

**TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND
DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30
JUNE 2023
TOGETHER WITH REVIEW REPORT**

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

Interim condensed consolidated financial statements

For the three-month and six-month periods ended 30 June 2023

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

Introduction

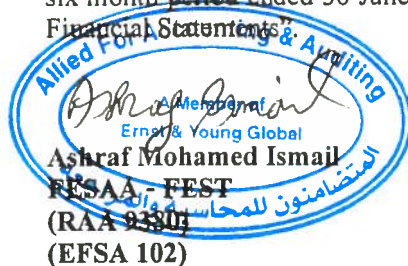
We have reviewed the accompanying interim condensed consolidated financial position of **TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)** as of 30 June 2023 and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month and six-month periods then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed interim consolidated financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these interim condensed 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 on these interim financial statements.

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 2023, and of its financial performance and its cash flows for the six month period ended 30 June 2023 in accordance with Egyptian Accounting Standard No. (30) "Interim Financial Statements".



Ashraf Mohamed Ismail
Member
Ernst & Young Global
FESAA - FES
(RAA 93807)
(EFSA 102)

Cairo: 15 August 2023

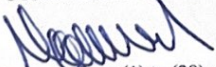
TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As At 30 June 2023

	Notes	30 June 2023 EGP	31 December 2022 EGP
ASSETS			
Non-current assets			
Fixed assets and projects under construction	(5)	563,703,754	540,765,324
Right of use assets	(6-A)	14,408,219	16,215,560
Intangible assets	(7)	594,435,428	457,567,619
Total non-current assets		1,172,547,401	1,014,548,503
Current assets			
Inventories	(8)	396,502,230	348,410,615
Trade and notes receivable	(9)	1,082,070,116	900,686,830
Treasury Bills	(10)	295,291,923	361,862,202
Due from related parties		25,500	25,500
Prepayments and other receivables		102,068,074	80,541,679
Cash on hand and at banks	(11)	106,166,185	66,956,028
Total current assets		1,982,124,028	1,758,482,854
TOTAL ASSETS		3,154,671,429	2,773,031,357
EQUITY AND LIABILITIES			
Equity			
Paid up Capital	(14)	252,112,680	250,000,000
Paid under capital increase	(14)	-	160,606
Legal reserve		125,000,000	125,000,000
General reserve	(15)	412,394,657	397,521,390
Treasury Shares	(16)	(65,926,198)	(65,926,198)
Share based payments reserve	(17)	5,108,906	14,873,267
Other reserves		278,952	278,952
Profits for the period and retained earnings		895,590,992	796,678,614
Total equity of Parent Company		1,624,559,989	1,518,586,631
Non-controlling interest		7,927,902	4,590,062
Total equity		1,632,487,891	1,523,176,693
LIABILITIES			
Non-current liabilities			
Long term lease liabilities	(6-B)	14,291,101	16,343,678
Deferred tax liabilities	(25)	55,608,448	51,555,823
Total non-current liabilities		69,899,549	67,899,501
Current liabilities			
Provisions	(12)	14,424,105	14,158,105
Credit facilities	(18)	1,063,815,632	904,752,873
Current portion of lease liabilities	(6-B)	4,219,014	3,663,480
Trade, notes and other payables	(13)	339,922,371	205,666,967
Income taxes payable		29,902,867	53,713,738
Total current liabilities		1,452,283,989	1,181,955,163
TOTAL LIABILITIES		1,522,183,538	1,249,854,664
TOTAL LIABILITIES AND EQUITY		3,154,671,429	2,773,031,357

Finance Director

Mohamed Abo Amira



Board Member

Amr Abdallah Morsy



The accompanying notes from (1) to (28) are an integral part of these interim condensed consolidated financial statements.
Review Report Attached.

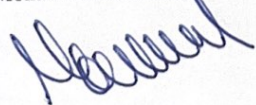
TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS For the three-month and six-month periods ended 30 June 2023

	Notes	Six Months Ended		Three Months Ended	
		30 June 2023 EGP	30 June 2022 EGP	30 June 2023 EGP	30 June 2022 EGP
Revenues	(19)	842,433,823	711,499,609	450,432,127	368,435,006
Cost of revenues	(20)	(455,708,972)	(366,773,055)	(242,460,842)	(196,895,307)
GROSS PROFIT		386,724,851	344,726,554	207,971,285	171,539,699
Selling and marketing expenses	(21)	(154,802,138)	(135,577,407)	(86,769,580)	(72,437,811)
General and administrative expenses	(22)	(41,787,001)	(30,974,627)	(22,548,311)	(16,359,186)
Other income		1,227,964	5,052,981	560,905	4,776,341
OPERATING PROFIT		191,363,676	183,227,501	99,214,299	87,519,043
Finance income	(23)	30,771,182	27,666,965	15,060,356	13,706,278
Finance expenses	(24)	(76,134,103)	(43,671,024)	(45,015,977)	(21,483,721)
Net foreign exchange gain/(loss)		19,172,540	7,325,339	(206,890)	(29,608)
NET FINANCE COST		(26,190,381)	(8,678,720)	(30,162,511)	(7,807,051)
Impairment of trade and notes receivable	(9)	(1,749,470)	(1,000,000)	(220,797)	-
Provision expense	(12)	(415,186)	-	-	-
Share Based payment expenses		(6,536,280)	(6,536,280)	(2,074,300)	(6,536,280)
Contribution for health insurance		(2,255,597)	(1,884,702)	(1,171,304)	(983,581)
PROFITS FOR THE PERIOD BEFORE INCOME TAXES		154,216,762	165,127,799	65,585,387	72,192,131
Income taxes	(25)	(35,204,044)	(38,783,668)	(15,231,497)	(17,620,654)
PROFITS FOR THE PERIOD		119,012,718	126,344,131	50,353,890	54,571,477
Attributable to:					
Equity holders of the Parent Company		115,674,878	124,204,205	49,161,008	52,405,052
Non-controlling interests		3,337,840	2,139,926	1,192,882	2,166,425
		119,012,718	126,344,131	50,353,890	54,571,477
Basic Earnings Per Share	(26)	0.1182	0.1255	0.0502	0.0529
Diluted Earnings Per Share	(26)	0.1173	0.1245	0.0499	0.0525

Finance Director

Mohamed Abo Amira



Board Member

Amr Abdallah Morsy



The accompanying notes from (1) to (28) 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 three-month and six-month periods ended 30 June 2023

	<i>30 June 2023</i>	<i>30 June 2022</i>	<i>30 June 2023</i>	<i>30 June 2022</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
PROFITS FOR THE PERIOD	119,012,718	126,344,131	50,353,890	54,571,477
OTHER COMPREHENSIVE INCOME	-	-	-	-
OTHER COMPREHENSIVE INCOME	119,012,718	126,344,131	50,353,890	54,571,477
Attributable to				
Equity holders of the Parent Company	115,674,878	124,204,205	49,161,008	52,405,052
Non-controlling interest	3,337,840	2,139,926	1,192,882	2,166,425
	119,012,718	126,344,131	50,353,890	54,571,477

The accompanying notes from (1) to (28) 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 three-month and six-month periods ended 30 June 2023

	<i>Paid up capital</i>	<i>Paid under capital increase</i>	<i>Legal reserve</i>	<i>General reserve</i>	<i>Treasury Shares</i>	<i>Share based payment reserve</i>	<i>Other reserves</i>	<i>Retained earnings</i>	<i>Total equity of parent company</i>	<i>Non-controlling interest</i>	<i>Total</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Balance as at 1 January 2022	250,000,000	-	26,446,118	486,965,000	-	-	278,952	584,420,299	1,348,110,369	(2,621,626)	1,345,488,743
Transferred to legal reserve	-	-	9,110,272	-	-	-	-	(9,110,272)	-	-	-
Acquisition of treasury shares	-	-	-	-	(39,695,319)	-	-	-	(39,695,319)	-	(39,695,319)
Share based Payment reserve	-	-	-	-	-	6,536,280	-	-	6,536,280	-	6,536,280
Dividend distributions	-	-	-	-	-	-	-	(24,307,500)	(24,307,500)	-	(24,307,500)
Total comprehensive income for the period	-	-	-	-	-	-	-	124,204,205	124,204,205	2,139,926	126,344,131
Balance as at 30 June 2022	<u>250,000,000</u>	<u>-</u>	<u>35,556,390</u>	<u>486,965,000</u>	<u>(39,695,319)</u>	<u>6,536,280</u>	<u>278,952</u>	<u>675,206,732</u>	<u>1,414,848,035</u>	<u>(481,700)</u>	<u>1,414,366,335</u>
Balance as at 1 January 2023	250,000,000	160,606	125,000,000	397,521,390	(65,926,198)	14,873,267	278,952	796,678,614	1,518,586,631	4,590,062	1,523,176,693
Paid under capital increase (Note 14)	-	1,952,074	-	-	-	-	-	-	1,952,074	-	1,952,074
Transferred from paid under increase to capital increase (Note 14)	2,112,680	(2,112,680)	-	-	-	-	-	-	-	-	-
Share based Payment reserve	-	-	-	-	-	5,108,906	-	-	5,108,906	-	5,108,906
Transferred from Share based payment reserve to General reserve	-	-	-	14,873,267	-	(14,873,267)	-	-	-	-	-
Dividend distributions	-	-	-	-	-	-	-	(16,762,500)	(16,762,500)	-	(16,762,500)
Total comprehensive income for the period	-	-	-	-	-	-	-	115,674,878	115,674,878	3,337,840	119,012,718
Balance as at 30 June 2023	<u>252,112,680</u>	<u>-</u>	<u>125,000,000</u>	<u>412,394,657</u>	<u>(65,926,198)</u>	<u>5,108,906</u>	<u>278,952</u>	<u>895,590,992</u>	<u>1,624,559,989</u>	<u>7,927,902</u>	<u>1,632,487,891</u>

The accompanying notes from (1) to (28) 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 three-month and six-month periods ended 30 June 2023

	Notes	30 June 2023 EGP	30 June 2022 EGP
CASH FLOWS FROM OPERATING ACTIVITIES			
Profits for the period before income taxes		154,216,762	165,127,799
Adjustments to reconcile profit before tax to net cash flow:			
Net foreign exchange differences		(6,447,763)	(4,485,533)
Depreciation and amortization	(5,6,7)	33,602,436	31,200,348
Share based payment expense		6,536,280	6,536,280
Provision charged	(12)	415,186	(327,577)
Impairment of trade and notes receivable	(9)	1,749,470	1,000,000
Impairment of inventory	(8)	17,112,711	9,929,956
Finance income		(30,440,081)	(27,665,331)
Finance expenses	(24)	75,066,883	42,629,390
Unwinding interests of lease liabilities	(24)	1,067,220	1,041,634
Loss / (Gain) from sale of fixed assets	(5)	(108,473)	109,781
		<u>252,770,631</u>	<u>225,096,747</u>
Change in inventories		(56,608,722)	(37,226,720)
Used of inventory provision		(8,595,604)	(10,327,110)
Change in trade and notes receivable		(183,132,756)	(57,940,246)
Used of Impairment of trade and notes receivable		-	(1,285,327)
Change in prepayments and other receivables		(9,368,353)	12,353,755
Change in trade, notes and other payable		<u>121,279,933</u>	<u>73,855,891</u>
Cash flows provided from operating activities		116,345,129	204,526,990
Debit interests paid		(63,518,786)	(39,254,674)
Provisions used		(149,186)	-
Income taxes paid		(54,962,290)	(37,585,082)
NET CASH FLOWS (USED IN) PROVIDED FROM OPERATING ACTIVITIES		(2,285,133)	127,687,234
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to acquire fixed assets	(5)	(8,930,795)	(9,430,530)
Payments to acquire assets under construction	(5)	(32,463,892)	(3,720,576)
Payments to acquire intangible assets	(7)	(150,007,036)	(89,937,692)
Payment to acquire treasury bills		(328,783,359)	(437,040,964)
Matured treasury bills collection		366,800,000	496,100,000
Sale of Treasury bills		46,675,071	-
Proceeds from sale of fixed assets	(5)	117,576	21,851
Investment in term deposits	(11)	642,072	(290)
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		(105,950,363)	(44,008,201)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments to capital increase	(14)	2,112,680	-
Credit facilities used	(18)	692,541,134	619,587,472
Payment of credit facilities	(18)	(533,478,375)	(611,168,930)
Payment of loans		-	(21,949,676)
Acquisition of Treasury shares		-	(39,695,319)
Dividends paid during the period		(16,762,500)	(24,307,500)
Lease payments paid during the period		(2,772,977)	(2,541,143)
NET CASH FLOWS PROVIDED FROM (USED IN) FINANCING ACTIVITIES		141,639,962	(80,075,096)
Net change in cash and cash equivalent during the period		33,404,466	3,603,937
Net foreign exchange difference		6,447,763	4,485,533
Cash and cash equivalent - beginning of the period		<u>19,579,917</u>	<u>13,886,158</u>
CASH AND CASH EQUIVALENT - END OF THE PERIOD	(11)	59,432,146	21,975,628

The accompanying notes from (1) to (28) 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 three-month and six-month periods ended 30 June 2023

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 three-month and six-month periods ended 30 June 2023

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, and The Company is not subject to any significant seasonal or cyclical effects.

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 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, 2022. In addition, the results of the interim period ending June 30, 2023 may not be considered an accurate indication of the expected results for the financial year. On December 31, 2023.

2-2 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of the condensed consolidated interim financial statements are consistent with those used in the preparation of the consolidated financial statements for the year ending on December 31, 2022.

There is no change in the accounting policies used as the company did not apply the new changes in the accounting standards.

2-3 CHANGES IN ACCOUNTING POLICIES

The Prime Minister's Decision No. 883 of 2023 was issued on March 6, 2023, to amend the Egyptian Accounting Standards, and accordingly, the Introductory Appendix in the Egyptian Accounting Standards issued by the Minister of Investment's Decision No. 110 of 2015 is replaced by a Introductory Appendix to the Egyptian Accounting Standards Amendments and the Introductory Appendix 2023 Amendments.

It replaces the following standards: (10) fixed assets, (23) intangible assets, (34) Investment properties, (35) agriculture, and (36) Exploration for and evaluation of mineral resources, from the aforementioned Egyptian accounting standards, with standards Attached to the Prime Minister's decision and the Introductory appendix Amendments 2023.

Set out below are the amended standards and interpretations issued,

Amended Egyptian accounting standard 10: Fixed assets

Egyptian accounting standard 10 has been amended and reissued in 2023 and is effective for the financial periods beginning on or after 1 January 2023. Retrospective application is required with restating the comparative information.

The amendments allow using the revaluation model for the subsequent measurement of fixed assets. The gains and losses resulting from the revaluation of fixed assets are recognized within other comprehensive income and accumulated as equity in the "revaluation surplus" account.

There is no impact on the company's consolidated financial statements, as the company chose not to change the current accounting policy and did not apply the alternative accounting treatment.

Amended Egyptian accounting standard 23: Intangible assets

Egyptian accounting standard 23 has been amended and reissued in 2023 and is effective for the financial periods beginning on or after 1 January 2023. Retrospective application is required with restating the comparative information.

The amendments allow using the revaluation model for the subsequent measurement of intangible assets. The gains and losses resulting from the revaluation of intangible assets are recognized within other comprehensive income and accumulated as equity in the "revaluation surplus" account.

There is no impact on the company's consolidated financial statements, as the company chose not to change the current accounting policy and did not apply the alternative accounting treatment.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month and six-month periods ended 30 June 2023

2-3 CHANGES IN ACCOUNTING POLICIES (CONT)

Amended Egyptian accounting standard 34: Investment properties

Egyptian accounting standard 34 has been amended and reissued in 2023 and is effective for the financial periods beginning on or after 1 January 2023. Retrospective application is required with restating the comparative information.

The amendments allow entities to using the fair value model option for subsequent measurement of their real estate investments, with REITs required only to use the fair value model for subsequent measurement of all their real estate assets .

The increase in fair value is recognized for the subsequent measurement of real estate investment within items within other comprehensive income, rather than profits or losses, and accumulated within equity in the account of "surplus valuation of real estate investment at fair value".

There is no impact on the company's consolidated financial statements

Amended Egyptian accounting standard 35: Agriculture

Egyptian accounting standard 35 has been amended and reissued in 2023 and is effective for the financial periods beginning on or after 1 January 2023. Retrospective application is required with restating comparative figures.

Fruit plants were excluded from EAS 35: Agriculture to be under the scope of EAS 10: Fixed Assets. There is no impact on the company's consolidated financial statements.

Amended Egyptian accounting standard 36: Exploration for and evaluation of mineral resources

Egyptian accounting standard 36 has been amended and reissued in 2023, is effective for the financial periods beginning on or after 1 January 2023. Retrospective application is required with restating the comparative information.

The amendments allow using the revaluation model for the subsequent measurement of its mineral resources. The gains and losses resulting from the revaluation of mineral resources are recognized within other comprehensive income and accumulated as equity in the "revaluation surplus" account. There is no impact on the company's consolidated financial statements.

Set out below are standards and interpretations that have been issued, but remain not effective, as at the date of issuance of these financial statements.

Egyptian accounting standard 50: Insurance contracts

Egyptian accounting standard 50 "Insurance Contracts" which replaced the Egyptian Accounting Standard 37 "Insurance Contracts". EAS 50 was issued in 2023, and effective beginning on or after July 1, 2024 in Egypt. Early application of the standard is allowed

This standard defines the proof principles of insurance contracts falling within the scope of this standard, and determines their measurement, presentation and disclosure. The objective of the standard is to ensure that the entity provides appropriate information that truthfully reflects those contracts. This information provides the users of the financial statements with basis for assessing the impact of such insurance contracts on the entity's financial position, financial performance and cash flows.

There is no impact on the company's 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 three-month and six-month periods ended 30 June 2023

3- SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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.

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.

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4- SEGMENT INFORMATION

Currently the Group's primary business segment is the production and selling of pharmaceutical products which contributes to 92% of total revenue and balance 8% is contributed by toll manufacturing services (30 June 2022: 92% and 8% respectively). 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 2023 were reported under two segments in the consolidated financial statements.

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

Period	<i>Services</i>	<i>Sales of pharmaceutical products</i>			<i>Total</i>
	<i>Toll</i>	<i>Domestic</i>			
	<i>Manufacturing</i>	<i>Export</i>	<i>Private sales</i>	<i>Tenders</i>	
	<i>"Domestic"</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
30 June 2023	70,499,721	79,209,215	597,557,086	95,167,801	842,433,823
30 June 2022	54,667,050	55,762,075	495,391,420	105,679,064	711,499,609

Revenue from the top five customers presented 79% of total pharmaceutical products revenues (30 June 2022: 78%).

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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 2023	18,637,425	279,172,534	444,859,590	16,305,904	31,982,677	7,345,392	33,111,400	12,858,215	844,273,137
Additions	-	2,992,934	2,414,929	-	823,924	1,671,810	1,027,198	32,463,892	41,394,687
Transferred from assets under construction	-	699,242	88,436	-	-	-	1,414,922	(2,202,600)	-
Disposals	-	-	(4,361,961)	(245,740)	-	-	(21,966)	-	(4,629,667)
As of 30 June 2023	18,637,425	282,864,710	443,000,994	16,060,164	32,806,601	9,017,202	35,531,554	43,119,507	881,038,157
Accumulated depreciation									
As of 1 January 2023	-	(74,889,887)	(182,460,484)	(11,707,422)	(11,027,525)	(2,818,251)	(20,604,244)	-	(303,507,813)
Depreciation for the period	-	(4,474,716)	(10,076,261)	(431,647)	(1,513,347)	(366,661)	(1,584,522)	-	(18,447,154)
Disposals	-	-	4,361,384	245,740	-	-	13,440	-	4,620,564
As of 30 June 2023	-	(79,364,603)	(188,175,361)	(11,893,329)	(12,540,872)	(3,184,912)	(22,175,326)	-	(317,334,403)
Net book value as of 30 June 2023	18,637,425	203,500,107	254,825,633	4,166,835	20,265,729	5,832,290	13,356,228	43,119,507	563,703,754

- The cost of fixed assets as of 30 June 2023 includes EGP 107,458,576 which represents fully depreciated assets that are still in use.
- The cost of asset under construction as of 30 June 2023 includes impairment by EGP 686,437) EGP 686,437 as at 31 December 2022).

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

	30 June 2023 EGP
Cost of revenue	16,967,460
Selling and marketing expenses	487,126
General and administrative expenses	992,568
	18,447,154

Gain from sale of fixed assets was calculated as follows:

	30 June 2023 EGP
Cost of disposed assets	4,629,667
Accumulated depreciation of disposed assets	(4,620,564)
Net book value of disposed assets	9,103
Proceeds from sale of fixed assets	117,576
Gain from sale of fixed assets	108,473

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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 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	-	5,274,519	9,935,733	1,898,136	2,181,576	1,333,683	4,145,679	9,606,254	34,375,580
Transferred from assets under construction	-	556,909	20,329,505	1,037,870	1,811,035	-	54,105	(23,789,424)	-
Disposals	-	-	(179,150)	-	(271,696)	(11,268)	(211,795)	-	(673,909)
As of 31 December 2022	18,637,425	279,172,534	444,859,590	16,305,904	31,982,677	7,345,392	33,111,400	12,858,215	844,273,137
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 year	-	(8,814,811)	(19,475,517)	(816,681)	(2,800,934)	(588,204)	(2,917,802)	-	(35,413,949)
Disposals	-	-	150,442	-	179,807	4,051	188,474	-	522,774
As of 31 December 2022	-	(74,889,887)	(182,460,484)	(11,707,422)	(11,027,525)	(2,818,251)	(20,604,244)	-	(303,507,813)
Net book value as of 31 December 2022	18,637,425	204,282,647	262,399,106	4,598,482	20,955,152	4,527,141	12,507,156	12,858,215	540,765,324

- The cost of fixed assets as of 31 December 2022 includes EGP 110,490,122 which represents fully depreciated assets that are still in use.
- The cost of asset under construction includes impairment by EGP 686,437.

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

	31 December 2022 EGP
Cost of revenue	32,581,460
Selling and marketing expenses	825,673
General and administrative expenses	2,006,816
	<u>35,413,949</u>

Loss from sale of fixed assets was calculated as follows:

	31 December 2022 EGP
Cost of disposed assets	673,909
Accumulated depreciation of disposed assets	(522,774)
Net book value of disposed assets	151,135
Proceeds from sale of fixed assets	22,850
Loss from sale of fixed assets	<u>(128,285)</u>

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6- LEASES

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

A) Right of use assets

	<i>30 June 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Cost at 1 January 2023	27,817,376	20,558,589
Additions	208,714	7,258,787
Total Cost as of 30 June 2023	28,026,090	27,817,376
Accumulated amortization at 1 January 2023	(11,601,816)	(7,526,230)
Amortization for period	(2,016,055)	(4,075,586)
Accumulated amortization as of 30 June 2023	(13,617,871)	(11,601,816)
Net book value as of 30 June 2023	14,408,219	16,215,560

B) Lease liability

	<i>30 June 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Opening balance as of 1 January 2023	20,007,158	15,386,755
Additions	208,714	7,258,787
Unwinding interests recognized during the period	1,067,220	2,551,333
Lease payments paid during the period	(2,772,977)	(5,189,717)
As at 30 June 2023	18,510,115	20,007,158
Deduct: Current balance	4,219,014	3,663,480
Non-current balance	14,291,101	16,343,678

7- INTANGIBLE ASSETS

	Registration Rights	
	<i>30 June 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Cost as at 1 January 2023	518,048,757	424,149,596
Additions	150,007,036	93,899,161
Total cost as at 30 June 2023	668,055,793	518,048,757
Accumulated amortization as at 1 January 2023	(60,481,138)	(34,486,307)
Amortization for the period	(13,139,227)	(25,994,831)
Accumulated amortization as at 30 June 2023	(73,620,365)	(60,481,138)
Net book value as at 30 June 2023	594,435,428	457,567,619

- 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 periods). Management estimate the expected future benefit of the registration rights to be utilize over 20 periods 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 35,315,029 (31 December 2022: EGP 35,307,994).

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8- INVENTORIES

	<i>30 June 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Raw materials	142,876,337	140,318,486
Packing and packaging materials	80,887,962	68,795,958
Spare parts	19,477,737	19,009,433
Finished goods	113,059,594	74,913,324
Work in progress	46,455,330	51,192,105
Goods in transit	12,738,367	4,657,299
Inventory with others	180,370	180,370
	<u>415,675,697</u>	<u>359,066,975</u>
Write down in inventories	<u>(19,173,467)</u>	<u>(10,656,360)</u>
	<u>396,502,230</u>	<u>348,410,615</u>

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

	<i>30 June 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Beginning balance	(10,656,360)	(11,073,894)
Charged during the period	(17,112,711)	(19,856,361)
Used of inventory provision	8,595,604	20,273,895
Ending balance	<u>(19,173,467)</u>	<u>(10,656,360)</u>

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

9- TRADE AND NOTES RECEIVABLES

	<i>30 June 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Trade receivable	343,026,192	256,370,679
Trade receivable – toll manufacturing	32,437,285	31,131,130
Notes receivable	719,254,417	624,083,329
	<u>1,094,717,894</u>	<u>911,585,138</u>
Impairment in value of trade and notes receivables	<u>(12,647,778)</u>	<u>(10,898,308)</u>
	<u>1,082,070,116</u>	<u>900,686,830</u>

Notes receivable amounting to 492.6 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:

	<i>30 June 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Balance as at 1 January 2023	(10,898,308)	(8,540,194)
Charged during the period	(1,749,470)	(3,643,441)
Used provision	-	1,285,327
Ending balance	<u>(12,647,778)</u>	<u>(10,898,308)</u>

10- TREASURY BILLS

	<i>30 June 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Treasury bills	326,400,000	378,900,000
Unearned interest	(31,108,077)	(17,037,798)
	<u>295,291,923</u>	<u>361,862,202</u>

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11- CASH ON HAND AND AT BANKS

	<i>30 June 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
a) Egyptian Pounds		
Cash on hand	81,514	2,359,109
Current accounts	16,605,745	4,653,299
Checks under collection	26,397,390	7,179,075
Term deposits	399,039	394,811
	<u>43,483,688</u>	<u>14,586,294</u>
b) Foreign currencies		
Cash on hand	309,330	12,815
Current accounts	16,038,167	5,375,619
Term deposits	46,335,000	46,981,300
	<u>62,682,497</u>	<u>52,369,734</u>
	<u>106,166,185</u>	<u>66,956,028</u>

Cash balances are denominated in the following currencies:

	<i>30 June 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Egyptian pound (EGP)	43,483,688	14,586,294
US dollar (USD)	62,067,712	52,340,130
Euro (EUR)	614,785	29,604
	<u>106,166,185</u>	<u>66,956,028</u>

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

	<i>30 June 2023</i>	<i>30 June 2022</i>
	<i>EGP</i>	<i>EGP</i>
Cash in hand	390,844	4,107,215
Checks under collection	26,397,390	5,224,742
Current accounts	32,643,912	12,643,671
	<u>59,432,146</u>	<u>21,975,628</u>

12- PROVISIONS

	<i>Balance as at 1 January 2023</i>	<i>Charged during the period</i>	<i>Used during the period</i>	<i>Balance as at 30 June 2023</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Provision for expected claims	5,550,001	415,186	(149,186)	5,816,001
Provision for sales returns*	8,608,104	-	-	8,608,104
	<u>14,158,105</u>	<u>415,186</u>	<u>(149,186)</u>	<u>14,424,105</u>
	<i>Balance as at 1 January 2022</i>	<i>Charged during the year</i>	<i>Used during the year</i>	<i>Balance as at 31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Provision for expected claims	5,550,001	-	-	5,550,001
Provision for sales returns*	8,711,844	-	(103,740)	8,608,104
	<u>14,261,845</u>	<u>-</u>	<u>(103,740)</u>	<u>14,158,105</u>

*Provision for sales returns is deduced from sales disclosed (NOTE 19).

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13- TRADE, NOTES AND OTHER PAYABLES

	<i>30 June 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Trade payables	153,804,472	120,250,295
Notes payables	79,708,681	5,423,773
Accrued expenses	44,565,170	51,102,049
Tax authority (other than income tax)	34,187,572	11,814,991
Advances from customer	12,022,605	11,382,706
Other payables	15,633,871	5,693,153
	<u>339,922,371</u>	<u>205,666,967</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 252,112,680 divided over 1,008,450,720 shares of par value EGP 0.25 each.

Based on the decision of the Extraordinary General Assembly on October 14, 2020, the meeting of the Board of Directors held on January 4, 2023 decided to increase the company's issued and paid-up capital from 250,000,000 Egyptian pounds to 252,112,680 Egyptian pounds, an increase of 2,112,680 Egyptian pounds distributed over 8,450,720 shares, funded by the payments of the beneficiaries of the system provided that the increase is allocated entirely for the benefit of the system of rewarding and motivating the company's employees, so that the company's issued capital after the increase will be 252,112,680 Egyptian pounds paid in full distributed over 1,008,450,720 shares with a nominal value of 0.25 Egyptian pounds. The amount paid under capital increase reach EGP 2,112,680 as of 30 June 2023. According to the bank certificate issued by Arab Bank on January 9, 2023, the company's issued and paid-up capital was increased from 250,000,000 EGP to 252,112,680 EGP, an increase of 2,112,680 EGP distributed over 8,450,720 shares (Note 17).

The following illustrate the structure for shareholders as of 30 June 2023:

	%	<i>No. of shares</i>	<i>Amount</i> <i>EGP</i>
Main Shareholder's Shares	33.13%	334,102,867	83,525,717
Treasury Shares	2.92%	29,470,000	7,367,500
Other listed Free Shares in Stock Exchange Market	63.95%	644,877,853	161,219,463
	<u>100%</u>	<u>1,008,450,720</u>	<u>252,112,680</u>

The structure for shareholders as at 31 December 2022:

	%	<i>No. of shares</i>	<i>Amount</i> <i>EGP</i>
Main Shareholder's Shares	33.15%	331,574,309	82,893,577
Treasury Shares	2.95%	29,470,000	7,367,500
Other listed Free Shares in Stock Exchange Market	63.90%	638,955,691	159,738,923
	<u>100%</u>	<u>1,000,000,000</u>	<u>250,000,000</u>

15- GENERAL RESERVE

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

Pursuant to Article (94) of the executive regulations of the Shareholding Companies Law promulgated by Law No. 159 of 1981, an amount of 89,443,610 Egyptian pounds has been transferred to the legal reserve, amounting to 50% of the value of the issued and paid-up capital.

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16- TREASURY SHARES

The board members meeting held on February 23, 2022, May 31, 2022, and 4 September 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, May 31, 2022, and 4 September 2022, the company purchased 29,470,000 shares from the stock market and held in treasury for a total consideration of EGP 65,926,198. The consideration paid has been accounted for as a reserve in the statement of shareholder's' equity.

During March 2022, the company purchased 20 million shares as treasury shares amounted to 39,694,932 EGP, and according to Article 48 of Law 159 of 1981, the company must dispose its treasury shares to others within a period of not more than one year from obtaining them otherwise it shall reduce its capital by the equivalent of the nominal value of these stocks.

Currently, the company is taking the necessary actions to reduce its capital by the nominal value of the treasury stocks with a total value of 5,000,000 EGP.

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 period 1981 and its executive regulations and under the provision of law 95 for period 1992 and its executive regulations.

On 30 March 2023 the company activated the reward and incentive program. Giving number of employees, managers and executive board members share options for total of 7,748,502 shares at the nominal value (0.25 EGP per share) on condition of staying in service for the required period till the exercise date on 1 November 2023 an archiving the required performance appraisal. Each employee was granted maximum number of shares according to contracts giving one month period from the exercise date to exercise the purchasing right.

The fair value of the granted shares for numbers of employees were 13,404,908 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 beneficiaries in cash.

Movement of Equity instruments in the period as follow:

	30 June 2023		31 December 2022	
	Amount EGP	Shares No.	Amount EGP	Shares No.
Balance at 1 January 2023	14,873,267	8,450,720	-	-
Granted during the period / year	5,108,906	7,748,502	14,873,267	8,450,720
Forfeited during the period / year	-	-	-	-
Exercised during the period / year	(14,873,267)	(8,450,720)	-	-
Total shares at the end of period / year	5,108,906	7,748,502	14,873,267	8,450,720

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18- CREDIT FACILITIES

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

	<i>30 June 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Opening balance	893,644,592	819,720,928
Used during the period / year	695,378,434	1,195,291,001
Payment during the period / year	(533,478,375)	(1,121,367,337)
Ending balance	<u>1,055,544,651</u>	<u>893,644,592</u>
	<i>30 June 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Credit facilities maturing within 12 months	1,055,544,651	893,644,592
Bank credit	8,270,981	11,108,281
	<u>1,063,815,632</u>	<u>904,752,873</u>

The interest rate on the Credit facilities ranges from 8% to 19.25% as of 30 June 2023 (31 December 2022: Range from 8% to 17.75%).

Credit Facilities	Facility amount EGP	<i>30 June 2023</i>	<i>31 December 2022</i>
		<i>EGP</i>	<i>EGP</i>
CIB	500,000,000	356,950,463	180,248,662
FAB Bank	125,000,000	124,632,425	63,847,436
Arab Bank	88,000,000	71,468,235	73,847,329
ABK Bank	120,000,000	85,719,372	95,136,500
ADIB	150,000,000	149,308,213	131,491,585
Alex Bank	170,000,000	92,259,360	164,828,846
AUB	130,000,000	96,287,826	93,222,510
ENBD	100,000,000	78,918,757	91,021,724
Total Credit Facilities		<u>1,055,544,651</u>	<u>893,644,592</u>

* The Balance above include 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- REVENUES

	Six Months ended		Three months ended	
	<i>30 June 2023</i>	<i>30 June 2022</i>	<i>30 June 2023</i>	<i>30 June 2022</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Sale of goods (net)	771,934,102	656,832,559	419,963,185	338,933,114
Toll manufacturing services revenue	70,499,721	54,667,050	30,468,942	29,501,892
	<u>842,433,823</u>	<u>711,499,609</u>	<u>450,432,127</u>	<u>368,435,006</u>

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20- COST OF REVENUES

	Six Months ended		Three months ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	EGP	EGP	EGP	EGP
Salaries and incentives	62,446,688	48,929,444	32,728,066	24,884,509
Social insurance and other benefit	17,683,751	10,689,087	8,558,793	6,064,557
Raw materials	249,774,892	214,966,781	134,201,427	118,154,017
Spare parts and materials	15,280,124	8,698,132	8,297,656	4,334,600
Government fees and medical stamps	8,037,002	6,660,380	4,302,251	3,730,421
Other operating expenses	32,298,696	20,763,525	15,763,719	9,725,837
Energy expenses	22,141,857	18,777,205	12,904,539	10,670,153
Depreciation and amortization (Note 5,6 &7)	30,106,687	27,884,135	15,142,717	14,218,089
Rent	3,277,489	1,168,559	2,241,269	509,662
Maintenance	14,661,786	8,235,807	8,320,405	4,603,462
	455,708,972	366,773,055	242,460,842	196,895,307

21- SELLING & MARKETING EXPENSES

	Six Months ended		Three months ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	EGP	EGP	EGP	EGP
Salaries and incentives	63,022,151	58,273,821	33,260,984	29,736,460
Social insurance and other benefit	6,987,461	4,313,392	3,592,007	2,631,978
Depreciation (Note 5,6)	2,503,181	2,326,189	1,262,900	1,183,390
Rent	38,400	25,500	28,800	19,200
Advertising and marketing	82,250,945	70,638,505	48,624,889	38,866,783
	154,802,138	135,577,407	86,769,580	72,437,811

22- GENERAL & ADMINISTRATIVE EXPENSES

	Six Months ended		Three months ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	EGP	EGP	EGP	EGP
Salaries and incentives	29,218,695	22,602,183	15,528,731	11,538,189
Social insurance and other benefit	1,871,624	1,135,389	947,234	767,489
Professional fees	3,016,735	908,084	2,082,475	613,398
Maintenance	833,610	715,797	385,978	273,627
Depreciation (Note 5)	992,568	990,024	504,088	497,742
Others	5,853,769	4,623,150	3,099,805	2,668,741
	41,787,001	30,974,627	22,548,311	16,359,186

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23- FINANCE INCOME

	Six Months ended		Three months ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	EGP	EGP	EGP	EGP
Interest from Treasury Bills	30,440,081	27,665,331	14,907,635	13,706,263
Interest from time deposits	331,101	1,634	152,721	15
	<u>30,771,182</u>	<u>27,666,965</u>	<u>15,060,356</u>	<u>13,706,278</u>

24- FINANCE EXPENSES

	Six Months ended		Three months ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	EGP	EGP	EGP	EGP
Debit interests	73,881,122	40,842,766	43,863,792	20,073,290
Unwinding interests of lease liabilities	1,067,220	1,041,634	529,201	531,718
Bank Charges	1,185,761	1,786,624	622,984	878,713
	<u>76,134,103</u>	<u>43,671,024</u>	<u>45,015,977</u>	<u>21,483,721</u>

25- INCOME TAXES

	Six Months ended		Three months ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	EGP	EGP	EGP	EGP
Current income tax	(31,151,419)	(33,440,425)	(14,777,012)	(15,291,540)
Deferred income tax	(4,052,625)	(5,343,243)	(454,485)	(2,329,114)
Income tax expense	<u>(35,204,044)</u>	<u>(38,783,668)</u>	<u>(15,231,497)</u>	<u>(17,620,654)</u>

DEFERED INCOME TAXES

	Statement of financial position		Statement of profit or loss	
	30 June 2023	31 December 2022	30 June 2023	30 June 2022
	EGP	EGP	EGP	EGP
Depreciation and amortization	(63,084,489)	(58,468,620)	(4,615,869)	(5,558,607)
Provisions	1,936,823	1,936,823	-	(73,705)
Impairment of trade and notes receivables	2,845,750	2,437,135	408,615	(40,439)
Write down in value of inventory	4,314,030	2,397,681	1,916,349	(89,359)
Share based payment	1,149,504	4,015,782	(2,866,278)	1,470,663
Unrealized foreign exchange differences	(1,504,577)	(3,874,624)	2,370,047	(1,051,796)
Others	(1,265,489)	-	(1,265,489)	-
Net deferred income taxes	<u>(55,608,448)</u>	<u>(51,555,823)</u>	<u>(4,052,625)</u>	<u>(5,343,243)</u>

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RECONCILIATION OF THE EFFECTIVE INCOME TAX RATE

	<i>Tax Rate</i>	<i>30 June 2023</i>	<i>Tax Rate</i>	<i>30 June 2022</i>
		<i>EGP</i>		<i>EGP</i>
Profits before income taxes		<u>154,216,762</u>		<u>165,127,799</u>
Income tax based on tax rate	22.5%	<u>34,698,771</u>	22.5%	<u>37,153,755</u>
Non-deductible expenses		<u>505,273</u>		<u>1,629,913</u>
Effective Tax Rate	22.83%	<u>35,204,044</u>	23.49%	<u>38,783,668</u>

26- EARNINGS PER SHARE

Basic and 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 as follows:

	Six Months ended		Three months ended	
	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Profit Available for Shareholders	<u>115,674,878</u>	<u>124,204,205</u>	<u>49,161,008</u>	<u>52,405,052</u>
Weighted average number of shares outstanding after purchase of treasury shares during the period	<u>978,980,720</u>	<u>990,000,000</u>	<u>978,980,720</u>	<u>990,000,000</u>
Share Options for employees and executive board	<u>6,905,406</u>	<u>7,428,630</u>	<u>6,905,406</u>	<u>7,428,630</u>
Weighted average number of ordinary shares adjusted for the effect of share option of dilution	<u>985,886,126</u>	<u>997,428,630</u>	<u>985,886,126</u>	<u>997,428,630</u>
Earnings per share - Basic	<u>0.1182</u>	<u>0.1255</u>	<u>0.0502</u>	<u>0.0529</u>
Earnings per share - Diluted	<u>0.1173</u>	<u>0.1245</u>	<u>0.0499</u>	<u>0.0525</u>

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

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27- TAX POSITION

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

a) Corporate Tax

- The Company's records were inspected till the year 2013 and the due tax has been paid.
- The years from 2014 to 2017 were inspected as an estimate and were challenged and a decision was issued to re-examine the actual inspection has been done and the dispute is under settlement.
- The years 2018 and 2019 have been inspected and the forms were issued and the dispute are under settlement.

b) Salary Tax

- The Company's records were inspected till the period 2015 and the taxes differences were paid and settled.
- Periods from 2016 to 2019 the documents related to the inspection were submitted and the tax due in the settlements was paid.

c) Stamp Tax

- The Company's records were inspected till 2013 and the taxes due were paid.
- The years from 2014 to 2020 were inspected and the dispute are under settlement.

d) Sales Tax

- The Company's records were inspected till the period 2015 and the due tax has been paid.

e) VAT Tax

- The Company's books were examined from 2016 to 2019 and the due tax has been paid.

RAMEDA FOR PHARMACEUTICAL TRADING (S.A.E)

a) Corporate Tax

- The company provides legal procedures within the legal dates according to law 91 of year 2005.
- The company has been notified by the standard form (19) from the beginning of the activity 25/9/2011 till year 2014. The legal dates were appealed, and the documents necessary for re-examination are being prepared.
- The company was notified of Form (19) tax for the years 2015/2016 female student, and the legal dates were appealed, and the documents necessary for re-examination are being prepared.
- The company was not notified of any forms or notifications for the years 2017/2022.

b) Salary Tax

- The company has not been notified of the examination to now.

c) Stamp Tax

- The company has not been notified of the examination to now.

d) VAT

- The company was examined from the beginning of registration 8/2018 until 8/2019, and the appeal was made and the file was referred to the appeal committee.

e) Social Insurance

- No insurance file has been opened for the company to date.

f) Withholding Tax

- The company has not been notified of the examination to now.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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27- TAX POSITION (CONT.)

RAMECARE COMPANY (L.L.C).

a) Corporate Tax

- The company submits tax returns on legal dates in accordance with Law No. 91 of 2005.
- The company was notified of a tax form (19) for the years 2015/2016, and it was appealed on the legal date, and the necessary documents are being prepared for re-examination.
- The years from 2017 to 2022 were not notified of the inspection.

b) Salary Tax

- The company has not been notified of the examination to now.

c) Stamp Tax

- The years from the beginning of the activity until the year 2014, the company was not notified of the examination.
- The company was notified of Form (19) tax for the years 2015/2016, and it was appealed on the legal dates, and the necessary documents are being prepared for re-examination.
- The years from 2017 to 2022 were not notified of the inspection.

d) VAT

- The company has not been notified of the examination to now.

e) Social Insurance

- No insurance file has been opened for the company to date.

f) Withholding Tax

- The company has not been notified of the examination to now.

RAMEPHARMA COMPANY (L.L.C).

a) Corporate Tax

- The company submits tax returns on legal dates in accordance with Law No. 91 of 2005.
- The company was notified of the form (19) tax for the years 2015-2016, and it was appealed within the legal deadline, and the documents are being prepared for submission to the competent committees.
- The company was not notified of any forms or notifications for the years 2017 to 2022.

b) Salary Tax

- The company has not been notified of the examination to now.

c) Stamp Tax

- The company has not been notified of the examination to now.

d) VAT

- The company has not been notified of the examination to now.

e) Social Insurance

- No insurance file has been opened for the company to date.

f) Withholding Tax

- The company has not been notified of the examination to now.

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

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28- MAJOR EVENT

On 30 March 2023, the Central Bank of Egypt decided to increase the overnight deposit and lending rates and the price of the main operation of the central bank by 200 basis points, to reach 18.25%, 19.25, and 18.75%, respectively. The credit and discount rates were also raised by 200 basis points, to reach 18.75%.