

**TENTH OF RAMADAN FOR PHARMACEUTICAL
INDUSTRIES AND DIAGNOSTIC REAGENTS
(RAMEDA) (S.A.E)
CONDENSED INTERIM SEPARATE FINANCIAL
STATEMENTS
TOGETHER WITH REVIEW REPORT
FOR THE PERIOD ENDED 31 MARCH 2020**

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

**Condensed Interim Separate Financial Statements
For the Period Ended 31 March 2020**

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

Introduction

We have reviewed the accompanying condensed interim financial position of **TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)** as of 31 March 2020 as well as the related condensed statements of profit or loss, Comprehensive income, changes in equity and cash flows for the three months ended on 31 March 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 31 March 2020, and of its financial performance and its cash flows for the three months ended on 31 March 2020 in accordance with Egyptian Accounting Standards.

Cairo: May 17, 2020

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



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

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 March 2020

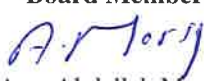
	Notes	31 March 2020 EGP	31 December 2019 EGP
ASSETS			
Non-current assets			
Fixed assets & Assets under construction	(5)	480,774,902	483,452,748
Right of use assets	(6)	17,442,531	-
Intangible assets	(7)	183,725,181	88,645,303
Investment in subsidiaries		1,461,800	1,461,800
Total non-current assets		683,404,414	573,559,851
Current assets			
Inventories	(8)	227,143,810	211,915,179
Trade and notes receivable	(9)	500,785,835	498,966,783
Treasury Bills	(10)	464,890,000	464,890,000
Due from related parties	(25)	19,899,490	19,849,471
Prepayments and other receivables		80,794,723	46,806,909
Cash on hand and at banks	(11)	30,033,966	53,116,260
Total current assets		1,323,547,824	1,295,544,602
TOTAL ASSETS		2,006,952,238	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		397,955,499	378,134,062
Total equity		1,098,148,302	1,074,177,624
LIABILITIES			
Non-current liabilities			
Long-term loans	(17)	45,599,676	61,649,676
Lease liabilities	(6)	13,844,339	-
Deferred tax liabilities	(22)	25,653,317	25,957,056
Total non-current liabilities		85,097,332	87,606,732
Current liabilities			
Provisions	(12)	9,634,178	9,963,935
Credit facilities	(16)	576,876,716	486,336,405
Current portion of long-term loans	(17)	66,950,000	64,200,000
Current lease liabilities	(6)	2,503,735	-
Trade, notes & other payables	(13)	139,546,141	126,695,938
Due to related parties	(25)	568,747	335,384
Income taxes payable		27,627,087	19,788,435
Total current liabilities		823,706,604	707,320,097
TOTAL LIABILITIES		908,803,936	794,926,829
TOTAL LIABILITIES AND EQUITY		2,006,952,238	1,869,104,453

Finance Director



Mohamed Abo Amira

Board Member



Amr Abdallah Morsy

The accompanying notes from (1) to (26) are an integral part of these condensed interim separate financial statements. Review report attached.

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

CONDENSED INTERIM SEPARATE STATEMENT OF PROFIT OR LOSS
For the Period Ended 31 March 2020

	Notes	31 March 2020 EGP	31 March 2019 EGP
Revenues	(18)	232,419,688	190,154,743
Cost of revenues	(19)	(126,101,455)	(111,533,148)
GROSS PROFIT		106,318,233	78,621,595
Selling and marketing expenses		(48,913,925)	(33,578,994)
General and administrative expenses		(11,060,625)	(10,025,697)
Other income		307,796	437,900
Other expense		(626,403)	(464,353)
Operating profit		46,025,076	34,990,451
Finance income	(20)	17,667,585	14,148
Finance expenses	(21)	(30,805,927)	(23,675,247)
Net foreign exchange losses		(718,987)	(836,803)
Finance expense		(13,857,329)	(24,497,902)
Impairment of trade and notes receivable		(662,208)	(437,074)
Provisions	(12)	-	(54,980)
PROFITS FOR THE PERIOD BEFORE INCOME TAXES		31,505,539	10,000,495
Income taxes	(22)	(7,534,861)	(2,321,435)
PROFITS FOR THE PEIROD		23,970,678	7,679,060
Earnings per share			
Basic and diluted, profit for the period	(23)	0.0312	0.0100

Finance Director

Mohamed Abo Amira

Board Member

Amr Abdallah Morsy

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

CONDENSED INTERIM SEPARATE STATEMENT OF COMPREHENSIVE INCOME
For the Period Ended 31 March 2020

	<i>31 March 2020</i> <i>EGP</i>	<i>31 March 2019</i> <i>EGP</i>
PROFITS FOR THE PERIOD	23,970,678	7,679,060
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME	<u>23,970,678</u>	<u>7,679,060</u>

The accompanying notes from (1) to (26) are an integral part of these condensed interim separate financial statements.

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

CONDENSED INTERIM SEPARATE STATEMENT OF CHANGES IN EQUITY

For the period ended 31 March 2020

	Paid up -Capital		Legal reserve		General reserve - Issuance Premium		Other Reserves		Retained earnings		Total	
	EGP		EGP		EGP		EGP		EGP		EGP	
Balance as at 1 January 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	-		-		-		-		7,679,060		7,679,060	
Balance as at 31 March 2019	160,900,000		16,649,610		-		278,952		302,828,275		480,656,837	
Balance as at 1 January 2020	192,150,000		16,649,610		486,965,000		278,952		378,134,062		1,074,177,624	
Transferred to legal reserve	-		4,149,241		-		-		(4,149,241)		-	
Total comprehensive income for the period	-		-		-		-		23,970,678		23,970,678	
Balance as at 31 March 2020	192,150,000		20,798,851		486,965,000		278,952		397,955,499		1,098,148,302	

The accompanying notes from (1) to (26) are an integral part of these condensed interim separate financial statements.

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

CONDENSED INTERIM SEPARATE STATEMENT OF CASH FLOWS For the Period Ended 31 March 2020

	31 March 2020	31 March 2019
	EGP	EGP
CASH FLOWS FROM OPERATING ACTIVITIES		
Profits for the period before income taxes	31,505,539	10,000,495
Adjustments to reconcile profit before tax to net cash flow:		
Net foreign exchange differences	(1,093,196)	61,658
Depreciation and amortization	(5,6,7) 12,740,608	7,182,689
Provision charged	(12) 170,243	596,315
Impairment of trade and notes receivable	(9) 662,208	437,074
Impairment of inventory	(8) 4,115,297	1,113,168
Finance income	(17,667,585)	-
Finance expenses	(21) 30,262,692	23,675,247
Unwinding interests of lease liabilities	(21) 543,235	-
Gain from sale of fixed assets	(5) -	(3,200)
	<u>63,425,433</u>	<u>43,063,446</u>
Change in inventories	(19,343,928)	2,587,678
Change in trade and notes receivable	(2,481,260)	4,578,864
Change in prepayments and other receivables	(16,783,326)	2,963,064
Change in trade, notes and other payable	8,700,021	6,173,647
Change in due to related parties	233,363	1,636,656
Cash flows provided from operating activities	<u>33,750,303</u>	<u>61,003,355</u>
Debit interests paid	(26,112,458)	(20,565,663)
Provisions used	(500,000)	-
Income taxes paid	-	(6,431,093)
NET CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES	<u>7,137,845</u>	<u>34,006,599</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments to acquire fixed assets	(5) (3,271,450)	(2,482,697)
Payments to acquire assets under construction	(5) (4,806,693)	(21,756,820)
Payments to acquire intangible assets	(7) (96,300,762)	(8,012,500)
Proceeds from sale of fixed assets	(5) -	4,151
Investment in term deposit	(11) (15,435)	(14,198)
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES	<u>(104,394,340)</u>	<u>(32,262,064)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Credit facilities used	(16) 261,536,748	155,431,816
Payment of credit facilities	(16) (170,996,437)	(147,898,438)
Receipts from long term loans	(17) -	732,226
Payment of long-term loans	(17) (13,300,000)	(7,717,200)
Change in due from related parties	(50,019)	2,010,579
Lease payments paid during the period	(1,938,330)	-
NET CASH FLOWS PROVIDED FROM FINANCING ACTIVITIES	<u>75,251,962</u>	<u>2,558,983</u>
Net change in cash and cash equivalent during the period	<u>(22,004,533)</u>	<u>4,303,518</u>
Net foreign exchange difference	1,093,196	(61,658)
Cash and cash equivalent - beginning of the period	52,643,179	3,765,679
CASH AND CASH EQUIVALENT - END OF THE PERIOD	<u>(11) 29,545,450</u>	<u>8,007,539</u>

The accompanying notes from (1) to (26) are an integral part of these condensed interim separate financial statements.

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

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS For the period ended 31 March 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 31 March 2020 were authorized for issuance in accordance with a resolution of the Board of Directors' dated 17 May 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 provided that it is fully implemented and included at the end of the fiscal year ending 31 December 2020.

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

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS
For the Period Ended 31 March 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 recognised 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 recognised 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 recognised 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 31 March 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 recognised contract liabilities for the expected future rebates, derecognised 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 31 March 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 recognised 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 recognised 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 recognised 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 recognises 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 recognised 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 capitalisation 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 recognised 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 31 March 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 recognised in interim condensed separate statement of comprehensive income.

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

The amounts recognised 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 BEFORE THE END OF THE FISCAL YEAR ENDING DECEMBER 31, 2020

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, amortised 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 amortised 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 recognise 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 31 March 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.

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NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS For the Period Ended 31 March 2020

4- SEGMENT INFORMATION

Currently the Company's primary business segment is the production and selling of pharmaceutical products which contributes to 96% of total revenue and balance 4% is contributed by toll manufacturing services (31 March 2019: 96% and 4% receptively). The Company's management monitors the business under two segments, "production and selling of pharmaceutical products" and "manufacturing for others" (Toll manufacturing) for the purpose of making business decisions.

Accordingly, the Company's revenues during the period ended 31 March 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</i>	<i>Export</i>	<i>Domestic</i>		<i>Tenders</i>	
	<i>Manufacturing</i>		<i>Private</i>	<i>Veterinary</i>		
	<i>"Domestic"</i>	<i>sales</i>	<i>EGP</i>	<i>EGP</i>		
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	
March 2020	<u>10,352,575</u>	<u>5,227,965</u>	<u>150,713,960</u>	-	<u>66,125,188</u>	<u>232,419,688</u>
March 2019	<u>7,536,635</u>	<u>15,787,736</u>	<u>121,962,570</u>	-	<u>44,867,802</u>	<u>190,154,743</u>

Revenue from the top five customers presented 87% of total revenues (31 March 2019: 84%).

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For the Period Ended 31 March 2019

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	-	635,465	769,349	625,000	178,410	207,457	855,769	4,806,693	8,078,143	
Additions	-	-	14,157,204	-	-	-	-	-	-	-	-	-	-	-	-	-	(14,157,204)	-	
Transferred from assets under construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
As of 31 March 2020	<u>18,637,425</u>	<u>228,471,038</u>	<u>328,530,247</u>	<u>13,036,128</u>	<u>17,308,334</u>	<u>3,962,048</u>	<u>22,653,381</u>	<u>56,977,135</u>	<u>689,575,736</u>	-	-	-	-	-	-	-	-	-	
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)	-	-	-	-	-	-	-	-	(10,755,989)	
Depreciation for the period	-	(1,755,326)	(7,895,792)	(157,738)	(392,328)	(81,454)	(473,351)	-	(10,755,989)	-	-	-	-	-	-	-	-	-	
As of 31 March 2020	<u>-</u>	<u>(52,389,448)</u>	<u>(121,497,256)</u>	<u>(9,741,257)</u>	<u>(8,951,383)</u>	<u>(1,391,253)</u>	<u>(14,830,237)</u>	<u>-</u>	<u>(208,800,834)</u>	-	-	-	-	-	-	-	-	-	
Net book value as of 31 March 2020	<u>18,637,425</u>	<u>176,081,590</u>	<u>207,032,991</u>	<u>3,294,871</u>	<u>8,356,951</u>	<u>2,570,795</u>	<u>7,823,144</u>	<u>56,977,135</u>	<u>480,774,902</u>	-	-	-	-	-	-	-	-	-	

There is a commercial mortgage on all machinery and equipment in favour of the Commercial International Bank as a guarantee for the loans granted to the Company (note 17).

The cost of fixed assets as of 31 March 2020 include EGP 17,222,771 which represents fully depreciated assets that are still in use.

The cost of the assets under construction includes impairment of EGP 686,437.

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

Cost of revenue	10,227,090
Selling and marketing expenses	120,303
General and administrative expenses	408,596
	<u>10,755,989</u>

31 March 2020
EGP

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NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS
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5- FIXED ASSETS (CONTINUED)

Cost	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	
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)								(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								

There is a commercial mortgage on all machinery and equipment in favour of the Commercial International Bank as a collateral for the loans granted to the Company (note 17).

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.

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

Gain from sale of fixed assets was calculated as follows:

	31 December 2019	31 December 2019
	EGP	EGP
Cost of revenue	28,593,111	17,878
Selling and marketing expenses	404,691	13,177
General and administrative expenses	2,129,343	4,701
	31,127,145	13,950
		9,249

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6- LEASES

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

A) Right of use assets

	31 March 2020
	EGP
Cost at 1 January 2020	18,206,266
Additions	-
Total Cost as of 31 March 2020	18,206,266
Accumulated amortization at 1 January 2020	-
Amortization for period	(763,735)
Accumulated amortization as of 31 March 2020	(763,735)
Net book value as of 31 March 2020	17,442,531

B) Lease liability

	31 March 2020
	EGP
Opening balance as of 1 January 2020	17,743,169
Additions	-
Unwinding interests recognized during the period	543,235
Lease payments paid during the period	(1,938,330)
As at 31 March 2020	16,348,074
Deduct: Current balance	2,503,735
Non-current balance	13,844,339

7- INTANGIBLE ASSETS

	<u>Registration Rights</u>	
	31 March 2020	31 December 2019
	EGP	EGP
Cost as at 1 January 2020	104,814,384	95,683,406
Additions	96,300,762	9,130,978
Total cost as at 31 March 2020	201,115,146	104,814,384
Accumulated amortization as at 1 January 2020	(16,169,081)	(11,961,748)
Amortization for the period/ year	(1,220,884)	(4,207,333)
Accumulated amortization as at 31 March 2020	(17,389,965)	(16,169,081)
Net book value as at 31 March 2020	183,725,181	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).

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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 intangible assets in favor of the Commercial International Bank as a collateral for the loans granted to the Company (note 18).

Intangible asset balance includes registration right assets under approval amounted to EGP 103,442,262 (31 December 2018: EGP 7,141,500).

8- INVENTORIES

	31 March 2020	31 December 2019
	<i>EGP</i>	<i>EGP</i>
Raw materials	83,414,921	63,585,624
Packing and packaging materials	32,622,497	32,596,525
Spare parts	7,392,064	7,342,641
Finished goods	78,439,984	75,637,934
Work in progress	24,995,615	24,516,840
Goods in transit	9,675,213	12,615,752
Inventory with others	1,080,785	1,981,835
	237,621,079	218,277,151
Write down in inventories	(10,477,269)	(6,361,972)
	227,143,810	211,915,179

Raw material and finished goods inventory are mortgaged as a collateral for the credit facilities (Note 16).
The movement in the write down in value of inventories is as follows:

	31 March 2020	31 December 2019
	<i>EGP</i>	<i>EGP</i>
Beginning balance	(6,361,972)	(1,570,298)
Charge during the period/year	(4,115,297)	(4,791,674)
Ending balance	(10,477,269)	(6,361,972)

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

9- TRADE AND NOTES RECEIVABLE

	31 March 2020	31 December 2019
	<i>EGP</i>	<i>EGP</i>
Trade receivable	341,458,921	265,695,129
Trade receivable – toll manufacturing	13,001,323	13,189,373
Notes receivable	150,393,248	223,487,730
	504,853,492	502,372,232
Impairment of trade and notes receivable	(4,067,657)	(3,405,449)
	500,785,835	498,966,783

Notes receivable amounting to EGP 109.8 M are mortgage as a guarantee for the credit facilities (Note 16).

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9- TRADE AND NOTES RECEIVABLE (continued)

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	
31 March 2020	504,853,492	150,393,248	301,815,646	47,364,285	867,050	345,606	4,067,657
31 December 2019	502,372,232	223,487,730	264,202,902	10,675,661	530,036	70,454	3,405,449

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

	31 March 2020 EGP	31 December 2019 EGP
Beginning balance	(3,405,449)	(2,118,559)
Charged during the period/year	(662,208)	(1,286,890)
Ending balance	(4,067,657)	(3,405,449)

10- TREASURY BILLS

	31 March 2020 EGP	31 December 2019 EGP
Treasury bills	500,000,000	500,000,000
Unearned interest	(35,110,000)	(35,110,000)
	464,890,000	464,890,000

Some treasury bills are mortgaged as collateral for credit facilities amounted to EGP 88 Million (Note 16). On 26 February 2020, the company authorized HSBC to sell its treasury bills EGP 500,000,000, due on 18 June 2020.

11- CASH ON HAND AND AT BANKS

	31 March 2020 EGP	31 December 2019 EGP
a) Egyptian Pounds		
Cash on hand	88,487	47,290
Current accounts	10,486,455	45,815,772
Checks under collection	8,779,267	3,706,012
Term deposits (Maturing within 3 months)	488,516	473,081
	19,842,725	50,042,155
b) Foreign currencies		
Current accounts	10,191,241	3,074,105
	10,191,241	3,074,105
	30,033,966	53,116,260

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NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS
For the Period Ended 31 March 2020

11- CASH ON HAND AND AT BANKS (continued)

Cash balances are denominated in the following currencies:

	<i>31 March 2020</i>	<i>31 December 2019</i>
	<i>EGP</i>	<i>EGP</i>
Egyptian pound (EGP)	19,842,726	50,042,156
US dollar (USD)	4,866,757	3,068,107
Euro (EUR)	5,324,483	5,997
	<u>30,033,966</u>	<u>53,116,260</u>

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

	<i>31 March 2020</i>	<i>31 March 2019</i>
	<i>EGP</i>	<i>EGP</i>
Cash in hand	88,487	52,871
Current accounts	29,456,963	7,954,668
	<u>29,545,450</u>	<u>8,007,539</u>

12- PROVISIONS

	<i>Balance as at 1 January 2020</i>	<i>Charged during the period</i>	<i>No longer required</i>	<i>Used during the period</i>	<i>Balance as at 31 March 2020</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Provision for expected claims	3,200,001	-	-	(500,000)	2,700,001
Provision for sales returns*	6,763,934	170,243	-	-	6,934,177
	<u>9,963,935</u>	<u>170,243</u>	<u>-</u>	<u>(500,000)</u>	<u>9,634,178</u>
	<i>Balance as at 1 January 2019</i>	<i>Charged during the year</i>	<i>No longer required</i>	<i>Used during the year</i>	<i>Balance as at 31 December 2019</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
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 31 March 2020

13- TRADE, NOTES AND OTHER PAYABLE

	<i>31 March 2020</i>	<i>31 December 2019</i>
	<i>EGP</i>	<i>EGP</i>
Trade payable	58,779,750	45,685,864
Notes payable	9,217,661	15,535,918
Accrued expenses	24,611,202	17,522,004
Tax authority (other than income tax)	33,339,037	26,753,487
Advances to Customers	12,746,019	20,210,828
Other payables	852,472	987,837
	<u>139,546,141</u>	<u>126,695,938</u>

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:

	<i>%</i>	<i>No. of shares</i>	<i>Amount</i>
			<i>EGP</i>
Greville Investing Limited	51	391,986,000	97,996,500
Other listed Free Shares in Stock Exchange Market	49	376,614,000	94,153,500
	100	<u>768,600,000</u>	<u>192,150,000</u>

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 31 March 2020

16- CREDIT FACILITIES

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

	<i>31 March 2020</i>	<i>31 December 2019</i>
	<i>EGP</i>	<i>EGP</i>
Opening balance	481,938,674	420,514,887
Used during the period / year	258,052,445	664,519,265
Payment during the period / year	(170,996,437)	(603,095,478)
Ending balance	<u>568,994,682</u>	<u>481,938,674</u>

	<i>31 March 2020</i>	<i>31 December 2019</i>
	<i>EGP</i>	<i>EGP</i>
Credit facilities maturing within 12 months	568,994,682	481,938,674
Bank credit	7,882,034	4,397,731
	<u>576,876,716</u>	<u>486,336,405</u>

The interest rate on the Credit facilities ranges from 10.25 % to 14.75 % as of 31 March 2020 (31 December 2019: Range from 13.50% to 19.25%).

Credit Facilities	Facility amount	Interest rate	Maturity Date	<i>31 March 2020</i>	<i>31 December 2019</i>
	EGP			<i>EGP</i>	<i>EGP</i>
CIB	250,000,000	0.5%+CBE lending rate	10/07/2020	94,912,044	113,726,345
Audi Bank	125,000,000	0.5 %+CBE lending rate	30/06/2020	113,121,632	110,541,776
Arab Bank	88,000,000	0.25%+CBE lending	09/03/2021	16,651,544	43,318,210
ABK	80,000,000	1 %+CBE lending rate	30/04/2020	65,339,748	54,958,042
ADIB	130,000,000	0.5%+CBE lending rate	12/01/2021	88,401,393	86,572,770
Alex Bank	150,000,000	0.25% + CBE lending rate	30/11/2020	112,968,321	72,821,531
HSBC	88,000,000	CBE lending rate	16/09/2020	77,600,000	-
Total Credit Facilities				<u>568,994,682</u>	<u>481,938,674</u>

All of the above facilities are guaranteed by inventories and notes receivables (Note 8,9 and 10).

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NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS For the Period Ended 31 March 2020

17- LONG TERM LOANS

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 "Loan (1)".

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.

The Company paid EGP 7,800,000 during the period ended 31 March 2020 and the balance outstanding amounted to EGP 51,075,704 as at 31 March 2020 (31 December 2019 : EGP 58,875,704).

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. "Loan (2)".

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.

The Company paid EGP 5,500,000 during the period ended 31 March 2020 and the balance outstanding amounted to EGP 61,473,972 as at 31 March 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.

The balance of loans as of 31 March 2020 as follows:

Loans	Interest rate	31 March 2020 EGP	31 December 2019 EGP
Current portion of long-term loans			
Loan (1)	0.75%+CBE lending rate	31,200,000	31,200,000
Loan (2)	0.85%+CBE lending rate	35,750,000	33,000,000
Total current portion of long-term loans		66,950,000	64,200,000
Non-current portion of long-term loans			
Loan (1)	0.75%+CBE lending rate	19,875,704	27,675,704
Loan (2)	0.85%+CBE lending rate	25,723,972	33,973,972
Total non-current portion of long-term loans		45,599,676	61,649,676
		112,549,676	125,849,676

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NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS For the Period Ended 31 March 2020

18- REVENUES

	<i>31 March 2020</i>	<i>31 March 2019</i>
	<i>EGP</i>	<i>EGP</i>
Sale of goods (net)	222,067,113	182,618,108
Toll manufacturing services revenue	10,352,575	7,536,635
	232,419,688	190,154,743

19- COST OF REVENUE

	<i>31 March 2020</i>	<i>31 March 2019</i>
	<i>EGP</i>	<i>EGP</i>
Salaries, social insurance and other fringe benefits	22,354,456	13,717,520
Raw materials	59,923,185	69,608,761
Spare parts and materials	6,070,886	4,640,859
Government fees and medical stamps	2,279,113	506,788
Other operating expenses	10,129,593	8,266,074
Energy expenses	10,735,029	3,353,188
Depreciation and amortization (Note 5,7)	11,447,974	6,018,869
Rent	1,329,239	1,658,613
Maintenance	1,831,980	3,762,476
	126,101,455	111,533,148

20- FINANCE INCOME

	<i>31 March 2020</i>	<i>31 March 2019</i>
	<i>EGP</i>	<i>EGP</i>
Interest from Treasury Bills	17,651,989	-
Interest from time deposits	15,596	14,148
	17,667,585	14,148

21- FINANCE EXPENSES

	<i>31 March 2020</i>	<i>31 March 2019</i>
	<i>EGP</i>	<i>EGP</i>
Debit interests	29,287,844	21,988,242
Unwinding interests of lease liabilities	543,235	-
Bank Charges	974,848	1,687,005
	30,805,927	23,675,247

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

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS
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22- INCOME TAXES

	<i>31 March 2020</i>	<i>31 March 2019</i>
	<i>EGP</i>	<i>EGP</i>
Current income tax	(7,838,600)	(2,996,639)
Deferred income tax	303,739	675,204
Income tax expense	<u>(7,534,861)</u>	<u>(2,321,435)</u>

DEFERED INCOME TAXES

	<i>Statement of financial position</i>		<i>Statement of profit or loss</i>	
	<i>31 March 2020</i>	<i>31 December 2019</i>	<i>31 March 2020</i>	<i>31 March 2019</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Depreciation and amortization	(30,676,009)	(29,762,643)	(913,366)	(25,092)
Provisions	1,560,190	1,521,885	38,305	121,801
Impairment of trade and notes receivables	915,223	766,226	148,997	98,341
Write down of inventory	2,357,386	1,431,444	925,942	250,463
Others	(142,108)	-	(142,108)	-
Unrealized foreign exchange differences	332,001	86,032	245,969	229,691
Net deferred income taxes	<u>(25,653,317)</u>	<u>(25,957,056)</u>	<u>303,739</u>	<u>675,204</u>

RECONCILIATION OF THE EFFECTIVE INCOME TAX RATE

	<i>Tax Rate</i>	<i>31 March 2020</i>	<i>Tax Rate</i>	<i>31 March 2019</i>
		<i>EGP</i>		<i>EGP</i>
Profits before income taxes		31,505,539		10,000,495
Income tax based on tax rate	22.50%	7,088,746	22.50%	2,250,111
Non-deductible expenses		446,115		71,324
Effective Tax Rate	23.92%	<u>7,534,861</u>	23.21%	<u>2,321,435</u>

23- 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:

	<i>31 March 2020</i>	<i>31 March 2019</i>
	<i>EGP</i>	<i>EGP</i>
Basic and diluted, profit for the period	23,970,678	7,679,060
Weighted average number of shares outstanding during the period	768,600,000	768,600,000
Earnings per share	<u>0.0312</u>	<u>0.0117</u>

- 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 31 March 2020

24- 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.
- No tax inspection took place for the Company's records for the years from 2014 till 2019.

b) Salary Tax

- The Company's records were inspected till the year 2015 and the taxes due were paid.
- No tax inspection took place for the Company's records for the years 2016 till 2019.

c) Stamp Tax

- The Company's records were inspected till 2013 and the taxes due were paid.
- No tax inspection took place for the Company's records for the years from 2014 till 2019.

d) VAT Tax

- The Company's records were inspected till the year 2015 and the taxes due were paid.
- No inspection took place for the Company's records for the year 2016 till 2019.

25- RELATED PARTIES

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

a) Related party transactions

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

Company	Nature of party	Nature of transaction	31 March 2020 EGP	31 March 2019 EGP
Rameda for Pharmaceuticals trading	Subsidiary	Rent Purchases	1,500 375,031	1,500 803,905
Ramecare Company	Subsidiary	Rent	1,500	1,500
Ramepharma Company	Subsidiary	Rent Purchases	1,500 -	1,500 2,803,378
Compass Capital	Related party	Professional fees	-	1,252,568
Greville investing LTD	Parent	Expenses paid on behalf	-	4,412,925

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

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS
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25- RELATED PARTIES (continued)

b) Related party balances

	Nature of party	31 March 2020		31 December 2019	
		Due from EGP	Due to EGP	Due from EGP	Due to EGP
Rameda for Pharmaceuticals Trading	Subsidiary	-	568,747	-	335,384
Ramecare Company	Subsidiary	3,223,111	-	3,217,460	-
Ramepharma Company	Subsidiary	16,676,379	-	16,632,011	-
		<u>19,899,490</u>	<u>568,747</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 31 March 2020 and 31 March 2019 is as follow:

	31 March 2020	31 March 2019
	EGP	EGP
Salaries and incentives	6,128,399	5,178,653
	<u>6,128,399</u>	<u>5,178,653</u>

26- MAJOR EVENTS

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

These events did not negatively affect the financial statements of the company as on 31 March 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.