

**TENTH OF RAMADAN FOR PHARMACEUTICAL
INDUSTRIES AND DIAGNOSTIC REAGENTS
(RAMEDA) (S.A.E)
CONDENSED INTERIM SEPARATE FINANCIAL
STATEMENTS
TOGETHER WITH REVIEW REPORT
FOR THE PERIOD ENDED 31 MARCH 2021**

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

**Condensed Interim Separate Financial Statements
For the Period Ended 31 March 2021**

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

Introduction

We have reviewed the accompanying condensed interim financial position of **TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)** as of 31 March 2021 as well as the related condensed statements of profit or loss, Comprehensive income, changes in equity and cash flows for the three months ended on 31 March 2021, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed interim separate financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these condensed interim separate financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim separate financial statements does not give a true and fair view, in all material respects, of the financial position of the entity as at 31 March 2021, and of its financial performance and its cash flows for the three months ended on 31 March 2021 in accordance with Egyptian Accounting Standards.



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



Cairo: May 06, 2021

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

CONDENSED INTERIM SEPARATE STATEMENT OF FINANCIAL POSITION

As at 31 March 2021

	Notes	31 March 2021 EGP	31 December 2020 EGP
ASSETS			
Non-current assets			
Fixed assets & Assets under construction	(5)	518,317,522	521,901,281
Right of use assets	(6-A)	15,327,743	16,258,305
Intangible assets	(7)	197,495,888	199,477,806
Investment in subsidiaries		1,461,800	1,461,800
Total non-current assets		732,602,953	739,099,192
Current assets			
Inventories	(8)	269,334,679	306,920,367
Trade and notes receivable	(9)	647,700,972	633,408,300
Treasury Bills	(10)	468,727,329	469,349,545
Due from related parties	(27)	20,621,828	20,576,327
Prepayments and other receivables		71,805,247	71,192,770
Cash on hand and at banks	(11)	17,961,104	12,415,827
Total current assets		1,496,151,159	1,513,863,136
TOTAL ASSETS		2,228,754,112	2,252,962,328
EQUITY AND LIABILITIES			
Equity			
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		278,952	278,952
Retained earnings		510,804,330	486,930,158
Total equity		1,216,644,400	1,187,122,961
LIABILITIES			
Non-current liabilities			
Long-term loans	(17)	13,499,676	29,549,676
Lease liabilities	(6-B)	13,103,698	14,807,299
Deferred tax liabilities	(24)	33,347,940	31,061,481
Total non-current liabilities		59,951,314	75,418,456
Current liabilities			
Provisions	(12)	12,287,619	12,287,619
Credit facilities	(16)	769,823,378	804,558,554
Current portion of long-term loans	(17)	64,200,000	58,850,000
Current lease liabilities	(6-B)	2,709,095	2,601,924
Trade, notes & other payables	(13)	81,590,273	93,411,032
Due to related parties	(27)	396,661	402,918
Income taxes payable		21,151,372	18,308,864
Total current liabilities		952,158,398	990,420,911
TOTAL LIABILITIES		1,012,109,712	1,065,839,367
TOTAL LIABILITIES AND EQUITY		2,228,754,112	2,252,962,328

Finance Director

Board Member

Mohamed Abo Amra

Amr Abdallah Morsy

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

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

CONDENSED INTERIM SEPARATE STATEMENT OF PROFIT OR LOSS
For the Period Ended 31 March 2021

	Notes	31 March 2021 <i>EGP</i>	31 March 2020 <i>EGP</i>
Revenues	(18)	270,845,735	232,419,688
Cost of revenues	(19)	(154,519,438)	(126,101,455)
GROSS PROFIT		116,326,297	106,318,233
Selling and marketing expenses	(20)	(54,126,532)	(48,913,925)
General and administrative expenses	(21)	(13,078,303)	(11,060,625)
Other income		219,859	307,796
Operating profit		49,341,321	46,651,479
Finance income	(22)	14,608,744	17,667,585
Finance expenses	(23)	(23,874,285)	(30,805,927)
Net foreign exchange gain (losses)		37,810	(718,987)
Finance expense		(9,227,731)	(13,857,329)
Impairment of trade and notes receivable		-	(662,208)
Contribution for health insurance		(710,246)	(626,403)
PROFITS FOR THE PERIOD BEFORE INCOME TAXES		39,403,344	31,505,539
Income taxes	(24)	(9,071,629)	(7,534,861)
PROFITS FOR THE PEIROD		30,331,715	23,970,678
Earnings Per Share - basic and diluted	(25)	0.0395	0.0312

Finance Director

Mohamed Abo Amira

Board Member

Amr Abdallah Morsy

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

CONDENSED INTERIM SEPARATE STATEMENT OF COMPREHENSIVE INCOME
For the Period Ended 31 March 2021

	31 March 2021	31 March 2020
	EGP	EGP
PROFITS FOR THE PERIOD	30,331,715	23,970,678
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME	30,331,715	23,970,678

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

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

For the Period Ended 31 March 2021

	Paid up -Capital	Legal reserve	General reserve - Issuance Premium	Other Reserves	Retained earnings	Total
	EGP	EGP	EGP	EGP	EGP	EGP
Balance as at 1 January 2020	192,150,000	16,649,610	486,965,000	278,952	378,134,062	1,074,177,624
Transferred to legal reserve	-	4,149,241	-	-	(4,149,241)	-
Total comprehensive income for the period	-	-	-	-	23,970,678	23,970,678
Balance as at 31 March 2020	192,150,000	20,798,851	486,965,000	278,952	397,955,499	1,098,148,302
Balance as at 1 January 2021	192,150,000	20,798,851	486,965,000	278,952	486,930,158	1,187,122,961
Effect of adoption of EAS (47)	-	-	-	-	(810,276)	(810,276)
Balance as at 1 January 2021(Adjusted)	192,150,000	20,798,851	486,965,000	278,952	486,119,882	1,186,312,685
Transferred to legal reserve	-	5,647,267	-	-	(5,647,267)	-
Total comprehensive income for the period	-	-	-	-	30,331,715	30,331,715
Balance as at 31 March 2021	192,150,000	26,446,118	486,965,000	278,952	510,804,330	1,216,644,400

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

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

CONDENSED INTERIM SEPARATE STATEMENT OF CASH FLOWS For the Period Ended 31 March 2021

	31 March 2021	31 March 2020
	EGP	EGP
CASH FLOWS FROM OPERATING ACTIVITIES		
Profits for the period before income taxes	39,403,344	31,505,539
Adjustments to reconcile profit before tax to net cash flow:		
Net foreign exchange differences	(130,318)	1,093,196
Depreciation and amortization	(5,6,7) 14,709,561	12,740,608
Provision charged	(12) -	170,243
Impairment of trade and notes receivable	(9) -	662,208
Impairment of inventory	(8) 2,143,466	4,115,297
Finance income	(14,599,932)	(17,667,585)
Finance expenses	(23) 23,342,126	30,262,692
Unwinding interests of lease liabilities	(23) 532,159	543,235
Gain from sale of fixed assets	(5) 6,520	-
	65,406,926	63,425,433
Change in inventories	41,078,357	(19,343,928)
Used from inventory provision	(5,636,135)	-
Change in trade and notes receivable	(15,102,948)	(2,481,260)
Change in prepayments and other receivables	(5,725,600)	(16,783,326)
Change in trade, notes and other payable	(14,465,735)	8,700,021
Change in due to related parties	(6,257)	233,363
Cash flows provided from operating activities	65,548,608	33,750,303
Debit interests paid	(20,697,150)	(26,112,458)
Provisions used	(12) -	(500,000)
Income taxes paid	(3,942,662)	-
NET CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES	40,908,796	7,137,845
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments to acquire fixed assets	(5) (3,636,553)	(3,271,450)
Payments to acquire assets under construction	(5) (4,230,751)	(4,806,693)
Payments to acquire intangible assets	(7) (357,577)	(96,300,762)
Payment to acquire treasury bills	(299,964,729)	-
Matured treasury bills collection	320,300,000	-
Proceeds from sale of fixed assets	(5) 5,039	-
Investment in term deposit	(11) (8,813)	(15,435)
NET CASH FLOWS PROVIDED FROM (USED IN) INVESTING ACTIVITIES	12,106,616	(104,394,340)
CASH FLOWS FROM FINANCING ACTIVITIES		
Credit facilities used	(16) 206,312,004	261,536,748
Payment of credit facilities	(16) (241,047,180)	(170,996,437)
Payment of long-term loans	(17) (10,700,000)	(13,300,000)
Change in due from related parties	(45,501)	(50,019)
Lease payments paid during the period	(2,128,589)	(1,938,330)
NET CASH FLOWS PROVIDED FROM (USED IN) FINANCING ACTIVITIES	(47,609,266)	75,251,962
Net change in cash and cash equivalent during the period	5,406,146	(22,004,533)
Net foreign exchange difference	130,318	(1,093,196)
Cash and cash equivalent - beginning of the period	11,808,785	52,643,179
CASH AND CASH EQUIVALENT - END OF THE PERIOD	(11) 17,345,249	29,545,450

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

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

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

For the Period Ended 31 March 2021

1- BACKGROUND

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

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

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

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

The Company is principally engaged in:

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

The financial statements for the period ended 31 March 2021 were authorized for issuance in accordance with a resolution of the Board of Directors' dated 05 May 2021.

2- SIGNIFICANT ACCOUNTING POLICIES

2-1 BASIS OF PREPARATION

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

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

The separate financial statements of the Company have been prepared in accordance with the Egyptian accounting standards 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.

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

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS
For the Period Ended 31 March 2021

2-2 CHANGES IN ACCOUNTING POLICIES (continued)

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:

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

3- SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

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

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

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

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS
For the Period Ended 31 March 2021

3- SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (continued)

3-1 Judgments

Revenue Recognition for sale of goods

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

3-2- Estimates

Impairment of trade and other receivables

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

Provision for sales returns

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

Useful lives of fixed assets

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

Useful lives of intangible assets

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

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

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

Taxes

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

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

Impairment of non-financial assets

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

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

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

For the Period Ended 31 March 2021

4- SEGMENT INFORMATION

Currently the Company's primary business segment is the production and selling of pharmaceutical products which contributes to 93% of total revenue and balance 7% is contributed by toll manufacturing services (31 March 2020: 96% and 4% respectively). The Company's management monitors the business under two segments, "production and selling of pharmaceutical products" and "manufacturing for others" (Toll manufacturing) for the purpose of making business decisions.

Accordingly, the Company's revenues during the period ended 31 March 2021 were reported under two segments in the condensed interim separate financial statements.

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

	Services	Sale of pharmaceutical products			
	Toll Manufacturing "Domestic"	Export	Domestic		Total
			Private sales	Tenders	
	EGP	EGP	EGP	EGP	EGP
31March 2021	<u>18,590,409</u>	<u>22,730,234</u>	<u>169,894,427</u>	<u>59,630,665</u>	<u>270,845,735</u>
31March 2020	<u>10,352,575</u>	<u>5,227,965</u>	<u>150,713,960</u>	<u>66,125,188</u>	<u>232,419,688</u>

Revenue from the top five customers presented 88% of total revenues (31 March 2020: 87%).

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

For the Period Ended 31 March 2021

5- FIXED ASSETS

	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 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	-	917,187	1,661,294	344,070	484,412	64,279	165,311	4,230,751	7,867,304
Transferred from assets under construction	-	1,427,936	6,112,651	-	-	-	-	(7,540,587)	-
Disposals	-	-	(49,086)	-	-	-	(46,330)	-	(95,416)
As of 31 March 2021	18,637,425	259,570,511	405,436,830	13,369,898	20,776,855	5,753,584	25,504,294	23,279,982	772,329,379
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	-	(1,991,018)	(8,153,016)	(152,144)	(386,537)	(128,294)	(628,495)	-	(11,439,504)
Disposals	-	-	38,845	-	-	-	45,012	-	83,857
As of 31 March 2021	-	(59,844,911)	(155,495,783)	(10,406,393)	(10,358,258)	(1,857,002)	(16,049,510)	-	(254,011,857)
Net book value as of 31 March 2021	18,637,425	199,725,600	249,941,047	2,963,505	10,418,597	3,896,582	9,454,784	23,279,982	518,317,522

- The cost of fixed assets as of 31 March 2021 include EGP 108,706,328 which represents fully depreciated assets that are still in use.
- The cost of asset under construction as of 31 March 2021 includes impairment by EGP 686,437.

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

	31 March 2021 EGP
Cost of revenue	10,834,875
Selling and marketing expenses	150,959
General and administrative expenses	453,670
	<u>11,439,504</u>

Gain from sale of fixed assets was calculated as follows:

	31 March 2021 EGP
Cost of disposed assets	95,416
Accumulated depreciation of disposed assets	(83,857)
Net book value of disposed assets	11,559
Proceeds from sale of fixed assets	5,039
Loss from sale of fixed assets	<u>(6,520)</u>

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

For the Period Ended 31 March 2021

5- FIXED ASSETS (CONTINUED)

	Freehold Land	Buildings	Machinery and equipment	Transportation and dragging equipment	Laboratory equipment	Tools	Office furniture and fixtures	Assets under construction	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost									
As at 1 January 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	<u>18,637,425</u>	<u>257,225,388</u>	<u>397,711,971</u>	<u>13,025,828</u>	<u>20,292,443</u>	<u>5,689,305</u>	<u>25,385,313</u>	<u>26,589,818</u>	<u>764,557,491</u>
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	-	<u>(57,853,893)</u>	<u>(147,381,612)</u>	<u>(10,254,249)</u>	<u>(9,971,721)</u>	<u>(1,728,708)</u>	<u>(15,466,027)</u>	-	<u>(242,656,210)</u>
Net book value as at 31 December 2020	<u>18,637,425</u>	<u>199,371,495</u>	<u>250,330,359</u>	<u>2,771,579</u>	<u>10,320,722</u>	<u>3,960,597</u>	<u>9,919,286</u>	<u>26,589,818</u>	<u>521,901,281</u>

- 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 31 March 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 EGP
Cost of revenue	43,962,520
Selling and marketing expenses	538,559
General and administrative expenses	<u>1,829,115</u>
	<u>46,330,194</u>

Gain from sale of fixed assets was calculated as follows:

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

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NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS For the Period Ended 31 March 2021

6- LEASES

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

A) Right of use assets

	31 March 2021	31 December 2020
	EGP	EGP
Cost at 1 January 2021	19,916,906	18,206,266
Additions	-	1,710,640
Total Cost as of 31 March 2021	19,916,906	19,916,906
Accumulated amortization at 1 January 2021	(3,658,601)	-
Amortization for period	(930,562)	(3,658,601)
Accumulated amortization as of 31 March 2021	(4,589,163)	(3,658,601)
Net book value as of 31 March 2021	15,327,743	16,258,305

B) Lease liability

	31 March 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	532,159	2,266,483
Lease payments paid during the period	(2,128,589)	(4,311,069)
As at 31 March 2021	15,812,793	17,409,223
Deduct: Current balance	2,709,095	2,601,924
Non-current balance	13,103,698	14,807,299

7- INTANGIBLE ASSETS

	Registration Rights	
	31 March 2021	31 December 2020
	EGP	EGP
Cost as at 1 January 2021	220,941,719	104,814,384
Additions	357,577	116,127,335
Total cost as at 31 March 2021	221,299,296	220,941,719
Accumulated amortization as at 1 January 2021	(21,463,913)	(16,169,081)
Amortization for the period/ year	(2,339,495)	(5,294,832)
Accumulated amortization as at 31 March 2021	(23,803,408)	(21,463,913)
Net book value as at 31 March 2021	197,495,888	199,477,806

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 33,924,007 (31 December 2020: EGP 33,779,952).

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8- INVENTORIES

	31 March 2021	31 December 2020
	EGP	EGP
Raw materials	108,543,338	108,542,308
Packing and packaging materials	37,035,074	41,800,322
Spare parts	11,782,884	11,759,761
Finished goods	90,423,119	112,914,743
Work in progress	28,161,858	34,973,039
Goods in transit	520,326	7,713,475
Inventory with others	1,595,627	1,436,935
	278,062,226	319,140,583
Write down in inventories	(8,727,547)	(12,220,216)
	269,334,679	306,920,367

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

	31 March 2021	31 December 2020
	EGP	EGP
Beginning balance	(12,220,216)	(6,361,972)
Charge during the period/year	(2,143,466)	(18,732,306)
Used of inventory provision	5,636,135	12,874,062
Ending balance	(8,727,547)	(12,220,216)

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

9- TRADE AND NOTES RECEIVABLE

	31 March 2021	31 December 2020
	EGP	EGP
Trade receivable	238,512,407	231,267,914
Trade receivable – toll manufacturing	11,905,468	11,995,577
Notes receivable	403,060,833	395,112,269
	653,478,708	638,375,760
Impairment of trade and notes receivable	(5,777,736)	(4,967,460)
	647,700,972	633,408,300

Notes receivable amounting to EGP 282.7 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:

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

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10- TREASURY BILLS

	31 March 2021	31 December 2020
	EGP	EGP
Treasury bills	500,875,000	500,300,000
Unearned interest	(32,147,671)	(30,950,455)
	468,727,329	469,349,545

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

11- CASH ON HAND AND AT BANKS

	31 March 2021	31 December 2020
	EGP	EGP
a) Egyptian Pounds		
Cash on hand	109,606	95,597
Current accounts	1,639,128	1,247,737
Checks under collection	14,852,758	27,788
Term deposits (Maturing within 3 months)	615,855	607,042
	17,217,347	1,978,164
b) Foreign currencies		
Checks under collection	-	4,776,000
Current accounts	743,757	5,661,663
	743,757	10,437,663
	17,961,104	12,415,827

Cash balances are denominated in the following currencies:

	31 March 2021	31 December 2020
	EGP	EGP
Egyptian pound (EGP)	17,217,347	1,923,036
US dollar (USD)	732,639	10,464,972
Euro (EUR)	11,118	27,819
	17,961,104	12,415,827

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

	31 March 2021	31 March 2020
	EGP	EGP
Cash in hand	109,606	88,487
Current accounts	17,235,643	29,456,963
	17,345,249	29,545,450

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12- PROVISIONS

	Balance as at 1 January 2021 EGP	Charged during the period EGP	No longer required EGP	Used during the period EGP	Balance as at 31 March 2021 EGP
Provision for expected claims	4,300,001	-	-	-	4,300,001
Provision for sales returns*	7,987,618	-	-	-	7,987,618
	<u>12,287,619</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,287,619</u>

	Balance as at 1 January 2020 EGP	Charged during the year EGP	No longer required EGP	Used during the year EGP	Balance as at 31 December 2021 EGP
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 deducted from sales disclosed in note (18).

13- TRADE, NOTES AND OTHER PAYABLE

	31 March 2021 EGP	31 December 2020 EGP
Trade payable	40,292,593	46,908,741
Notes payable	14,251,538	19,196,183
Accrued expenses	8,875,515	12,319,168
Tax authority (other than income tax)	5,594,147	8,566,543
Advances From Customers	11,170,870	4,780,965
Other payables	1,405,610	1,639,432
	<u>81,590,273</u>	<u>93,411,032</u>

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

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

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS For the Period Ended 31 March 2021

14- CAPITAL

The Company'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 extra ordinary 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 extra ordinary 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 following illustrate the new structure for shareholders:

	%	No. of shares	Amount EGP
Main Shareholder's Shares	51.33	394,505,599	98,626,400
Other listed Free Shares in Stock Exchange Market	48.67	374,094,401	93,523,600
	100	<u>768,600,000</u>	<u>192,150,000</u>

* 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.

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NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS For the Period Ended 31 March 2021

16- CREDIT FACILITIES

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

	31 March 2021	31 December 2020
	EGP	EGP
Opening balance	802,184,216	481,938,674
Used during the period / year	205,722,914	1,049,168,490
Payment during the period / year	(241,047,180)	(728,922,948)
Ending balance	<u>766,859,950</u>	<u>802,184,216</u>
	31 March 2021	31 December 2020
	EGP	EGP
Credit facilities maturing within 12 months	766,859,950	802,184,216
Bank credit	2,963,428	2,374,338
	<u>769,823,378</u>	<u>804,558,554</u>

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

Credit Facilities	Facility amount	Interest rate	Maturity Date	31 March 2021	31 December 2020
	EGP			EGP	EGP
CIB	250,000,000	0.25%+CBE lending rate	10/07/2021	62,869,521	65,500,461
		8 % CBE INITAVIE*	10/07/2021	75,900,194	90,534,880
Audi Bank	125,000,000	80,000,000	CBE lending rate	15/10/2021	46,666,667
		0.5 %+CBE lending rate	21/07/2021	85,475,544	78,852,012
Arab Bank	88,000,000	8 % CBE INITAVIE*	21/07/2021	23,197,210	35,290,505
		0.25%+CBE lending	30/03/2022	30,638,116	24,552,848
ABK	100,000,000	8 % CBE INITAVIE*	30/03/2022	27,974,926	38,054,398
		0.5 %+CBE lending rate	31/05/2021	35,334,532	41,994,296
ADIB**	130,000,000	8 % CBE INITAVIE*	31/05/2021	45,013,141	43,065,679
		0.5%+CBE lending rate	01/01/2021	67,569,546	73,841,852
Alex Bank	170,000,000	8 % CBE INITAVIE*	01/01/2021	60,178,578	42,520,285
		0.25% + CBE lending rate	30/04/2021	64,630,994	81,845,141
AUB	130,000,000	8 % CBE INITAVIE*	30/04/2021	80,315,324	75,811,580
		0.3% + CBE lending rate	01/06/2021	10,000,000	-
ENBD	100,000,000	8 % CBE INITAVIE*	01/06/2021	33,225,917	43,225,917
		8 % CBE INITAVIE*	31/07/2020	17,869,740	3,427,695
Total Credit Facilities				<u>766,859,950</u>	<u>802,184,216</u>

*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.

** The Company is in the process to renew ADIB credit facilities.

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

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17- LONG TERM LOANS

Loan (1):

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

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

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

The Company paid EGP 5,200,000 during the period ended 31 March 2021 and the balance outstanding amounted to EGP 35,475,704 as at 31 March 2021 (31 December 2020: EGP 40,675,704).

Loan (2):

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

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

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

The Company paid EGP 5,500,000 during the period ended 31 March 2021 and the balance outstanding amounted to EGP 42,223,972 as at 31 March 2021 (31 December 2020: EGP 47,723,972).

The Company obtained those loans against Treasury bills collateral.

The balance of loans as of 31 March 2021 as follows:

Loans	Interest rate	31 March 2021	31 December 2020
		EGP	EGP
Current portion of long-term loans			
Loan (1)	0.75%+CBE lending rate	31,200,000	28,600,000
Loan (2)	0.85%+CBE lending rate	33,000,000	30,250,000
Total current portion of long-term loans		64,200,000	58,850,000
Non-current portion of long-term loans			
Loan (1)	0.75%+CBE lending rate	4,275,704	12,075,704
Loan (2)	0.85%+CBE lending rate	9,223,972	17,473,972
Total non-current portion of long-term loans		13,499,676	29,549,676
		77,699,676	88,399,676

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18- REVENUES

	31 March 2021	31 March 2020
	EGP	EGP
Sale of goods (net)	252,255,326	222,067,113
Toll manufacturing services revenue	18,590,409	10,352,575
	270,845,735	232,419,688

19- COST OF REVENUE

	31 March 2021	31 March 2020
	EGP	EGP
Salaries, social insurance & other benefits	22,453,232	22,354,456
Raw materials	92,830,542	59,923,185
Spare parts and materials	4,997,747	6,070,886
Government fees and medical stamps	2,395,424	2,279,113
Other operating expenses	7,264,765	10,129,593
Energy expenses	7,327,958	10,735,029
Depreciation and amortization (Note 5,7)	13,174,370	11,447,974
Rent	1,324,362	1,329,239
Maintenance	2,751,038	1,831,980
	154,519,438	126,101,455

20- SELLING AND MARKETING EXPENSES

	31 March 2021	31 March 2020
	EGP	EGP
Salaries, social insurance and other fringe benefits	29,289,915	27,330,869
Depreciation (Note 5)	1,081,521	884,038
Rent	18,900	-
Advertising and marketing	23,736,196	20,699,018
	54,126,532	48,913,925

21- GENERAL AND ADMINISTRATIVE EXPENSES

	31 March 2021	31 March 2020
	EGP	EGP
Salaries, social insurance and other fringe benefits	10,282,348	8,544,988
Professional fees	490,440	173,328
Maintenance	121,645	184,387
Depreciation (Note 5)	453,670	408,596
Others	1,730,200	1,749,326
	13,078,303	11,060,625

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22- FINANCE INCOME

	31 March 2021	31 March 2020
	EGP	EGP
Interest from Treasury Bills	14,599,932	17,651,989
Interest from time deposits	8,812	15,596
	14,608,744	17,667,585

23- FINANCE EXPENSES

	31 March 2021	31 March 2020
	EGP	EGP
Debit interests	22,448,311	29,287,844
Unwinding interests of lease liabilities	532,159	543,235
Bank Charges	893,815	974,848
	23,874,285	30,805,927

24- INCOME TAXES

	31 March 2021	31 March 2020
	EGP	EGP
Current income tax	(6,785,170)	(7,838,600)
Deferred income tax	(2,286,459)	303,739
Income tax expense	(9,071,629)	(7,534,861)

DEFERED INCOME TAX

	Statement of financial position		Statement of profit or loss	
	31 March 2021 EGP	31 December 2020 EGP	31 March 2021 EGP	31 March 2020 EGP
Depreciation and amortization	(38,383,205)	(36,890,685)	(1,492,520)	(913,366)
Provisions	1,797,214	1,797,214	-	38,305
Impairment of trade and notes receivables	1,299,991	1,117,679	182,312	148,997
Write down of inventory	1,963,698	2,749,549	(785,851)	925,942
Others	-	-	-	(142,108)
Unrealized foreign exchange differences	(25,638)	164,762	(190,400)	245,969
Net deferred income taxes	(33,347,940)	(31,061,481)	(2,286,459)	303,739

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24- INCOME TAXES (CONTINUED)

RECONCILIATION OF THE EFFECTIVE INCOME TAX RATE

	Tax Rate	31 March 2021	Tax Rate	31 March 2020
		EGP		EGP
Profits before income taxes		<u>39,403,344</u>		<u>31,505,539</u>
Income tax based on tax rate	22.50%	<u>8,865,752</u>	22.50%	<u>7,088,746</u>
Non-deductible expenses		<u>205,877</u>		<u>446,115</u>
Effective Tax Rate	23.02%	<u><u>9,071,629</u></u>	23.92%	<u><u>7,534,861</u></u>

25- EARNINGS PER SHARE

Basic and diluted earnings per share was calculated by dividing the profits for the period available for distribution by the weighted average number of shares outstanding during the period as follows:

	31 March 2021	31 March 2020
	EGP	EGP
Basic and diluted, profit for the period	<u>30,331,715</u>	<u>23,970,678</u>
Weighted average number of shares outstanding during the period	<u>768,600,000</u>	<u>768,600,000</u>
Earnings per share	<u><u>0.0395</u></u>	<u><u>0.0312</u></u>

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

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For the Period Ended 31 March 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

- The Company's records were inspected till the year 2015 and the taxes dues were paid.
- The company is preparing for tax inspection for the year 2016 till 2019.

27- RELATED PARTIES

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

a) Related party transactions

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

Company	Nature of party	Nature of transaction	31 March 2021	31 March 2020
			EGP	EGP
Rameda for Pharmaceuticals trading	Subsidiary	Rent	1,500	1,500
		Purchases	-	375,031
Ramecare Company	Subsidiary	Rent	1,500	1,500
Ramepharma Company	Subsidiary	Rent	1,500	1,500

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NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

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27- RELATED PARTIES (continued)

b) Related party balances

	Nature of party	31 March 2021		31 December 2020	
		Due from EGP	Due to EGP	Due from EGP	Due to EGP
Rameda for Pharmaceuticals Trading	Subsidiary	-	396,661	-	402,918
Ramecare Company	Subsidiary	3,398,120	-	3,387,109	-
Ramepharma Company	Subsidiary	17,223,708	-	17,189,218	-
		<u>20,621,828</u>	<u>396,661</u>	<u>20,576,327</u>	<u>402,918</u>

c) Salaries and incentives of key managers

The key manager's compensation during period ended 31 March 2021 and 31 March 2020 is as follow:

	31 March 2021	31 March 2020
	EGP	EGP
Salaries and incentives	6,728,052	6,100,391
	<u>6,728,052</u>	<u>6,100,391</u>

28- 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 31 March 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.