

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

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

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**Interim condensed consolidated financial statements**

**For the three-month and nine-month periods ended 30 September 2023**

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

**Introduction**

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

**Scope of Review**

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

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements does not give a true and fair view, in all material respects, of the financial position of the entity as at 30 September 2023, and of its financial performance and its cash flows for the nine month period ended 30 September 2023 in accordance with Egyptian Accounting Standard No. (30) “Interim Financial Statements”.



**Ashraf Mohamed Ismail**  
**FESAA - FEST**  
**(RAA 9380)**  
**(EFSA 102)**



**Cairo: 14 November 2023**

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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As At 30 September 2023

	Notes	30 September 2023 EGP	31 December 2022 EGP
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets and projects under construction	(5)	570,859,671	540,765,324
Right of use assets	(6-A)	13,399,757	16,215,560
Intangible assets	(7)	586,754,341	457,567,619
<b>Total non-current assets</b>		<b>1,171,013,769</b>	<b>1,014,548,503</b>
<b>Current assets</b>			
Inventories	(8)	367,968,277	348,410,615
Trade and notes receivable	(9)	1,248,332,187	900,686,830
Treasury Bills	(10)	254,938,354	361,862,202
Due from related parties		25,500	25,500
Prepayments and other receivables		123,835,878	80,541,679
Cash on hand and at banks	(11)	103,791,085	66,956,028
<b>Total current assets</b>		<b>2,098,891,281</b>	<b>1,758,482,854</b>
<b>TOTAL ASSETS</b>		<b>3,269,905,050</b>	<b>2,773,031,357</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Paid up Capital	(14)	375,000,000	250,000,000
Paid under capital increase	(14)	-	160,606
Legal reserve		125,000,000	125,000,000
General reserve	(15)	377,699,726	397,521,390
Treasury Shares	(16)	(26,231,266)	(65,926,198)
Share based payments reserve	(17)	10,105,362	14,873,267
Other reserves		278,952	278,952
Profits for the period and retained earnings		843,992,644	796,678,614
<b>Total equity of Parent Company</b>		<b>1,705,845,418</b>	<b>1,518,586,631</b>
Non-controlling interest		9,605,187	4,590,062
<b>Total equity</b>		<b>1,715,450,605</b>	<b>1,523,176,693</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long term lease liabilities	(6-B)	12,476,172	16,343,678
Deferred tax liabilities	(25)	54,429,707	51,555,823
<b>Total non-current liabilities</b>		<b>66,905,879</b>	<b>67,899,501</b>
<b>Current liabilities</b>			
Provisions	(12)	14,310,105	14,158,105
Credit facilities	(18)	1,121,261,067	904,752,873
Current portion of lease liabilities	(6-B)	4,638,974	3,663,480
Trade, notes and other payables	(13)	297,116,221	205,666,967
Income taxes payable		50,222,199	53,713,738
<b>Total current liabilities</b>		<b>1,487,548,566</b>	<b>1,181,955,163</b>
<b>TOTAL LIABILITIES</b>		<b>1,554,454,445</b>	<b>1,249,854,664</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>3,269,905,050</b>	<b>2,773,031,357</b>

Finance Director

Board Member

Mohamed Abo Amira

Amr Abdallah Morsy

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

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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

For the three-month and nine-month periods ended 30 September 2023

	Notes	Nine Months Ended		Three Months Ended	
		30 September 2023 EGP	30 September 2022 EGP	30 September 2023 EGP	30 September 2022 EGP
Revenues	(19)	1,388,158,543	1,093,046,580	545,724,720	381,546,971
Cost of revenues	(20)	(736,342,512)	(553,820,482)	(280,633,540)	(187,047,427)
<b>GROSS PROFIT</b>		<b>651,816,031</b>	<b>539,226,098</b>	<b>265,091,180</b>	<b>194,499,544</b>
Selling and marketing expenses	(21)	(248,413,614)	(205,716,272)	(93,611,476)	(70,138,865)
General and administrative expenses	(22)	(64,138,476)	(47,687,473)	(22,351,475)	(16,712,846)
Other income		1,861,653	5,243,508	633,689	190,527
<b>OPERATING PROFIT</b>		<b>341,125,594</b>	<b>291,065,861</b>	<b>149,761,918</b>	<b>107,838,360</b>
Finance income	(23)	47,609,639	42,314,326	16,838,457	14,647,361
Finance expenses	(24)	(134,684,421)	(67,658,974)	(58,550,318)	(23,987,950)
Net foreign exchange gain/(loss)		19,657,527	8,777,670	484,987	1,452,331
<b>NET FINANCE COST</b>		<b>(67,417,255)</b>	<b>(16,566,978)</b>	<b>(41,226,874)</b>	<b>(7,888,258)</b>
Impairment of trade and notes receivable	(9)	(2,621,810)	(1,000,000)	(872,340)	-
Provision expense	(12)	(415,186)	-	-	-
Share Based payment expenses		(12,672,380)	(12,672,380)	(6,136,100)	(6,136,100)
Contribution for health insurance		(3,682,665)	(2,911,895)	(1,427,068)	(1,027,193)
<b>PROFITS FOR THE PERIOD BEFORE INCOME TAXES</b>		<b>254,316,298</b>	<b>257,914,608</b>	<b>100,099,536</b>	<b>92,786,809</b>
Income taxes	(25)	(57,337,323)	(59,161,586)	(22,133,279)	(20,377,918)
<b>PROFITS FOR THE PERIOD</b>		<b>196,978,975</b>	<b>198,753,022</b>	<b>77,966,257</b>	<b>72,408,891</b>
<b>Attributable to:</b>					
Equity holders of the Parent Company		191,963,850	194,895,595	76,288,972	70,691,390
Non-controlling interests		5,015,125	3,857,427	1,677,285	1,717,501
		<b>196,978,975</b>	<b>198,753,022</b>	<b>77,966,257</b>	<b>72,408,891</b>
Basic Earnings Per Share	(26)	0.1288	0.1319	0.0512	0.0479
Diluted Earnings Per Share	(26)	0.1282	0.1313	0.0510	0.0476

**Finance Director**

Mohamed Abo Amira

**Board Member**

Amr Abdallah Morsy

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

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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the three-month and nine-month periods ended 30 September 2023

	<i>30 September</i> <i>2023</i> <i>EGP</i>	<i>30 September</i> <i>2022</i> <i>EGP</i>	<i>30 September</i> <i>2023</i> <i>EGP</i>	<i>30 September</i> <i>2022</i> <i>EGP</i>
<b>PROFITS FOR THE PERIOD</b>	<b>196,978,975</b>	198,753,022	<b>77,966,257</b>	72,408,891
OTHER COMPREHENSIVE INCOME	-	-	-	-
<b>OTHER COMPREHENSIVE INCOME</b>	<b>196,978,975</b>	198,753,022	<b>77,966,257</b>	72,408,891
<b>Attributable to</b>				
Equity holders of the Parent Company	<b>191,963,850</b>	194,895,595	<b>76,288,972</b>	70,691,390
Non-controlling interest	<b>5,015,125</b>	3,857,427	<b>1,677,285</b>	1,717,501
	<b>196,978,975</b>	198,753,022	<b>77,966,257</b>	72,408,891

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

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

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three-month and nine-month periods ended 30 September 2023

	<i>Paid up capital</i>	<i>Paid under capital increase</i>	<i>Legal reserve</i>	<i>General reserve</i>	<i>Treasury Shares</i>	<i>Share based payment reserve</i>	<i>Other reserves</i>	<i>Retained earnings</i>	<i>Total equity of parent company</i>	<i>Non-controlling interest</i>	<i>Total</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Balance as at 1 January 2022	250,000,000	-	26,446,118	486,965,000	-	-	278,952	584,420,299	1,348,110,369	(2,621,626)	1,345,488,743
Transferred to legal reserve	-	-	9,110,272	-	-	-	-	(9,110,272)	-	-	-
Acquisition of treasury shares	-	-	-	-	(57,012,366)	-	-	-	(57,012,366)	-	(57,012,366)
Share based Payment reserve	-	-	-	-	-	12,672,380	-	-	12,672,380	-	12,672,380
Dividend distributions	-	-	-	-	-	-	-	(24,307,500)	(24,307,500)	-	(24,307,500)
Total comprehensive income for the period	-	-	-	-	-	-	-	194,895,595	194,895,595	3,857,427	198,753,022
<b>Balance as at 30 September 2022</b>	<b>250,000,000</b>	<b>-</b>	<b>35,556,390</b>	<b>486,965,000</b>	<b>(57,012,366)</b>	<b>12,672,380</b>	<b>278,952</b>	<b>745,898,122</b>	<b>1,474,358,478</b>	<b>1,235,801</b>	<b>1,475,594,279</b>
Balance as at 1 January 2023	<b>250,000,000</b>	<b>160,606</b>	<b>125,000,000</b>	<b>397,521,390</b>	<b>(65,926,198)</b>	<b>14,873,267</b>	<b>278,952</b>	<b>796,678,614</b>	<b>1,518,586,631</b>	<b>4,590,062</b>	<b>1,523,176,693</b>
Paid under capital increase (Note 14)	-	<b>1,952,074</b>	-	-	-	-	-	-	<b>1,952,074</b>	-	<b>1,952,074</b>
Transferred from paid under increase to capital increase (Note 14)	<b>2,112,680</b>	<b>(2,112,680)</b>	-	-	-	-	-	-	-	-	-
Transferred from retained earnings to capital increase (Note 14)	<b>127,887,320</b>	-	-	-	-	-	-	<b>(127,887,320)</b>	-	-	-
Retire treasury shares (Note 16)	<b>(5,000,000)</b>	-	-	<b>(34,694,932)</b>	<b>39,694,932</b>	-	-	-	-	-	-
Share based Payment reserve	-	-	-	-	-	<b>10,105,363</b>	-	-	<b>10,105,363</b>	-	<b>10,105,363</b>
Transferred from Share based payment reserve to General reserve	-	-	-	<b>14,873,267</b>	-	<b>(14,873,267)</b>	-	-	-	-	-
Dividend distributions	-	-	-	-	-	-	-	<b>(16,762,500)</b>	<b>(16,762,500)</b>	-	<b>(16,762,500)</b>
Total comprehensive income for the period	-	-	-	-	-	-	-	<b>191,963,850</b>	<b>191,963,850</b>	<b>5,015,125</b>	<b>196,978,975</b>
<b>Balance as at 30 September 2023</b>	<b>375,000,000</b>	<b>-</b>	<b>125,000,000</b>	<b>377,699,726</b>	<b>(26,231,266)</b>	<b>10,105,362</b>	<b>278,952</b>	<b>843,992,644</b>	<b>1,705,845,418</b>	<b>9,605,187</b>	<b>1,715,450,605</b>

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

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

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three-month and nine-month periods ended 30 September 2023

	Notes	30 September 2023 EGP	30 September 2022 EGP
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profits for the period before income taxes		254,316,298	257,914,608
<b>Adjustments to reconcile profit before tax to net cash flow:</b>			
Net foreign exchange differences		(2,536,937)	(3,775,450)
Depreciation and amortization	(5,6,7)	52,928,910	48,179,884
Share based payment expense		12,672,380	12,672,380
Provision charged	(12)	415,186	(219,000)
Impairment of trade and notes receivable	(9)	2,621,811	1,000,000
Impairment of inventory	(8)	25,953,769	14,313,753
Finance income		(46,940,704)	(42,307,952)
Finance expenses	(24)	133,121,682	66,116,928
Unwinding interests of lease liabilities	(24)	1,562,739	1,542,046
Loss / (Gain) from sale of fixed assets	(5)	(103,718)	109,781
		<b>434,011,416</b>	<b>355,546,978</b>
Change in inventories		(34,132,988)	(94,369,871)
Used of inventory provision		(11,378,443)	(17,887,225)
Change in trade and notes receivable		(350,267,168)	(89,540,102)
Used of Impairment of trade and notes receivable		-	(1,285,327)
Change in prepayments and other receivables		(29,598,980)	8,841,980
Change in trade, notes and other payable		78,041,638	76,914,774
<b>Cash flows provided from operating activities</b>		<b>86,675,475</b>	<b>238,221,207</b>
Debit interests paid		(122,281,084)	(62,662,266)
Provisions used		(263,186)	-
Income taxes paid		(57,954,978)	(41,456,529)
<b>NET CASH FLOWS (USED IN) PROVIDED FROM OPERATING ACTIVITIES</b>		<b>(93,823,773)</b>	<b>134,102,412</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments to acquire fixed assets	(5)	(13,876,272)	(14,727,260)
Payments to acquire assets under construction	(5)	(44,256,105)	(4,070,199)
Payments to acquire intangible assets	(7)	(151,070,433)	(92,941,105)
Payment to acquire treasury bills		(468,797,943)	(816,997,304)
Matured treasury bills collection		509,700,000	932,725,000
Sale of Treasury bills		99,106,671	19,773,200
Proceeds from sale of fixed assets	(5)	121,066	21,851
Investment in term deposits	(11)	3,726,872	(290)
<b>NET CASH FLOWS (USED IN) PROVIDED FROM INVESTING ACTIVITIES</b>		<b>(65,346,144)</b>	<b>23,783,893</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments to capital increase	(14)	2,112,680	-
Credit facilities used	(18)	1,088,382,440	884,774,047
Payment of credit facilities	(18)	(871,874,246)	(854,404,798)
Payment of loans		-	(21,949,676)
Acquisition of Treasury shares		-	(57,012,366)
Dividends paid during the period		(16,762,500)	(24,307,500)
Lease payments paid during the period		(4,663,465)	(4,436,493)
<b>NET CASH FLOWS PROVIDED FROM (USED IN) FINANCING ACTIVITIES</b>		<b>197,194,909</b>	<b>(77,336,786)</b>
<b>Net change in cash and cash equivalent during the period</b>		<b>38,024,992</b>	<b>80,549,519</b>
Net foreign exchange difference		2,536,937	3,775,453
Cash and cash equivalent - beginning of the period		19,579,917	13,886,158
<b>CASH AND CASH EQUIVALENT - END OF THE PERIOD</b>	(11)	<b>60,141,846</b>	<b>98,211,130</b>

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



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

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

For the three-month and nine-month periods ended 30 September 2023

#### **1- BACKGROUND**

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

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

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

The registered office is located at plot No. 5 Second Industrial Zone, 6th of October City – Giza– Egypt. The consolidated financial statements include the separate financial statements of the Parent Company and its subsidiaries (collectively referred to as the “Group”).

The Group is principally engaged in:

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

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

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

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

##### **Ramecare Company**

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

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

##### **Ramepharma Company**

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

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

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

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

For the three-month and nine-month periods ended 30 September 2023

#### **2- SIGNIFICANT ACCOUNTING POLICIES**

##### **2-1 BASIS OF PREPARATION**

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

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

The consolidated financial statements of the Group have been prepared in accordance with the Egyptian accounting standards Num (30) and the applicable laws and regulations, The condensed financial statements do not include all the financial statements and disclosures required in the annual financial statements, and should be read in conjunction with the financial statements for the year ending December 31, 2022. In addition, the results of the interim period ending September 30, 2023 may not be considered an accurate indication of the expected results for the financial year. On December 31, 2023.

##### **2-2 SIGNIFICANT ACCOUNTING POLICIES**

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

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

##### **2-3 CHANGES IN ACCOUNTING POLICIES**

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

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

Set out below are the amended standards and interpretations issued,

##### **Amended Egyptian accounting standard 10: Fixed assets**

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

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

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

##### **Amended Egyptian accounting standard 23: Intangible assets**

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

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

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

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

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

For the three-month and nine-month periods ended 30 September 2023

#### **2-3 CHANGES IN ACCOUNTING POLICIES (CONT)**

##### **Amended Egyptian accounting standard 34: Investment properties**

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

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

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

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

##### **Amended Egyptian accounting standard 35: Agriculture**

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

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

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

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

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

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

##### **Egyptian accounting standard 50: Insurance contracts**

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

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

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

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

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

For the three-month and nine-month periods ended 30 September 2023

### **3- SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES**

#### **3-1 Judgments**

##### **Revenue Recognition for sale of goods**

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

#### **3-2 Estimates**

##### **Impairment of trade and other receivables**

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

##### **Provision for sales returns**

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

##### **Useful lives of fixed assets**

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

##### **Useful lives of intangible assets**

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

#### **Taxes**

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

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

#### **Impairment of non-financial assets**

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

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month and nine-month periods ended 30 September 2023

#### 4- SEGMENT INFORMATION

Currently the Group's primary business segment is the production and selling of pharmaceutical products which contributes to 92% of total revenue and balance 8% is contributed by toll manufacturing services (30 September 2022: 92% and 8% receptively). The Group's management monitors the business under two segments, "production and selling of pharmaceutical products" and "manufacturing for others" (Toll manufacturing) for the purpose of making business decisions.

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

Accordingly, the Group's revenues during the period ended 30 September 2023 were reported under two segments in the consolidated financial statements.

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

Period	<i>Services</i>	<i>Sales of pharmaceutical products</i>			<i>Total</i> <i>EGP</i>
	<i>Toll</i> <i>Manufacturing</i> <i>"Domestic"</i> <i>EGP</i>	<i>Export</i> <i>EGP</i>	<i>Private sales</i> <i>EGP</i>	<i>Domestic</i> <i>Tenders</i> <i>EGP</i>	
<b>30 September 2023</b>	<b><u>105,305,365</u></b>	<b><u>140,342,219</u></b>	<b><u>997,047,510</u></b>	<b><u>145,463,449</u></b>	<b><u>1,388,158,543</u></b>
30 September 2022	<u>86,436,110</u>	<u>75,824,099</u>	<u>804,348,191</u>	<u>126,438,180</u>	<u>1,093,046,580</u>

Revenue from the top five customers presented 82% of total pharmaceutical products revenues (30 September 2022: 77%).

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

For the three-month and nine-month periods ended 30 September 2023

**5- FIXED ASSETS AND ASSETS UNDER CONSTRUCTION**

	Freehold Land	Buildings	Machinery and equipment	Transportation and dragging equipment	Laboratory equipment	Tools	Office furniture and fixtures	Assets under construction	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost									
As of 1 January 2023	18,637,425	279,172,534	444,859,590	16,305,904	31,982,677	7,345,392	33,111,400	12,858,215	844,273,137
Additions	-	4,109,670	3,506,406	-	1,042,690	2,761,224	2,456,282	44,256,105	58,132,377
Transferred from assets under construction	-	699,242	88,436	-	-	-	1,414,923	(2,202,601)	-
Disposals	-	-	(4,361,961)	(245,740)	-	-	(58,308)	-	(4,666,009)
<b>As of 30 September 2023</b>	<b>18,637,425</b>	<b>283,981,446</b>	<b>444,092,471</b>	<b>16,060,164</b>	<b>33,025,367</b>	<b>10,106,616</b>	<b>36,924,297</b>	<b>54,911,719</b>	<b>897,739,505</b>
Accumulated depreciation									
As of 1 January 2023	-	(74,889,887)	(182,460,484)	(11,707,422)	(11,027,525)	(2,818,251)	(20,604,244)	-	(303,507,813)
Depreciation for the period	-	(6,779,383)	(15,231,573)	(638,463)	(2,300,224)	(586,617)	(2,484,422)	-	(28,020,682)
Disposals	-	-	4,361,384	245,740	-	-	41,537	-	4,648,661
<b>As of 30 September 2023</b>	<b>-</b>	<b>(81,669,270)</b>	<b>(193,330,673)</b>	<b>(12,100,145)</b>	<b>(13,327,749)</b>	<b>(3,404,868)</b>	<b>(23,047,129)</b>	<b>-</b>	<b>(326,879,834)</b>
<b>Net book value as of 30 September 2023</b>	<b>18,637,425</b>	<b>202,312,176</b>	<b>250,761,798</b>	<b>3,960,019</b>	<b>19,697,618</b>	<b>6,701,748</b>	<b>13,877,168</b>	<b>54,911,719</b>	<b>570,859,671</b>

- The cost of fixed assets as of 30 September 2023 includes EGP 108,216,363 which represents fully depreciated assets that are still in use.
- The cost of asset under construction as of 30 September 2023 includes impairment by EGP 686,437 ) EGP 686,437 as at 31 December 2022).

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

	30 September 2023 EGP
Cost of revenue	25,752,165
Selling and marketing expenses	769,790
General and administrative expenses	1,498,727
	<b>28,020,682</b>

Gain from sale of fixed assets was calculated as follows:

	30 September 2023 EGP
Cost of disposed assets	4,666,009
Accumulated depreciation of disposed assets	(4,648,661)
Net book value of disposed assets	17,348
Proceeds from sale of fixed assets	121,066
Gain from sale of fixed assets	<b>103,718</b>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month and nine-month periods ended 30 September 2023

**5- FIXED ASSETS AND ASSETS UNDER CONSTRUCTION (CONTINUED)**

	Freehold Land	Buildings	Machinery and equipment	Transportation and dragging equipment	Laboratory equipment	Tools	Office furniture and fixtures	Assets under construction	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost									
As of 1 January 2022	18,637,425	273,341,106	414,773,502	13,369,898	28,261,762	6,022,977	29,123,411	27,041,385	810,571,466
Additions	-	5,274,519	9,935,733	1,898,136	2,181,576	1,333,683	4,145,679	9,606,254	34,375,580
Transferred from assets under construction	-	556,909	20,329,505	1,037,870	1,811,035	-	54,105	(23,789,424)	-
Disposals	-	-	(179,150)	-	(271,696)	(11,268)	(211,795)	-	(673,909)
<b>As of 31 December 2022</b>	<u>18,637,425</u>	<u>279,172,534</u>	<u>444,859,590</u>	<u>16,305,904</u>	<u>31,982,677</u>	<u>7,345,392</u>	<u>33,111,400</u>	<u>12,858,215</u>	<u>844,273,137</u>
Accumulated depreciation									
As of 1 January 2022	-	(66,075,076)	(163,135,409)	(10,890,741)	(8,406,398)	(2,234,098)	(17,874,916)	-	(268,616,638)
Depreciation for the year	-	(8,814,811)	(19,475,517)	(816,681)	(2,800,934)	(588,204)	(2,917,802)	-	(35,413,949)
Disposals	-	-	150,442	-	179,807	4,051	188,474	-	522,774
<b>As of 31 December 2022</b>	<u>-</u>	<u>(74,889,887)</u>	<u>(182,460,484)</u>	<u>(11,707,422)</u>	<u>(11,027,525)</u>	<u>(2,818,251)</u>	<u>(20,604,244)</u>	<u>-</u>	<u>(303,507,813)</u>
<b>Net book value as of 31 December 2022</b>	<u>18,637,425</u>	<u>204,282,647</u>	<u>262,399,106</u>	<u>4,598,482</u>	<u>20,955,152</u>	<u>4,527,141</u>	<u>12,507,156</u>	<u>12,858,215</u>	<u>540,765,324</u>

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

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

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

Loss from sale of fixed assets was calculated as follows:

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

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month and nine-month periods ended 30 September 2023

#### 6- LEASES

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

##### A) Right of use assets

	<i>30 September 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Cost at 1 January 2023	27,817,376	20,558,589
Additions	208,714	7,258,787
<b>Total Cost as of 30 September 2023</b>	<b>28,026,090</b>	<b>27,817,376</b>
Accumulated amortization at 1 January 2023	(11,601,816)	(7,526,230)
Amortization for period	(3,024,517)	(4,075,586)
<b>Accumulated amortization as of 30 September 2023</b>	<b>(14,626,333)</b>	<b>(11,601,816)</b>
<b>Net book value as of 30 September 2023</b>	<b>13,399,757</b>	<b>16,215,560</b>

##### B) Lease liability

	<i>30 September 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
<b>Opening balance as of 1 January 2023</b>	<b>20,007,158</b>	<b>15,386,755</b>
Additions	208,714	7,258,787
Unwinding interests recognized during the period	1,562,739	2,551,333
Lease payments paid during the period	(4,663,465)	(5,189,717)
<b>As at 30 September 2023</b>	<b>17,115,146</b>	<b>20,007,158</b>
<b>Deduct: Current balance</b>	<b>4,638,974</b>	<b>3,663,480</b>
<b>Non-current balance</b>	<b>12,476,172</b>	<b>16,343,678</b>

#### 7- INTANGIBLE ASSETS

	<b>Registration Rights</b>	
	<i>30 September 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Cost as at 1 January 2023	518,048,757	424,149,596
Additions	151,070,433	93,899,161
<b>Total cost as at 30 September 2023</b>	<b>669,119,190</b>	<b>518,048,757</b>
Accumulated amortization as at 1 January 2023	(60,481,138)	(34,486,307)
Amortization for the period	(21,883,711)	(25,994,831)
<b>Accumulated amortization as at 30 September 2023</b>	<b>(82,364,849)</b>	<b>(60,481,138)</b>
<b>Net book value as at 30 September 2023</b>	<b>586,754,341</b>	<b>457,567,619</b>

- The balance of the intangible assets represents the cost of acquiring the registration rights of certain pharmaceutical products and is amortized using the straight-line method over their useful life (20 periods). Management estimate the expected future benefit of the registration rights to be utilize over 20 periods and assessed for impaired whenever there is an indication that the economic benefit of the product is impaired.
- Intangible asset balance includes registration right assets under approval amounted to EGP 12,388,835 (31 December 2022: EGP 35,307,994).



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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month and nine-month periods ended 30 September 2023

#### 8- INVENTORIES

	<i>30 September 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Raw materials	131,574,709	140,318,486
Packing and packaging materials	82,298,171	68,795,958
Spare parts	20,505,145	19,009,433
Finished goods	125,355,145	74,913,324
Work in progress	29,334,140	51,192,105
Goods in transit	3,744,666	4,657,299
Inventory with others	387,987	180,370
	<u>393,199,963</u>	<u>359,066,975</u>
Write down in inventories	<u>(25,231,686)</u>	<u>(10,656,360)</u>
	<u>367,968,277</u>	<u>348,410,615</u>

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

	<i>30 September 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Beginning balance	(10,656,360)	(11,073,894)
Charged during the period	(25,953,769)	(19,856,361)
Used of inventory provision	11,378,443	20,273,895
Ending balance	<u>(25,231,686)</u>	<u>(10,656,360)</u>

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

#### 9- TRADE AND NOTES RECEIVABLES

	<i>30 September 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Trade receivable	336,881,916	256,370,679
Trade receivable – toll manufacturing	46,688,200	31,131,130
Notes receivable	878,282,190	624,083,329
	<u>1,261,852,306</u>	<u>911,585,138</u>
Impairment in value of trade and notes receivables	<u>(13,520,119)</u>	<u>(10,898,308)</u>
	<u>1,248,332,187</u>	<u>900,686,830</u>

Notes receivable amounting to 534 MEGP are mortgage as a guarantee for the credit facilities (Note 18).

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

	<i>30 September 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Balance as at 1 January 2023	(10,898,308)	(8,540,194)
Charged during the period	(2,621,811)	(3,643,441)
Used provision	-	1,285,327
Ending balance	<u>(13,520,119)</u>	<u>(10,898,308)</u>

#### 10- TREASURY BILLS

	<i>30 September 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Treasury bills	284,200,000	378,900,000
Unearned interest	(29,261,646)	(17,037,798)
	<u>254,938,354</u>	<u>361,862,202</u>

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month and nine-month periods ended 30 September 2023

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

	<i>30 September 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
<b>a) Egyptian Pounds</b>		
Cash on hand	120,113	2,359,109
Current accounts	38,349,293	4,653,299
Checks under collection	9,670,041	7,179,075
Term deposits	399,039	394,811
	<u>48,538,486</u>	<u>14,586,294</u>
<b>b) Foreign currencies</b>		
Cash on hand	3,713,671	12,815
Current accounts	8,288,728	5,375,619
Term deposits	43,250,200	46,981,300
	<u>55,252,599</u>	<u>52,369,734</u>
	<u>103,791,085</u>	<u>66,956,028</u>

Cash balances are denominated in the following currencies:

	<i>30 September 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Egyptian pound (EGP)	48,538,486	14,586,294
US dollar (USD)	52,738,153	52,340,130
Euro (EUR)	2,514,446	29,604
	<u>103,791,085</u>	<u>66,956,028</u>

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

	<i>30 September 2023</i>	<i>30 September 2022</i>
	<i>EGP</i>	<i>EGP</i>
Cash in hand	3,833,784	4,107,215
Checks under collection	9,670,041	5,224,742
Current accounts	46,638,021	12,643,671
	<u>60,141,846</u>	<u>21,975,628</u>

#### 12- PROVISIONS

	<i>Balance as at 1 January 2023</i>	<i>Charged during the period</i>	<i>Used during the period</i>	<i>Balance as at 30 September 2023</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Provision for expected claims	5,550,001	415,186	(263,186)	5,702,001
Provision for sales returns*	8,608,104	-	-	8,608,104
	<u>14,158,105</u>	<u>415,186</u>	<u>(263,186)</u>	<u>14,310,105</u>
	<i>Balance as at 1 January 2022</i>	<i>Charged during the year</i>	<i>Used during the year</i>	<i>Balance as at 31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Provision for expected claims	5,550,001	-	-	5,550,001
Provision for sales returns*	8,711,844	-	(103,740)	8,608,104
	<u>14,261,845</u>	<u>-</u>	<u>(103,740)</u>	<u>14,158,105</u>

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

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

	30 September 2023	31 December 2022
	EGP	EGP
Trade payables	174,273,629	120,250,295
Notes payables	10,679,938	5,423,773
Accrued expenses	54,192,387	51,102,049
Tax authority (other than income tax)	25,039,680	11,814,991
Advances from customer	22,175,984	11,382,706
Other payables	10,754,603	5,693,153
	<u>297,116,221</u>	<u>205,666,967</u>

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

#### 14- CAPITAL

The Group's authorized capital amounted to EGP 1 billion, whereas the issued and paid up capital amounted to EGP 375,000,000 divided over 1,500,000,000 shares of par value EGP 0.25 each.

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

The extraordinary General Assembly meeting held on August 16, 2023 decided to increase the paid-in capital by 127,887,320 Egyptian pounds by distributing bonus shares of 0.52253 free shares for each original share of the company's shares before the increase of 978,980,720 shares after excluding treasury 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, 2022, so the company's issued capital after the increase becomes 380,000,000 Egyptian pounds distributed over 1,520,000,000 shares with a nominal value of EGP 0.25 per share and was registered in commercial register dated September 20, 2023.

The extraordinary General Assembly meeting held on August 16, 2023 decided to Reduce the issued and paid-up capital from 380,000,000 Egyptian pounds to 375,000,000 Egyptian pounds, a reduction of 5,000,000 Egyptian pounds, by retiring treasury shares listed under shares (shareholders through public and private offering) by 20,000,000 shares with a nominal value of 0.25 per share.

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

	%	No. of shares	Amount EGP
Main Shareholder's Shares	44.67%	670,090,723	167,522,681
Treasury Shares	0.63%	9,470,000	2,367,500
Other listed Free Shares in Stock Exchange Market	54.70%	820,439,277	205,109,819
	<u>100%</u>	<u>1,500,000,000</u>	<u>375,000,000</u>

The structure for shareholders as at 31 December 2022:

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

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

For the three-month and nine-month periods ended 30 September 2023

**15- GENERAL RESERVE**

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

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

The capital was reduced by retiring 20,000,000 shares amounted 5,000,000 Egyptian pounds, with a nominal value of 0.25 per share, and an amount of 34,694,932 Egyptian pounds from the general reserve balance, which represents the difference between the market value of the purchased shares and the nominal value.

**16- TREASURY SHARES**

The board members meeting held on February 23, 2022, May 31, 2022, and 4 September 2022 decided to re-purchase treasury shares up to 10% of the total shares of the company's issued capital available in the market.

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

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

The company reduced its capital by the nominal value of the treasury stocks with a total value of 5,000,000 EGP.

Currently, the company is taking the necessary actions to reduce its capital by the nominal value of the treasury stocks with a total value of 1,555,000 EGP

**17- SHARE BASED PAYMENT RESERVE**

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

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

The fair value of the granted shares for numbers of employees were 13,404,908 Egyptian Pound using the price of the share announced in the Egyptian Stock Exchange on the grant date (2.01 EGP for share) before the deduction of the nominal value of shares that would be paid by the beneficiaries in cash.

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month and nine-month periods ended 30 September 2023

#### 17- SHARE BASED PAYMENT RESERVE - CONT

Movement of Equity instruments in the period as follow:

	30 September 2023		31 December 2022	
	Amount EGP	Shares No.	Amount EGP	Shares No.
<b>Balance at 1 January 2023</b>	<b>14,873,267</b>	<b>8,450,720</b>	-	-
Granted during the period / year	10,105,363	7,748,502	14,873,267	8,450,720
Forfeited during the period / year	-	-	-	-
Exercised during the period / year	(14,873,267)	(8,450,720)	-	-
<b>Total shares at the end of period / year</b>	<b>10,105,363</b>	<b>7,748,502</b>	<b>14,873,267</b>	<b>8,450,720</b>

#### 18- CREDIT FACILITIES

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

	30 September 2023	31 December 2022
	EGP	EGP
Opening balance	893,644,592	819,720,928
Used during the period / year	1,093,450,237	1,195,291,001
Payment during the period / year	(871,874,246)	(1,121,367,337)
Ending balance	<b>1,115,220,583</b>	<b>893,644,592</b>
	30 September 2023	31 December 2022
	EGP	EGP
Credit facilities maturing within 12 months	1,115,220,583	893,644,592
Bank credit	6,040,484	11,108,281
	<b>1,121,261,067</b>	<b>904,752,873</b>

The interest rate on the Credit facilities ranges from 8% to 20.75% as of 30 September 2023 (31 December 2022: Range from 8% to 17.75%).

Credit Facilities	Facility amount EGP	30 September 2023	31 December 2022
		EGP	EGP
CIB	500,000,000	413,675,606	180,248,662
FAB Bank	125,000,000	109,914,684	63,847,436
Arab Bank	118,000,000	101,702,592	73,847,329
ABK Bank	120,000,000	107,679,092	95,136,500
ADIB	150,000,000	148,193,089	131,491,585
Alex Bank	170,000,000	75,043,750	164,828,846
AUB	130,000,000	85,258,937	93,222,510
ENBD	100,000,000	73,752,833	91,021,724
<b>Total Credit Facilities</b>		<b>1,115,220,583</b>	<b>893,644,592</b>

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

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

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month and nine-month periods ended 30 September 2023

#### 19- REVENUES

	Nine Months ended		Three months ended	
	30 September 2023 EGP	30 September 2022 EGP	30 September 2023 EGP	30 September 2022 EGP
Sale of goods (net)	1,282,853,178	1,006,610,470	510,919,076	349,777,911
Toll manufacturing services revenue	105,305,365	86,436,110	34,805,644	31,769,060
	<b>1,388,158,543</b>	<b>1,093,046,580</b>	<b>545,724,720</b>	<b>381,546,971</b>

#### 20- COST OF REVENUES

	Nine Months ended		Three months ended	
	30 September 2023 EGP	30 September 2022 EGP	30 September 2023 EGP	30 September 2022 EGP
Salaries and incentives	92,094,015	75,122,433	29,647,327	26,192,989
Social insurance and other benefit	26,992,969	16,526,202	9,309,218	5,837,115
Raw materials	420,818,775	317,725,290	171,043,883	102,758,509
Spare parts and materials	23,734,247	13,488,569	8,454,123	4,790,437
Government fees and medical stamps	12,054,477	10,515,956	4,017,475	3,855,576
Other operating expenses	50,584,170	31,601,378	18,285,474	10,837,853
Energy expenses	33,787,280	30,074,832	11,645,423	11,297,627
Depreciation and amortization (Note 5,6 &7)	47,635,876	43,164,792	17,529,189	15,280,657
Rent	3,482,829	2,046,830	205,340	878,271
Maintenance	25,157,874	13,554,200	10,496,088	5,318,393
	<b>736,342,512</b>	<b>553,820,482</b>	<b>280,633,540</b>	<b>187,047,427</b>

#### 21- SELLING & MARKETING EXPENSES

	Nine Months ended		Three months ended	
	30 September 2023 EGP	30 September 2022 EGP	30 September 2023 EGP	30 September 2022 EGP
Salaries and incentives	97,718,498	86,711,198	34,696,347	28,437,377
Social insurance and other benefit	10,609,927	7,349,532	3,622,466	3,036,140
Depreciation (Note 5,6)	3,794,307	3,511,929	1,291,126	1,185,740
Rent	38,400	39,900	-	14,400
Advertising and marketing	136,252,482	108,103,713	54,001,537	37,465,208
	<b>248,413,614</b>	<b>205,716,272</b>	<b>93,611,476</b>	<b>70,138,865</b>

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month and nine-month periods ended 30 September 2023

#### 22- GENERAL & ADMINISTRATIVE EXPENSES

	Nine Months ended		Three months ended	
	30 September 2023 EGP	30 September 2022 EGP	30 September 2023 EGP	30 September 2022 EGP
Salaries and incentives	44,779,627	34,932,204	15,560,932	12,330,021
Social insurance and other benefit	2,848,612	1,769,839	976,988	634,450
Professional fees	3,944,963	1,375,392	928,228	467,308
Maintenance	1,333,948	1,014,768	500,338	298,971
Depreciation (Note 5)	1,498,727	1,503,163	506,159	513,139
Others	9,732,599	7,092,107	3,878,830	2,468,957
	<b>64,138,476</b>	<b>47,687,473</b>	<b>22,351,475</b>	<b>16,712,846</b>

#### 23- FINANCE INCOME

	Nine Months ended		Three months ended	
	30 September 2023 EGP	30 September 2022 EGP	30 September 2023 EGP	30 September 2022 EGP
Interest from Treasury Bills	46,940,704	42,307,952	16,500,623	14,642,621
Interest from time deposits	668,935	6,374	337,834	4,740
	<b>47,609,639</b>	<b>42,314,326</b>	<b>16,838,457</b>	<b>14,647,361</b>

#### 24- FINANCE EXPENSES

	Nine Months ended		Three months ended	
	30 September 2023 EGP	30 September 2022 EGP	30 September 2023 EGP	30 September 2022 EGP
Debit interests	131,032,234	63,752,784	57,151,112	22,910,018
Unwinding interests of lease liabilities	1,562,739	1,542,046	495,519	500,412
Bank Charges	2,089,448	2,364,144	903,687	577,520
	<b>134,684,421</b>	<b>67,658,974</b>	<b>58,550,318</b>	<b>23,987,950</b>

#### 25- INCOME TAXES

	Nine Months ended		Three months ended	
	30 September 2023 EGP	30 September 2022 EGP	30 September 2023 EGP	30 September 2022 EGP
Current income tax	(54,463,439)	(52,408,036)	(23,312,020)	(18,967,611)
Deferred income tax	(2,873,884)	(6,753,550)	1,178,741	(1,410,307)
<b>Income tax expense</b>	<b>(57,337,323)</b>	<b>(59,161,586)</b>	<b>(22,133,279)</b>	<b>(20,377,918)</b>

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month and nine-month periods ended 30 September 2023

#### 25- INCOME TAXES

##### DEFERED INCOME TAXES

	<i>Statement of financial position</i>		<i>Statement of profit or loss</i>	
	<i>30 September</i>	<i>31 December</i>	<i>30 September</i>	<i>30 September</i>
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Depreciation and amortization	(65,469,542)	(58,468,620)	(7,000,922)	(7,819,348)
Provisions	1,936,823	1,936,823	-	(49,275)
Impairment of trade and notes receivables	3,042,027	2,437,135	604,892	(40,439)
Write down in value of inventory	5,677,129	2,397,681	3,279,448	(804,031)
Share based payment	2,273,706	4,015,782	(1,742,076)	2,851,286
Unrealized foreign exchange differences	(624,361)	(3,874,624)	3,250,263	(891,743)
Others	(1,265,489)	-	(1,265,489)	-
Net deferred income taxes	<u>(54,429,707)</u>	<u>(51,555,823)</u>	<u>(2,873,884)</u>	<u>(6,753,550)</u>

##### RECONCILIATION OF THE EFFECTIVE INCOME TAX RATE

	<i>Tax Rate</i>	<i>30 September</i>	<i>Tax Rate</i>	<i>30 September</i>
		<i>2023</i>		<i>2022</i>
		<i>EGP</i>		<i>EGP</i>
Profits before income taxes		<u>254,316,298</u>		<u>257,914,608</u>
Income tax based on tax rate	22.5%	<u>57,221,167</u>	22.5%	<u>58,030,787</u>
Non-deductible expenses		<u>116,156</u>		<u>1,130,799</u>
Effective Tax Rate	22.55%	<u>57,337,323</u>	22.94%	<u>59,161,586</u>

#### 26- EARNINGS PER SHARE

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

	<i>Nine Months ended</i>		<i>Three months ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
<b>Profit Available for Shareholders</b>	<u>191,963,850</u>	194,895,595	<u>76,288,974</u>	70,691,390
Weighted average number of shares outstanding after purchase of treasury shares during the period	<u>1,490,530,000</u>	1,477,209,018	<u>1,490,530,000</u>	1,477,209,018
Share Options for employees and executive board members	6,445,203	7,516,838	6,445,203	7,516,838
Weighted average number of ordinary shares adjusted for the effect of share option of dilution	<u>1,496,975,203</u>	1,484,725,856	<u>1,496,975,203</u>	1,484,725,856
<b>Earnings per share - Basic</b>	<u>0.1288</u>	0.1319	<u>0.0512</u>	0.0479
<b>Earnings per share - Diluted</b>	<u>0.1282</u>	0.1313	<u>0.0510</u>	0.0476



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

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

For the three-month and nine-month periods ended 30 September 2023

#### **27- TAX POSITION**

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

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

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

###### **b) Salary Tax**

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

###### **c) Stamp Tax**

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

###### **d) Sales Tax**

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

###### **e) VAT Tax**

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

##### **RAMEDA FOR PHARMACEUTICAL TRADING (S.A.E)**

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

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

###### **b) Salary Tax**

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

###### **c) Stamp Tax**

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

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

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

###### **e) Social Insurance**

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

###### **f) Withholding Tax**

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

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

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

For the three-month and nine-month periods ended 30 September 2023

#### **27- TAX POSITION (CONT.)**

##### **RAMECARE COMPANY (L.L.C).**

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

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

###### **b) Salary Tax**

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

###### **c) Stamp Tax**

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

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

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

###### **e) Social Insurance**

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

###### **f) Withholding Tax**

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

##### **RAMEPHARMA COMPANY (L.L.C).**

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

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

###### **b) Salary Tax**

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

###### **c) Stamp Tax**

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

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

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

###### **e) Social Insurance**

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

###### **f) Withholding Tax**

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

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

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

For the three-month and nine-month periods ended 30 September 2023

#### **28- MAJOR EVENT**

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

On 7 August 2023, the Central Bank of Egypt decided to increase the overnight deposit and lending rates and the price of the main operation of the central bank by 100 basis points, to reach 19.25%, 20.25, and 19.75%, respectively. The credit and discount rates were also raised by 100 basis points, to reach 19.75%.

During the subsequent period, Standard & Poor's agency Lowered Egypt's Sovereign rating in foreign and local currencies to "B-" from "B" with a stable outlook, in addition Moody's Credit rating agency Lowered Egypt's rating from B3 to CAA1, with a stable outlook. The company has reviewed the potential impacts resulted from lowered Egypt's rating, and the effects on Company Financial statements, and The company's management believes that there is no potential material impact on Financial statements.

The impact of the current uncertain economic environment is judgmental, and management will keep assessing the current position and its related impact. It should also consider that the assumptions used about economic forecasts are subject to a high degree of inherent uncertainty and therefore the actual outcome may significantly be different from the forecasted information. The Company has considered the potential impacts of the current economic volatility in determination of the reported amounts offered for the Company's financial and non-financial assets, and these considered to represent the management's best assessment based on the observable information. However, markets remain volatile, and the recorded amounts remain sensitive to market fluctuations.