765,673
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME	125,239,323	62,097,388	54,822,961	31,765,673

The accompanying notes from (1) to (30) are an integral part of these condensed interim separate financial statements.

TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)**CONDENSED INTERIM SEPARATE STATEMENT OF CHANGES IN EQUITY**

For the Period Ended 30 June 2022

	Paid up -Capital	Legal reserve	General reserve - Issuance Premium	Treasury Shares	Share Based Payment	Other Reserves	Retained earnings	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance as at 1 January 2021	192,150,000	20,798,851	486,965,000	-	-	278,952	486,930,158	1,187,122,961
Effect of adoption of EAS (47)	-	-	-	-	-	-	(810,276)	(810,276)
Balance as at 1 January 2021(Adjusted)	192,150,000	20,798,851	486,965,000	-	-	278,952	486,119,882	1,186,312,685
Transferred to legal reserve	-	5,647,267	-	-	-	-	(5,647,267)	-
Transferred to other reserve under capital increase	-	-	-	-	-	57,850,000	(57,850,000)	-
Dividend distributions	-	-	-	-	-	-	(14,700,000)	(14,700,000)
Total comprehensive income for the period	-	-	-	-	-	-	62,097,388	62,097,388
Balance as at 30 June 2021	192,150,000	26,446,118	486,965,000	-	-	58,128,952	470,020,003	1,233,710,073
Balance as at 1 January 2022	250,000,000	26,446,118	486,965,000	-	-	278,952	587,471,195	1,351,161,265
Transferred to legal reserve	-	9,110,272	-	-	-	-	(9,110,272)	-
Acquisition of treasury shares	-	-	-	(39,695,319)	-	-	-	(39,695,319)
Share based Payment reserve	-	-	-	-	6,536,280	-	-	6,536,280
Dividends distribution	-	-	-	-	-	-	(24,307,500)	(24,307,500)
Total comprehensive income for the period	-	-	-	-	-	-	125,239,323	125,239,323
Balance as at 30 June 2022	250,000,000	35,556,390	486,965,000	(39,695,319)	6,536,280	278,952	679,292,746	1,418,934,049

The accompanying notes from (1) to (30) are an integral part of these condensed interim separate financial statements.

TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)

CONDENSED INTERIM SEPARATE STATEMENT OF CASH FLOWS For the Period Ended 30 June 2022

	30 June 2022	30 June 2021
	EGP	EGP
CASH FLOWS FROM OPERATING ACTIVITIES		
Profits for the period before income taxes	162,883,956	81,263,091
Adjustments to reconcile profit before tax to net cash flow:		
Net foreign exchange differences	(4,485,533)	(136,684)
Depreciation and amortization	(5,6,7) 30,621,446	22,223,963
Share based payment expense	6,536,280	-
Provision charged	(12) (327,577)	500,000
Impairment of trade and notes receivable	(9) 1,000,000	-
Impairment of inventory	(8) 9,881,874	6,904,974
Finance income	(27,665,331)	(29,602,842)
Finance expenses	(24) 42,629,390	47,073,379
Unwinding interests of lease liabilities	(24) 1,041,634	1,059,077
Loss from sale of fixed assets	(5) 109,781	14,028
	222,225,920	129,298,986
Change in inventories	(36,246,673)	52,148,513
Used from inventory provision	(10,279,028)	(9,662,186)
Change in trade and notes receivable	(53,548,544)	32,989,629
Used of Impairment of trade and notes receivable	(1,179,727)	-
Change in prepayments and other receivables	5,455,676	(6,837,504)
Change in trade, notes and other payable	71,882,031	4,476,002
Change in due to related parties	(290,361)	(16,183)
Cash flows provided from operating activities	198,019,294	202,397,257
Debit interests paid	(39,254,674)	(45,007,936)
Income taxes paid	(37,585,082)	(21,848,617)
NET CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES	121,179,538	135,540,704
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments to acquire fixed assets	(5) (9,430,530)	(6,510,437)
Payments to acquire assets under construction	(5) (3,720,576)	(6,242,079)
Payments to acquire intangible assets	(7) (89,937,692)	5,586,415
Payment to acquire treasury bills	(437,040,964)	(468,310,649)
Matured treasury bills collection	496,100,000	500,300,000
Proceeds from sale of fixed assets	(5) 21,851	8,038
Investment in term deposit	(11) (290)	(8,813)
NET CASH FLOWS (USED IN) PROVIDED FROM INVESTING ACTIVITIES	(44,008,201)	24,822,475
CASH FLOWS FROM FINANCING ACTIVITIES		
Credit facilities used	(18) 619,587,472	457,190,295
Payment of credit facilities	(18) (611,168,930)	(544,497,620)
Payment of long-term loans	(19) (21,949,676)	(32,100,000)
Acquisition of Treasury shares	(39,695,319)	-
Change in due from related parties	3,824,879	(6,273,191)
Dividends paid during the period	(24,307,500)	(14,700,000)
Lease payments paid during the period	(2,541,143)	(2,283,127)
NET CASH FLOWS PROVIDED FROM (USED IN) FINANCING ACTIVITIES	(76,250,217)	(142,663,643)
Net change in cash and cash equivalent during the period	921,120	17,699,536
Net foreign exchange difference	4,485,533	136,684
Cash and cash equivalent - beginning of the period	13,106,409	11,808,785
CASH AND CASH EQUIVALENT - END OF THE PERIOD	(11) 18,513,062	29,645,005

The accompanying notes from (1) to (30) are an integral part of these condensed interim separate financial statements.

TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

For the Period Ended 30 June 2022

1- BACKGROUND

Tenth of Ramadan for Pharmaceutical Industries and Diagnostic Reagents (Rameda) (S.A.E) was established under the provisions of Law No. 43 of 1974.

The Company was registered in the commercial registry under No.84008 on 15 January 1986.

The listing of Tenth of Ramadan for Pharmaceutical Industries and Diagnostic Reagents (Rameda) (S.A.E) on the Egyptian stock exchange was approved in 26 November 2019 according to resolution of listing committee of Egyptian stock exchange.

The registered office is located at plot No. 5 Second Industrial Zone, 6th of October City – Giza– Egypt.

The Company is principally engaged in:

1. Producing, marketing, selling and storing of pharmaceutical reagents for human and veterinary use.
2. Producing, marketing, selling and storing of diagnostic reagents necessary for individuals, laboratories and hospitals.
3. Importing pharmaceutical reagents and raw materials necessary for serving the Company's purposes without trading.
4. Producing pharmaceutical reagents for human and veterinary and diagnostic use for others and by others.
5. Producing food supplements for human use for others and by others.

The financial statements for the period ended 30 June 2022 were authorized for issuance in accordance with a resolution of the Board of Directors' dated 14 August 2022.

2- SIGNIFICANT ACCOUNTING POLICIES

2-1 BASIS OF PREPARATION

The separate financial statements are prepared under the going concern assumption on a historical cost basis and The Company is not subject to any significant seasonal or cyclical effects.

The separate financial statements are prepared and presented in Egyptian pounds, which is the Company's functional currency.

The separate financial statements of the Company have been prepared in accordance with the Egyptian accounting standards Num (30) and the applicable laws and regulations, The condensed financial statements do not include all the financial statements and disclosures required in the annual financial statements, and should be read in conjunction with the financial statements for the year ending December 31, 2021. In addition, the results of the interim period ending June 30, 2022 may not be considered an accurate indication of the expected results for the financial year. On December 31, 2022.

2-2 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of the condensed Separate interim financial statements are consistent with those used in the preparation of the separate financial statements for the year ending on December 31, 2021.

3- SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of these separate financial statements requires management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

For the Period Ended 30 June 2022

The key judgments and estimates that have a significant impact on the separate financial statements of the Company are discussed below:

3-1 Judgments

Revenue Recognition for sale of goods

In making their judgment, the management considered the detailed criteria for the recognition of revenue from the sale of goods as set out in "EAS 48 Revenue from contracts with customers" including the judgement about whether significant risks and rewards have been transferred.

3-2- Estimates

Impairment of trade and other receivables

An estimate of the collectible amount of trade and other receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimate is performed on an individual basis. Amounts which are not individually significant, but are past due, are assessed collectively and a provision is applied according to the length of time past due, based on historical recovery rates.

Provision for sales returns

The Company's management determines the estimates provision for the expected sales returns. This estimate is determined after considering the past experience of sales returns and sales volume and expiry dates of the products sold. The management periodically reviews the estimated provision amount to ensure that provision is adequate to cover the sales return.

Useful lives of fixed assets

The Company's management determines the estimated useful lives of its fixed assets for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. The management periodically reviews the estimated useful lives and the depreciation method to ensure that the method and the period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Useful lives of intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite.

The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The management periodically reviews the estimated useful lives and the amortization method to ensure that the method and the period of amortization are consistent with the expected pattern of economic benefits from these assets.

Taxes

The Company is subject to income taxes in Egypt. Significant judgment is required to determine the total provision for current and deferred taxes. The Company establishes provision, based on reasonable estimates, for possible consequences of audits by the tax authorities in Egypt. The amount of such provision is based on various factors, such as experience of previous tax audits and different interpretations of tax regulations by the Company and the responsible tax authority. Such differences of interpretations may be on a wide variety of issues depending on the conditions prevailing in Egypt.

Deferred tax assets are recognized for unused accumulated tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

For the Period Ended 30 June 2022

4- SEGMENT INFORMATION

Currently the Company's primary business segment is the production and selling of pharmaceutical products which contributes to 93% of total revenue and balance 7% is contributed by toll manufacturing services (30 June 2021: 93% and 7% respectively). The Company's management monitors the business under two segments, "production and selling of pharmaceutical products" and "manufacturing for others" (Toll manufacturing) for the purpose of making business decisions.

Accordingly, the Company's revenues during the period ended 30 June 2022 were reported under two segments in the condensed interim separate financial statements.

The Company produces and sells several products and renders services as follows:

	Services	Sale of pharmaceutical products			Total EGP
	Toll Manufacturing "Domestic"	Export	Domestic		
	EGP	EGP	Private sales EGP	Tenders EGP	
30 June 2022	<u>51,933,190</u>	<u>55,762,075</u>	<u>494,741,331</u>	<u>105,679,064</u>	<u>708,115,660</u>
30 June 2021	<u>35,993,570</u>	<u>45,705,746</u>	<u>364,330,247</u>	<u>91,742,207</u>	<u>537,771,770</u>

Revenue from the top five customers presented 78% of total pharmaceutical products revenues (30 June 2021: 85%).

TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS**

For the Period Ended 30 June 2022

5- FIXED ASSETS AND ASSETS UNDER CONSTRUCTION

	Freehold Land	Buildings	Machinery and equipment	Transportation and dragging equipment	Laboratory equipment	Tools	Office furniture and fixtures	Assets under construction	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost									
As of 1 January 2022	18,637,425	273,341,106	414,773,502	13,369,898	28,261,762	6,022,977	29,123,411	27,041,385	810,571,466
Additions	-	2,145,880	1,218,905	1,898,136	1,921,023	733,556	1,513,030	3,720,576	13,151,106
Transferred from assets under construction	-	556,909	19,982,634	1,037,870	-	-	54,105	(21,631,518)	-
Disposals	-	-	(179,150)	-	(271,696)	(6,774)	(47,457)	-	(505,077)
As of 30 June 2022	18,637,425	276,043,895	435,795,891	16,305,904	29,911,089	6,749,759	30,643,089	9,130,443	823,217,495
Accumulated depreciation									
As of 1 January 2022	-	(66,075,076)	(163,135,409)	(10,890,741)	(8,406,398)	(2,234,098)	(17,874,916)	-	(268,616,638)
Depreciation for the period	-	(4,348,223)	(9,466,612)	(357,999)	(1,368,951)	(271,512)	(1,421,583)	-	(17,234,880)
Disposals	-	-	150,442	-	179,807	2,292	40,904	-	373,445
As of 30 June 2022	-	(70,423,299)	(172,451,579)	(11,248,740)	(9,595,542)	(2,503,318)	(19,255,595)	-	(285,478,073)
Net book value as of 30 June 2022	18,637,425	205,620,596	263,344,312	5,057,164	20,315,547	4,246,441	11,387,494	9,130,443	537,739,422

- The cost of fixed assets as of 30 June 2022 include EGP 109,259,621 which represents fully depreciated assets that are still in use.
- The cost of asset under construction as of 30 June 2022 includes impairment by EGP 686,437.

Depreciation for the year was allocated to the statement of profit or loss as follows:

	30 June 2022 EGP
Cost of revenue	15,860,981
Selling and marketing expenses	383,875
General and administrative expenses	990,024
	<u>17,234,880</u>

Loss from sale of fixed assets was calculated as follows:

	30 June 2022 EGP
Cost of disposed assets	505,077
Accumulated depreciation of disposed assets	373,445
Net book value of disposed assets	131,632
Proceeds from sale of fixed assets	21,851
Loss from sale of fixed assets	<u>(109,781)</u>

TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS**

For the Period Ended 30 June 2022

5- FIXED ASSETS AND ASSETS UNDER CONSTRUCTION (CONTINUED)

	Freehold Land	Buildings	Machinery and equipment	Transportation and dragging equipment	Laboratory equipment	Tools	Office furniture and fixtures	Assets under construction	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost									
As at 1 January 2021	18,637,425	257,225,388	397,711,971	13,025,828	20,292,443	5,689,305	25,385,313	26,589,818	764,557,491
Additions	-	2,628,798	6,387,704	344,070	3,454,965	357,601	1,310,762	38,187,101	52,671,001
Transferred from assets under construction	-	13,486,920	13,639,600	-	7,938,130	-	2,670,884	(37,735,534)	-
Disposals	-	-	(2,965,773)	-	(3,423,776)	(23,929)	(243,548)	-	(6,657,026)
As at 31 December 2021	<u>18,637,425</u>	<u>273,341,106</u>	<u>414,773,502</u>	<u>13,369,898</u>	<u>28,261,762</u>	<u>6,022,977</u>	<u>29,123,411</u>	<u>27,041,385</u>	<u>810,571,466</u>
Accumulated depreciation									
As at 1 January 2021	-	(57,853,893)	(147,381,612)	(10,254,249)	(9,971,721)	(1,728,708)	(15,466,027)	-	(242,656,210)
Depreciation for the year	-	(8,221,183)	(18,065,453)	(636,492)	(1,787,573)	(524,798)	(2,641,953)	-	(31,877,452)
Disposals	-	-	2,311,656	-	3,352,896	19,408	233,064	-	5,917,024
As at 31 December 2021	<u>-</u>	<u>(66,075,076)</u>	<u>(163,135,409)</u>	<u>(10,890,741)</u>	<u>(8,406,398)</u>	<u>(2,234,098)</u>	<u>(17,874,916)</u>	<u>-</u>	<u>(268,616,638)</u>
Net book value as at 31 December 2021	<u>18,637,425</u>	<u>207,266,030</u>	<u>251,638,093</u>	<u>2,479,157</u>	<u>19,855,364</u>	<u>3,788,879</u>	<u>11,248,495</u>	<u>27,041,385</u>	<u>541,954,828</u>

- The cost of fixed assets as of 31 December 2021 includes EGP 106,816,740 which represents fully depreciated assets that are still in use.

- The cost of asset under construction as of 31 December 2021 includes impairment by EGP 686,437.

Depreciation for the year was allocated to the statement of profit or loss as follows:

	31 December 2021 EGP
Cost of revenue	29,340,376
Selling and marketing expenses	629,764
General and administrative expenses	<u>1,907,312</u>
	<u>31,877,452</u>

Loss from sale of fixed assets was calculated as follows:

	31 December 2021 EGP
Cost of disposed assets	6,657,026
Accumulated depreciation of disposed assets	<u>(5,917,024)</u>
Net book value of disposed assets	740,002
Proceeds from sale of fixed assets	<u>22,740</u>
Loss from sale of fixed assets	<u>(717,262)</u>

TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS For the Period Ended 30 June 2022

6- LEASES

Right of use assets are scientific rental offices, operating leases, and warehouses

A) Right of use assets

	30 June 2022	31 December 2021
	EGP	EGP
Cost at 1 January 2022	20,558,589	19,916,906
Additions	<u>3,404,642</u>	<u>641,683</u>
Total cost as of 30 June 2022	23,963,231	20,558,589
Accumulated amortization at 1 January 2022	(7,526,230)	(3,658,601)
Amortization for period	<u>(1,942,314)</u>	<u>(3,867,629)</u>
Accumulated amortization as of 30 June 2022	(9,468,544)	(7,526,230)
Net book value as of 30 June 2022	<u>14,494,687</u>	<u>13,032,359</u>

B) Lease liability

	30 June 2022	31 December 2021
	EGP	EGP
Opening balance as of 1 January 2022	15,386,755	17,409,223
Additions	3,404,642	641,683
Unwinding interests recognized during the period	1,041,634	2,071,062
Lease payments paid during the period	<u>(2,541,143)</u>	<u>(4,735,213)</u>
As at 30 June 2022	<u>17,291,888</u>	<u>15,386,755</u>
Deduct: Current balance	<u>3,612,566</u>	<u>3,130,595</u>
Non-current balance	<u>13,679,322</u>	<u>12,256,160</u>

7- INTANGIBLE ASSETS

	Registration Rights	
	30 June 2022	31 December 2021
	EGP	EGP
Cost as at 1 January 2022	400,271,629	220,941,719
Additions	89,937,692	185,522,410
Transferred to Ramepharma company	-	(6,192,500)
Total cost as at 30 June 2022	<u>490,209,321</u>	<u>400,271,629</u>
Accumulated amortization as at 1 January 2022	(30,830,773)	(21,463,913)
Amortization for the period/ year	<u>(11,444,252)</u>	<u>(9,366,860)</u>
Accumulated amortization as at 30 June 2022	<u>(42,275,025)</u>	<u>(30,830,773)</u>
Net book value as at 30 June 2022	<u>447,934,296</u>	<u>369,440,856</u>

The balance of the intangible assets represents the cost of acquiring the registration rights of certain pharmaceutical products and is amortized using the straight-line method over their useful life (20 years).

Management estimate the expected future benefit of the registration rights to be utilize over 20 years, and assessed for impaired whenever there is an indication that the economic benefit of the product is impaired.

Intangible asset balance includes registration right assets under approval amounted to EGP 31,404,825 (31 December 2021: EGP 28,914,832).

TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS
For the Period Ended 30 June 2022

8- INVENTORIES

	30 June 2022	31 December 2021
	EGP	EGP
Raw materials	128,965,418	110,924,816
Packing and packaging materials	58,578,504	38,421,560
Spare parts	19,649,461	14,549,227
Finished goods	62,256,510	65,107,399
Work in progress	28,356,772	27,652,773
Goods in transit	8,258,479	13,148,916
Inventory with others	605,679	619,459
	306,670,823	270,424,150
Write down in inventories	(10,676,740)	(11,073,894)
	295,994,083	259,350,256

The movement in the write down in value of inventories is as follows:

	30 June 2022	31 December 2021
	EGP	EGP
Beginning balance	(11,073,894)	(12,220,216)
Charge during the period/year	(9,881,874)	(16,389,100)
Used of inventory provision	10,279,028	17,535,422
Ending balance	(10,676,740)	(11,073,894)

The write down in inventories during the period, if any, is included in the cost of sales.

9- TRADE AND NOTES RECEIVABLE

	30 June 2022	31 December 2021
	EGP	EGP
Trade receivable	295,684,810	265,101,013
Trade receivable – toll manufacturing	10,943,666	9,297,115
Notes receivable	414,758,253	393,440,057
	721,386,729	667,838,185
Impairment of trade and notes receivable	(8,254,867)	(8,434,594)
	713,131,862	659,403,591

Notes receivable amounting to 198.9 MEGP are mortgage as a guarantee for the credit facilities (Note 18).

- The movement of the impairment in value of trade receivable is as follows:

	30 June 2022	31 December 2021
	EGP	EGP
Beginning balance	(8,434,594)	(4,967,460)
Effect of adoption of EAS (47)	-	(3,467,134)
Charged during the period/year	(1,000,000)	-
Used provision	1,179,727	-
Ending balance	(8,254,867)	(8,434,594)

TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS For the Period Ended 30 June 2022

10- TREASURY BILLS

	30 June 2022	31 December 2021
	EGP	EGP
Treasury bills	456,625,000	496,100,000
Unearned interest	(19,584,036)	(28,089,046)
	437,040,964	468,010,954

11- CASH ON HAND AND AT BANKS

	30 June 2022	31 December 2021
	EGP	EGP
a) Egyptian Pounds		
Cash on hand	51,513	51,897
Current accounts	4,378,501	3,983,825
Checks under collection	5,224,742	6,984,687
Term deposits (Maturing within 3 months)	115,831	115,541
	9,770,587	11,135,950
b) Foreign currencies		
Cash on hand	2,831,544	24,148
Current accounts	6,026,762	2,061,852
	8,858,306	2,086,000
	18,628,893	13,221,950

Cash balances On Hand and at Banks are denominated in the following currencies:

	30 June 2022	31 December 2021
	EGP	EGP
Egyptian pound (EGP)	9,770,587	11,135,950
US dollar (USD)	8,661,057	332,147
Euro (EUR)	197,251	1,753,853
	18,628,893	13,221,950

For the purpose of cash flow statements, cash and cash equivalents consist of following.

	30 June 2022	30 June 2021
	EGP	EGP
Cash in hand	2,883,057	100,868
Current accounts	15,630,005	29,544,137
	18,513,062	29,645,005

TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS
For the Period Ended 30 June 2022

12- PROVISIONS

	<i>Balance as at 1 January 2022 EGP</i>	<i>Charged during the period EGP</i>	<i>Used during the period EGP</i>	<i>Balance as at 30 June 2022 EGP</i>
Provision for expected claims	5,550,001	-	-	5,550,001
Provision for sales returns*	8,711,844	(327,577)	-	8,384,267
	<u>14,261,845</u>	<u>(327,577)</u>	<u>-</u>	<u>13,934,268</u>

	<i>Balance as at 1 January 2021 EGP</i>	<i>Charged during the year EGP</i>	<i>Used during the year EGP</i>	<i>Balance as at 31 December 2021 EGP</i>
Provision for expected claims	4,300,001	1,250,000	-	5,550,001
Provision for sales returns*	7,987,618	724,226	-	8,711,844
	<u>12,287,619</u>	<u>1,974,226</u>	<u>-</u>	<u>14,261,845</u>

*Provision for sales returns is deducted from sales disclosed in note (20).

13- TRADE, NOTES AND OTHER PAYABLE

	30 June 2022 EGP	31 December 2021 EGP
Trade payable	128,406,676	61,522,201
Notes payable	16,812,864	21,946,601
Accrued expenses	23,570,768	29,793,723
Tax authority (other than income tax)	6,782,852	7,226,570
Advances From Customers	23,753,861	5,716,158
Other payables	5,013,697	2,070,813
	<u>204,340,718</u>	<u>128,276,066</u>

Trade payables, accrued expenses and other payables are non-interest bearing.

TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS For the Period Ended 30 June 2022

14- CAPITAL

The Company's authorized capital amounted to EGP 1 billion, whereas the issued and paid up capital amounted to EGP 250,000,000 divided over 1,000,000,000 shares of par value EGP 0.25 each.

The extraordinary General Assembly meeting held on May 19, 2021 decided to increase the paid-in capital by 57,850,000 Egyptian pounds by distributing bonus shares of 0.3010668748 free shares for each original share of the company's shares before the increase of 768,600,000 shares with reparations in favor of small shareholders from the smallest to The largest has to finance the increase in shares from the company's distributable net profits (profits for the year + retained earnings) for the fiscal year ending on December 31,2020, so the company's issued capital after the increase becomes 250,000,000 Egyptian pounds distributed over 1,000,000,000 shares with a nominal value of EGP 0.25 per share.

The following illustrate the new structure for shareholders:

	%	No. of shares	Amount EGP
Main Shareholder's Shares	34.51%	345,067,009	86,266,752
Treasury Shares	2.00%	20,000,000	5,000,000
Other listed Free Shares in Stock Exchange Market	63.49%	634,932,991	158,733,248

15- GENERAL RESERVE-ISSUANCE PREMIUM

The balance of general reserve - issuance premium is representing the net book value of issuing capital increase shares during 2019 amounted EGP 486,965,000 for issuing 125,000,000 Shares after deducting issuing cost of EGP 64,285,000.

16- TREASURY SHARES

The board members meeting held on February 23, 2022 decided to re-purchase treasury shares up to 10% of the total shares of the company's issued capital available in the market.

According to board of director resolutions on 23 February 2022, the company purchased 20,000,000 shares from the stock market and held in treasury for a total consideration of EGP 39,695,319. The consideration paid has been accounted for as a reserve in the statement of shareholder's' equity.

The board members meeting held on May 31, 2022 decided to re-purchase treasury shares up to 10% of the total shares of the company's issued capital available in the market.

17- SHARE BASED PAYMENT RESERVE

The company has approved the reward and incentive program for employees, managers and executive board members under the program the company grant the beneficiaries Ordinary share options at the nominal value in accordance with the approval of the Extraordinary General Assembly on October 14, 2020, and this program allows employees, managers and executive board members who benefit from the incentive and reward system to own part of the company's shares in accordance to listing and Trading Rules of Egyptian Stock Exchange under the provisions of Law 159 for year 1981 and its executive regulations and under the provision of law 95 for year 1992 and its executive regulations.

On 25 March 2022 the company activated the reward and incentive program. Giving number of employees, managers and executive board members share options for total of 8,412,884 shares at the nominal value (.25 EGP per share) on condition of staying in service for the required period till the exercise date in 1 November 2022 an archiving the required performance appraisals. Each employee were granted maximum number of shares according to contracts giving one month period from the exercise date to exercise the purchasing right.

TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS For the Period Ended 30 June 2022

The fair value of the granted shares for numbers of employees were 16,909,897 Egyptian Pound using the price of the share announced in the Egyptian Stock Exchange on the grant date (2.01 EGP for share) before the deduction of the nominal value of shares that would be paid by the benefactrices in cash

Movement of Equity instruments in the period as follow:

	Amount	Shares No.
Balance at 1 January 2022	-	-
Granted during the period	6,536,280	8,412,884
Forfeited during the period	-	-
Exercised during the period	-	-
Expired during the period	-	-
Total shares at the end of period	6,536,280	8,412,884

18- CREDIT FACILITIES

The movement of the credit facilities during the period/ year is as follows:

	30 June 2022	31 December 2021
	EGP	EGP
Opening balance	819,720,928	802,184,216
Used during the period / year	617,882,695	1,173,903,438
Payment during the period / year	(611,168,930)	(1,156,366,726)
Ending balance	826,434,693	819,720,928
	30 June 2022	31 December 2021
	EGP	EGP
Credit facilities maturing within 12 months	826,434,693	819,720,928
Bank credit	2,639,084	934,307
	829,073,777	820,655,235

The interest rate on the Credit facilities ranges from 8% to 12.75% as of 30 June 2022 (31 December 2021: Range from 8% to 9.75%).

Credit Facilities	Facility amount	Interest rate	Maturity Date	30 June 2022	31 December 2021
	EGP			EGP	EGP
CIB	250,000,000	0.25%+CBE lending rate	10-Jul-22	99,318,504	124,385,085
		8 % CBE INITAVIE*	10-Jul-22	67,452,571	55,837,267
FAB Bank	125,000,000	0.5 %+CBE lending rate	31-Dec-22	70,182,254	49,314,262
		8 % CBE INITAVIE*	31-Dec-22	24,650,064	31,062,538
Arab Bank	88,000,000	8 % CBE INITAVIE*	31-Jul-22	46,197,174	36,589,690
ABK	120,000,000	0.5 %+CBE lending rate	31-Oct-22	35,637,983	31,950,265
		8 % CBE INITAVIE*	31-Oct-22	61,918,719	48,229,814
ADIB	150,000,000	0.5%+CBE lending rate	30-Nov-22	31,915,065	51,517,333
		8 % CBE INITAVIE*	30-Nov-22	82,034,350	83,650,090
Alex Bank	170,000,000	8 % CBE INITAVIE*	30-Jun-22	168,729,923	145,589,868
AUB	130,000,000	0.35% + CBE lending rate	1-Jun-23	24,660,000	28,933,333
		8 % CBE INITAVIE*	1-Jun-23	45,435,612	45,426,752
ENBD	100,000,000	8 % CBE INITAVIE*	31-Oct-22	68,302,474	87,234,631
Total Credit Facilities				826,434,693	819,720,928

TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS For the Period Ended 30 June 2022

*Those Balance represents the funds granted for the purchase of raw materials, and packaging in accordance with the initiative of the Central Bank of Egypt to support the industrial sector issued on 12 December 2019 to finance companies with private ownership and small and medium enterprises and support them to reach their investment goals and cover operating expenses.

Some of the above facilities are guaranteed by notes receivables (Note 9).

19- LONG TERM LOANS

Loan (1):

During the year 2017, the Company signed an agreement with Commercial International Bank to obtain a loan amounting to EGP 86,422,000 with an annual interest rate of 1.25% over the Corridor rate repayable over 36 monthly installments starting from 29 October 2018 and maturing on 29 March 2021

During September 2019, the Company agreed with the bank to increase the loan by EGP 9,196,000 repayable over 24 monthly installments starting from 1 January 2020 and maturing on 1 December 2021 and reduce the interest rate to 0.75% over the CBE lending rate, However the Company hasn't obtained the additional amount yet.

On 9 September 2020, the Company rescheduled the loan (1) to be repayable over 21 monthly installments starting from 1 October 2020 and maturing on 1 June 2022.

The Company paid EGP 9,475,704 during the period ended 30 June 2022 and the balance outstanding was settled as at 30 June 2022 (31 December 2021: EGP 9,475,704).

Loan (2):

During the year 2018, the Company signed an agreement with Commercial International Bank to obtain a loan amounting to EGP 78,766,000 with an annual interest rate of 0.9% over the CBE lending rate repayable over 19 monthly installments after the expiry of grace year, which is 15 months from the date of first use.

During September 2019, the Company rescheduled the loan to be repayable over 24 monthly installments starting from 1 January 2020 and maturing on 1 December 2021 and reduce the interest rate to 0.85% over the CBE lending rate.

On 9 September 2020, the Company rescheduled the loan (2) to be repayable over 20 monthly installments starting from 1 October 2020 and maturing on 1 May 2022.

The Company paid EGP 12,473,972 during the period ended 30 June 2022 and the balance outstanding was settled (31 December 2021: EGP 12,473,972).

The balance of loans as of 30 June 2022 as follows:

Loans	Interest rate	30 June 2022	31 December 2021
		EGP	EGP
Current portion of long-term loans			
Loan (1)	0.75%+CBE lending rate	-	9,475,704
Loan (2)	0.85%+CBE lending rate	-	12,473,972
Total current portion of long-term loans		<u>-</u>	<u>21,949,676</u>

TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS For the Period Ended 30 June 2022

20- REVENUES

	Six Months ended		Three months ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	EGP	EGP	EGP	EGP
Sale of goods (net)	656,182,470	501,778,200	338,723,116	249,522,874
Toll manufacturing services revenue	51,933,190	35,993,570	26,893,311	17,403,161
	708,115,660	537,771,770	365,616,427	266,926,035

21- COST OF REVENUE

	Six Months ended		Three months ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	EGP	EGP	EGP	EGP
Salaries, social insurance & other benefits	59,618,531	47,867,071	30,949,066	25,413,839
Raw materials	214,765,188	172,695,672	116,487,479	79,865,130
Spare parts and materials	8,698,132	10,063,718	4,334,600	5,065,971
Government fees and medical stamps	6,660,380	4,967,640	3,730,421	2,572,216
Other operating expenses	20,715,443	17,061,593	9,725,837	9,796,828
Energy expenses	18,777,205	14,395,060	10,670,153	7,067,102
Depreciation and amortization (Note 5,7)	27,305,233	19,066,887	13,928,638	5,892,517
Rent	1,168,559	2,413,189	509,662	1,088,827
Maintenance	8,235,806	5,082,620	4,603,461	2,331,582
	365,944,477	293,613,450	194,939,317	139,094,012

22- SELLING AND MARKETING EXPENSES

	Six Months ended		Three months ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	EGP	EGP	EGP	EGP
Salaries, social insurance & other benefits	62,587,213	57,385,009	32,368,438	28,095,094
Depreciation (Note 5&6)	2,326,189	2,240,739	1,183,390	1,159,218
Rent	25,500	37,800	19,200	18,900
Advertising and marketing	70,638,505	56,699,087	38,866,783	32,962,891
	135,577,407	116,362,635	72,437,811	62,236,103

TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS For the Period Ended 30 June 2022

23- GENERAL AND ADMINISTRATIVE EXPENSES

	Six Months ended		Three months ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	EGP	EGP	EGP	EGP
Salaries, social insurance & other benefits	23,700,228	20,814,397	12,287,006	10,532,049
Professional fees	689,702	926,494	468,479	436,054
Maintenance	715,797	234,675	279,404	113,030
Depreciation (Note 5)	990,024	916,337	497,742	462,667
Others	4,583,348	3,218,973	2,676,098	1,488,773
	<u>30,679,099</u>	<u>26,110,876</u>	<u>16,208,729</u>	<u>13,032,573</u>

24- FINANCE INCOME

	Six Months ended		Three months ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	EGP	EGP	EGP	EGP
Interest from Treasury Bills	27,665,331	29,602,842	13,706,263	15,002,910
Interest from time deposits	1,634	8,812	15	-
	<u>27,666,965</u>	<u>29,611,654</u>	<u>13,706,278</u>	<u>15,002,910</u>

25- FINANCE EXPENSES

	Six Months ended		Three months ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	EGP	EGP	EGP	EGP
Debit interests	40,842,766	45,237,565	20,073,290	22,789,254
Unwinding interests of lease liabilities	1,041,634	1,059,077	531,718	526,918
Bank Charges	1,786,624	1,835,814	878,713	941,999
	<u>43,671,024</u>	<u>48,132,456</u>	<u>21,483,721</u>	<u>24,258,171</u>

26- INCOME TAXES

	Six Months ended		Three months ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	EGP	EGP	EGP	EGP
Current income tax	(32,301,390)	(13,549,875)	(14,335,282)	(6,764,705)
Deferred income tax	(5,343,243)	(5,615,828)	(2,329,114)	(3,329,369)
Income tax expense	<u>(37,644,633)</u>	<u>(19,165,703)</u>	<u>(16,664,396)</u>	<u>(10,094,074)</u>

TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS
For the Period Ended 30 June 2022

DEFERED INCOME TAX

	Statement of financial position		Statement of profit or loss	
	30 June 2022	31 December 2021	30 June 2022	30 June 2021
	EGP	EGP	EGP	EGP
Depreciation and amortization	(52,448,688)	(46,890,081)	(5,558,608)	(4,872,301)
Provisions	1,886,460	1,960,165	(73,705)	-
Impairment of trade and notes receivables	1,857,345	1,897,784	(40,439)	182,312
Write down of inventory	2,402,267	2,491,626	(89,359)	(620,373)
Share based payment	1,470,663	-	1,470,663	-
Unrealized foreign exchange differences	(1,009,526)	42,270	(1,051,795)	(305,466)
Net deferred income taxes	<u>(45,841,479)</u>	<u>(40,498,236)</u>	<u>(5,343,243)</u>	<u>(5,615,828)</u>

RECONCILIATION OF THE EFFECTIVE INCOME TAX RATE

	Tax Rate	30 June 2022	Tax Rate	30 June 2021
		EGP		EGP
Profits before income taxes		<u>162,883,956</u>		81,263,091
Income tax based on tax rate	22.50%	<u>36,648,890</u>	22.50%	18,284,195
Non-deductible expenses		<u>995,743</u>		881,508
Effective Tax Rate	23.11%	<u>37,644,633</u>	23.58%	<u>19,165,703</u>

27- EARNINGS PER SHARE

Basic earnings per share were calculated by dividing the profits for the period available for distribution to the Parent Company by the weighted average number of shares outstanding during the period.

Diluted earnings per share were calculated by dividing the profits for the period available for distribution to the Parent Company by the weighted average number of shares outstanding during the period in addition to number of shares that will be issued to employees, managers and executive board members according to the reward and incentive program as follows:

	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	EGP	EGP	EGP	EGP
Basic and diluted, profit for the period	125,239,323	62,097,388	54,822,961	31,765,673
Weighted average number of shares outstanding after purchase of treasury shares during the period	990,000,000	1,000,000,000	990,000,000	1,000,000,000
Share Options for employees and executive board members	7,428,630	-	7,428,630	-
Weighted average number of ordinary shares adjusted for the effect of share options	<u>997,428,630</u>	<u>1,000,000,000</u>	<u>997,428,630</u>	<u>1,000,000,000</u>
Earnings per share	<u>0.1256</u>	<u>0.0621</u>	<u>0.0550</u>	<u>0.0318</u>

TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS For the Period Ended 30 June 2022

28- TAX POSITION

a) Corporate Tax

- The Company's records were inspected till the year 2013 and it was agreed by the specialized internal committee.
- The Company's records were inspected initially from year 2014 till 2017 which were refused by the company and the actual inspection is under process with the preparation of actual inspection from year 2018 till year 2020.

b) Salary Tax

- The company's records were inspected till the year 2015 and the taxes differences dues were paid.
- The company's records were inspected and tax settlements were paid for the years 2016 till 2019.

c) Stamp Tax

- The Company's records were inspected till 2013 and the taxes dues were paid.
- The company is preparing for tax inspection for the years from 2014 till 2020.

d) VAT

- The Company's records were inspected till the year 2015 and the taxes dues were paid.
- The Company's records were inspected from year 2016 till 2019 the taxes dues were paid.

29- RELATED PARTIES

For the purpose of these condensed interim separate financial statements, parties are considered to be related to the Company, if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control. Related parties may be individuals or other entities.

a) Related party transactions

During the period, the following were the significant related party transactions, which were carried out in the normal course of business on terms agreed between the parties:

Company	Nature of party	Nature of transaction	30 June 2022	30 June 2021
			EGP	EGP
Rameda for Pharmaceuticals trading	Subsidiary	Rent	3,000	3,000
		Purchases	3,240,550	-
Ramecare Company	Subsidiary	Rent	3,000	3,000
		Purchases	1,241,820	-
Ramepharma Company	Subsidiary	Rent	3,000	3,000
		Purchases	5,993,223	-

TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS
For the Period Ended 30 June 2022

28- RELATED PARTIES (continued)

b) Related party balances

	Nature of party	30 June 2022		31 December 2021	
		Due from EGP	Due to EGP	Due from EGP	Due to EGP
Rameda for Pharmaceuticals Trading	Subsidiary	729,263	-	-	290,361
Ramecare Company	Subsidiary	4,834,459	-	3,528,144	-
Ramepharma Company	Subsidiary	15,792,384	-	21,652,841	-
		<u>21,356,106</u>	<u>-</u>	<u>25,180,985</u>	<u>290,361</u>

c) Salaries and incentives of key managers

The key manager's compensation during period ended 30 June 2022 and 30 June 2021 is as follow:

	30 June 2022	30 June 2021
	EGP	EGP
Share options for employees, managers and executive board members	6,536,280	-
Salaries and incentives	16,467,967	16,048,984
	<u>23,004,247</u>	<u>16,048,984</u>

30- MAJOR EVENTS

On March 21, 2022, the Central Bank of Egypt decided to increase the overnight deposit and lending rates and the central bank's main operation price by 100 basis points to reach 9.25%, 10.25 and 9.75%, respectively. The credit and discount rates were also raised by 100 basis points to reach 9.75%. And the company studies the impact on the subsequent financial statements.

The exchange rates of the Egyptian pound against the dollar and some other currencies also declined in the period following the date of the financial statements. The company is studying the impact on the subsequent financial statements .To clarify the effect resulting from the change in exchange rates.