

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

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

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

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

Introduction

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

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements does not give a true and fair view, in all material respects, of the financial position of the entity as at 30 September 2021, and of its financial performance and its cash flows for the nine months ended on 30 September 2021 in accordance with Egyptian Accounting Standard (30) Interim Financial statements.

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



Cairo: November 15, 2021

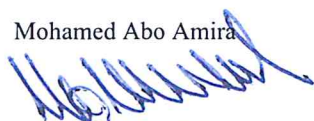
TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 September 2021

	Notes	30 September 2021	31 December 2020
		<i>EGP</i>	<i>EGP</i>
ASSETS			
Non-current assets			
Fixed assets and projects under construction	(5)	526,750,014	521,901,281
Right of use assets	(6-A)	13,981,946	16,258,305
Intangible assets	(7)	390,791,951	214,571,373
Total non-current assets		<u>931,523,911</u>	<u>752,730,959</u>
Current assets			
Inventories	(8)	263,654,313	305,479,563
Trade and notes receivable	(9)	581,452,574	633,522,249
Treasury Bills	(10)	469,505,240	469,349,545
Due from related parties		25,500	25,500
Prepayments and other receivables		85,024,868	74,974,518
Cash on hand and at banks	(11)	15,584,377	13,232,834
Total current assets		<u>1,415,246,872</u>	<u>1,496,584,209</u>
TOTAL ASSETS		<u>2,346,770,783</u>	<u>2,249,315,168</u>
EQUITY AND LIABILITIES			
Equity			
Paid up Capital	(14)	250,000,000	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
Profits for the period and retained earnings		513,064,339	484,995,947
Total equity of Parent Company		<u>1,276,754,409</u>	<u>1,185,188,750</u>
Non-controlling interest		(2,074,850)	(1,618,706)
Total equity		<u>1,274,679,559</u>	<u>1,183,570,044</u>
LIABILITIES			
Non-current liabilities			
Long term loans	(17)	-	29,549,676
Long term lease liabilities	(6-B)	12,031,536	14,807,299
Deferred tax liabilities	(24)	38,507,649	31,061,481
Total non-current liabilities		<u>50,539,185</u>	<u>75,418,456</u>
Current liabilities			
Provisions	(12)	12,787,619	12,287,619
Credit facilities	(16)	819,412,147	804,558,554
Current portion of long-term loans	(17)	40,249,676	58,850,000
Current portion of lease liabilities	(6-B)	3,020,051	2,601,924
Trade, notes and other payables	(13)	128,844,659	93,719,707
Income taxes payable		17,237,887	18,308,864
Total current liabilities		<u>1,021,552,039</u>	<u>990,326,668</u>
TOTAL LIABILITIES		<u>1,072,091,224</u>	<u>1,065,745,124</u>
TOTAL LIABILITIES AND EQUITY		<u>2,346,770,783</u>	<u>2,249,315,168</u>

Finance Director

Mohamed Abo Amira



Board Member

Amr Abdallah Morsy



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

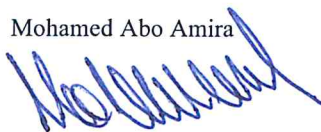
TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the Period Ended 30 September 2021

		Nine Months Ended		Three Months Ended	
	Notes	30 September 2021 EGP	30 September 2020 EGP	30 September 2021 EGP	30 September 2020 EGP
Revenues	(18)	852,487,092	672,858,339	314,715,200	235,397,483
Cost of revenues	(19)	<u>(463,099,262)</u>	<u>(355,709,365)</u>	<u>(169,000,744)</u>	<u>(122,902,438)</u>
GROSS PROFIT		389,387,830	317,148,974	145,714,456	112,495,045
Selling and marketing expenses	(20)	<u>(182,289,184)</u>	<u>(159,454,432)</u>	<u>(65,926,549)</u>	<u>(56,480,067)</u>
General and administrative expenses	(21)	<u>(38,586,293)</u>	<u>(34,206,204)</u>	<u>(12,335,364)</u>	<u>(10,449,615)</u>
Other income		<u>467,139</u>	<u>892,928</u>	<u>40,709</u>	<u>409,456</u>
OPERATING PROFIT		168,979,492	124,381,266	67,493,252	45,974,819
Finance income	(22)	<u>45,059,297</u>	<u>49,354,731</u>	<u>15,447,643</u>	<u>14,546,120</u>
Finance expenses	(23)	<u>(71,826,807)</u>	<u>(76,640,831)</u>	<u>(23,694,351)</u>	<u>(24,135,659)</u>
Net foreign exchange gain/(loss)		<u>(441,283)</u>	<u>(1,389,377)</u>	<u>(39,292)</u>	<u>(1,360,269)</u>
NET FINANCE COST		(27,208,793)	(28,675,477)	(8,286,000)	(10,949,808)
Impairment of trade and notes receivable		-	(4,768,081)	-	(2,238,567)
Provision expense		<u>(500,000)</u>	-	-	-
Contribution for health insurance		<u>(2,245,045)</u>	<u>(1,803,754)</u>	<u>(820,523)</u>	<u>(615,836)</u>
PROFITS FOR THE YEAR BEFORE INCOME TAXES		139,025,654	89,133,954	58,386,729	32,170,608
Income taxes	(24)	<u>(32,405,863)</u>	<u>(20,965,038)</u>	<u>(13,240,160)</u>	<u>(7,477,159)</u>
PROFITS FOR THE YEAR		106,619,791	68,168,916	45,146,569	24,693,449
Attributable to:					
Equity holders of the Parent Company		<u>107,075,935</u>	<u>68,666,475</u>	<u>45,310,841</u>	<u>24,900,718</u>
Non-controlling interests		<u>(456,144)</u>	<u>(497,559)</u>	<u>(164,272)</u>	<u>(207,269)</u>
		<u>106,619,791</u>	<u>68,168,916</u>	<u>45,146,569</u>	<u>24,693,449</u>
Earnings Per Share - basic and diluted	(25)	<u>0.1071</u>	<u>0.0687</u>	<u>0.0453</u>	<u>0.0249</u>

Finance Director

Mohamed Abo Amira



Board Member

Amr Abdallah Morsy



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

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Period Ended 30 September 2021

	<i>Nine Months Ended</i>		<i>Three Months Ended</i>	
	<i>30 September 2021 EGP</i>	<i>30 September 2020 EGP</i>	<i>30 September 2021 EGP</i>	<i>30 September 2020 EGP</i>
PROFITS FOR THE PERIOD	106,619,791	68,168,916	45,146,569	24,693,449
OTHER COMPREHENSIVE INCOME	-	-	-	-
OTHER COMPREHENSIVE INCOME	106,619,791	68,168,916	45,146,569	24,693,449
Attributable to				
Equity holders of the Parent Company	107,075,935	68,666,475	45,310,841	24,900,718
Non-controlling interest	(456,144)	(497,559)	(164,272)	(207,269)
	106,619,791	68,168,916	45,146,569	24,693,449

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

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

For the Period Ended 30 September 2021

	<i>Paid up Capital EGP</i>	<i>Legal reserve EGP</i>	<i>General reserve - Issuance Premium EGP</i>	<i>Other reserves EGP</i>	<i>Retained earnings EGP</i>	<i>Total equity of Parent Company EGP</i>	<i>Non- controlling interest EGP</i>	<i>Total EGP</i>
Balance as at 1 January 2020	192,150,000	16,649,610	486,965,000	278,952	376,964,719	1,073,008,281	(953,175)	1,072,055,106
Transferred to legal reserve	-	4,149,241	-	-	(4,149,241)	-	-	-
Total comprehensive income for the period	-	-	-	-	68,666,475	68,666,475	(497,559)	68,168,916
Balance as at 30 September 2020	192,150,000	20,798,851	486,965,000	278,952	441,481,953	1,141,674,756	(1,450,734)	1,140,224,022
Balance as at 1 January 2021	192,150,000	20,798,851	486,965,000	278,952	484,995,947	1,185,188,750	(1,618,706)	1,183,570,044
Effect of adoption of EAS (47)	-	-	-	-	(810,276)	(810,276)	-	(810,276)
Balance as at 1 January 2021 (Adjusted)	192,150,000	20,798,851	486,965,000	278,952	484,185,671	1,184,378,474	(1,618,706)	1,182,759,768
Transferred to legal reserve	-	5,647,267	-	-	(5,647,267)	-	-	-
Transferred from retained earnings to capital increase	57,850,000	-	-	-	(57,850,000)	-	-	-
Dividend distributions	-	-	-	-	(14,700,000)	(14,700,000)	-	(14,700,000)
Total comprehensive income for the period	-	-	-	-	107,075,935	107,075,935	(456,144)	106,619,791
Balance as at 30 September 2021	250,000,000	26,446,118	486,965,000	278,952	513,064,339	1,276,754,409	(2,074,850)	1,274,679,559

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

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS For the Period Ended 30 September 2021

	Notes	30 September 2021 EGP	30 September 2020 EGP
CASH FLOWS FROM OPERATING ACTIVITIES			
Profits for the period before income taxes		139,025,654	89,133,954
Adjustments to reconcile profit before tax to net cash flow:			
Net foreign exchange differences		(94,347)	725,924
Depreciation and amortization	(5,6,7)	34,337,231	41,216,289
Provision charged	(12)	500,000	2,064,597
Impairment of trade and notes receivable	(9)	-	4,768,081
Impairment of inventory	(8)	13,321,385	15,773,866
Finance income		(45,047,005)	(13,701,762)
Finance expenses	(21)	70,253,969	74,946,456
Unwinding interests of lease liabilities	(21)	1,572,838	1,694,375
Loss (Gain) from sale of fixed assets	(5)	12,582	(50,934)
		<u>213,882,307</u>	<u>216,570,846</u>
Change in inventories		40,590,945	(137,163,276)
Used of inventory provision		(12,087,080)	(7,750,432)
Change in trade and notes receivable		51,259,399	(29,256,483)
Used of trade and notes receivable provision		-	(163,709)
Change in prepayments and other receivables		(16,864,071)	(72,699,913)
Change in trade, notes and other payable		32,759,130	9,387,740
Cash flows provided from operating activities		<u>309,540,630</u>	<u>(21,075,227)</u>
Debit interests paid		(67,888,147)	(72,965,407)
Provisions used	(12)	-	(500,000)
Income taxes paid		(26,030,672)	(26,914,204)
NET CASH FLOWS PROVIDED FROM (USED IN) OPERATING ACTIVITIES		<u>215,621,811</u>	<u>(121,454,838)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to acquire fixed assets	(5)	(9,893,396)	(20,615,803)
Payments to acquire assets under construction	(5)	(18,601,899)	(42,390,097)
Payments to acquire intangible assets	(7)	(184,024,926)	(108,567,705)
Payment to acquire treasury bills		(769,469,969)	(469,634,145)
Matured treasury bills collection		821,175,000	500,000,000
Proceeds from sale of fixed assets	(5)	19,140	63,299
Investment in term deposits	(11)	(15,118)	(133,961)
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		<u>(160,811,168)</u>	<u>(141,278,412)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Credit facilities used	(16)	888,655,910	734,178,634
Payment of credit facilities	(16)	(873,802,799)	(462,850,128)
Payment of long-term loans	(17)	(48,150,000)	(21,400,000)
Dividends paid during the period		(14,700,000)	-
Lease payments paid during the period		(4,571,676)	(4,165,108)
NET CASH FLOWS (USED IN) PROVIDED FROM FINANCING ACTIVITIES		<u>(52,568,565)</u>	<u>245,763,398</u>
Net change in cash and cash equivalent during the period		<u>2,242,078</u>	<u>(16,969,852)</u>
Net foreign exchange difference		94,347	(725,924)
Cash and cash equivalent - beginning of the year		12,625,792	53,462,159
CASH AND CASH EQUIVALENT - END OF THE PERIOD	(11)	<u>14,962,217</u>	<u>35,766,383</u>

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Period Ended 30 September 2021

1- BACKGROUND

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

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

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

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

The consolidated financial statements include the separate financial statements of the Parent Company and its subsidiaries (collectively referred to as the “Group”).

The Group is principally engaged in:

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

Below is a brief background about the subsidiaries:

Rameda for Pharmaceuticals Trading Company

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

Ramecare Company

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

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

Ramepharma Company

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

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Period Ended 30 September 2021

2- SIGNIFICANT ACCOUNTING POLICIES

2-1 BASIS OF PREPARATION

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

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

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

2-2 CHANGES IN ACCOUNTING POLICIES

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

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

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

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

i) *Classification and measurement*

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

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

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

ii) *Impairment*

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

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

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Period Ended 30 September 2021

3- SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

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

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

3-1 Judgments

Revenue Recognition for sale of goods

In making their judgment, the management considered the detailed criteria for the recognition of revenue from the sale of goods as set out in "EAS 11 Revenue" including the judgement about whether significant risks and rewards have been transferred.

3-2 Estimates

Impairment of trade and other receivables

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

Provision for sales returns

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

Useful lives of fixed assets

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

Useful lives of intangible assets

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

Taxes

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

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

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

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

3- SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (continued)

Impairment of non-financial assets

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

4- SEGMENT INFORMATION

Currently the Group's primary business segment is the production and selling of pharmaceutical products which contributes to 93% of total revenue and balance 7% is contributed by toll manufacturing services (30 September 2020: 95% and 5% 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 September 2021 were reported under two segments in the consolidated financial statements.

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

Period	<i>Services Toll Manufacturing "Domestic" EGP</i>	<i>Sales of pharmaceutical products</i>			<i>Total EGP</i>
		<i>Export EGP</i>	<i>Private sales EGP</i>	<i>Domestic Tenders EGP</i>	
30 September 2021	56,173,399	59,308,168	587,173,399	149,832,126	852,487,092
30 September 2020	32,108,376	28,658,920	466,494,538	145,596,505	672,858,339

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

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

For the Period Ended 30 September 2021

5- FIXED ASSETS

	<i>Freehold Land EGP</i>	<i>Buildings EGP</i>	<i>Machinery and equipment EGP</i>	<i>Transportation and dragging equipment EGP</i>	<i>Laboratory equipment EGP</i>	<i>Tools EGP</i>	<i>Office furniture and fixtures EGP</i>	<i>Assets under construction EGP</i>	<i>Total EGP</i>
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	-	1,824,607	4,561,603	344,070	1,951,854	263,380	947,882	18,601,899	28,495,295
Transferred from assets under construction	-	2,465,159	13,235,810	-	389,936	-	387,160	(16,478,065)	-
Disposals	-	-	(1,124,385)	-	(703,704)	(23,929)	(228,673)	-	(2,080,691)
As of 30 September 2021	18,637,425	261,515,154	414,384,999	13,369,898	21,930,529	5,928,756	26,491,682	28,713,652	790,972,095
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	-	(6,072,489)	(13,481,332)	(477,600)	(1,256,055)	(391,498)	(1,935,866)	-	(23,614,840)
Disposals	-	-	1,113,032	-	693,712	19,408	222,817	-	2,048,969
As of 30 September 2021	-	(63,926,382)	(159,749,912)	(10,731,849)	(10,534,064)	(2,100,798)	(17,179,076)	-	(264,222,081)
Net book value as of 30 September 2021	18,637,425	197,588,772	254,635,087	2,638,049	11,396,465	3,827,958	9,312,606	28,713,652	526,750,014

- The cost of fixed assets as of 30 September 2021 includes EGP 107,872,820 which represents fully depreciated assets that are still in use.
- The cost of asset under construction as of 30 September 2021 includes impairment by EGP 686,437.

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

	<i>30 September 2021 EGP</i>
Cost of revenue	21,744,391
Selling and marketing expenses	475,228
General and administrative expenses	1,395,221
	23,614,840

Gain from sale of fixed assets was calculated as follows:

	<i>30 September 2021 EGP</i>
Cost of disposed assets	2,080,691
Accumulated depreciation of disposed assets	2,048,969
Net book value of disposed assets	31,722
Proceeds from sale of fixed assets	19,140
Loss from sale of fixed assets	(12,582)

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

For the Period Ended 30 September 2021

5- FIXED ASSETS (CONTINUED)

	<i>Freehold Land</i>	<i>Buildings</i>	<i>Machinery and equipment</i>	<i>Transportation and dragging equipment</i>	<i>Laboratory equipment</i>	<i>Tools</i>	<i>Office furniture and fixtures</i>	<i>Assets under construction</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>
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>-</u>	<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>-</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 30 September 2021 includes impairment by EGP 686,437.

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

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

Gain from sale of fixed assets was calculated as follows:

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

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

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For the Period Ended 30 September 2021

6- LEASES

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

A) Right of use assets

	<i>30 September 2021</i>	<i>31 December 2020</i>
	<i>EGP</i>	<i>EGP</i>
Cost at 1 January 2021	19,916,906	18,206,266
Additions	641,684	1,710,640
Total Cost as of 30 September 2021	20,558,590	19,916,906
Accumulated amortization at 1 January 2021	(3,658,601)	-
Amortization for period	(2,918,043)	(3,658,601)
Accumulated amortization as of 30 September 2021	(6,576,644)	(3,658,601)
Net book value as of 30 September 2021	13,981,946	16,258,305

B) Lease liability

	<i>30 September 2021</i>	<i>31 December 2020</i>
	<i>EGP</i>	<i>EGP</i>
Opening balance as of 1 January 2021	17,409,223	17,743,169
Additions	641,684	1,710,640
Unwinding interests recognized during the period	1,572,356	2,266,483
Lease payments paid during the period	(4,571,676)	(4,311,069)
As at 30 September 2021	15,051,587	17,409,223
Deduct: Current balance	3,020,051	2,601,924
Non-current balance	12,031,536	14,807,299

7- INTANGIBLE ASSETS

	Registration Rights	
	<i>30 September 2021</i>	<i>31 December 2020</i>
	<i>EGP</i>	<i>EGP</i>
Cost as at 1 January 2021	238,621,188	122,484,853
Additions	184,024,926	116,136,335
Total cost as at 30 September 2021	422,646,114	238,621,188
Accumulated amortization as at 1 January 2021	(24,049,815)	(17,836,804)
Amortization for the period/ year	(7,804,348)	(6,213,011)
Accumulated amortization as at 30 September 2021	(31,854,163)	(24,049,815)
Net book value as at 30 September 2021	390,791,951	214,571,373

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 211,357,358 (31 December 2020: EGP 33,788,952).

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8- INVENTORIES

	<i>30 September 2021</i>	<i>31 December 2020</i>
	<i>EGP</i>	<i>EGP</i>
Raw materials	93,966,231	108,942,551
Packing and packaging materials	35,656,337	41,800,322
Spare parts	12,862,614	11,759,761
Finished goods	97,464,102	111,425,857
Work in progress	34,205,944	34,973,039
Goods in transit	2,503,327	7,713,475
Inventory with others	802,440	1,436,935
	<u>277,460,995</u>	<u>318,051,940</u>
Write down in inventories	(13,806,682)	(12,572,377)
	<u>263,654,313</u>	<u>305,479,563</u>

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

	<i>30 September 2021</i>	<i>31 December 2020</i>
	<i>EGP</i>	<i>EGP</i>
Beginning balance	(12,572,377)	(6,714,133)
Charged during the period/year	(13,321,385)	(18,732,306)
Used of inventory provision	12,087,080	12,874,062
Ending balance	<u>(13,806,682)</u>	<u>(12,572,377)</u>

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

9- TRADE AND NOTES RECEIVABLES

	<i>30 September 2021</i>	<i>31 December 2020</i>
	<i>EGP</i>	<i>EGP</i>
Trade receivable	244,641,360	231,381,863
Trade receivable – toll manufacturing	15,417,559	11,995,577
Notes receivable	327,065,791	395,112,269
	<u>587,230,310</u>	<u>638,489,709</u>
Impairment in value of trade and notes receivables	(5,777,736)	(4,967,460)
	<u>581,452,574</u>	<u>633,522,249</u>

Notes receivable amounting to EGP 173.4M are mortgage as a guarantee for the credit facilities (Note 16).

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

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

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For the Period Ended 30 September 2021

10- TREASURY BILLS

	<i>30 September 2021</i>	<i>31 December 2020</i>
	<i>EGP</i>	<i>EGP</i>
Treasury bills	495,000,000	500,300,000
Unearned interest	(25,494,760)	(30,950,455)
	<u>469,505,240</u>	<u>469,349,545</u>

- Some treasury bills are mortgaged as collateral for credit facilities amounted to 195 MEGP (Note 16 and 17).

11- CASH ON HAND AND AT BANKS

	<i>30 September 2021</i>	<i>31 December 2020</i>
	<i>EGP</i>	<i>EGP</i>
a) Egyptian Pounds		
Cash on hand	147,972	95,597
Current accounts	6,280,322	2,064,744
Checks under collection	2,873,153	27,788
Term deposits	622,160	607,042
	<u>9,923,607</u>	<u>2,795,171</u>
b) Foreign currencies		
Checks under collection	-	4,776,000
Current accounts	5,660,770	5,661,663
	<u>5,660,770</u>	<u>10,437,663</u>
	<u>15,584,377</u>	<u>13,232,834</u>

Cash balances are denominated in the following currencies:

	<i>30 September 2021</i>	<i>31 December 2020</i>
	<i>EGP</i>	<i>EGP</i>
Egyptian pound (EGP)	9,923,607	2,738,773
US dollar (USD)	3,849,932	10,466,242
Euro (EUR)	1,810,838	27,819
	<u>15,584,377</u>	<u>13,232,834</u>

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

	<i>30 September 2021</i>	<i>30 September 2020</i>
	<i>EGP</i>	<i>EGP</i>
Cash in hand	147,972	85,499
Current accounts	14,814,245	35,680,884
	<u>14,962,217</u>	<u>35,766,383</u>

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

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12- PROVISIONS

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

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

13- TRADE, NOTES AND OTHER PAYABLES

	<i>30 September 2021</i>	<i>31 December 2020</i>
	<i>EGP</i>	<i>EGP</i>
Trade payables	53,086,778	46,925,388
Notes payables	22,957,546	19,196,183
Accrued expenses	30,779,750	12,578,841
Tax authority (other than income tax)	5,952,674	8,598,898
Advances from customer	14,261,987	4,780,965
Other payables	1,805,924	1,639,432
	<u>128,844,659</u>	<u>93,719,707</u>

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

14- CAPITAL

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

The extraordinary general assembly meeting held on 4 November 2019 and 23 November 2019 decided to increase the issued capital by cash increase in conjunction with the offering in stock exchange market with total amount EGP 550,000,000 (the value of the increase represent the nominal value plus the issue premium). The subscription for this increase was limited to Greville Investing Limited Company who represents the main shareholder and delegated from the remaining shareholders for selling process.

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

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

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

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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14- CAPITAL (CONTINUED)

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

	%	<i>No. of shares</i>	<i>Amount EGP</i>
Main Shareholder's Shares	43.14%	431,370,071	107,842,518
Other listed Free Shares in Stock Exchange Market	56.86%	568,629,929	142,157,482
	100%	1,000,000,000	250,000,000

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

15- GENERAL RESERVE-ISSUANCE PREMIUM

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

16- CREDIT FACILITIES

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

	<i>30 September 2021 EGP</i>	<i>31 December 2020 EGP</i>
Opening balance	802,184,216	481,938,674
Used during the period	891,024,582	1,049,168,490
Payment during the period	(873,802,799)	(728,922,948)
Ending balance	819,405,999	802,184,216
	<i>30 September 2021 EGP</i>	<i>31 December 2020 EGP</i>
Credit facilities maturing within 12 months	819,405,999	802,184,216
Bank credit	6,148	2,374,338
	819,412,147	804,558,554

The interest rate on the Credit facilities ranges from 8% to 10% as of 30 September 2021 (31 December 2020: Range from 8% to 14.25%).

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16- CREDIT FACILITIES (CONTINUED)

Credit Facilities	Facility amount EGP	Interest rate	Maturity Date	30 September 2021	31 December 2020	
				EGP	EGP	
CIB	250,000,000	0.25%+CBE lending rate	10-Jul-22	150,194,257	65,500,461	
		8 % CBE INITAVIE*	10-Jul-22	52,629,558	90,534,880	
Audi Bank	125,000,000	80,000,000	CBE lending rate	15-Oct-21	-	63,666,667
		0.5 %+CBE lending rate	31-Dec-21	76,995,068	78,852,012	
Arab Bank	88,000,000	8 % CBE INITAVIE*	31-Dec-21	16,426,233	35,290,505	
		0.75%+CBE lending	30-Mar-22	-	24,552,848	
ABK**	100,000,000	8 % CBE INITAVIE*	30-Mar-22	32,301,201	38,054,398	
		0.5 %+CBE lending rate	30-Sep-21	24,298,138	41,994,296	
ADIB	130,000,000	8 % CBE INITAVIE*	30-Sep-21	43,771,337	43,065,679	
		0.5%+CBE lending rate	15-Jul-22	63,191,299	73,841,852	
Alex Bank	170,000,000	8 % CBE INITAVIE*	15-Jul-22	64,094,178	42,520,285	
		0.25% + CBE lending rate	30-Jun-22	-	81,845,141	
AUB	130,000,000	8 % CBE INITAVIE*	30-Jun-22	156,428,066	75,811,580	
		0.35% + CBE lending rate	1-Jun-22	44,444,444	-	
ENBD	100,000,000	8 % CBE INITAVIE*	1-Jun-22	34,996,779	43,225,917	
		8 % CBE INITAVIE*	31-Jul-22	59,635,441	3,427,695	
Total Credit Facilities				819,405,999	802,184,216	

*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.

** ABK facility contract is under renewal

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

17- LONG TERM LOANS

Loan (1):

During the year 2017, the Group signed an agreement with Commercial International Bank to obtain a loan amounting to EGP 86,422,000 with an annual interest rate of 1.25% over the Corridor rate repayable over 36 monthly installments starting from 29 October 2018 and maturing on 29 March 2021 "**Loan (1)**".

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

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

The Company paid EGP 23,400,000 during the period ended 30 September 2021 and the balance outstanding amounted to EGP 17,275,704 as at 30 September 2021 (31 December 2020: EGP 40,675,704).

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17- LONG TERM LOANS (CONTINUED)

Loan (2):

During the year 2018, the Group signed an agreement with Commercial International Bank to obtain a loan amounting to EGP 78,766,000 with an annual interest rate of 0.9% over the CBE lending rate repayable over 19 monthly installments after the expiry of grace year, which is 15 months from the date of first use. "Loan (2)".

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

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

The Company paid EGP 24,750,000 during the period ended 30 September 2021 and the balance outstanding amounted to EGP 22,973,972 as at 30 September 2021 (31 December 2020: EGP 47,723,972).

The Company obtained those loans against Treasury bills collateral.

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

Loans	Interest rate	30 September 2021 EGP	31 December 2020 EGP
Current portion of long-term loans			
Loan (1)	0.75%+CBE lending rate	17,275,704	28,600,000
Loan (2)	0.85%+CBE lending rate	22,973,972	30,250,000
Total current portion of long-term loans		40,249,676	58,850,000
Non-current portion of long-term loans			
Loan (1)	0.75%+CBE lending rate	-	12,075,704
Loan (2)	0.85%+CBE lending rate	-	17,473,972
Total non-current portion of long-term loans		-	29,549,676
		40,249,676	88,399,676

18- REVENUES

	Nine Months Ended		Three Months Ended	
	30 September 2021 EGP	30 September 2020 EGP	30 September 2021 EGP	30 September 2020 EGP
Sale of goods (net)	796,313,693	640,749,963	294,535,371	221,820,484
Toll manufacturing services revenue	56,173,399	32,108,376	20,179,829	13,576,999
	852,487,092	672,858,339	314,715,200	235,397,483

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Period Ended 30 September 2021

19- COST OF REVENUES

	Nine Months Ended		Three months ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	EGP	EGP	EGP	EGP
Salaries, social insurance and other benefits	73,871,211	62,365,559	26,004,140	20,671,405
Raw materials	271,708,865	155,401,531	99,013,019	53,038,476
Spare parts and materials	16,190,188	14,986,442	6,126,470	4,437,623
Government fees and medical stamps	7,855,250	7,759,604	2,887,610	3,409,960
Other operating expenses	28,961,722	38,577,023	11,900,129	14,230,809
Energy expenses	24,387,487	29,743,880	9,992,427	10,151,189
Depreciation and amortization (Note 5,7)	29,548,739	36,756,353	9,996,958	12,827,750
Rent	2,862,560	3,163,455	449,371	1,266,248
Maintenance	7,713,240	6,955,518	2,630,620	2,868,978
	463,099,262	355,709,365	169,000,744	122,902,438

20- SELLING & MARKETING EXPENSES

	Nine Months Ended		Three months ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	EGP	EGP	EGP	EGP
Salaries, social insurance and other benefits	86,940,318	87,306,196	29,555,309	31,529,770
Depreciation (Note 5,6)	3,393,271	3,124,246	1,152,532	1,058,469
Rent	50,400	34,200	12,600	10,500
Advertising and marketing	91,905,195	68,989,790	35,206,108	23,881,328
	182,289,184	159,454,432	65,926,549	56,480,067

21- GENERAL & ADMINISTRATIVE EXPENSES

	Nine Months Ended		Three months ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	EGP	EGP	EGP	EGP
Salaries, social insurance and other benefits	30,577,652	25,804,650	9,725,911	8,327,888
Professional fees	1,429,795	963,680	503,301	157,917
Maintenance	434,579	513,376	199,904	124,592
Depreciation (Note 5)	1,395,221	1,335,690	478,884	490,204
Others	4,749,046	5,588,808	1,427,364	1,349,014
	38,586,293	34,206,204	12,335,364	10,449,615

22- FINANCE INCOME

	Nine Months Ended		Three months ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	EGP	EGP	EGP	EGP
Interest from Treasury Bills	45,047,005	49,330,609	15,444,163	14,537,594
Interest from time deposits	12,292	24,122	3,480	8,526
	45,059,297	49,354,731	15,447,643	14,546,120

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Period Ended 30 September 2021

23- FINANCE EXPENSES

	Nine Months Ended		Three months ended	
	30 September 2021 EGP	30 September 2020 EGP	30 September 2021 EGP	30 September 2020 EGP
Debit interests	67,426,242	72,334,806	22,188,677	22,732,924
Unwinding interests of lease liabilities	1,572,838	1,694,375	513,761	581,656
Bank Charges	2,827,727	2,611,650	991,913	821,079
	71,826,807	76,640,831	23,694,351	24,135,659

24- INCOME TAXES

	Nine Months Ended		Three months ended	
	30 September 2021 EGP	30 September 2020 EGP	30 September 2021 EGP	30 September 2020 EGP
Current income tax	(24,959,696)	(21,256,603)	(11,409,821)	(7,881,591)
Deferred income tax	(7,446,167)	291,565	(1,830,339)	404,432
Income tax expense	(32,405,863)	(20,965,038)	(13,240,160)	(7,477,159)

DEFERED INCOME TAXES

	Statement of financial position		Statement of profit or loss	
	30 September 2021 EGP	31 December 2020 EGP	30 September 2021 EGP	30 September 2020 EGP
Depreciation and amortization	(44,478,699)	(36,890,685)	(7,588,013)	(3,177,558)
Provisions	1,797,214	1,797,214	-	464,534
Impairment of trade and notes receivables	1,299,991	1,117,679	182,312	1,035,984
Write down in value of inventory	3,027,267	2,749,549	277,718	1,805,272
Unrealized foreign exchange differences	(153,422)	164,762	(318,184)	163,333
Net deferred income taxes	(38,507,649)	(31,061,481)	(7,446,167)	291,565

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

RECONCILIATION OF THE EFFECTIVE INCOME TAX RATE

	Tax Rate	30 September 2021 EGP	Tax Rate	30 September 2020 EGP
Profits before income taxes		139,025,654		89,133,954
Income tax based on tax rate	22.5%	31,280,772	22.5%	20,055,140
Non-deductible expenses		1,125,091		909,898
Effective Tax Rate	23.31%	32,405,863	23.52%	20,965,038

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Period Ended 30 September 2021

25- EARNINGS PER SHARE

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

	Nine Months Ended		Three months ended	
	30 September 2021 EGP	30 September 2020 EGP	30 September 2021 EGP	30 September 2020 EGP
Basic and diluted, profit for the period	107,075,935	68,666,475	45,310,841	24,900,718
Weighted average number of shares outstanding during the period	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Earnings per share	0.1071	0.0687	0.0453	0.0249

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

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 Re-inspection permission has been received.
- No tax inspection took place for the Company's records for the years from 2018 till 2020.

b) Salary Tax

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

c) Stamp Tax

- The Company's records were inspected till 2013 and the taxes dues were paid.
- The company is preparing for tax inspection for the years from 2014 till 2019.

d) VAT Tax

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

27- MAJOR EVENTS

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

These events did not negatively affect the financial statements of the company as on 30 September 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.