

**TENTH OF RAMADAN FOR PHARMACEUTICAL
INDUSTRIES AND DIAGNOSTIC REAGENTS
(RAMEDA) (S.A.E)
CONDENSED INTERIM SEPARATE FINANCIAL
STATEMENTS
TOGETHER WITH REVIEW REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

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

**Condensed Interim Separate Financial Statements
For the Period Ended 30 September 2020**

Table of Contents	Page
Review Report on the Condensed Interim Separate Financial Statements	3
Condensed Interim Separate Statement of Financial Position	4
Condensed Interim Separate Statement of Profit or Loss	5
Condensed Interim Separate Statement of Comprehensive Income	6
Condensed Interim Separate Statement of Changes in Equity	7
Condensed Interim Separate Statement of Cash Flows	8
Notes to the Condensed Interim Separate Financial Statements	9 -29

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

Introduction


We have reviewed the accompanying condensed interim financial position of **TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)** as of 30 September 2020 as well as the related condensed statements of profit or loss, Comprehensive income, changes in equity and cash flows for the nine months ended on 30 September 2020, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed interim separate financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these condensed interim separate financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim separate financial statements does not give a true and fair view, in all material respects, of the financial position of the entity as at 30 September 2020, and of its financial performance and its cash flows for the nine months ended on 30 September 2020 in accordance with Egyptian Accounting Standards.


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



Cairo: November 9, 2020

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

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION as at 30 September 2020

	Notes	30 September 2020 EGP	31 December 2019 EGP
ASSETS			
Non-current assets			
Fixed assets & Assets under construction	(5)	512,512,903	483,452,748
Right of use assets	(6)	17,178,609	-
Intangible assets	(7)	193,336,030	88,645,303
Investment in subsidiaries		1,461,800	1,461,800
Total non-current assets		724,489,342	573,559,851
Current assets			
Inventories	(8)	341,152,659	211,915,179
Trade and notes receivable	(9)	523,736,868	498,966,783
Treasury Bills	(10)	469,634,145	464,890,000
Due from related parties	(25)	20,552,917	19,849,471
Prepayments and other receivables		97,669,103	46,806,909
Cash on hand and at banks	(11)	35,554,081	53,116,260
Total current assets		1,488,299,773	1,295,544,602
TOTAL ASSETS		2,212,789,115	1,869,104,453
EQUITY AND LIABILITIES			
Equity			
Capital	(14)	192,150,000	192,150,000
Legal reserve		20,798,851	16,649,610
General reserves - issuance Premium	(15)	486,965,000	486,965,000
Other reserves		278,952	278,952
Retained earnings		443,178,514	378,134,062
Total equity		1,143,371,317	1,074,177,624
LIABILITIES			
Non-current liabilities			
Long-term loans	(17)	45,599,676	61,649,676
Lease liabilities	(6)	14,432,607	-
Deferred tax liabilities	(22)	25,665,491	25,957,056
Total non-current liabilities		85,697,774	87,606,732
Current liabilities			
Provisions	(12)	11,528,532	9,963,935
Credit facilities	(16)	757,664,911	486,336,405
Current portion of long-term loans	(17)	58,850,000	64,200,000
Current lease liabilities	(6)	2,550,469	-
Trade, notes & other payables	(13)	138,593,555	126,695,938
Due to related parties	(25)	406,073	335,384
Income taxes payable		14,126,484	19,788,435
Total current liabilities		983,720,024	707,320,097
TOTAL LIABILITIES		1,069,417,798	794,926,829
TOTAL LIABILITIES AND EQUITY		2,212,789,115	1,869,104,453

Finance Director

Mohamed Abo Amira

Board Member

Amr Abdallah Morsy

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

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

CONDENSED INTERIM SEPARATE STATEMENT OF PROFIT OR LOSS
For the Period Ended 30 September 2020

	Notes	Nine-Months Ended		Three-Months Ended	
		30 September 2020 EGP	30 September 2019 EGP	30 September 2020 EGP	30 September 2019 EGP
Revenues	(18)	672,858,339	619,459,322	235,397,483	235,103,224
Cost of revenues	(19)	(354,969,172)	(355,394,866)	(122,546,663)	(143,251,478)
GROSS PROFIT		317,889,167	264,064,456	112,850,820	91,851,746
Selling and marketing expenses	(20)	(159,454,432)	(107,461,120)	(56,480,067)	(37,027,226)
General and administrative expenses	(21)	(33,926,022)	(24,998,760)	(10,365,050)	(8,069,400)
Other income		892,928	1,302,251	409,456	326,016
Operating profit		125,401,641	132,906,827	46,415,159	47,081,136
Finance income	(22)	49,354,731	29,155	14,546,120	4,145
Finance expenses	(23)	(76,640,831)	(81,292,272)	(24,135,659)	(30,688,765)
Net foreign exchange losses		(1,389,377)	(1,577,374)	(1,360,269)	(319,158)
Finance expense		(28,675,477)	(82,840,491)	(10,949,808)	(31,003,778)
Impairment of trade and notes receivable		(4,768,081)	(1,958,945)	(2,238,567)	(1,171,001)
Provisions	(12)	-	(3,768,059)	-	-
Contribution for health insurance		(1,803,754)	(1,520,541)	(615,836)	(580,212)
PROFITS FOR THE PERIOD BEFORE INCOME TAXES		90,154,329	42,818,791	32,610,948	14,326,145
Income taxes	(24)	(20,960,636)	(10,848,023)	(7,477,159)	(3,484,885)
PROFITS FOR THE PERIOD		69,193,693	31,970,768	25,133,789	10,841,260
Earnings Per Share - basic and diluted	(25)	0.0900	0.0416	0.0327	0.0141

Finance Director

Mohamed Abo Amira

Board Member

Amr Abdallah Morsy

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

CONDENSED INTERIM SEPARATE STATEMENT OF COMPREHENSIVE INCOME

For the Period Ended 30 September 2020

	Nine-Months Ended		Three-Months Ended	
	<i>30 September</i> 2020 EGP	30 September 2019 EGP	<i>30 September</i> 2020 EGP	30 September 2019 EGP
PROFITS FOR THE PERIOD	69,193,693	31,970,768	25,133,789	10,841,260
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME	<u>69,193,693</u>	<u>31,970,768</u>	<u>25,133,789</u>	<u>10,841,260</u>

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

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

CONDENSED INTERIM SEPARATE STATEMENT OF CHANGES IN EQUITY

For the Period Ended 30 September 2020

	Paid up -Capital		Legal reserve		General reserve - Issuance Premium		Other Reserves		Retained earnings		Total	
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance as at 1 January 2019	160,900,000	10,213,168	-	278,952	-	301,585,657	472,977,777					
Transferred to legal reserve	-	6,436,442	-	-	-	(6,436,442)	-					
Total comprehensive income for the period	-	-	-	-	-	31,970,767	31,970,767					31,970,767
Balance as at 30 September 2019	160,900,000	16,649,610	-	278,952	-	327,119,982	504,948,544					
Balance as at 1 January 2020	192,150,000	16,649,610	486,965,000	278,952	378,134,062	1,074,177,624						
Transferred to legal reserve	-	4,149,241	-	-	(4,149,241)	-						
Total comprehensive income for the period	-	-	-	-	69,193,693	69,193,693						69,193,693
Balance as at 30 September 2020	192,150,000	20,798,851	486,965,000	278,952	443,178,514	1,143,371,317						

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

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

CONDENSED INTERIM SEPARATE STATEMENT OF CASH FLOWS For the Period Ended 30 September 2020

	Nine-Months Ended	
	30 September 2020	30 September 2019
	EGP	EGP
CASH FLOWS FROM OPERATING ACTIVITIES		
Profits for the period before income taxes	90,154,329	42,818,791
Adjustments to reconcile profit before tax to net cash flow:		
Net foreign exchange differences	725,924	52,046
Depreciation and amortization (5,6,7)	40,527,655	24,079,572
Provision charged (12)	2,064,597	4,637,344
Impairment of trade and notes receivable (9)	4,768,081	1,958,945
Impairment of inventory (8)	15,773,866	5,551,711
Finance income	(13,701,762)	-
Finance expenses (21)	74,946,456	81,292,272
Unwinding interests of lease liabilities (21)	1,694,375	-
Gain from sale of fixed assets (5)	(50,934)	(6,999)
	216,902,587	160,383,682
Change in inventories	(137,260,914)	38,297,510
Used from inventory provision	(7,750,432)	-
Change in trade and notes receivable	(29,374,457)	(22,073,770)
Used from Impairment of trade and notes receivable	(163,709)	-
Change in prepayments and other receivables	(72,733,529)	1,761,502
Change in trade, notes and other payable	9,916,568	22,223,767
Change in due to related parties	70,689	3,734,169
Cash flows (used in) provided from operating activities	(20,393,197)	204,326,860
Debit interests paid	(72,965,407)	(78,348,141)
Provisions used	(500,000)	(492,087)
Income taxes paid	(26,914,204)	(39,002,081)
NET CASH FLOWS (USED IN) PROVIDED FROM OPERATING CASH FLOWS FROM INVESTING ACTIVITIES	(120,772,808)	86,484,551
Payments to acquire fixed assets (5)	(20,615,803)	(9,957,800)
Payments to acquire assets under construction (5)	(42,390,097)	(56,249,398)
Payments to acquire intangible assets (7)	(108,546,705)	(8,096,870)
Payment to acquire treasury bills	(469,634,145)	-
Matured treasury bills collection	500,000,000	-
Proceeds from sale of fixed assets (5)	63,299	7,950
Investment in term deposit (11)	(133,961)	(29,205)
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES	(141,257,412)	(74,325,323)
CASH FLOWS FROM FINANCING ACTIVITIES		
Credit facilities used (16)	734,178,686	424,207,548
Payment of credit facilities (16)	(462,850,128)	(389,720,584)
Receipts from long term loans (17)	-	732,226
Payment of long-term loans (17)	(21,400,000)	(29,610,000)
Change in due from related parties	(703,446)	(12,567,915)
Lease payments paid during the period	(4,165,108)	-
NET CASH FLOWS PROVIDED FROM (USED IN) FINANCING ACTIVITIES	245,060,004	(6,958,725)
Net change in cash and cash equivalent during the period	(16,970,216)	5,200,503
Net foreign exchange difference	(725,924)	(52,046)
Cash and cash equivalent - beginning of the period	52,643,179	3,765,679
CASH AND CASH EQUIVALENT - END OF THE PERIOD (11)	34,947,039	8,914,136

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

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

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

For the period ended 30 September 2020

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 2020 were authorized for issuance in accordance with a resolution of the Board of Directors' dated 09 November 2020.

2- SIGNIFICANT ACCOUNTING POLICIES

2-1 BASIS OF PREPARATION

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

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

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

2-2 CHANGES IN ACCOUNTING POLICIES

The accounting policies applied during this period are those applied in preparing the financial statements for the year ended 31 December 2019, except for the adoption of the new Egyptian Accounting Standards No. 48, "revenue from contracts with customers" and 49 "leases" as of 01 January 2020. The nature and impact of these standards and amendments are explained below.

The company has postponed the implementation of Egyptian Accounting Standard No. (47) "Financial Instruments" in accordance with a decision of the Financial Supervisory Authority that it is fully implemented and included as of 01 January 2021.

TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS**
For the Period Ended 30 September 2020**2-2 CHANGES IN ACCOUNTING POLICIES (continued)****2-2-1 EFFECT OF ADOPTION OF EAS NO. (48) "REVENUE FROM CONTRACTS WITH CUSTOMERS"**

EAS No. (48) "Revenue from contracts with customers" was issued to replace the EAS No. (8) "Construction contracts" and EAS No. (11) "Revenue" and establishes a five-step model for revenue from contracts with customers.

According to EAS No. (48) "Revenue from contracts with customers" is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new standard will replace all requirements for recognition under Egyptian Accounting Standards. EAS (48) requires either a full retrospective approach or modified retrospective approach for prior periods beginning on or after January 1, 2020 and early application is permitted.

The Company adopted EAS (48) using the modified retrospective method of adoption with the date of initial application of 1 January 2020. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date.

The cumulative effect of initially applying EAS (48) is recognized at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under EAS No. (8) "Construction Contracts" and the EAS No. (11) "Revenue".

EAS No. (48) requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires relevant disclosures.

Sale of goods

The Company's contracts with customers for the sale of finished goods generally include one performance obligation. The Company has concluded that revenue from sale of finished goods should be recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the finished goods. Therefore, the adoption did not have an impact on the timing of revenue recognition.

i) Variable consideration

Some contracts for the sale of finished goods provide customers with a right of return and volume rebates. Prior to the adoption of EAS (48), the Company recognized revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns and volume rebates. If revenue could not be reliably measured, the Company deferred revenue recognition until the uncertainty was resolved.

Under EAS (48), rights of return and volume rebates give rise to variable consideration. The variable consideration is estimated at contract inception and constrained until the associated uncertainty is subsequently resolved. The application of the constraint on variable consideration has not increased the amount of revenue that will be deferred.

ii) Rights of return

When a contract provides a customer with a right to return the goods within a specified period, the Company previously estimated expected returns using a probability-weighted average amount approach similar to the expected value method under EAS (48).

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

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS For the Period Ended 30 September 2020

2-2 CHANGES IN ACCOUNTING POLICIES (continued)

2-2-1 EFFECT OF ADOPTION OF EAS NO. (48) "REVENUE FROM CONTRACTS WITH CUSTOMERS" (continued)

Under EAS (48), the consideration received from the customer is variable because the contract allows the customer to return the products. The Company used the expected value method to estimate the goods that will not be returned. For goods expected to be returned, the Company presented a refund liability and an asset for the right to recover products from a customer separately in the statement of financial position. Upon adoption of EAS (48), the Company measure the impact on refund liability and an asset for the right to recover products from a customer and retained earnings as of 1 January 2020.

iii) Volume rebates

Under EAS (48), retrospective volume rebates give rise to variable consideration. To estimate the variable consideration to which it will be entitled, the Company applied the 'most likely amount method' for contracts with a single volume threshold and the 'expected value method' for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration was primarily driven by the number of sales value / volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration. Upon adoption of EAS (48), the Company recognized contract liabilities for the expected future rebates, derecognized the provision for rebates under trade payable and accrued expenses.

The management conducted an exercise and concluded that there is no material impact on transition to EAS (48) on 1 January 2020.

2-2-2 EFFECT OF ADOPTION OF EAS NO. (49) "LEASES"

The company has implemented the EAS No. (49) "Leases". The standard is defined the principles of recognition, measurement, presentation, and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

With regard to operating lease contracts for EAS No. (49) "Leases", the company implemented the EAS (49) "Leases" on 01 January 2020.

The following are the adjustments to the financial position on 01 January 2020:

	01 January 2020
	EGP
Right of use Assets	18,206,266
Prepayments and other receivables	463,097
Lease liabilities	17,743,169

The Company has used the practical expedient of applying EAS 49 only those contracts that were previously identified as leases.

In adopting EAS 49, the Company has applied the following practical expedients:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- accounting for operating leases in accordance with EAS 49 as short-term leases with a remaining lease term of less than 12 months as at 1 January 2019;
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease; and
- the election, by class of underlying asset, not to separate non-lease components from lease components; and instead account for each lease component and any associated non-lease components as a single lease component.

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

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS
For the Period Ended 30 September 2020

2-2 CHANGES IN ACCOUNTING POLICIES (continued)

2-2-2 EFFECT OF ADOPTION OF EAS NO. (49) "LEASES" (continued)

On adoption of EAS (49), the company has recognized lease liabilities and associated right-of-use assets in relation to contracts that have been concluded as leases under the principles of EAS No. (49), the liabilities were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as of 1 January 2020. The associated right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of prepayments relating to that lease recognized in the statement of financial position as at 31 December 2019.

The following table shows reconciliation of operating lease commitments to lease liability under EAS (49) as on 1 January 2020:

	<i>1 January 2020</i>
Operating lease commitments as at 31 December 2019	25,232,281
Weighted average incremental borrowing rate as at 1 January 2020	14.17%
Lease liabilities as at 1 January 2020	17,743,169

Set out below are the new accounting policies of the Company upon adoption of EAS 49, which have been applied from 1 January 2020:

i) Right-of-use assets

Leases are recognized as right-of-use assets along with their corresponding liabilities at the date of which the leased assets are available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is recognized in the interim condensed separate statement of comprehensive income over the lease term. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Right-of-use assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs, if applicable.

ii) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs. The lease payments are discounted using the interest rate implicit to the lease or the Company's incremental borrowing rate.

iii) Short-term leases and leases of low-value assets

Short-term leases are leases with a lease term of 12 months or less. Low value assets are items that do not meet the Company's capitalization threshold and are considered to be insignificant for the interim condensed separate statement of financial position for the Company as a whole. Payments for short-term leases and leases of low value assets are recognized on a straight-line basis in the interim condensed separate statement of comprehensive income.

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

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS
For the Period Ended 30 September 2020

2-2 CHANGES IN ACCOUNTING POLICIES (continued)

2-2-2 EFFECT OF ADOPTION OF EAS NO. (49) "LEASES" (continued)

iv) Variable lease payments

Some leases contain variable payments that are linked to the usage/performance of the leased asset. Such payments are recognized in interim condensed separate statement of comprehensive income.

v) Amounts recognized in the statement of financial position and profit or loss

The amounts recognized in the separate statement of financial position and separate statement of profit or loss related to right of use asset and lease liabilities and the movement during the period disclosed in (notes 6).

2-3 STANDARDS THAT WILL BE APPLIED AS OF 01 JANUARY 2021.

2-3-1 EGYPTIAN ACCOUNTING STANDARD NO. (47) "FINANCIAL INSTRUMENTS"

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

i) Classification and measurement

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

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

- Trade receivables and other financial assets classified as loans and receivables as at 31 December 2019 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as debt instruments at amortized cost.

ii) Impairment

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

3- SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

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

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

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

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS
For the Period Ended 30 September 2020

3- SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (continued)

3-1 Judgments

Revenue Recognition for sale of goods

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

3-2- Estimates

Impairment of trade and other receivables

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

Provision for sales returns

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

Useful lives of fixed assets

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

Useful lives of intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. The management periodically reviews the estimated useful lives and the amortization method to ensure that the method and the period of amortization are consistent with the expected pattern of economic benefits from these assets.

Taxes

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

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

Impairment of non-financial assets

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

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

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS
For the Period Ended 30 September 2020

4- SEGMENT INFORMATION

Currently the Company's primary business segment is the production and selling of pharmaceutical products which contributes to 95% of total revenue and balance 5% is contributed by toll manufacturing services (30 September 2019: 95% and 5% 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 2020 were reported under two segments in the condensed interim separate financial statements.

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

	<i>Services</i>		<i>Sale of pharmaceutical products</i>			<i>Total</i>
	<i>Toll Manufacturing "Domestic"</i>	<i>Export</i>	<i>Private sales</i>	<i>Domestic Veterinary</i>	<i>Tenders</i>	
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
30 September 2020	<u>32,108,376</u>	<u>28,658,920</u>	<u>455,372,104</u>	-	<u>156,718,939</u>	<u>672,858,339</u>
30 September 2019	<u>28,960,619</u>	<u>33,910,827</u>	<u>414,169,705</u>	<u>1,658,555</u>	<u>140,759,616</u>	<u>619,459,322</u>

Revenue from the top five customers presented 85% of total revenues (30 September 2019: 85%).

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

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

For the Period Ended 30 September 2020

5- FIXED ASSETS

	Freehold Land		Buildings		Machinery and equipment		Transportation and dragging equipment		Laboratory equipment		Tools		Office furniture and fixtures		Assets under construction		Total	
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost																		
As of 1 January 2020	18,637,425	227,835,573	313,603,694	12,411,128	17,129,924	3,754,591	21,797,612	66,327,646	681,497,593									
Additions	-	6,779,350	6,024,902	681,500	2,269,993	1,906,277	2,953,781	42,390,097	63,005,900									
Transferred from assets under construction	-	-	19,194,349	-	-	-	645,927	-	-									
Disposals	-	-	(31,032)	(66,800)	-	(4,600)	(684,074)	-	(786,506)									
As of 30 September 2020	18,637,425	234,614,923	338,791,913	13,025,828	19,399,917	5,656,268	24,713,246	88,877,467	743,716,987									
Accumulated depreciation																		
As of 1 January 2020	-	(50,634,122)	(113,601,464)	(9,583,519)	(8,559,055)	(1,309,799)	(14,356,886)	-	(198,044,845)									
Depreciation for the period	-	(5,380,055)	(24,947,366)	(542,650)	(1,205,736)	(292,713)	(1,564,860)	-	(33,933,380)									
Disposals	-	-	19,356	66,800	-	3,910	684,075	-	774,141									
As of 30 September 2020	-	(56,014,177)	(138,529,474)	(10,059,369)	(9,764,791)	(1,598,602)	(15,237,671)	-	(231,204,084)									
Net book value as of 30 September 2020	18,637,425	178,600,746	200,262,439	2,966,459	9,635,126	4,057,666	9,475,575	88,877,467	512,512,903									

- The cost of fixed assets as of 30 September 2020 include EGP 17,331,295 which represents fully depreciated assets that are still in use.

- The cost of asset under construction as of 30 September 2020 includes impairment by EGP 686,437.

- There is a commercial mortgage on the parent company's machines & tools in favor of "Commercial international Bank" against loans & facilities receipts (Note 17), this mortgage is in process of replacement transaction to be against treasury bills instead of machines & tools (Note 10).

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

	30 September 2020	EGP
Cost of revenue	32,211,741	786,506
Selling and marketing expenses	385,949	(774,141)
General and administrative expenses	1,335,690	12,365
	<u>33,933,380</u>	<u>63,299</u>

Gain from sale of fixed assets was calculated as follows:

	30 September 2020	EGP
Cost of disposed assets	786,506	786,506
Accumulated depreciation of disposed assets	(774,141)	(774,141)
Net book value of disposed assets	12,365	12,365
Proceeds from sale of fixed assets	63,299	63,299
Gain from sale of fixed assets	50,934	50,934

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

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

For the Period Ended 30 September 2020

5- FIXED ASSETS (CONTINUED)

	Freehold Land		Buildings		Machinery and equipment		Transportation and dragging equipment		Laboratory equipment		Tools		Office furniture and fixtures		Assets under construction		Total	
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost																		
As at 1 January 2019	18,637,425	173,615,138	145,848,968	12,200,342	14,748,298	3,342,702	18,421,709	213,050,197	599,864,779									
Additions	-	5,970,194	6,249,144	210,786	2,381,626	411,889	3,163,115	63,263,938	81,650,692									
Transferred from assets under construction	-	48,250,241	161,505,582	-	-	-	230,666	(209,986,489)	-									
Disposals	-	-	-	-	-	-	(17,878)	-	(17,878)									
As at 31 December 2019	18,637,425	227,835,573	313,603,694	12,411,128	17,129,924	3,754,591	21,797,612	66,327,646	681,497,593									
Accumulated depreciation																		
As at 1 January 2019	-	(44,159,755)	(92,821,575)	(8,947,723)	(7,169,885)	(1,015,114)	(12,816,825)	-	(166,930,877)									
Depreciation for the year	-	(6,474,367)	(20,779,889)	(635,796)	(1,389,170)	(294,685)	(1,553,238)	-	(31,127,145)									
Disposals	-	-	-	-	-	-	13,177	-	13,177									
As at 31 December 2019	-	(50,634,122)	(113,601,464)	(9,583,519)	(8,559,055)	(1,309,799)	(14,356,886)	-	(198,044,845)									
Net book value as at 31 December 2019	18,637,425	177,201,451	200,002,230	2,827,609	8,570,869	2,444,792	7,440,726	66,327,646	483,452,748									

- The cost of fixed assets as of 31 December 2019 includes EGP 16,782,958 which represents fully depreciated assets that are still in use.

- There is a commercial mortgage on the parent company's machines & tools in favor of "Commercial international Bank" against loans & facilities receipts (Note 17).

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

	31 December 2019
Cost of revenue	EGP 28,593,111
Selling and marketing expenses	404,691
General and administrative expenses	2,129,343
	<u>31,127,145</u>

Gain from sale of fixed assets was calculated as follows:

	31 December 2019
Cost of disposed assets	EGP 17,878
Accumulated depreciation of disposed assets	13,177
Net book value of disposed assets	4,701
Proceeds from sale of fixed assets	13,950
Gain from sale of fixed assets	<u>9,249</u>

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

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS
For the Period Ended 30 September 2020

6- LEASES

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

A) Right of use assets

	30 September 2020 EGP
Cost at 1 January 2020	18,206,266
Additions	1,710,640
Total Cost as of 30 September 2020	19,916,906
Accumulated amortization at 1 January 2020	-
Amortization for period	(2,738,297)
Accumulated amortization as of 30 September 2020	(2,738,297)
Net book value as of 30 September 2020	17,178,609

B) Lease liability

	30 September 2020 EGP
Opening balance as of 1 January 2020	17,743,169
Additions	1,710,640
Unwinding interests recognized during the period	1,694,375
Lease payments paid during the period	(4,165,108)
As at 30 September 2020	16,983,076
Deduct: Current balance	2,550,469
Non-current balance	14,432,607

7- INTANGIBLE ASSETS

	<u>Registration Rights</u>	
	30 September 2020 EGP	31 December 2019 EGP
Cost as at 1 January 2020	104,814,384	95,683,406
Additions	108,546,705	9,130,978
Total cost as at 30 September 2020	213,361,089	104,814,384
Accumulated amortization as at 1 January 2020	(16,169,081)	(11,961,748)
Amortization for the period/ year	(3,855,978)	(4,207,333)
Accumulated amortization as at 30 September 2020	(20,025,059)	(16,169,081)
Net book value as at 30 September 2020	193,336,030	88,645,303

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).

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

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS For the Period Ended 30 September 2020

7- INTANGIBLE ASSETS (continued)

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.

There is a commercial mortgage on the parent company's machines & tools in favor of "Commercial international Bank" against loans & facilities receipts (Note 17), this mortgage is in process of replacement transaction to be against treasury bills instead of machines & tools (Note 10).

Intangible asset balance includes registration right assets under approval amounted to EGP 100,632,382 (31 December 2019: EGP 7,141,500).

8- INVENTORIES

	<i>30 September 2020</i>	<i>31 December 2019</i>
	<i>EGP</i>	<i>EGP</i>
Raw materials	113,409,664	63,585,624
Packing and packaging materials	50,041,543	32,596,525
Spare parts	7,708,820	7,342,641
Finished goods	137,880,324	75,637,934
Work in progress	27,779,809	24,516,840
Goods in transit	17,525,431	12,615,752
Inventory with others	1,192,474	1,981,835
	355,538,065	218,277,151
Write down in inventories	(14,385,406)	(6,361,972)
	341,152,659	211,915,179

Raw material and finished goods inventory are mortgaged as a collateral for the credit facilities (Note 16), this mortgage is in process of replacement transaction to be against treasury bills instead of machines & tools (Note 10).

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

	<i>30 September 2020</i>	<i>31 September 2019</i>
	<i>EGP</i>	<i>EGP</i>
Beginning balance	(6,361,972)	(1,570,298)
Charge during the period/year	(15,773,866)	(4,791,674)
Used of inventory provision	7,750,432	-
Ending balance	(14,385,406)	(6,361,972)

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

There is a commercial mortgage on the parent company's raw materials & finished goods in favor of "Commercial international Bank" against loans & facilities receipts (Note 17), this mortgage is in process of replacement transaction to be against treasury bills instead of raw materials & finished (Note 10).

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

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS For the Period Ended 30 September 2020

9- TRADE AND NOTES RECEIVABLE

	30 September 2020 EGP	31 December 2019 EGP
Trade receivable	253,827,905	265,695,129
Trade receivable – toll manufacturing	13,611,262	13,189,373
Notes receivable	<u>264,307,522</u>	<u>223,487,730</u>
	531,746,689	502,372,232
Impairment of trade and notes receivable	<u>(8,009,821)</u>	<u>(3,405,449)</u>
	<u>523,736,868</u>	<u>498,966,783</u>

Notes receivable amounting to EGP 160.7 M are mortgage as a guarantee for the credit facilities (Note 16).

The aging analysis of net trade and notes receivable is as follows:

	Total	Neither Past due nor impaired	Past due but not impaired				Impaired
			Less than 180 days	From 181 to 270 days	From 271 to 365 days	More than 365 days	
30 September 2020	<u>531,746,689</u>	<u>262,600,975</u>	<u>245,830,945</u>	<u>12,680,836</u>	<u>2,624,112</u>	<u>-</u>	<u>8,009,821</u>
31 December 2019	<u>502,372,232</u>	<u>223,487,730</u>	<u>264,202,902</u>	<u>10,675,661</u>	<u>530,036</u>	<u>70,454</u>	<u>3,405,449</u>

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

	30 September 2020 EGP	31 December 2019 EGP
Beginning balance	(3,405,449)	(2,118,559)
Charged during the period/year	(4,768,081)	(1,286,890)
Used of provision	163,709	-
Ending balance	<u>(8,009,821)</u>	<u>(3,405,449)</u>

10- TREASURY BILLS

	30 September 2020 EGP	31 December 2019 EGP
Treasury bills	502,300,000	500,000,000
Unearned interest	<u>(32,665,855)</u>	<u>(35,110,000)</u>
	<u>469,634,145</u>	<u>464,890,000</u>

- Some treasury bills are mortgaged as collateral for credit facilities amounted to EGP 88 Million (Note 16).
- CIB is in process of replacement transaction commercial mortgage to be against treasury bills by EGP 80 Million.

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

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS
For the Period Ended 30 September 2020

11- CASH ON HAND AND AT BANKS

	30 September 2020	31 December 2019
	EGP	EGP
a) Egyptian Pounds		
Cash on hand	85,499	47,290
Current accounts	18,562,945	45,815,772
Checks under collection	9,019,206	3,706,012
Term deposits (Maturing within 3 months)	607,042	473,081
	<u>28,274,692</u>	<u>50,042,155</u>
b) Foreign currencies		
Current accounts	7,279,389	3,074,105
	<u>7,279,389</u>	<u>3,074,105</u>
	<u>35,554,081</u>	<u>53,116,260</u>

Cash balances are denominated in the following currencies:

	30 September 2020	31 December 2019
	EGP	EGP
Egyptian pound (EGP)	28,274,693	50,042,156
US dollar (USD)	7,262,532	3,068,107
Euro (EUR)	16,856	5,997
	<u>35,554,081</u>	<u>53,116,260</u>

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

	30 September 2020	30 September 2019
	EGP	EGP
Cash in hand	85,499	20,802
Current accounts	34,861,540	8,893,334
	<u>34,947,039</u>	<u>8,914,136</u>

12- PROVISIONS

	Balance as at 1 January 2020 EGP	Charged during the period EGP	No longer required EGP	Used during the period EGP	Balance as at 30 September 2020 EGP
Provision for expected claims	3,200,001	-	-	(500,000)	2,700,001
Provision for sales returns*	6,763,934	2,064,597	-	-	8,828,531
	<u>9,963,935</u>	<u>2,064,597</u>	<u>-</u>	<u>(500,000)</u>	<u>11,528,532</u>
	Balance as at 1 January 2019 EGP	Charged during the year EGP	No longer required EGP	Used during the year EGP	Balance as at 31 December 2019 EGP
Provision for expected claims	2,071,822	3,768,060	(2,639,881)	-	3,200,001
Provision for sales returns*	5,485,132	1,278,802	-	-	6,763,934
	<u>7,556,954</u>	<u>5,046,862</u>	<u>(2,639,881)</u>	<u>-</u>	<u>9,963,935</u>

*Provision for sales returns is deducted from sales disclosed in note (18).

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

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS
For the Period Ended 30 September 2020

13- TRADE, NOTES AND OTHER PAYABLE

	30 September 2020	31 December 2019
	<i>EGP</i>	<i>EGP</i>
Trade payable	56,889,355	45,685,864
Notes payable	14,954,636	15,535,918
Accrued expenses	17,967,557	17,522,004
Tax authority (other than income tax)	41,053,021	26,753,487
Advances From Customers	6,419,804	20,210,828
Other payables	1,309,182	987,837
	138,593,555	126,695,938

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

14- CAPITAL

The Company's authorized capital amounted to EGP 1 billion, whereas the issued and paid up capital amounted to EGP 160,900,000 divided over 643,600,000 shares of par value EGP 0.25 each.

The extra ordinary general assembly meeting held on 4 November 2019 and 23 November 2019 decided to increase the issued capital by cash increase in conjunction with the offering in stock exchange market with total amount EGP 550,000,000 (the value of the increase represent the nominal value plus the issue premium).

The subscription for this increase was limited to Greville Investing Limited Company who represents the main shareholder and delegated from the remaining shareholders for selling process.

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

The following illustrate the new structure for shareholders:

	%	No. of shares	Amount <i>EGP</i>
Main Shareholder's Shares	51.25%	393,879,725	98,469,931
Other listed Free Shares in Stock Exchange Market	48.75%	374,720,275	93,680,069
	100%	768,600,000	192,150,000

15- GENERAL RESERVE-ISSUANCE PREMIUM

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

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

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

For the Period Ended 30 September 2020

16- CREDIT FACILITIES

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

	30 September 2020	31 December 2019
	<i>EGP</i>	<i>EGP</i>
Opening balance	481,938,674	420,514,887
Used during the period / year	738,195,929	664,519,265
Payment during the period / year	(462,850,128)	(603,095,478)
Ending balance	757,284,475	481,938,674
	30 September 2020	31 December 2019
	<i>EGP</i>	<i>EGP</i>
Credit facilities maturing within 12 months	757,284,475	481,938,674
Bank credit	380,436	4,397,731
	757,664,911	486,336,405

The interest rate on the Credit facilities ranges from 8 % to 10.75 % as of 30 September 2020 (31 December 2019: Range from 13.50% to 19.25%).

Credit Facilities	Facility amount	Interest rate	Maturity Date	30 September 2020	31 December 2019
	<i>EGP</i>			<i>EGP</i>	<i>EGP</i>
CIB	250,000,000	0.5%+CBE lending rate	10/07/2021	50,278,130	113,726,345
		8 % CBE INITAVIE*	10/07/2021	71,730,111	-
Audi Bank	125,000,000	0.5 %+CBE lending rate	09/06/2021	79,971,084	110,541,776
		8 % CBE INITAVIE*	09/06/2021	24,244,642	-
Arab Bank	88,000,000	0.25%+CBE lending	09/03/2021	46,308,600	43,318,210
		8 % CBE INITAVIE*	09/03/2021	38,249,674	-
ABK	80,000,000	1 %+CBE lending rate	30/09/2021	40,892,730	54,958,042
		8 % CBE INITAVIE*	30/09/2021	26,463,516	-
ADIB	130,000,000	0.5%+CBE lending rate	12/01/2021	71,058,833	86,572,770
		8 % CBE INITAVIE*	12/01/2021	44,108,698	-
Alex Bank	170,000,000	0.25% + CBE lending rate	30/04/2021	91,320,709	72,821,531
		8 % CBE INITAVIE*	30/04/2021	61,571,527	-
AUB	130,000,000	8 % CBE INITAVIE*	31/05/2021	26,474,976	-
HSBC	88,000,000	CBE lending rate	15/12/2020	84,611,245	-
Total Credit Facilities				757,284,475	481,938,674

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

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

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

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS For the Period Ended 30 September 2020

17- LONG TERM LOANS

Loan (1):

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

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

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

The Company paid EGP 2,901,732 during the period ended 30 September 2020 and the balance outstanding amounted to EGP 55,973,972 as at 30 September 2020 (31 December 2019: EGP 58,875,704).

Loan (2):

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

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

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

The Company paid EGP 18,498,268 during the period ended 30 September 2020 and the balance outstanding amounted to EGP 48,475,704 as at 30 September 2020 (31 December 2019: EGP 66,973,972).

The Company obtained those loans against collateral of a commercial mortgage over the Company's tangible assets constituents over all machinery and equipment and intangible assets financed under this loan. This mortgage is in process of replacement transaction to be against treasury bills.

The balance of loans as of 30 September 2020 as follows:

Loans	Interest rate	30 September 2020 EGP	31 December 2019 EGP
Current portion of long-term loans			
Loan (1)	0.75%+CBE lending rate	30,250,000	31,200,000
Loan (2)	0.85%+CBE lending rate	28,600,000	33,000,000
Total current portion of long-term loans		58,850,000	64,200,000
Non-current portion of long-term loans			
Loan (1)	0.75%+CBE lending rate	25,723,972	27,675,704
Loan (2)	0.85%+CBE lending rate	19,875,704	33,973,972
Total non-current portion of long-term loans		45,599,676	61,649,676
		104,449,676	125,849,676

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

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS
For the Period Ended 30 September 2020

18- REVENUES

	Nine-Months Ended		Three-Months Ended	
	30 September 2020 EGP	30 September 2019 EGP	30 September 2020 EGP	30 September 2019 EGP
Sale of goods (net)	640,749,963	590,498,703	221,820,484	224,579,286
Toll manufacturing services revenue	32,108,376	28,960,619	13,576,999	10,523,938
	672,858,339	619,459,322	235,397,483	235,103,224

19- COST OF REVENUE

	Nine-Months Ended		Three-Months Ended	
	30 September 2020 EGP	30 September 2019 EGP	30 September 2020 EGP	30 September 2019 EGP
Salaries, social insurance & other benefits	62,365,559	49,052,421	20,671,405	17,721,734
Raw materials	149,622,869	215,665,024	50,880,651	93,116,887
Spare parts and materials	14,986,442	14,428,145	4,437,623	5,708,608
Government fees and medical stamps	7,759,604	5,069,428	3,409,960	2,236,666
Other operating expenses	38,577,023	21,148,189	14,230,809	5,723,344
Energy expenses	29,743,880	16,022,174	10,151,189	6,482,163
Depreciation and amortization (Note 5,7)	36,067,719	22,033,416	12,598,205	8,670,272
Rent	3,163,455	4,706,919	1,266,248	1,810,064
Maintenance	12,682,621	7,269,150	4,900,573	1,781,740
	354,969,172	355,394,866	122,546,663	143,251,478

20- SELLING AND MARKETING EXPENSES

	Nine-Months Ended		Three-Months Ended	
	30 September 2020 EGP	30 September 2019 EGP	30 September 2020 EGP	30 September 2019 EGP
Salaries, social insurance and other fringe benefits	87,306,196	58,513,724	31,529,770	22,493,269
Depreciation (Note 5)	3,124,246	301,875	1,058,469	102,625
Rent	34,200	1,988,154	10,500	661,647
Advertising and marketing	68,989,790	46,657,367	23,881,328	13,769,685
	159,454,432	107,461,120	56,480,067	37,027,226

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

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS
For the Period Ended 30 September 2020

21- GENERAL AND ADMINISTRATIVE EXPENSES

	Nine-Months Ended		Three-Months Ended	
	<i>30 September</i> 2020 EGP	<i>30 September</i> 2019 EGP	<i>30 September</i> 2020 EGP	<i>30 September</i> 2019 EGP
Salaries, social insurance and other fringe benefits	25,748,634	17,736,336	8,309,216	6,524,853
Professional fees	856,664	3,007,742	165,000	349,121
Maintenance	513,376	314,244	124,592	86,068
Depreciation (Note 5)	1,335,690	1,744,281	490,204	359,722
Others	5,471,658	2,196,157	1,276,038	749,636
	<u>33,926,022</u>	<u>24,998,760</u>	<u>10,365,050</u>	<u>8,069,400</u>

22- FINANCE INCOME

	Nine-Months Ended		Three-Months Ended	
	<i>30 September</i> 2020 EGP	<i>30 September</i> 2019 EGP	<i>30 September</i> 2020 EGP	<i>30 September</i> 2019 EGP
Interest from Treasury Bills	49,330,609	-	14,537,594	-
Interest from time deposits	24,122	29,155	8,526	4,145
	<u>49,354,731</u>	<u>29,155</u>	<u>14,546,120</u>	<u>4,145</u>

23- FINANCE EXPENSES

	Nine-Months Ended		Three-Months Ended	
	<i>30 September</i> 2020 EGP	<i>30 September</i> 2019 EGP	<i>30 September</i> 2020 EGP	<i>30 September</i> 2019 EGP
Debit interests	72,334,806	77,989,261	22,732,924	30,072,581
Unwinding interests of lease liabilities	1,694,375	-	581,656	-
Bank Charges	2,611,650	3,303,011	821,079	616,184
	<u>76,640,831</u>	<u>81,292,272</u>	<u>24,135,659</u>	<u>30,688,765</u>

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

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS
For the Period Ended 30 September 2020

24- INCOME TAXES

	Nine-Months Ended		Three-Months Ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	EGP	EGP	EGP	EGP
Current income tax	(21,252,201)	(10,116,528)	(7,881,591)	(2,882,421)
Deferred income tax	291,565	(731,495)	404,432	(602,464)
Income tax expense	(20,960,636)	(10,848,023)	(7,477,159)	(3,484,885)

DEFERED INCOME TAX

	Statement of financial position		Statement of profit or loss	
	30 September	31 December	30 September	30 September
	2020	2019	2020	2019
	EGP	EGP	EGP	EGP
Depreciation and amortization	(32,940,201)	(29,762,643)	(3,177,558)	(2,605,272)
Provisions	1,986,419	1,521,885	464,534	195,589
Impairment of trade and notes receivables	1,802,210	766,226	1,035,984	440,762
Write down of inventory	3,236,716	1,431,444	1,805,272	1,249,136
Unrealized foreign exchange differences	249,365	86,032	163,333	(11,710)
Net deferred income taxes	(25,665,491)	(25,957,056)	291,565	(731,495)

RECONCILIATION OF THE EFFECTIVE INCOME TAX RATE

	Tax Rate	30 September	Tax Rate	30 September
		2020		2019
		EGP		EGP
Profits before income taxes		90,154,329		42,818,791
Income tax based on tax rate	22.50%	20,284,724	22.50%	9,634,228
Non-deductible expenses		675,912		1,213,795
Effective Tax Rate	23.25%	20,960,636	25.33%	10,848,023

25- EARNINGS PER SHARE

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

	Nine-Months Ended		Three-Months Ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	EGP	EGP	EGP	EGP
Basic and diluted, profit for the period	69,193,693	31,970,768	25,133,789	10,841,260
Weighted average number of shares outstanding during the period	768,600,000	768,600,000	768,600,000	768,600,000
Earnings per share	0.0900	0.0416	0.0327	0.0141

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

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

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS
For the Period Ended 30 September 2020

26- TAX POSITION

a) Corporate Tax

- The Company's records were inspected till the year 2013 and the dispute was ended and the differences are under settlement.
- The Company's records were inspected initially from year 2014 till 2017 which were refused by the company and the actual inspection is under process.
- No tax inspection took place for the Company's records for the years from 2018 till 2019.

b) Salary Tax

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

c) Stamp Tax

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

d) VAT Tax

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

27- RELATED PARTIES

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

a) Related party transactions

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

Company	Nature of party	Nature of transaction	30 September 2020 EGP	30 September 2019 EGP
Rameda for Pharmaceuticals trading	Subsidiary	Rent	4,500	4,500
		Purchases	375,031	832,905
Ramecare Company	Subsidiary	Rent	4,500	4,500
		Purchases	-	-
Ramepharma Company	Subsidiary	Rent	4,500	4,500
		Purchases	-	2,988,892
Compass Capital	Related party	Professional fees	-	3,742,317
Greville Investing Limited	Related party	Expenses on behalf	-	(19,449,533)

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

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS
For the Period Ended 30 September 2020

27- RELATED PARTIES (continued)

b) Related party balances

	Nature of party	30 September 2020		31 December 2019	
		Due from EGP	Due to EGP	Due from EGP	Due to EGP
Rameda for Pharmaceuticals Trading	Subsidiary	-	406,073	-	335,384
Ramecare Company	Subsidiary	3,376,629	-	3,217,460	-
Ramepharma Company	Subsidiary	17,176,288	-	16,632,011	-
		<u>20,552,917</u>	<u>406,073</u>	<u>19,849,471</u>	<u>335,384</u>

c) Salaries and incentives of key managers

The key manager's compensation during period ended 30 September 2020 and 30 September 2019 is as follow:

	30 September 2020	30 September 2019
	EGP	EGP
Salaries and incentives	<u>18,037,440</u>	<u>16,002,919</u>
	<u>18,037,440</u>	<u>16,002,919</u>

28- MAJOR EVENTS

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

These events did not negatively affect the financial statements of the company as on 30 September 2020 but may affect the financial statements for future financial periods. If it is difficult to quantify this effect for now, this effect will appear in future financial statements. The magnitude of the impact varies according to the expected extent, the period during which those events are expected to end and their impact.

The company announced that it has commenced the manufacture of Anviziram, which contains the active pharmaceutical ingredient Favipiravir, which is the generic form of the antiviral sold under the brand name Avigan in Japan. The Company has also secured approval from Egyptian Drug Authority to begin manufacturing intravenous "Remedisivir" vials for use in the treatment of patients suffering from coronavirus disease 2019 (Covid-19).

Avigan" is an antiviral drug developed by Toyama Chemicals, a division of the Japanese conglomerate Fujifilm, and contains the active ingredient Favipiravir. The company's entire production of Favipiravir is being produced under the trade name Anviziram, with capacity focused on the Egyptian market. The company aims to export Anviziram to neighboring countries upon receipt of approval from the Ministry of Health and the Egyptian Drug Authority.

In addition to Anviziram, the company has been granted Egyptian Drug Authority's approval for the manufacture of intravenous Remedisivir, a broad-spectrum antiviral medication which has been used in treatment of covid-19 patients. The company aims to commence production of Remdesivir over the coming period.