

**TENTH OF RAMADAN FOR PHARMACEUTICAL  
INDUSTRIES AND DIAGNOSTIC REAGENTS  
(RAMEDA) (S.A.E)  
INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS  
TOGETHER WITH REVIEW REPORT  
FOR THE PERIOD ENDED 30 June 2021**

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

**Interim Condensed Consolidated Financial Statements  
For the Period Ended 30 June 2021**

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**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
TO SHAREHOLDERS OF TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)**

**Introduction**

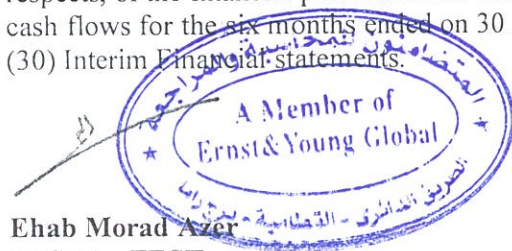
We have reviewed the accompanying interim condensed consolidated financial position of **TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)** as of 30 June 2021 as well as the related interim condensed consolidated statements of profit or loss, Comprehensive income, changes in equity and cash flows for the six months ended on 30 June 2021, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with Egyptian Accounting Standard (30) Interim Financial statements. Our responsibility is to express a conclusion on these condensed interim consolidated 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 Interim Financial Statements Performed by the Independent Auditor of the Entity." A review of 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 interim condensed consolidated 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 2021, and of its financial performance and its cash flows for the six months ended on 30 June 2021 in accordance with Egyptian Accounting Standard (30) Interim Financial statements.



**Ehab Morad Azer**  
FESAA - FEST  
(RAA 6537)  
(EFSA 87)

**Cairo: August 09 2021**

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

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 June 2021

	Notes	30 June 2021 EGP	31 December 2020 EGP
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets and projects under construction	(5)	519,015,766	521,901,281
Right of use assets	(6-A)	14,331,965	16,258,305
Intangible assets	(7)	210,010,908	214,571,373
<b>Total non-current assets</b>		<b>743,358,639</b>	<b>752,730,959</b>
<b>Current assets</b>			
Inventories	(8)	256,088,086	305,479,563
Trade and notes receivable	(9)	599,713,995	633,522,249
Treasury Bills	(10)	468,310,649	469,349,545
Due from related parties		25,500	25,500
Prepayments and other receivables		80,464,407	74,974,518
Cash on hand and at banks	(11)	31,044,020	13,232,834
<b>Total current assets</b>		<b>1,435,646,657</b>	<b>1,496,584,209</b>
<b>TOTAL ASSETS</b>		<b>2,179,005,296</b>	<b>2,249,315,168</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Paid up Capital	(14)	192,150,000	192,150,000
Legal reserve		26,446,118	20,798,851
General reserves - Issuance Premium	(15)	486,965,000	486,965,000
Other reserves		58,128,952	278,952
Profits for the period and retained earnings		467,753,498	484,995,947
<b>Total equity of Parent Company</b>		<b>1,231,443,568</b>	<b>1,185,188,750</b>
Non-controlling interest		(1,910,578)	(1,618,706)
<b>Total equity</b>		<b>1,229,532,990</b>	<b>1,183,570,044</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long term loans	(17)	-	29,549,676
Long term lease liabilities	(6-B)	13,342,857	14,807,299
Deferred tax liabilities	(24)	36,677,310	31,061,481
<b>Total non-current liabilities</b>		<b>50,020,167</b>	<b>75,418,456</b>
<b>Current liabilities</b>			
Provisions	(12)	12,787,619	12,287,619
Credit facilities	(16)	717,251,710	804,558,554
Current portion of long-term loans	(17)	56,299,676	58,850,000
Current portion of lease liabilities	(6-B)	2,841,835	2,601,924
Trade, notes and other payables	(13)	100,261,178	93,719,707
Income taxes payable		10,010,121	18,308,864
<b>Total current liabilities</b>		<b>899,452,139</b>	<b>990,326,668</b>
<b>TOTAL LIABILITIES</b>		<b>949,472,306</b>	<b>1,065,745,124</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,179,005,296</b>	<b>2,249,315,168</b>

Finance Director



Mohamed Abo Amira

Board Member



Amr Abdallah Morsy

The accompanying notes from (1) to (27) are an integral part of these interim condensed consolidated financial statements.  
Review Report Attached.

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

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the Period Ended 30 June 2021

	Notes	Six Months Ended		Three Months Ended	
		30 June 2021 EGP	30 June 2020 EGP	30 June 2021 EGP	30 June 2020 EGP
Revenues	(18)	537,771,892	437,460,856	266,926,157	205,041,168
Cost of revenues	(19)	(294,098,518)	(232,806,927)	(139,349,538)	(106,559,599)
<b>GROSS PROFIT</b>		<b>243,673,374</b>	<b>204,653,929</b>	<b>127,576,619</b>	<b>98,481,569</b>
Selling and marketing expenses	(20)	(116,362,635)	(102,974,365)	(62,236,103)	(54,060,440)
General and administrative expenses	(21)	(26,250,929)	(23,756,589)	(13,079,195)	(12,639,086)
Other income		426,430	483,472	205,738	175,676
<b>OPERATING PROFIT</b>		<b>101,486,240</b>	<b>78,406,447</b>	<b>52,467,059</b>	<b>31,957,719</b>
Finance income	(22)	29,611,654	34,808,611	15,002,910	17,141,026
Finance expenses	(23)	(48,132,456)	(52,505,172)	(24,258,171)	(21,699,245)
Net foreign exchange gain/(loss)		(401,991)	(29,108)	(439,801)	689,879
<b>NET FINANCE COST</b>		<b>(18,922,793)</b>	<b>(17,725,669)</b>	<b>(9,695,062)</b>	<b>(3,868,340)</b>
Impairment of trade and notes receivable		-	(2,529,514)	-	(1,867,306)
Provision expense		(500,000)	-	(500,000)	-
Contribution for health insurance		(1,424,522)	(1,187,918)	(714,276)	(561,515)
<b>PROFITS FOR THE YEAR BEFORE INCOME TAXES</b>		<b>80,638,925</b>	<b>56,963,346</b>	<b>41,557,721</b>	<b>25,660,558</b>
Income taxes	(24)	(19,165,703)	(13,487,879)	(10,094,074)	(5,953,018)
<b>PROFITS FOR THE YEAR</b>		<b>61,473,222</b>	<b>43,475,467</b>	<b>31,463,647</b>	<b>19,707,540</b>
<b>Attributable to:</b>					
Equity holders of the Parent Company		61,765,094	43,765,757	31,603,387	19,870,789
Non-controlling interests		(291,872)	(290,290)	(139,740)	(163,249)
		<b>61,473,222</b>	<b>43,475,467</b>	<b>31,463,647</b>	<b>19,707,540</b>
Earnings Per Share - basic and diluted	(25)	<b>0.0804</b>	0.0569	<b>0.0411</b>	0.0259

Finance Director

Mohamed Abo Amira

Board Member

Amr Abdallah Morsy

The accompanying notes from (1) to (27) are an integral part of these interim condensed consolidated financial statements.

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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For the Period Ended 30 June 2021

	Six Months Ended		Three Months Ended	
	<i>30 June 2021</i>	30 June 2020	<i>30 June 2021</i>	30 June 2020
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
<b>PROFITS FOR THE PERIOD</b>	<b>61,473,222</b>	43,475,467	<b>31,463,647</b>	19,707,540
OTHER COMPREHENSIVE INCOME	-	-	-	-
<b>OTHER COMPREHENSIVE INCOME</b>	<b>61,473,222</b>	<b>43,475,467</b>	<b>31,463,647</b>	<b>19,707,540</b>
<b>Attributable to</b>				
Equity holders of the Parent Company	<b>61,765,094</b>	43,765,757	<b>31,603,387</b>	19,870,789
Non-controlling interest	<b>(291,872)</b>	(290,290)	<b>(139,740)</b>	(163,249)
	<b>61,473,222</b>	<b>43,475,467</b>	<b>31,463,647</b>	<b>19,707,540</b>

The accompanying notes from (1) to (27) are an integral part of these interim condensed consolidated financial statements.

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

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Period Ended 30 June 2021

	Paid up Capital EGP	Legal reserve EGP	General reserve - Issuance Premium EGP	Other reserves EGP	Retained earnings EGP	Total equity of Parent Company EGP	Non- controlling interest EGP	Total EGP
Balance as at 1 January 2020	192,150,000	16,649,610	486,965,000	278,952	376,964,719	1,073,008,281	(953,175)	1,072,055,106
Transferred to legal reserve	-	4,149,241	-	-	(4,149,241)	-	-	-
Total comprehensive income for the period	-	-	-	-	43,765,757	43,765,757	(290,290)	43,475,467
<b>Balance as at 30 June 2020</b>	<b>192,150,000</b>	<b>20,798,851</b>	<b>486,965,000</b>	<b>278,952</b>	<b>416,581,235</b>	<b>1,116,774,038</b>	<b>(1,243,465)</b>	<b>1,115,530,573</b>
Balance as at 1 January 2021	192,150,000	20,798,851	486,965,000	278,952	484,995,947	1,185,188,750	(1,618,706)	1,183,570,044
Effect of adoption of EAS (47)	-	-	-	-	(810,276)	(810,276)	-	(810,276)
<b>Balance as at 1 January 2021 (Adjusted)</b>	<b>192,150,000</b>	<b>20,798,851</b>	<b>486,965,000</b>	<b>278,952</b>	<b>484,185,671</b>	<b>1,184,378,474</b>	<b>(1,618,706)</b>	<b>1,182,759,768</b>
Transferred to legal reserve	-	5,647,267	-	-	(5,647,267)	-	-	-
Transferred to other reserve under capital	-	-	-	57,850,000	(57,850,000)	-	-	-
Dividend distributions	-	-	-	-	(14,700,000)	(14,700,000)	-	(14,700,000)
Total comprehensive income for the period	-	-	-	-	61,765,094	61,765,094	(291,872)	61,473,222
<b>Balance as at 30 June 2021</b>	<b>192,150,000</b>	<b>26,446,118</b>	<b>486,965,000</b>	<b>58,128,952</b>	<b>467,753,498</b>	<b>1,231,443,568</b>	<b>(1,910,578)</b>	<b>1,229,532,990</b>

The accompanying notes from (1) to (27) are an integral part of these interim condensed consolidated financial statements.

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

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the Period Ended 30 June 2021

	Notes	30 June 2021 EGP	30 June 2020 EGP
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profits for the period before income taxes		80,638,925	56,963,346
<b>Adjustments to reconcile profit before tax to net cash flow:</b>			
Net foreign exchange differences		(136,684)	(346,342)
Depreciation and amortization	(5,6,7)	22,708,853	26,839,866
Provision charged	(12)	500,000	1,655,671
Impairment of trade and notes receivable	(9)	-	2,529,514
Impairment of inventory	(8)	6,904,974	9,209,400
Finance income		(29,602,842)	(2,204,728)
Finance expenses	(21)	47,073,379	51,392,453
Unwinding interests of lease liabilities	(21)	1,059,077	1,112,719
Loss (Gain) from sale of fixed assets	(5)	14,028	(3,300)
		<u>129,159,710</u>	<u>147,148,599</u>
Change in inventories		52,148,689	(71,908,278)
Used of inventory provision		(9,662,186)	(4,235,586)
Change in trade and notes receivable		32,997,978	(19,945,222)
Change in prepayments and other receivables		(6,837,502)	(78,810,501)
Change in trade, notes and other payable		3,905,495	(12,720,801)
<b>Cash flows provided from operating activities</b>		<u>201,712,184</u>	<u>(40,471,789)</u>
Debit interests paid		(44,428,403)	(48,689,655)
Provisions used	(12)	-	(500,000)
Income taxes paid		(21,848,617)	(26,306,092)
<b>NET CASH FLOWS PROVIDED FROM (USED IN) OPERATING ACTIVITIES</b>		<u>135,435,164</u>	<u>(115,967,536)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments to acquire fixed assets	(5)	(6,510,437)	(23,424,938)
Payments to acquire assets under construction	(5)	(6,242,079)	(2,015,671)
Payments to acquire intangible assets	(7)	(615,083)	(96,786,040)
Payment to acquire treasury bills		(468,310,649)	(469,616,953)
Matured treasury bills collection		500,300,000	500,000,000
Proceeds from sale of fixed assets	(5)	8,038	3,300
Investment in term deposits	(11)	(8,813)	(15,435)
<b>NET CASH FLOWS PROVIDED FROM (USED IN) INVESTING ACTIVITIES</b>		<u>18,620,977</u>	<u>(91,855,737)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Credit facilities used	(16)	457,190,295	496,754,617
Payment of credit facilities	(16)	(544,497,620)	(288,034,762)
Payment of long-term loans	(17)	(32,100,000)	(16,050,000)
Dividends paid during the period		(14,700,000)	-
Lease payments paid during the period		(2,283,127)	(2,087,311)
<b>NET CASH FLOWS (USED IN) PROVIDED FROM FINANCING ACTIVITIES</b>		<u>(136,390,452)</u>	<u>190,582,544</u>
<b>Net change in cash and cash equivalent during the period</b>		<u>17,665,689</u>	<u>(17,240,729)</u>
Net foreign exchange difference		136,684	346,342
Cash and cash equivalent - beginning of the year		12,625,792	53,462,159
<b>CASH AND CASH EQUIVALENT - END OF THE PERIOD</b>	(11)	<u>30,428,165</u>	<u>36,567,772</u>

The accompanying notes from (1) to (27) are an integral part of these interim condensed consolidated financial statements.



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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
For the Period Ended 30 June 2021

### **1- BACKGROUND**

Tenth of Ramadan for Pharmaceutical Industries and Diagnostic Reagents (Rameda) (S.A.E) (the “Company” or the “Parent Company”) 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 consolidated financial statements include the separate financial statements of the Parent Company and its subsidiaries (collectively referred to as the “Group”).

The Group is principally engaged in:

- Manufacturing, marketing, selling and storing of pharmaceutical reagents for human and veterinary use.
- Manufacturing, marketing, selling and storing of diagnostic reagents necessary for individuals, laboratories and hospitals.
- Importing pharmaceutical reagents and raw materials necessary for serving the Company’s purposes without trading.
- Producing pharmaceutical reagents for human and veterinary and diagnostic use for others and by others.
- Producing food supplements for human use for others and by others.

**Below is a brief background about the subsidiaries:**

#### **Rameda for Pharmaceuticals Trading Company**

A subsidiary with 99.97% shareholding. Its principal activity is importing and exporting pharmaceutical reagents, producing, marketing, selling and storing of pharmaceutical reagents and producing pharmaceutical reagents for human and veterinary and diagnostic use for others

#### **Ramecare Company**

A subsidiary with 49% legal ownership. Its principal activity is producing, marketing, selling and storing of pharmaceutical reagents, producing pharmaceutical reagents for human and veterinary and diagnostic use for others.

It was considered a subsidiary since the Parent Company is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over it.

#### **Ramepharma Company**

A subsidiary with 49% legal ownership. Its principal activity is producing, marketing, selling and storing of pharmaceutical reagents, producing pharmaceutical reagents for human and veterinary and diagnostic use for others.

It was considered a subsidiary since the Parent Company is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over it.

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Period Ended 30 June 2021

#### 2- SIGNIFICANT ACCOUNTING POLICIES

##### 2-1 BASIS OF PREPARATION

The consolidated financial statements are prepared under the going concern assumption on a historical cost basis.

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

The consolidated financial statements of the Group have been prepared in accordance with the Egyptian accounting standards and the applicable laws and regulations.

##### 2-2 CHANGES IN ACCOUNTING POLICIES

The accounting policies applied during this period are those applied in preparing the financial statements for the year ended 31 December 2020, including the early adoption of the new Egyptian Accounting Standards No. 48, "revenue from contracts with customers" and 49 "leases" as of 01 January 2020.

The company has implemented of Egyptian Accounting Standard No. (47) "Financial Instruments" in accordance with a decision of the Financial Supervisory as of 01 January 2021, The nature and impact of these standards and amendments are explained below.

##### 2-2-1 EFFECT OF ADOPTION OF EGYPTIAN ACCOUNTING STANDARD NO. (47) "FINANCIAL INSTRUMENTS"

The standard bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

###### i) *Classification and measurement*

Under EAS (47), debt instruments are subsequently measured at fair value through profit or loss, amortized cost, or fair value through OCI. The classification is based on two criteria: The Company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The following are the changes in the classification of the Company's financial assets:

- Trade receivables and other financial assets classified as loans and receivables as at 31 December 2020 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as debt instruments at amortized cost as of 1 January 2021.

###### ii) *Impairment*

The adoption of EAS (47) will fundamentally change the Company's accounting for impairment losses for financial assets by replacing EAS (26) incurred loss approach with a forward-looking expected credit loss (ECL) approach. EAS (47) requires the Company to recognize an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.

The following are the adjustments to the financial position on 01 January 2021:

Assets - Trade and notes receivable	EGP (810,276)
Equity – Retained Earnings	(810,276)

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

For the Period Ended 30 June 2021

**3- SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES**

The preparation of these consolidated 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.

The key judgments and estimates that have a significant impact on the consolidated financial statements of the Group 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 11 Revenue" 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 Group'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 Group'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 finite. 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 Group is subject to income taxes in Egypt. Significant judgment is required to determine the total provision for current and deferred taxes. The Group 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 Group 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.

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Period Ended 30 June 2021

#### 3- SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (continued)

##### Impairment of non-financial assets

The Group 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.

#### 4- SEGMENT INFORMATION

Currently the Group'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 2020: 96% and 4% receptively). The Group'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.

Segment performance is evaluated based on revenue and measured consistently with revenue in the consolidated financial statement.

Accordingly, the Group's revenues during the period ended 30 June 2021 were reported under two segments in the consolidated financial statements.

The Group produces and sells several pharmaceutical products and renders services as follows:

Period	Services	Sales of pharmaceutical products			Total EGP
	Toll	Export EGP	Domestic		
	Manufacturing "Domestic" EGP		Private sales EGP	Tenders EGP	
30 June 2021	35,993,570	45,705,746	346,803,312	109,269,264	537,771,892
30 June 2020	18,531,377	12,369,174	277,543,581	129,016,724	437,460,856

Revenue from the top five customers presented 85% of total revenues (30 June 2020: 86%).

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Period Ended 30 June 2021

#### 5- FIXED ASSETS

Cost	Freehold Land EGP	Buildings EGP	Machinery and equipment EGP	Transportation and dragging equipment EGP	Laboratory equipment EGP	Tools EGP	Office furniture and fixtures EGP	Assets under construction EGP	Total EGP
As of 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	-	956,387	2,860,605	344,070	1,832,307	64,279	452,789	6,242,079	12,752,516
Transferred from assets under construction	-	1,921,358	6,282,651	-	389,936	-	150,760	(8,744,705)	-
Disposals	-	-	(52,041)	-	(666,133)	-	(54,056)	-	(772,230)
As of 30 June 2021	18,637,425	260,103,133	406,803,186	13,369,898	21,848,553	5,753,584	25,934,806	24,087,192	776,537,777
Accumulated depreciation									
As of 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 period	-	(4,015,385)	(8,947,291)	(314,475)	(804,139)	(259,309)	(1,275,366)	-	(15,615,965)
Disposals	-	-	41,284	-	656,142	-	52,738	-	750,164
As of 30 June 2021	-	(61,869,278)	(156,287,619)	(10,568,724)	(10,119,718)	(1,988,017)	(16,688,655)	-	(257,522,011)
Net book value as of 30 June 2021	18,637,425	198,233,855	250,515,567	2,801,174	11,728,835	3,765,567	9,246,151	24,087,192	519,015,766

- The cost of fixed assets as of 30 June 2021 includes EGP 108,409,933 which represents fully depreciated assets that are still in use.

- The cost of asset under construction as of 30 June 2021 includes impairment by EGP 686,437.

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

	30 June 2021 EGP	30 June 2021 EGP
Cost of revenue	14,385,229	772,230
Selling and marketing expenses	314,399	750,164
General and administrative expenses	916,337	22,066
	15,615,965	8,038
		(14,028)

Gain from sale of fixed assets was calculated as follows:

Cost of disposed assets	772,230
Accumulated depreciation of disposed assets	750,164
Net book value of disposed assets	22,066
Proceeds from sale of fixed assets	8,038
Loss from sale of fixed assets	(14,028)

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### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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#### 5-FIXED ASSETS (CONTINUED)

Cost	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	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	
As at 1 January 2020	18,637,425	227,835,573	313,603,694	12,411,128	17,129,924	3,754,591	21,797,612	66,327,646	681,497,593										
Additions	-	6,992,398	8,432,595	681,500	2,974,732	1,293,386	4,572,201	60,038,349	84,985,161										
Transferred from assets under construction	-	22,397,417	76,089,143	-	526,239	645,928	117,450	(99,776,177)	-										
Disposals	-	-	(413,461)	(66,800)	(338,452)	(4,600)	(1,101,950)	-	(1,925,263)										
As at 31 December 2020	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										
Accumulated depreciation																			
As at 1 January 2020	-	(50,634,122)	(113,601,464)	(9,583,519)	(8,559,055)	(1,309,799)	(14,356,886)	-	(198,044,845)										
Depreciation for the year	-	(7,219,771)	(34,098,470)	(737,530)	(1,662,378)	(422,819)	(2,189,226)	-	(46,330,194)										
Disposals	-	-	318,322	66,800	249,712	3,910	1,080,085	-	1,718,829										
As at 31 December 2020	-	(57,853,893)	(147,381,612)	(10,254,249)	(9,971,721)	(1,728,708)	(15,466,027)	-	(242,656,210)										
Net book value as at 31 December 2020	18,637,425	199,371,495	250,330,359	2,771,579	10,320,722	3,960,597	9,919,286	26,589,818	521,901,281										

- The cost of fixed assets as of 31 December 2020 includes EGP 108,447,592 which represents fully depreciated assets that are still in use.

- The cost of asset under construction as of 30 June 2021 includes impairment by EGP 686,437.

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

	31 December 2020
Cost of revenue	EGP 43,962,520
Selling and marketing expenses	538,559
General and administrative expenses	1,829,115
	46,330,194

Gain from sale of fixed assets was calculated as follows:

	31 December 2020
Cost of disposed assets	EGP 1,925,263
Accumulated depreciation of disposed assets	1,718,829
Net book value of disposed assets	206,434
Proceeds from sale of fixed assets	67,545
Gain from sale of fixed assets	(138,889)

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Period Ended 30 June 2021

#### 6- LEASES

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

##### A) Right of use assets

	30 June 2021	31 December 2020
	EGP	EGP
Cost at 1 January 2021	19,916,906	18,206,266
Additions	-	1,710,640
<b>Total Cost as of 30 June 2021</b>	<b>19,916,906</b>	<b>19,916,906</b>
Accumulated amortization at 1 January 2021	(3,658,601)	-
Amortization for period	(1,926,340)	(3,658,601)
<b>Accumulated amortization as of 30 June 2021</b>	<b>(5,584,941)</b>	<b>(3,658,601)</b>
<b>Net book value as of 30 June 2021</b>	<b>14,331,965</b>	<b>16,258,305</b>

##### B) Lease liability

	30 June 2021	31 December 2020
	EGP	EGP
Opening balance as of 1 January 2021	17,409,223	17,743,169
Additions	-	1,710,640
Unwinding interests recognized during the period	1,058,596	2,266,483
Lease payments paid during the period	(2,283,127)	(4,311,069)
<b>As at 30 June 2021</b>	<b>16,184,692</b>	<b>17,409,223</b>
<b>Deduct: Current balance</b>	<b>2,841,835</b>	<b>2,601,924</b>
<b>Non-current balance</b>	<b>13,342,857</b>	<b>14,807,299</b>

#### 7- INTANGIBLE ASSETS

	<b>Registration Rights</b>	
	30 June 2021	31 December 2020
	EGP	EGP
Cost as at 1 January 2021	238,621,188	122,484,853
Additions	606,083	116,136,335
<b>Total cost as at 30 June 2021</b>	<b>239,227,271</b>	<b>238,621,188</b>
Accumulated amortization as at 1 January 2021	(24,049,815)	(17,836,804)
Amortization for the period/ year	(5,166,548)	(6,213,011)
<b>Accumulated amortization as at 30 June 2021</b>	<b>(29,216,363)</b>	<b>(24,049,815)</b>
<b>Net book value as at 30 June 2021</b>	<b>210,010,908</b>	<b>214,571,373</b>

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 27,989,015 (31 December 2020: EGP 33,788,952).

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### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Period Ended 30 June 2021

#### 8- INVENTORIES

	<i>30 June 2021</i>	<i>31 December 2020</i>
	<i>EGP</i>	<i>EGP</i>
Raw materials	99,084,227	108,942,551
Packing and packaging materials	33,777,959	41,800,322
Spare parts	12,336,344	11,759,761
Finished goods	87,061,386	111,425,857
Work in progress	29,375,075	34,973,039
Goods in transit	3,464,653	7,713,475
Inventory with others	803,607	1,436,935
	<u>265,903,251</u>	<u>318,051,940</u>
Write down in inventories	<u>(9,815,165)</u>	<u>(12,572,377)</u>
	<u>256,088,086</u>	<u>305,479,563</u>

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

	<i>30 June 2021</i>	<i>31 December 2020</i>
	<i>EGP</i>	<i>EGP</i>
Beginning balance	(12,572,377)	(6,714,133)
Charged during the period/year	(6,904,974)	(18,732,306)
Used of inventory provision	9,662,186	12,874,062
Ending balance	<u>(9,815,165)</u>	<u>(12,572,377)</u>

- The write down in value of inventories during the year was included in the cost of sales.

#### 9- TRADE AND NOTES RECEIVABLES

	<i>30 June 2021</i>	<i>31 December 2020</i>
	<i>EGP</i>	<i>EGP</i>
Trade receivable	270,691,722	231,381,863
Trade receivable – toll manufacturing	13,964,786	11,995,577
Notes receivable	320,835,223	395,112,269
	<u>605,491,731</u>	<u>638,489,709</u>
Impairment in value of trade and notes receivables	<u>(5,777,736)</u>	<u>(4,967,460)</u>
	<u>599,713,995</u>	<u>633,522,249</u>

Notes receivable amounting to EGP 266.4 M are mortgage as a guarantee for the credit facilities (Note 16).

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

	<i>30 June 2021</i>	<i>31 December 2020</i>
	<i>EGP</i>	<i>EGP</i>
Beginning balance	(4,967,460)	(3,405,449)
Effect of adoption of EAS (47)	(810,276)	-
Charged during the period	-	(1,802,092)
Used provision	-	240,081
Ending balance	<u>(5,777,736)</u>	<u>(4,967,460)</u>



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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the Period Ended 30 June 2021

**10- TREASURY BILLS**

	<i>30 June 2021</i>	<i>31 December 2020</i>
	<i>EGP</i>	<i>EGP</i>
Treasury bills	499,875,000	500,300,000
Unearned interest	<u>(31,564,351)</u>	<u>(30,950,455)</u>
	<u>468,310,649</u>	<u>469,349,545</u>

- Some treasury bills are mortgaged as collateral for credit facilities amounted to EGP 93 M (Note 16 and 17).

**11- CASH ON HAND AND AT BANKS**

	<i>30 June 2021</i>	<i>31 December 2020</i>
	<i>EGP</i>	<i>EGP</i>
<b>a) Egyptian Pounds</b>		
Cash on hand	100,868	95,597
Current accounts	14,654,429	2,064,744
Checks under collection	1,035,066	27,788
Term deposits	615,855	607,042
	<u>16,406,218</u>	<u>2,795,171</u>
<b>b) Foreign currencies</b>		
Checks under collection	-	4,776,000
Current accounts	14,637,802	5,661,663
	<u>14,637,802</u>	<u>10,437,663</u>
	<u>31,044,020</u>	<u>13,232,834</u>

Cash balances are denominated in the following currencies:

	<i>30 June 2021</i>	<i>31 December 2020</i>
	<i>EGP</i>	<i>EGP</i>
Egyptian pound (EGP)	16,406,218	2,738,773
US dollar (USD)	12,797,642	10,466,242
Euro (EUR)	1,840,160	27,819
	<u>31,044,020</u>	<u>13,232,834</u>

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

	<i>30 June 2021</i>	<i>30 June 2020</i>
	<i>EGP</i>	<i>EGP</i>
Cash in hand	100,868	4,952
Current accounts	30,327,297	36,562,820
	<u>30,428,165</u>	<u>36,567,772</u>

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Period Ended 30 June 2021

#### 12- PROVISIONS

	<i>Balance as at January 2021</i>	<i>Charged during the period</i>	<i>No longer required</i>	<i>Used during the period</i>	<i>Balance as at June 2021</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Provision for expected claims	4,300,001	500,000	-	-	4,800,001
Provision for sales returns*	7,987,618	-	-	-	7,987,618
	<u>12,287,619</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>12,787,619</u>
	<i>Balance as at January 2020</i>	<i>Charged during the year</i>	<i>No longer required</i>	<i>Used during the year</i>	<i>Balance as at December 2020</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Provision for expected claims	3,200,001	1,600,000	-	(500,000)	4,300,001
Provision for sales returns*	6,763,934	1,223,684	-	-	7,987,618
	<u>9,963,935</u>	<u>2,823,684</u>	<u>-</u>	<u>(500,000)</u>	<u>12,287,619</u>

\*Provision for sales returns is deduced from sales disclosed (NOTE 18).

#### 13- TRADE, NOTES AND OTHER PAYABLES

	<i>30 June 2021</i>	<i>31 December 2020</i>
	<i>EGP</i>	<i>EGP</i>
Trade payables	47,754,036	46,925,388
Notes payables	12,247,443	19,196,183
Accrued expenses	19,991,304	12,578,841
Tax authority (other than income tax)	3,704,338	8,598,898
Advances from customer	15,070,396	4,780,965
Other payables	1,493,661	1,639,432
	<u>100,261,178</u>	<u>93,719,707</u>

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

#### 14- CAPITAL

The Group's authorized capital amounted to EGP 1 billion, whereas the issued and paid up capital amounted to EGP 160,900,000 divided over 643,600,000 shares of par value EGP 0.25 each.

The extraordinary general assembly meeting held on 4 November 2019 and 23 November 2019 decided to increase the issued capital by cash increase in conjunction with the offering in stock exchange market with total amount EGP 550,000,000 (the value of the increase represent the nominal value plus the issue premium).

The subscription for this increase was limited to Greville Investing Limited Company who represents the main shareholder and delegated from the remaining shareholders for selling process.

The extraordinary general assembly meeting held on 4 November 2019 and 23 November 2019 decided to increase the issued and paid up capital by 31,250,000 to be EGP 192,150,000 as of 31 December 2020 through issuing 125,000,000 shares at offering price EGP 4.66 to be 768,600,000 shares noting that the deference between offering price and par value represented in share premium recognized in general reserve.

The extraordinary general assembly meeting held on October 14, 2020 decided to approve the application of the incentive & bonus plan of the Company's employees, managers and executive board of director's members, and the plan has not been activated to date.

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. And official approvals are being taken for that increase.

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For the Period Ended 30 June 2021

#### 14- CAPITAL (CONTINUE)

The following illustrate the new structure for shareholders as of 30 June 2021:

	%	<i>No. of shares</i>	<i>Amount EGP</i>
Main Shareholder's Shares	51.08%	392,611,874	98,152,968
Other listed Free Shares in Stock Exchange Market	48.92%	375,988,126	93,997,032
	<b>100</b>	<b>768,600,000</b>	<b>192,150,000</b>

\* Greville Investing Limited Company owned 51% of the company shares and exercised control over the company, sold its shares to other parties during the year ending on December 31, 2020, and accordingly Greville Investing Limited Company lost control over Tenth Of Ramadan For Pharmaceutical Industries And Diagnostic Reagents (Rameda).

#### 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- CREDIT FACILITIES

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

	<i>30 June 2021 EGP</i>	<i>31 December 2020 EGP</i>
Opening balance	802,184,216	481,938,674
Used during the period	456,039,021	1,049,168,490
Payment during the period	(544,497,620)	(728,922,948)
Ending balance	<b>713,725,617</b>	<b>802,184,216</b>

	<i>30 June 2021 EGP</i>	<i>31 December 2020 EGP</i>
Credit facilities maturing within 12 months	713,725,617	802,184,216
Bank credit	3,526,093	2,374,338
	<b>717,251,710</b>	<b>804,558,554</b>

The interest rate on the Credit facilities ranges from 8 % to 9.75 % as of 30 June 2021 (31 December 2020: Range from 8% to 14.25%).

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Period Ended 30 June 2021

#### 16- CREDIT FACILITIES (CONTINUE)

Credit Facilities	Facility amount EGP	Interest rate	Maturity Date	30 June 2021	31 December 2020
				EGP	EGP
CIB	250,000,000	0.25%+CBE lending rate	10-Jul-21	47,234,510	65,500,461
		8 % CBE INITAVIE*	10-Jul-21	62,754,534	90,534,880
Audi Bank	125,000,000	CBE lending rate	15-Oct-21	26,666,667	63,666,667
		0.5 %+CBE lending rate	21-Jul-21	100,633,971	78,852,012
Arab Bank	88,000,000	8 % CBE INITAVIE*	21-Jul-21	14,357,680	35,290,505
		0.25%+CBE lending	30-Mar-22	18,710,374	24,552,848
ABK	100,000,000	8 % CBE INITAVIE*	30-Mar-22	32,400,105	38,054,398
		0.5 %+CBE lending rate	31-Aug-21	43,291,049	41,994,296
ADIB	130,000,000	8 % CBE INITAVIE*	31-Aug-21	39,226,601	43,065,679
		0.5%+CBE lending rate	15-Jul-21	46,701,842	73,841,852
Alex Bank	170,000,000	8 % CBE INITAVIE*	15-Jul-21	47,871,670	42,520,285
		0.25% + CBE lending rate	30-Sep-21	10,397,939	81,845,141
AUB	130,000,000	8 % CBE INITAVIE*	30-Sep-21	135,195,080	75,811,580
		0.3% + CBE lending rate	1-Jun-22	10,000,000	-
ENBD	100,000,000	8 % CBE INITAVIE*	1-Jun-22	33,225,917	43,225,917
		8 % CBE INITAVIE*	31-Jul-21	45,057,678	3,427,695
<b>Total Credit Facilities</b>				<b>713,725,617</b>	<b>802,184,216</b>

\*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.

All of the above facilities are guaranteed by, notes receivables and treasury bills (Note 9 and 10).

#### 17- LONG TERM LOANS

##### Loan (1):

During the year 2017, the Group 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 "Loan (1)".

During September 2019, the Group 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 Group 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 15,600,000 during the period ended 30 June 2021 and the balance outstanding amounted to EGP 25,075,704 as at 30 June 2021 (31 December 2020: EGP 40,675,704).

##### Loan (2):

During the year 2018, the Group 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. "Loan (2)".

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#### 17- LONG TERM LOANS (CONTINUE)

During September 2019, the Group 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 16,500,000 during the period ended 30 June 2021 and the balance outstanding amounted to EGP 31,223,972 as at 30 June 2021 (31 December 2020: EGP 47,723,972).

The Company obtained those loans against Treasury bills collateral.

The balance of loans as of 30 June 2021 as follows:

Loans	Interest rate	30 June 2021 EGP	31 December 2020 EGP
Current portion of long-term loans			
Loan (1)	0.75%+CBE lending rate	25,075,704	28,600,000
Loan (2)	0.85%+CBE lending rate	31,223,972	30,250,000
Total current portion of long-term loans		<u>56,299,676</u>	<u>58,850,000</u>
Non-current portion of long-term loans			
Loan (1)	0.75%+CBE lending rate	-	12,075,704
Loan (2)	0.85%+CBE lending rate	-	17,473,972
Total non-current portion of long-term loans		<u>-</u>	<u>29,549,676</u>
		<u>56,299,676</u>	<u>88,399,676</u>

#### 18- REVENUES

	Six Months ended		Three months ended	
	30 June 2021 EGP	30 June 2020 EGP	30 June 2021 EGP	30 June 2020 EGP
Sale of goods (net)	501,778,322	418,929,479	249,522,996	196,862,366
Toll manufacturing services revenue	35,993,570	18,531,377	17,403,161	8,178,802
	<u>537,771,892</u>	<u>437,460,856</u>	<u>266,926,157</u>	<u>205,041,168</u>

#### 19- COST OF REVENUES

	Six Months ended		Three months ended	
	30 June 2021 EGP	30 June 2020 EGP	30 June 2021 EGP	30 June 2020 EGP
Salaries, social insurance and other benefits	47,867,071	41,694,154	25,413,839	19,339,698
Raw materials	172,695,846	98,667,547	79,865,307	38,819,039
Spare parts and materials	10,063,718	10,548,819	5,065,971	4,477,933
Government fees and medical stamps	4,967,640	4,349,644	2,572,216	2,070,531
Other operating expenses	17,061,593	24,346,214	9,796,828	14,216,621
Energy expenses	14,395,060	19,592,691	7,067,102	8,857,662
Depreciation and amortization (Note 5,7)	19,551,781	23,928,603	6,147,866	12,260,079
Rent	2,413,189	1,897,207	1,088,827	567,968
Maintenance	5,082,620	7,782,048	2,331,582	5,950,068
	<u>294,098,518</u>	<u>232,806,927</u>	<u>139,349,538</u>	<u>106,559,599</u>

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Period Ended 30 June 2021

#### 20- SELLING & MARKETING EXPENSES

	Six Months ended		Three months ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	EGP	EGP	EGP	EGP
Salaries, social insurance and other benefits	57,385,009	55,776,426	28,095,094	28,445,557
Depreciation (Note 5,6)	2,240,739	2,065,777	1,159,218	1,181,739
Rent	37,800	23,700	18,900	23,700
Advertising and marketing	56,699,087	45,108,462	32,962,891	24,409,444
	<u>116,362,635</u>	<u>102,974,365</u>	<u>62,236,103</u>	<u>54,060,440</u>

#### 21- GENERAL & ADMINISTRATIVE EXPENSES

	Six Months ended		Three months ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	EGP	EGP	EGP	EGP
Salaries, social insurance and other benefits	20,851,741	17,476,762	10,550,721	8,913,102
Professional fees	926,494	805,763	436,054	632,435
Maintenance	234,675	388,784	113,030	204,397
Depreciation (Note 5)	916,337	845,486	462,667	436,890
Others	3,321,682	4,239,794	1,516,723	2,452,262
	<u>26,250,929</u>	<u>23,756,589</u>	<u>13,079,195</u>	<u>12,639,086</u>

#### 22- FINANCE INCOME

	Six Months ended		Three months ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	EGP	EGP	EGP	EGP
Interest from Treasury Bills	29,602,842	34,793,015	15,002,910	17,141,026
Interest from time deposits	8,812	15,596	-	-
	<u>29,611,654</u>	<u>34,808,611</u>	<u>15,002,910</u>	<u>17,141,026</u>

#### 23- FINANCE EXPENSES

	Six Months ended		Three months ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	EGP	EGP	EGP	EGP
Debit interests	45,237,565	49,601,882	22,789,254	20,314,038
Unwinding interests of lease liabilities	1,059,077	1,112,719	526,918	569,484
Bank Charges	1,835,814	1,790,571	941,999	815,723
	<u>48,132,456</u>	<u>52,505,172</u>	<u>24,258,171</u>	<u>21,699,245</u>

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Period Ended 30 June 2021

#### 24- INCOME TAXES

	Six Months ended		Three months ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	EGP	EGP	EGP	EGP
Current income tax	(13,549,875)	(13,375,012)	(6,764,705)	(5,536,412)
Deferred income tax	(5,615,828)	(112,867)	(3,329,369)	(416,606)
<b>Income tax expense</b>	<b>(19,165,703)</b>	<b>(13,487,879)</b>	<b>(10,094,074)</b>	<b>(5,953,018)</b>

#### DEFERED INCOME TAXES

	Statement of financial position		Statement of profit or loss	
	30 June 2021	31 December 2020	30 June 2021	30 June 2020
	EGP	EGP	EGP	EGP
Depreciation and amortization	(41,762,987)	(36,890,685)	(4,872,301)	(2,095,715)
Provisions	1,797,214	1,797,214	-	372,526
Impairment of trade and notes receivables	1,299,991	1,117,679	182,312	569,141
Write down in value of inventory	2,129,176	2,749,549	(620,373)	1,119,108
Unrealized foreign exchange differences	(140,704)	164,762	(305,466)	(77,927)
Net deferred income taxes	<b>(36,677,310)</b>	<b>(31,061,481)</b>	<b>(5,615,828)</b>	<b>(112,867)</b>

\* No deferred tax assets were recognized for the carry forward tax losses of the subsidiaries, since it is not expected that the future tax profits will be sufficient to offset the carry forward tax losses.

#### RECONCILIATION OF THE EFFECTIVE INCOME TAX RATE

	Tax Rate	30 June 2021	Tax Rate	30 June 2020
		EGP		EGP
Profits before income taxes		80,638,925		56,963,346
Income tax based on tax rate	22.5%	18,143,758	22.5%	12,816,753
Non-deductible expenses		1,021,945		671,126
Effective Tax Rate	23.77%	19,165,703	23.68%	13,487,879

#### 25- EARNINGS PER SHARE

Basic and diluted earnings per share were calculated by dividing the profits for the year available for distribution to the Parent Company by the weighted average number of shares outstanding during the year as follows:

	Six months ended		Three months ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	EGP	EGP	EGP	EGP
Basic and diluted, profit for the period	61,765,094	43,765,757	31,603,387	19,870,789
Weighted average number of shares outstanding during the period	768,600,000	768,600,000	768,600,000	768,600,000
<b>Earnings per share</b>	<b>0.0804</b>	<b>0.0569</b>	<b>0.0411</b>	<b>0.0259</b>

- There are no shares with dilutive effect and hence the basic and diluted earnings per share are the same.

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

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the Period Ended 30 June 2021

#### **26- TAX POSITION**

##### **a) Corporate Tax**

- The Company's records were inspected till the year 2013 and the dispute was ended and the differences are under settlement.
- 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.
- No tax inspection took place for the Company's records for the years from 2018 till 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 and waiting the final result.

##### **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 2019.

##### **d) VAT Tax**

- The Company's records were inspected till the year 2015 and the taxes dues were paid.
- The Company's records were inspected for the year 2016 till 2019 & awaiting for the results.

#### **27- MAJOR EVENTS**

Some major global events occurred, which included the Arab Republic of Egypt as well, where an outbreak of COVID19 occurred soon before the end of 2019, and the World Health Organization "WHO" announced that the outbreak of the virus can be described as a global epidemic, and the government has introduced various measures to combat disease outbreaks, including travel restrictions and quarantine, business closures, and other locations, these government responses and their corresponding impacts are still evolving and which are expected to affect the economic climate and that, in turn, could expose the company to various risks, including a significant reduction in Revenues, and evaluation / impairment of assets and other risks.

These events did not negatively affect the financial statements of the company as on 30 June 2021 but may affect the financial statements for future financial periods. If it is difficult to quantify this effect for now, this effect will appear in future financial statements. The magnitude of the impact varies according to the expected extent, the period during which those events are expected to end and their impact.