

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

**INTERIM CONDENSED SEPARATE 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)

Interim condensed separate 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 SEPARATE FINANCIAL STATEMENTS**

Introduction

We have reviewed the accompanying interim condensed separate financial position of **TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)** as at 30 September 2023 and the related interim condensed separate 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 interim condensed separate financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these interim condensed separate financial statements based on our review.

Scope of Review

We conducted our review in accordance with Egyptian Standard on Review Engagements No. 2410, "Review of 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 separate 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)

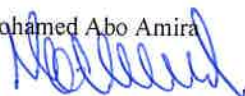
INTERIM CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

	Notes	30 September 2023 EGP	31 December 2022 EGP
ASSETS			
Non-current assets			
Fixed assets & Assets under construction	(5)	570,859,671	540,765,324
Right of use assets	(6-A)	13,399,757	16,215,560
Intangible assets	(7)	568,532,026	438,483,986
Investment in subsidiaries		1,461,800	1,461,800
Total non-current assets		1,154,253,254	996,926,670
Current assets			
Inventories	(8)	355,477,703	335,894,054
Trade and notes receivable	(9)	1,239,308,244	893,048,470
Treasury Bills	(10)	254,938,354	361,862,202
Due from related parties	(28)	20,120,067	24,422,539
Prepayments and other receivables		123,748,910	75,873,064
Cash on hand and at banks	(11)	103,067,395	65,599,444
Total current assets		2,096,660,673	1,756,699,773
TOTAL ASSETS		3,250,913,927	2,753,626,443
EQUITY AND LIABILITIES			
Equity			
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
Profit for the period and retained earnings		829,090,709	788,698,090
Total equity		1,690,943,483	1,510,606,107
LIABILITIES			
Non-current liabilities			
Lease liabilities	(6-B)	12,476,172	16,343,678
Deferred tax liabilities	(25)	52,976,827	51,555,823
Total non-current liabilities		65,452,999	67,899,501
Current liabilities			
Provisions	(12)	14,158,105	14,158,105
Credit facilities	(18)	1,121,261,067	904,752,873
Current lease liabilities	(6-B)	4,638,974	3,663,480
Trade, notes & other payables	(13)	298,040,347	204,600,751
Due to related parties	(28)	8,725,680	-
Income taxes payable		47,693,272	47,945,626
Total current liabilities		1,494,517,445	1,175,120,835
TOTAL LIABILITIES		1,559,970,444	1,243,020,336
TOTAL LIABILITIES AND EQUITY		3,250,913,927	2,753,626,443

Finance Director

Mohamed Abo Amira



Board Member

Amr Abdallah Morsy



The accompanying notes from (1) to (29) are an integral part of these interim condensed separate financial statements. Review Report attached.

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

INTERIM CONDENSED SEPARATE 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)	1,381,690,486	1,088,108,877	542,693,532	379,993,217
Cost of revenues	(20)	(744,644,183)	(559,703,684)	(284,857,189)	(193,759,207)
GROSS PROFIT		637,046,303	528,405,193	257,836,343	186,234,010
Selling and marketing expenses	(21)	(248,413,614)	(205,716,272)	(93,611,476)	(70,138,865)
General and administrative expenses	(22)	(63,162,307)	(47,279,364)	(22,163,319)	(16,600,265)
Other income		1,428,269	5,223,508	344,918	190,527
OPERATING PROFIT		326,898,651	280,633,065	142,406,466	99,685,407
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 (losses)		19,419,532	8,777,673	484,987	1,452,334
NET FINANCE COST		(67,655,250)	(16,566,975)	(41,226,874)	(7,888,255)
Impairment of trade and notes receivable	(9)	(2,602,896)	(1,000,000)	(858,763)	-
Share Based payment expenses	(17)	(12,672,380)	(12,672,380)	(6,136,100)	(6,136,100)
Contribution for health insurance		(3,616,103)	(2,843,129)	(1,402,828)	(994,427)
PROFITS FOR THE PERIOD BEFORE INCOME TAXES		240,352,022	247,550,581	92,781,901	84,666,625
Income taxes	(25)	(55,309,583)	(56,819,822)	(21,183,350)	(19,175,189)
PROFITS FOR THE PEIROD		185,042,439	190,730,759	71,598,551	65,491,436
Basic Earnings Per Share	(26)	0.1241	0.1291	0.0480	0.0443
Diluted Earnings Per Share	(26)	0.1236	0.1285	0.0478	0.0441

Finance Director

Mohamed Abo Amira

Board Member

Amr Abdallah Morsy

The accompanying notes from (1) to (29) are an integral part of these interim condensed separate financial statements.

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

INTERIM CONDENSED SEPARATE STATEMENT OF COMPREHENSIVE INCOME

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

	Nine Months Ended		Three Months Ended	
	30 September	30 September	30 September	30 September
	2023	2022	2023	2022
	EGP	EGP	EGP	EGP
PROFITS FOR THE PERIOD	185,042,439	190,730,759	71,598,551	65,491,436
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME	185,042,439	190,730,759	71,598,551	65,491,436

The accompanying notes from (1) to (29) are an integral part of these interim condensed separate financial statements.

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

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

	Paid up Capital	Paid under capital increase	Legal reserve	General reserve	Treasury Shares	Share Based Payment	Other Reserves	Retained earnings	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance as at 1 January 2022	250,000,000	-	26,446,118	486,965,000	-	-	278,952	587,471,195	1,351,161,265
Transferred to legal reserve	-	-	9,110,272	-	-	-	-	(9,110,272)	-
Acquisition of treasury shares	-	-	-	-	(57,012,366)	-	-	-	(57,012,366)
Share based Payment reserve	-	-	-	-	-	12,672,380	-	-	12,672,380
Dividend distributions	-	-	-	-	-	-	-	(24,307,500)	(24,307,500)
Total comprehensive income for the period	-	-	-	-	-	-	-	190,730,759	190,730,759
Balance as at 30 September 2022	250,000,000	-	35,556,390	486,965,000	(57,012,366)	12,672,380	278,952	744,784,182	1,473,244,538
Balance as at 1 January 2023	250,000,000	160,606	125,000,000	397,521,390	(65,926,198)	14,873,267	278,952	788,698,090	1,510,606,107
Paid under capital increase (Note 14)	-	1,952,074	-	-	-	-	-	-	1,952,074
Transferred from paid under increase to capital increase (Note 14)	2,112,680	(2,112,680)	-	-	-	-	-	-	-
Transferred from retained earnings to capital increase (Note 14)	127,887,320	-	-	-	-	-	-	(127,887,320)	-
Retire treasury shares (Note 16)	(5,000,000)	-	-	(34,694,932)	39,694,932	-	-	-	-
Share based Payment reserve	-	-	-	-	-	10,105,363	-	-	10,105,363
Transferred from Share based payment reserve to General reserve	-	-	-	14,873,268	-	(14,873,268)	-	-	-
Dividend distributions	-	-	-	-	-	-	-	(16,762,500)	(16,762,500)
Total comprehensive income for the period	-	-	-	-	-	-	-	185,042,439	185,042,439
Balance as at 30 September 2023	375,000,000	-	125,000,000	377,699,726	(26,231,266)	10,105,362	278,952	829,090,709	1,690,943,483

The accompanying notes from (1) to (29) are an integral part of these interim condensed separate financial statements.

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

INTERIM CONDENSED SEPARATE 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
CASH FLOWS FROM OPERATING ACTIVITIES			
Profits for the period before income taxes		240,352,022	247,550,581
Adjustments to reconcile profit before tax to net cash flow:			
Net foreign exchange differences		(2,774,935)	(3,775,453)
Depreciation and amortization	(5,6,7)	52,060,556	47,311,530
Share based payment expense		12,672,380	12,672,380
Provision charged	(12)	-	(219,000)
Impairment of trade and notes receivable	(9)	2,602,896	1,000,000
Impairment of inventory	(8)	25,953,769	14,265,671
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		(103,718)	109,781
		418,506,687	344,266,512
Change in inventories		(34,158,975)	(85,412,870)
Used from inventory provision		(11,378,443)	(17,839,143)
Change in trade and notes receivable		(348,862,670)	(82,731,731)
Used from trade and notes receivable		-	(1,179,727)
Change in prepayments and other receivables		(34,020,021)	1,528,752
Change in trade, notes and other payable		80,031,980	76,405,977
Change in due to related parties		8,725,680	(290,361)
Cash flows provided from operating activities		78,844,238	234,747,409
Debit interests paid		(122,281,084)	(62,662,266)
Income taxes paid		(54,140,933)	(41,456,529)
NET CASH FLOWS (USED IN) RESULTED FROM OPERATING ACTIVITIES		(97,577,779)	130,628,614
CASH FLOWS FROM INVESTING ACTIVITIES			
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)	(151,063,397)	(92,922,099)
Payment to acquire treasury bills	(10)	(468,797,943)	(816,997,304)
Matured treasury bills collection	(10)	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 deposit	(11)	3,726,872	(290)
NET CASH FLOWS (USED IN) RESULTED FROM INVESTING ACTIVITIES		(65,339,108)	23,802,899
CASH FLOWS FROM FINANCING ACTIVITIES			
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 long-term loans		-	(21,949,676)
Acquisition of Treasury shares		-	(57,012,366)
Change in due from related parties	(28)	4,302,472	2,698,257
Dividends paid during the period		(16,762,500)	(24,307,500)
Lease payments paid during the period	(6)	(4,663,465)	(4,436,493)
NET CASH FLOWS RESULTED FROM (USED IN) FINANCING ACTIVITIES		201,497,381	(74,638,529)
Net change in cash and cash equivalent during the period		38,580,494	79,792,984
Net foreign exchange difference		2,774,935	3,775,453
Cash and cash equivalent - beginning of the period		18,062,727	13,106,409
CASH AND CASH EQUIVALENT - END OF THE PERIOD	(11)	59,418,156	96,674,846

The accompanying notes from (1) to (29) are an integral part of these interim condensed separate financial statements.

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

NOTES TO THE INTERIM CONDENSED SEPARATE 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) was established under the provisions of Law No. 43 of 1974.

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

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

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

The Company is principally engaged in:

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

The financial statements for the period ended 30 September 2023 were authorized for issuance in accordance with a resolution of the Board of Directors' dated 13 November 2023.

2- SIGNIFICANT ACCOUNTING POLICIES

2-1 BASIS OF PREPARATION

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

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

The separate financial statements of the Company have been prepared in accordance with the Egyptian accounting standards 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 Separate interim financial statements are consistent with those used in the preparation of the separate 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.

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

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

2-3 CHANGES IN ACCOUNTING POLICIES (CONT)

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 separate 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 separate 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 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 separate 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 separate 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 separate financial statements.

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

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

2-3 CHANGES IN ACCOUNTING POLICIES (CONT)

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 separate financial statements.

3- SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

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

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

3-1 Judgments**Revenue Recognition for sale of goods**

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

3-2- Estimates**Impairment of trade and other receivables**

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

Provision for sales returns

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

Useful lives of fixed assets

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

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

NOTES TO THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

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

3- SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONT)

Useful lives of intangible assets

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

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

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

Taxes

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

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

Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations is 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 Company'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: 91% and 9% respectively). The Company's management monitors the business under two segments, "production and selling of pharmaceutical products" and "manufacturing for others" (Toll manufacturing) for the purpose of making business decisions. Accordingly, the Company's revenues during the period ended 30 September 2023 were reported under two segments in the separate financial statements.

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

Period	<i>Services</i>		<i>Sales of pharmaceutical products</i>		
	<i>Toll Manufacturing "Domestic"</i>	<i>Export</i>	<i>Domestic</i>		<i>Total</i>
			<i>Private sales</i>	<i>Tenders</i>	
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
30 September 2023	108,466,627	140,342,219	987,418,191	145,463,449	1,381,690,486
30 September 2022	92,505,603	75,824,099	791,129,063	128,650,112	1,088,108,877

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

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5- FIXED ASSETS AND ASSETS UNDER CONSTRUCTION

	Freehold Land	Buildings	Machinery and equipment	Transportation and dragging equipment	Laboratory equipment	Tools	Office furniture and fixtures	Assets under construction	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost									
As of 1 January 2023	18,637,425	279,172,534	444,859,590	16,305,904	31,982,677	7,345,392	33,111,400	12,858,215	844,273,137
Additions	-	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)
As of 30 September 2023	18,637,425	283,981,446	444,092,471	16,060,164	33,025,367	10,106,616	36,924,297	54,911,719	897,739,505
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
As of 30 September 2023	-	(81,669,270)	(193,330,673)	(12,100,145)	(13,327,749)	(3,404,868)	(23,047,129)	-	(326,879,834)
Net book value as of 30 September 2023	18,637,425	202,312,176	250,761,798	3,960,019	19,697,618	6,701,748	13,877,168	54,911,719	570,859,671

- 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:

Gain from sale of fixed assets was calculated as follows:

	30 September 2023 EGP	30 September 2023 EGP
Cost of revenue	25,752,165	Cost of disposed assets
Selling and marketing expenses	769,790	Accumulated depreciation of disposed assets
General and administrative expenses	1,498,727	Net book value of disposed assets
	<u>28,020,682</u>	Proceeds from sale of fixed assets
		Gain from sale of fixed assets
		<u>103,718</u>

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5- FIXED ASSETS AND ASSETS UNDER CONSTRUCTION (CONTINUED)

	Freehold Land	Buildings	Machinery and equipment	Transportation and dragging equipment	Laboratory equipment	Tools	Office furniture and fixtures	Assets under construction	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost									
As of 1 January 2022	18,637,425	273,341,106	414,773,502	13,369,898	28,261,762	6,022,977	29,123,411	27,041,385	810,571,466
Additions	-	5,274,519	9,935,733	1,898,136	2,181,576	1,333,683	4,145,679	9,606,254	34,375,580
Transferred from assets under construction	-	556,909	20,329,505	1,037,870	1,811,035	-	54,105	(23,789,424)	-
Disposals	-	-	(179,150)	-	(271,696)	(11,268)	(211,795)	-	(673,909)
As of 31 December 2022	<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
As of 31 December 2022	<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>
Net book value as of 31 December 2022	<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.

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

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

Loss from sale of fixed assets was calculated as follows:

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

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6- LEASES

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

A) Right of use assets

	<i>30 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
Total Cost as of 30 September 2023	28,026,090	27,817,376
Accumulated amortization at 1 January 2023	(11,601,816)	(7,526,230)
Amortization for period/year	(3,024,517)	(4,075,586)
Accumulated amortization as of 30 September 2023	(14,626,333)	(11,601,816)
Net book value as of 30 September 2023	13,399,757	16,215,560

B) Lease liability

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

7- INTANGIBLE ASSETS

	<u>Registration Rights</u>	
	<i>30 September 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Cost as at 1 January 2023	494,151,784	400,271,629
Additions	151,063,397	93,880,155
Total cost as at 30 September 2023	645,215,181	494,151,784
Accumulated amortization as at 1 January 2023	(55,667,798)	(30,830,773)
Amortization for the period/year	(21,015,357)	(24,837,025)
Accumulated amortization as at 30 September 2023	(76,683,155)	(55,667,798)
Net book value as at 30 September 2023	568,532,026	438,483,986

- 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 11,991,027 (31 December 2022: EGP 34,917,222).

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8- INVENTORIES

	<i>30 September 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Raw materials	121,859,008	127,123,447
Packing and packaging materials	80,027,711	66,850,553
Spare parts	20,505,145	19,009,433
Finished goods	124,850,732	77,537,207
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>380,709,389</u>	<u>346,550,414</u>
Write down in inventories	<u>(25,231,686)</u>	<u>(10,656,360)</u>
	<u><u>355,477,703</u></u>	<u><u>335,894,054</u></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)
Charge during the period/year	(25,953,769)	(19,808,279)
Used of inventory provision	11,378,443	20,225,813
Ending balance	<u>(25,231,686)</u>	<u>(10,656,360)</u>

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

9- TRADE AND NOTES RECEIVABLE

	<i>30 September 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Trade receivable	329,066,071	254,831,970
Trade receivable – toll manufacturing	46,688,200	31,131,130
Notes receivable	876,988,582	617,917,083
	<u>1,252,742,853</u>	<u>903,880,183</u>
Impairment of trade and notes receivable	<u>(13,434,609)</u>	<u>(10,831,713)</u>
	<u><u>1,239,308,244</u></u>	<u><u>893,048,470</u></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	(10,831,713)	(8,434,594)
Charged during the period	(2,602,896)	(3,576,846)
Used provision	-	1,179,727
Ending balance	<u>(13,434,609)</u>	<u>(10,831,713)</u>

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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)
	254,938,354	361,862,202

11- CASH ON HAND AND AT BANKS

	<i>30 September 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
a) Egyptian Pounds		
Cash on hand	120,113	2,020,529
Current accounts	38,239,533	4,011,357
Checks under collection	9,670,041	7,179,075
Term deposits (Maturing within 3 months)	399,039	394,811
	48,428,726	13,605,772
b) Foreign currencies		
Cash on hand	3,713,671	12,815
Current accounts	7,674,798	4,999,557
Term deposits (Maturing within 3 months)	43,250,200	46,981,300
	54,638,669	51,993,672
	103,067,395	65,599,444

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)	48,428,726	13,605,772
US dollar (USD)	52,124,223	51,964,068
Euro (EUR)	2,514,446	29,604
	103,067,395	65,599,444

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	81,083
Checks under collection	9,670,041	24,688,307
Current accounts	45,914,331	71,905,456
	59,418,156	96,674,846

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12- PROVISIONS

	<i>Balance as at 1 January 2023 EGP</i>	<i>Charged during the period EGP</i>	<i>Used during the period EGP</i>	<i>Balance as at 30 September 2023 EGP</i>
Provision for expected claims	5,550,001	-	-	5,550,001
Provision for sales returns*	8,608,104	-	-	8,608,104
	<u>14,158,105</u>	<u>-</u>	<u>-</u>	<u>14,158,105</u>

	<i>Balance as at 1 January 2022 EGP</i>	<i>Charged during the year EGP</i>	<i>Used during the year EGP</i>	<i>Balance as at 31 December 2022 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 deducted from sales disclosed in note (19).

13- TRADE, NOTES AND OTHER PAYABLE

	<i>30 September 2023 EGP</i>	<i>31 December 2022 EGP</i>
Trade payable	176,068,289	120,246,841
Notes payable	10,679,938	5,423,773
Accrued expenses	53,690,450	50,670,068
Tax authority (other than income tax)	25,007,537	11,782,414
Advances From Customers	21,842,984	10,784,502
Other payables	10,751,149	5,693,153
	<u>298,040,347</u>	<u>204,600,751</u>

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

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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:

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

The structure for shareholders as at 31 December 2022:

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

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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 September 4, 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 February 23, 2022, May 31, 2022, and September 4, 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 year 1981 and its executive regulations and under the provision of law 95 for year 1992 and its executive regulations.

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

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

Movement of Equity instruments in the period as follow:

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

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18- CREDIT FACILITIES

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

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

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	<i>30 September 2023</i>	<i>31 December 2022</i>
		<i>EGP</i>	<i>EGP</i>
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
Total Credit Facilities		<u>1,115,220,583</u>	<u>893,644,592</u>

* The Balance above 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.

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

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)	1,273,223,859	995,603,274	507,499,443	339,420,804
Toll manufacturing services revenue	<u>108,466,627</u>	<u>92,505,603</u>	<u>35,194,089</u>	<u>40,572,413</u>
	<u>1,381,690,486</u>	<u>1,088,108,877</u>	<u>542,693,532</u>	<u>379,993,217</u>

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20- COST OF REVENUE

	Nine Months ended		Three months ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	EGP	EGP	EGP	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	430,110,735	324,611,606	175,606,067	109,846,418
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	50,462,235	31,466,619	18,236,390	10,751,176
Energy expenses	33,787,280	30,074,832	11,645,423	11,297,627
Depreciation and amortization (Note 5,7)	46,767,522	42,296,438	17,239,738	14,991,205
Rent	3,482,829	2,046,830	205,340	878,271
Maintenance	25,157,874	13,554,199	10,496,088	5,318,393
	<u>744,644,183</u>	<u>559,703,684</u>	<u>284,857,189</u>	<u>193,759,207</u>

21- SELLING AND MARKETING EXPENSES

	Nine Months ended		Three months ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	EGP	EGP	EGP	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
	<u>248,413,614</u>	<u>205,716,272</u>	<u>93,611,476</u>	<u>70,138,865</u>

22- GENERAL AND ADMINISTRATIVE EXPENSES

	Nine Months ended		Three months ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	EGP	EGP	EGP	EGP
Salaries and incentives	44,723,611	34,876,188	15,542,260	12,311,349
Social insurance and other benefit	2,848,612	1,769,839	976,988	634,450
Professional fees	3,304,181	1,083,549	783,103	393,847
Maintenance	1,183,198	1,014,768	500,338	298,971
Depreciation (Note 5)	1,498,727	1,503,163	506,159	513,139
Others	9,603,978	7,031,857	3,854,471	2,448,509
	<u>63,162,307</u>	<u>47,279,364</u>	<u>22,163,319</u>	<u>16,600,265</u>

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23- FINANCE INCOME

	Nine Months ended		Three months ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	EGP	EGP	EGP	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
	47,609,639	42,314,326	16,838,457	14,647,361

24- FINANCE EXPENSES

	Nine Months ended		Three months ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	EGP	EGP	EGP	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
	134,684,421	67,658,974	58,550,318	23,987,950

25- INCOME TAXES

	Nine Months ended		Three months ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	EGP	EGP	EGP	EGP
Current income tax	(53,888,579)	(50,066,272)	(22,426,254)	(17,764,882)
Deferred income tax	(1,421,004)	(6,753,550)	1,242,904	(1,410,307)
Income tax expense	(55,309,583)	(56,819,822)	(21,183,350)	(19,175,189)

DEFERED INCOME TAX

	<i>Statement of financial position</i>		<i>Statement of profit or loss</i>	
	30 September 2023	31 December 2022	30 September 2023	30 September 2022
	EGP	EGP	EGP	EGP
Depreciation and amortization	(65,262,911)	(58,468,620)	(6,794,291)	(7,819,348)
Provisions	1,936,823	1,936,823	-	(49,275)
Impairment of trade and notes receivables	3,022,787	2,437,135	585,652	(40,439)
Write down 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)
Net deferred income taxes	(52,976,827)	(51,555,823)	(1,421,004)	(6,753,550)

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25- INCOME TAXES - CONT

RECONCILIATION OF THE EFFECTIVE INCOME TAX RATE

	<i>Tax Rate</i>	<i>30 September 2023 EGP</i>	<i>Tax Rate</i>	<i>30 September 2022 EGP</i>
Profits before income taxes		<u>240,352,022</u>		<u>247,550,581</u>
Income tax based on tax rate	22.50%	54,079,205	22.50%	55,698,881
Non-deductible expenses		1,230,378		1,120,941
Effective Tax Rate	23.01%	<u>55,309,583</u>	22.95%	<u>56,819,822</u>

26- EARNINGS PER SHARE

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

	Nine Months ended		Three months ended	
	30 September 2023 EGP	30 September 2022 EGP	30 September 2023 EGP	30 September 2022 EGP
Basic and diluted, profit for the period	185,042,439	190,730,759	71,598,551	65,491,436
Weighted average number of shares outstanding after purchase of treasury shares during the period	1,490,530,000	1,108,549,542	1,490,530,000	1,108,549,542
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 options of dilution	<u>1,496,975,203</u>	<u>1,116,066,380</u>	<u>1,496,975,203</u>	<u>1,116,066,380</u>
Earnings per share - Basic	<u>0.1241</u>	0.1721	<u>0.0480</u>	0.0591
Earnings per share - Diluted	<u>0.1236</u>	0.1709	<u>0.0478</u>	0.0587

27- TAX POSITION

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.

a) VAT Tax

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

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28- RELATED PARTIES

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

a) Related party transactions

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

Company	Nature of party	Nature of transaction	30 September 2023	30 September 2022
			EGP	EGP
Rameda for Pharmaceuticals trading	Subsidiary	Rent	4,500	4,500
		Purchases	229,443	6,535,024
Ramecare Company	Subsidiary	Rent	4,500	4,500
		Purchases	2,617,832	1,746,401
Ramepharma Company	Subsidiary	Rent	4,500	4,500
		Sales	16,435,386	13,746,400

b) Related party balances

	Nature of party	30 September 2023		31 December 2022	
		Due from EGP	Due to EGP	Due from EGP	Due to EGP
Rameda for Pharmaceuticals Trading	Subsidiary	-	4,869,131	620,366	-
Ramecare Company	Subsidiary	-	3,856,549	1,518,083	-
Ramepharma Company	Subsidiary	20,120,067	-	22,284,090	-
		<u>20,120,067</u>	<u>8,725,680</u>	<u>24,422,539</u>	<u>-</u>

c) Salaries and incentives of key managers

The key manager's compensation during period ended 30 September 2023 and 30 September 2022 is as follow:

	30 September 2023	30 September 2022
	EGP	EGP
Salaries and incentives	30,193,599	25,395,372
Share options for employees, managers, and executive board members	12,672,380	12,672,380
	<u>42,865,979</u>	<u>38,067,752</u>

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29- MAJOR EVENTS

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.