

**TENTH OF RAMADAN FOR PHARMACEUTICAL
INDUSTRIES AND DIAGNOSTIC REAGENTS
(RAMEDA) (S.A.E)
SEPARATE FINANCIAL STATEMENTS
TOGETHER WITH AUDITOR'S REPORT
FOR THE YEAR ENDED 31 December 2023**

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

**Separate Financial Statements
For the Year Ended 31 December 2023**

Table of Contents	Page
Auditor's Report on the Separate Financial Statements	2-3
Separate Statement of Financial Position	4
Separate Statement of Profit or Loss	5
Separate Statement of Comprehensive Income	6
Separate Statement of Changes in Equity	7
Separate Statement of Cash Flows	8
Notes to the Separate Financial Statements	9 -39

Auditor's Report
TO THE SHAREHOLDERS OF TENTH OF RAMADAN FOR PHARMACEUTICAL
INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)

Report on the Separate Financial Statements

We have audited the accompanying separate financial statements of **TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)** (the "Company"), represented in the separate statement of financial position as at 31 December 2023, and the related separate statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Separate Financial Statements

These separate financial statements are the responsibility of the Company's Management, as Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with Egyptian Accounting Standards and applicable Egyptian laws. Management responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of separate financial statements that are free from material misstatement, whether due to fraud or error. This responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing and applicable Egyptian laws. Those standards require that we comply with ethical requirements, plan and perform the audit to obtain reasonable assurance that the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these separate financial statements.

Opinion

In our opinion, the separate financial statements present fairly in all material respects, the separate financial position of **TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)** as at 31 December 2023 and its separate financial performance and its separate cash flows for the year then ended in accordance with the Egyptian Accounting Standards and the related applicable Egyptian laws and regulations.

Auditor's Report
TO THE SHAREHOLDERS OF TENTH OF RAMADAN FOR PHARMACEUTICAL
INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E) - (CONTINUED)

Emphasis of Matter

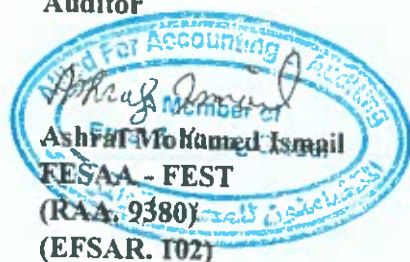
- Without qualifying our opinion, we would like to refer to what was disclosed in Note (37) on events subsequent to the reporting date, with regard to the decision of the Central Bank of Egypt, following the financial year-end 2023, to amend the interest rates on deposit, borrowing, and discount, as well as allow the exchange rate to be determined, according to the market mechanisms, including the consequent significant future financial impacts on the Company's financial position, future business results, and equity.
- Without qualifying our opinion, we draw attention to note (8) in the accompanying separate financial statements. As stated therein, the Company has investments in subsidiaries and has prepared consolidated financial statements as at and for the year then ended 31 December 2023 in accordance with the Egyptian accounting Standards. For better understanding of the Company's consolidated financial position as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended, the matter necessitates reference to the consolidated financial statements.

Report on Other Legal and Regulatory Requirements

The Company maintains proper accounting records that comply with the laws and the Company's articles of association and the financial statements agree with the Company's records. The Company maintains a costing system that meets the purpose, and the physical inventory count was undertaken by the Company's Management in accordance with the proper norms.

The financial information included in the Board of Directors' Report, prepared in accordance with Law No. 159 of 1981 and its executive regulation, is in agreement with the books of the Company insofar as such information is recorded therein.

Auditor



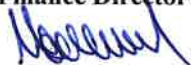
Cairo: 19 March 2024

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

STATEMENT OF FINANCIAL POSITION
As At 31 December 2023

	Notes	31 December 2023 EGP	31 December 2022 EGP
ASSETS			
Non-current assets			
Fixed assets & Assets under construction	(5)	593,657,768	540,765,324
Right of use assets	(6-A)	12,391,296	16,215,560
Intangible assets	(7)	570,583,697	438,483,986
Investment in subsidiaries	(8)	1,461,800	1,461,800
Total non-current assets		1,178,094,561	996,926,670
Current assets			
Inventories	(9)	293,033,740	335,894,054
Trade and notes receivable	(10)	1,265,021,202	893,048,470
Treasury Bills	(11)	260,895,424	361,862,202
Due from related parties	(33)	8,886,603	24,422,539
Prepayments and other receivables	(12)	134,595,487	75,873,064
Cash on hand and at banks	(13)	50,676,683	65,599,444
Total current assets		2,013,109,139	1,756,699,773
TOTAL ASSETS		3,191,203,700	2,753,626,443
EQUITY AND LIABILITIES			
Equity			
Capital	(16)	375,000,000	250,000,000
Paid under capital increase		-	160,606
Legal reserve		125,000,000	125,000,000
General reserve	(17)	377,699,726	397,521,390
Treasury Shares	(18)	(26,231,267)	(65,926,198)
Share based payments reserve	(19)	13,927,085	14,873,267
Other reserves		278,952	278,952
Retained earnings		878,504,079	788,698,090
Total equity		1,744,178,575	1,510,606,107
LIABILITIES			
Non-current liabilities			
Lease liabilities	(6-B)	11,699,588	16,343,678
Deferred tax liabilities	(30)	56,731,472	51,555,823
Total non-current liabilities		68,431,060	67,899,501
Current liabilities			
Provisions	(14)	15,034,468	14,158,105
Credit facilities	(20)	1,060,221,318	904,752,873
Current lease liabilities	(6-B)	4,807,464	3,663,480
Trade, notes & other payables	(15)	230,358,129	204,600,751
Due to related parties	(33)	12,128,006	-
Income taxes payable		56,044,680	47,945,626
Total current liabilities		1,378,594,065	1,175,120,835
TOTAL LIABILITIES		1,447,025,125	1,243,020,336
TOTAL LIABILITIES AND EQUITY		3,191,203,700	2,753,626,443

Finance Director



Mohamed Abo Amira

Board Member



Amr Abdallah Morsy

The accompanying notes from (1) to (38) are an integral part of these separate financial statements.
Auditor's Report Attached

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

SEPARATE STATEMENT OF PROFIT OR LOSS
For the Year Ended 31 December 2023

	Notes	31 December 2023 EGP	31 December 2022 EGP
Revenues	(23)	1,914,130,410	1,466,318,532
Cost of revenues	(24)	(1,032,083,879)	(771,008,930)
GROSS PROFIT		882,046,531	695,309,602
Selling and marketing expenses	(25)	(363,580,501)	(296,417,891)
General and administrative expenses	(26)	(81,169,167)	(65,230,587)
Other income	(27)	7,042,768	5,859,530
Operating profit		444,339,631	339,520,654
Finance income	(28)	62,902,521	56,732,176
Finance expenses	(29)	(194,259,309)	(92,084,277)
Net foreign exchange losses		18,445,011	25,651,096
Finance expense		(112,911,777)	(9,701,005)
Impairment of trade and notes receivable	(10)	(3,797,374)	(3,576,846)
Provisions	(14)	(258,096)	-
Share Based payment expenses	(19)	(17,768,011)	(17,847,920)
Contribution for health insurance		(5,002,047)	(3,823,609)
PROFITS FOR THE YEAR BEFORE INCOME TAXES		304,602,326	304,571,274
Income taxes	(30)	(70,146,517)	(69,926,607)
PROFITS FOR THE YEAR		234,455,809	234,644,667
Basic Earnings Per Share	(31)	0.1430	0.1477
Diluted Earnings Per Share	(31)	0.1419	0.1470

Finance Director

Mohamed Abo Amira

Board Member

Amr Abdallah Morsy

The accompanying notes from (1) to (38) are an integral part of these separate financial statements.

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

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 December 2023

	<i>31 December 2023</i>	31 December 2022
	<i>EGP</i>	<i>EGP</i>
PROFITS FOR THE YEAR	234,455,809	234,644,667
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME	234,455,809	234,644,667

The accompanying notes from (1) to (38) are an integral part of these separate financial statements.

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

For the Year Ended 31 December 2023

	Paid up Capital	Paid under capital increase	Legal reserve	General reserve	Treasury Shares	Share Based Payment	Other Reserves	Retained earnings	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance as at 1 January 2022	250,000,000	-	26,446,118	486,965,000	-	-	278,952	587,471,195	1,351,161,265
Transferred to legal reserve	-	-	98,553,882	(89,443,610)	-	-	-	(9,110,272)	-
Paid under capital increase (Note 16)	-	160,606	-	-	-	-	-	-	160,606
Acquisition of treasury shares	-	-	-	-	(65,926,198)	-	-	-	(65,926,198)
Share based Payment reserve	-	-	-	-	-	14,873,267	-	-	14,873,267
Dividend distributions	-	-	-	-	-	-	-	(24,307,500)	(24,307,500)
Total comprehensive income for the year	-	-	-	-	-	-	-	234,644,667	234,644,667
Balance as at 31 December 2022	250,000,000	160,606	125,000,000	397,521,390	(65,926,198)	14,873,267	278,952	788,698,090	1,510,606,107
Balance as at 1 January 2023	250,000,000	160,606	125,000,000	397,521,390	(65,926,198)	14,873,267	278,952	788,698,090	1,510,606,107
Paid under capital increase	-	1,952,074	-	-	-	-	-	-	1,952,074
Transferred from paid under increase to capital increase (Note 16)	2,112,680	(2,112,680)	-	-	-	-	-	-	-
Transferred from retained earnings to capital increase (Note 16)	127,887,320	-	-	-	-	-	-	(127,887,320)	-
Retire treasury shares (Note 18)	(5,000,000)	-	-	(34,694,931)	39,694,931	-	-	-	-
Share based Payment reserve	-	-	-	-	-	13,927,085	-	-	13,927,085
Transferred from Share based payment reserve to General reserve	-	-	-	14,873,267	-	(14,873,267)	-	-	-
Dividend distributions	-	-	-	-	-	-	-	(16,762,500)	(16,762,500)
Total comprehensive income for the year	-	-	-	-	-	-	-	234,455,809	234,455,809
Balance as at 31 December 2023	375,000,000	-	125,000,000	377,699,726	(26,231,267)	13,927,085	278,952	878,504,079	1,744,178,575

The accompanying notes from (1) to (38) are an integral part of these separate financial statements.

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

SEPARATE STATEMENT OF CASH FLOWS For the Year Ended 31 December 2023

	Notes	<i>31 December 2023</i>	<i>31 December 2022</i>
		EGP	EGP
CASH FLOWS FROM OPERATING ACTIVITIES			
Profits for the year before income taxes		304,602,326	304,571,274
Adjustments to reconcile profit before tax to net cash flow:			
Net foreign exchange differences		(662,098)	(17,220,566)
Depreciation and amortization	(5,6,7)	71,614,202	64,326,560
Share based payment expense		17,768,011	17,847,920
Provision charged	(14)	876,363	(103,740)
Impairment of trade and notes receivable	(10)	3,797,374	3,576,846
Impairment of inventory	(9)	34,022,291	19,808,279
Finance income		(61,696,842)	(56,724,822)
Finance expenses	(29)	192,223,806	89,532,944
Unwinding interests of lease liabilities	(29)	2,035,503	2,551,333
(Gain) Loss from sale of fixed assets	(27)	(140,610)	128,285
		564,440,326	428,294,313
Change in inventories		28,681,017	(76,126,264)
Used from inventory provision		(19,842,994)	(20,225,813)
Change in trade and notes receivable		(375,770,106)	(236,041,998)
Used from Impairment of trade and notes receivable		-	(1,179,727)
Change in prepayments and other receivables		(43,764,870)	(5,959,091)
Change in trade, notes and other payable		16,213,312	68,628,816
Change in due to related parties		12,128,006	(290,361)
Cash flows provided from operating activities		182,084,691	157,099,875
Debit interests paid		(186,520,667)	(84,819,761)
Income taxes paid		(56,871,814)	(44,286,421)
NET CASH FLOWS (USED IN) PROVIDED FROM OPERATING ACTIVITIES		(61,307,790)	27,993,693
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to acquire fixed assets	(5)	(22,668,483)	(24,769,326)
Payments to acquire assets under construction	(5)	(68,376,758)	(9,606,254)
Payments to acquire intangible assets	(7)	(161,570,100)	(93,880,155)
Payment to acquire treasury bills	(11)	(599,507,503)	(1,322,700,580)
Matured treasury bills collection	(11)	643,200,000	1,461,450,000
Sale of treasury bills		104,013,571	29,003,101
Proceeds from sale of fixed assets	(5)	182,572	22,850
Investment in term deposit	(13)	46,970,971	(47,260,570)
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		(57,755,730)	(7,740,934)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceed from capital increase		2,112,680	-
Credit facilities used	(20)	1,420,560,704	1,205,464,975
Payment of credit facilities	(20)	(1,265,092,259)	(1,121,367,337)
Payment of long-term loans		-	(21,949,676)
Acquisition of Treasury shares		-	(65,926,198)
Change in due from related parties	(33)	15,535,936	758,446
Dividends paid during the year		(16,762,500)	(24,307,500)
Lease payments paid during the year	(6)	(5,744,323)	(5,189,717)
NET CASH FLOWS RESULTED FROM (USED IN) FINANCING ACTIVITIES		150,610,238	(32,517,007)
Net change in cash and cash equivalent during the year		31,546,718	(12,264,248)
Net foreign exchange difference		662,098	17,220,566
Cash and cash equivalent - beginning of the year		18,062,727	13,106,409
CASH AND CASH EQUIVALENT - END OF THE YEAR	(13)	50,271,543	18,062,727

The accompanying notes from (1) to (38) are an integral part of these separate financial statements.

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the Year Ended 31 December 2023

1- BACKGROUND

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

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

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

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

The Company is principally engaged in:

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

The financial statements for the year ended 31 December 2023 were authorized for issuance in accordance with a resolution of the Board of Directors' dated March 18, 2024.

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 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of the Separate interim financial statements are consistent with those used in the preparation of the separate financial statements for the year ending on December 31, 2022. There is no change in the accounting policies used as the company did not apply the new changes in the accounting standards.

2-3 CHANGES IN ACCOUNTING POLICIES

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

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

Set out below are the amended standards and interpretations issued.

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

For the Year Ended 31 December 2023

2- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2-3 CHANGES IN ACCOUNTING POLICIES (CONTINUED)****Amended Egyptian accounting standard 10: Fixed assets**

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

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

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

Amended Egyptian accounting standard 23: Intangible assets

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

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

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

Amended Egyptian accounting standard 34: Investment properties

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

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

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

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

Amended Egyptian accounting standard 35: Agriculture

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

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

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

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

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

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

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

For the Year Ended 31 December 2023

2- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2-3 CHANGES IN ACCOUNTING POLICIES (CONTINUED)****Egyptian accounting standard 50: Insurance contracts**

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

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

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

2-4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2-4-1 CURRENT VERSUS NON-CURRENT CLASSIFICATION**

The Company presents assets and liabilities in the separate statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting year, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting year, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2-4-2 Foreign Currency Translation

Transactions in foreign currencies are initially recorded using prevailing exchange rates at date of transaction, whenever practical management may use fixed monthly exchange rates that are revised in case there is a significant change in the prevailing exchange rate at the date of transactions.

Monetary assets and liabilities denominated in foreign currencies are retranslated using the exchange rates prevailing at the financial position date. All differences are recognized in the separate statement of profit or loss.

Nonmonetary items that are measured at historical cost in foreign currencies are translated using the exchange rates prevailing at the date of the initial recognition.

Nonmonetary items measured at fair value in foreign currencies are translated using the exchange rates prevailing at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in separate statement of other comprehensive income ("OCI") or separate statement of profit or loss are also recognized in OCI or profit or loss, respectively)

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the Year Ended 31 December 2023

2- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2-4 SUMMARY OF SIGNIFICANT POLICIES (CONTINUED)

2-4-3 Fixed assets

Fixed assets are stated at historical cost net of accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the fixed assets when that cost is incurred, if the recognition criteria are met. Likewise, when a major improvement is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the separate statement of profit or loss as incurred.

Depreciation of an asset begins when it is in the location and condition necessary for it to be capable of operating in the manner intended by management, and is computed using the straight-line method according to the estimated useful life of the asset as follows:

	Years
Buildings	33
Machinery and equipment	20
Transportation and dragging equipment	5-10
Laboratory equipment	10
Tools	10
Furniture and fixtures	4-10

Fixed assets are derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognizing the asset is included in the separate statement of profit or loss when the asset is derecognized.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year-end position date. The useful lives of machinery and equipment related to the production activity were re-estimated to be 20 years. Freehold Land is recognized at its acquisition cost and is not depreciated.

The Company assesses at each financial position date whether there is an indication that fixed assets may be impaired. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the separate statement of profit or loss.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the separate statement of profit or loss.

2-4-4 Assets under construction

Assets under construction represent the amounts that are incurred for the purpose of constructing or purchasing fixed assets or intangible assets until it is ready to be used in the operation, upon which it is transferred to fixed assets or intangible assets. Assets under construction are valued at cost less impairment.

2-4-5 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost.

After initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets internally generated are not capitalized and the expenditures are charged to the separate statement of profit or loss in the year in which the expenditure was incurred.

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

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization expense is charged to the separate statement of profit or loss.

The period of amortization and the amortization method for an intangible assets with finite useful lives are reviewed at the end of each financial position date.

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the Year Ended 31 December 2023

2- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2-4 SUMMARY OF SIGNIFICANT POLICIES (CONTINUED)****2-4-6 Investments in subsidiaries**

Investments in subsidiaries are investments in entities which the Company has control. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Company controls an investee if, and only if, the Company has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangements with the other vote holders of the investee
- Right arising from other contractual arrangements
- The Company voting rights and potential voting rights

The Company re-assess whether or not it controls an investee if facts and circumstances indicates that there are changes to one or more of the three elements of controls.

Investments in subsidiaries are accounted for at cost inclusive transaction cost and in case the investment is impaired, the carrying amount is adjusted by the value of this impairment and is charged to the separate statement of profit or loss for each investment separately.

2-4-7 Available for sale

These assets are measured on initial recognition of the fair value, plus the cost of the transaction directly related to the acquisition or issue of the financial asset.

After the initial recognition, they are measured at fair value, changes in the fair value other than the impairment losses and the effects of changes in foreign currency exchange rates for debt instruments are recognized within the other comprehensive income items and accumulated in the fair value reserve, and from the exclusion of these assets, the recognized accumulated profits or losses are reclassified Included in other comprehensive income previously to profit or loss

2-4-8 Inventory

The inventory elements are valued as follows:

- a) Raw materials and packing materials: at the lower of cost (using the moving weighted average method) or net realizable value.
- b) Spare parts: at the lower of cost (using the moving weighted average method) or net realizable value.
- c) Finished goods: at the lower of cost (using the weighted average method) or net realizable value. The cost includes direct materials, direct labor and allocated share of manufacturing overhead excluding borrowing costs.
- d) Work in process: at the lower of cost or net realizable value. Cost includes direct material, direct labor and allocated share of manufacturing overheads based on the percentage of completion.

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the Year Ended 31 December 2023

2- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2-4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2-4-8 Inventory (continued)**

Goods in transit: at the lower of cost or net realizable value, and is recognized in the separate financial statements when risks and rewards are transferred to the Company which is determined based on shipping terms. Cost includes the purchase price of the materials and directly attributable expenses incurred to date.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

The amount of any write down of inventories to net realizable value and all losses of inventories are recognized in cost of sales in the separate statement of profit or loss in the period the write down or loss occurs. The amount of any reversal of any write down of inventories, arising from an increase in net realizable value, is recognized as reduction of cost of sales in the separate statement of profit or loss in the period in which the reversal occurs.

2-4-9 Trade and notes receivables and other receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

These receivables are recognized initially at fair value. After initial measurement, such financial assets are subsequently measured at amortized cost less impairment.

The Company assesses whether impairment exists individually, for receivables that are individually significant, or collectively for receivables that are not individually significant.

The calculation of impairment is based on actual incurred historical data. The impairment loss is recognized in the separate statement of profit or loss. Reversal of impairment is recognized in the separate statement of profit or loss in the period in which it occurs.

2-4-10 Trade and notes payable, accrued expenses and other payables

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

2-4-11 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at the financial position date and adjusted to reflect the current best estimate.

Where the effect of the time value of money is material, the amount of a provision should be the present value of the expected expenditures required to settle the obligation.

Where discounting is used, the increase in the provision due to the passage of time is recognized in the separate statement of profit or loss as a finance expense.

2-4-12 Social Insurance

The Company makes contributions to the Social Insurance Authority calculated as a percentage of the employees' salaries. The Company's obligations are limited to these contributions, which are expensed when due.

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the Year Ended 31 December 2023

2- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2-4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2-4-13 Legal reserve**

According to the Company's articles of association, 5% of the net profits of the year is transferred to the legal reserve until this reserve reaches 50% of the issued capital. The reserve is used upon a decision from the general assembly meeting based on the proposal of the Board of Directors. The transfer to the legal reserve is made once the separate financial statements for the year are approved in the general assembly meeting.

2-4-14 General Reserve

According to the Company's articles of association, the general assembly meeting may decide to allocate a certain percentage of the net profits of the year to the general reserve. The reserve is used upon a decision from the general assembly meeting based on the proposal of the board of directors. The general reserve forms part of other reserves.

2-4-15 Borrowings

Borrowings are initially recognized at fair value less transaction cost. Amounts maturing within one year are classified as current liabilities, unless the Company has the right to postpone the settlement for a period exceeding one year after the financial position date, then the loan balance should be classified as non-current liabilities.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the separate statement of profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance expenses in the separate statement of profit or loss.

2-4-16 Income taxes

Income tax is calculated in accordance with the Egyptian tax law.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority.

Deferred income tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

For the Year Ended 31 December 2023

2- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2-4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2-4-16 Income taxes (continued)**

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2-4-17 Dividends

The Company recognizes a liability to pay a dividend when the distribution is authorized and distribution is no longer at the discretion of the Company. As per law 159, a distribution is authorized when it is approved by the shareholders in the general assembly meeting.

2-4-18 Interest income

Interest income is recognized as interest accrues using the effective interest "EIR" method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

2-4-19 Expenses

All expenses including cost of revenues, general and administrative expenses, selling and marketing expenses, finance expenses and other expenses are recognized and charged to the separate statement of profit or loss in the financial year in which these expenses are incurred.

2-4-20 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the Year Ended 31 December 2023

2- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2-4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2-4-21 Related party transactions**

Related parties represent associated companies, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Boards of Directors.

2-4-22 Contingent Liabilities and Assets

Contingent liabilities are not recognized in the separate financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the separate financial statements but disclosed when an inflow of economic benefits is probable.

2-4-23 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For assets traded in an active market, fair value is determined by reference to quoted market bid prices.

The fair value of interest-bearing items is estimated based on discounted cash flows using interest rates for items with similar terms and risk characteristics.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Fair value measurements are those derived from quoted prices in an active market (that are unadjusted) for identical assets or liabilities.
- Level 2 – Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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

For the Year Ended 31 December 2023

2- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2-4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2-4-24 Impairment of assets****Impairment of financial assets**

The Financial assets of the Company include cash on hand and at banks, trade and notes receivable and due from related parties. The Company assesses at each financial position date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. The policy for the measurement of the impairment losses is included in respective financial assets accounting policy.

Impairment of non-financial assets

The Company assesses at each financial position date whether there is an indication that an asset may be impaired. Where the carrying amount of an asset or cash-generating units (CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Impairment losses are recognized in the separate statement of profit or loss.

A previously recognized impairment loss is only reversed if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the separate statement of profit or loss.

2-4-25 Statement of cash flows

The statement of cash flows is prepared using the indirect method.

2-4-26 Cash and cash equivalent

For the purpose of preparing the separate statement of cash flow, the cash and cash equivalent comprise of cash on hand, current accounts with banks and time deposits maturing within three months.

2-4-27 Interest income

Interest income is recognized as interest accrues using the effective interest "EIR" method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

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 SEPARATE FINANCIAL STATEMENTS

For the Year Ended 31 December 2023

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 SEPARATE FINANCIAL STATEMENTS

For the Year Ended 31 December 2023

4- SEGMENT INFORMATION

Currently the Company's primary business segment is the production and selling of pharmaceutical products which contributes to 93% of total revenue and balance 7% is contributed by toll manufacturing services (31 December 2022: 90% and 10% 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 year ended 31 December 2023 were reported under two segments in the separate financial statements.

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

Year	<i>Services</i>		<i>Sales of pharmaceutical products</i>			
	<i>Toll</i>					
	<i>Manufacturing</i>		<i>Export</i>	<i>Private sales</i>	<i>Tenders</i>	<i>Total</i>
	<i>"Domestic"</i>		<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
	<i>EGP</i>		<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
31 December 2023	138,099,627	180,244,234	1,406,316,077	189,470,472	1,914,130,410	
31 December 2022	146,996,624	106,506,582	1,049,832,376	162,982,950	1,466,318,532	

Revenue from the top five customers represented 77% of total pharmaceutical products revenues (31 December 2022: 77%).

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

For the Year Ended 31 December 2023

5- FIXED ASSETS AND ASSETS UNDER CONSTRUCTION

	Freehold Land	Buildings	Machinery and equipment	Transportation and dragging equipment	Laboratory equipment	Tools	Office furniture and fixtures	Assets under construction	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost									
As of 1 January 2023	18,637,425	279,172,534	444,859,590	16,305,904	31,982,677	7,345,392	33,111,400	12,858,215	844,273,137
Additions	-	4,799,190	5,093,589	-	3,203,922	4,226,069	5,345,713	68,376,758	91,045,241
Transferred from assets under construction	-	4,461,068	37,268,407	-	-	-	1,414,923	(43,144,398)	-
Disposals	-	-	(4,427,411)	(245,740)	-	-	(448,318)	-	(5,121,469)
As of 31 December 2023	18,637,425	288,432,792	482,794,175	16,060,164	35,186,599	11,571,461	39,423,718	38,090,575	930,196,909
Accumulated depreciation									
As of 1 January 2023	-	(74,889,887)	(182,460,484)	(11,707,422)	(11,027,525)	(2,818,251)	(20,604,244)	-	(303,507,813)
Depreciation for the year	-	(9,143,501)	(20,755,328)	(841,804)	(3,116,373)	(824,506)	(3,429,323)	-	(38,110,835)
Disposals	-	-	4,412,116	245,740	-	-	421,651	-	5,079,507
As of 31 December 2023	-	(84,033,388)	(198,803,696)	(12,303,486)	(14,143,898)	(3,642,757)	(23,611,916)	-	(336,539,141)
Net book value as of 31 December 2023	18,637,425	204,399,404	283,990,479	3,756,678	21,042,701	7,928,704	15,811,802	38,090,575	593,657,768

- The cost of fixed assets as of 31 December 2023 includes EGP 110,474,664 which represents fully depreciated assets that are still in use.
- The cost of asset under construction as of 31 December 2023 includes impairment by EGP 686,437, (EGP 686,437 as at 31 December 2022).

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:

	<i>31 December 2023</i>		<i>31 December 2023</i>
	<i>EGP</i>		<i>EGP</i>
Cost of revenue	35,018,353	Cost of disposed assets	5,121,469
Selling and marketing expenses	1,089,220	Accumulated depreciation of disposed assets	(5,079,507)
General and administrative expenses	2,003,262	Net book value of disposed assets	41,962
	<u>38,110,835</u>	Proceeds from sale of fixed assets	182,572
		Gain from sale of fixed assets	<u>140,610</u>

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

For the Year Ended 31 December 2023

5- FIXED ASSETS AND ASSETS UNDER CONSTRUCTION (CONTINUED)

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

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

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

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

Loss from sale of fixed assets was calculated as follows:

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

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS For the Year Ended 31 December 2023

6- LEASES

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

A) Right of use assets

	<i>31 December 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Cost at 1 January 2023	27,817,376	20,558,589
Additions	208,714	7,258,787
Total Cost as of 31 December 2023	28,026,090	27,817,376
Accumulated amortization at 1 January 2023	(11,601,816)	(7,526,230)
Amortization for year	(4,032,978)	(4,075,586)
Accumulated amortization as of 31 December 2023	(15,634,794)	(11,601,816)
Net book value as of 31 December 2023	12,391,296	16,215,560

B) Lease liability

	<i>31 December 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Opening balance as of 1 January 2023	20,007,158	15,386,755
Additions	208,714	7,258,787
Unwinding interests recognized during the year	2,035,503	2,551,333
Lease payments paid during the year	(5,744,323)	(5,189,717)
As at 31 December 2023	16,507,052	20,007,158
Deduct: Current balance	4,807,464	3,663,480
Non-current balance	11,699,588	16,343,678

7- INTANGIBLE ASSETS

	<u><i>Registration Rights</i></u>	
	<i>31 December 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Cost as at 1 January 2023	494,151,784	400,271,629
Additions	161,570,100	93,880,155
Total cost as at 31 December 2023	655,721,884	494,151,784
Accumulated amortization as at 1 January 2023	(55,667,798)	(30,830,773)
Amortization for the year	(29,470,389)	(24,837,025)
Accumulated amortization as at 31 December 2023	(85,138,187)	(55,667,798)
Net book value as at 31 December 2023	570,583,697	438,483,986

- The balance of the intangible assets represents the cost of acquiring the registration rights of certain pharmaceutical products and is amortized using the straight-line method over their useful life (20 years).
- Management estimates the expected future benefit of the registration rights to be utilize over 20 years, and assessed for impaired whenever there is an indication that the economic benefit of the product is impaired.
- Intangible asset balance includes registration right assets under approval amounted to EGP 12,175,213 (31 December 2022: EGP 34,917,222).

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS For the Year Ended 31 December 2023

8- INVESTEMENT IN SUBSIDIARIES

	Country of incorporate	%	31 December 2023 EGP	%	31 December 2022 EGP
Rameda for Pharmaceuticals Trading	Egypt	99,97%	1,437,300	99,97%	1,437,300
Ramecare Company	Egypt	49%	12,250	49%	12,250
Ramepharma Company	Egypt	49%	12,250	49%	12,250
			1,461,800		1,461,800

Ramecare and Ramepharma were considered subsidiaries since the Company has control over their operational and financial policies.

9- INVENTORIES

	31 December 2023 EGP	31 December 2022 EGP
Raw materials	105,194,308	127,123,447
Packing and packaging materials	70,079,902	66,850,553
Spare parts	19,850,409	19,009,433
Finished goods	89,097,244	77,537,207
Work in progress	24,630,447	51,192,105
Goods in transit	7,329,099	4,657,299
Inventory with others	1,687,988	180,370
	317,869,397	346,550,414
Write down in inventories	(24,835,657)	(10,656,360)
	293,033,740	335,894,054

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

	31 December 2023 EGP	31 December 2022 EGP
Beginning balance	(10,656,360)	(11,073,894)
Charge during the year	(34,022,291)	(19,808,279)
Used of inventory provision	19,842,994	20,225,813
Ending balance	(24,835,657)	(10,656,360)

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

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS For the Year Ended 31 December 2023

10- TRADE AND NOTES RECEIVABLE

	31 December 2023 EGP	31 December 2022 EGP
Trade receivable	325,037,926	254,831,970
Trade receivable – toll manufacturing	36,863,339	31,131,130
Notes receivable	917,749,024	617,917,083
	1,279,650,289	903,880,183
Impairment of trade and notes receivable	(14,629,087)	(10,831,713)
	1,265,021,202	893,048,470

Notes receivable amounting to EGP 493 M are mortgage as a guarantee for the credit facilities (Note 20).

The aging analysis of gross trade and notes receivables before impairment 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 December 2023	1,279,650,289	908,036,951	354,369,937	1,590,245	964,583	59,486	14,629,087
31 December 2022	903,880,183	610,800,871	282,240,737	2,998	3,864	-	10,831,713

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

	31 December 2023 EGP	31 December 2022 EGP
Balance as at 1 January 2023	(10,831,713)	(8,434,594)
Charged during the year	(3,797,374)	(3,576,846)
Used provision	-	1,179,727
Ending balance	(14,629,087)	(10,831,713)

11- TREASURY BILLS

	31 December 2023 EGP	31 December 2022 EGP
Treasury bills	283,900,000	378,900,000
Unearned interest	(23,004,576)	(17,037,798)
	260,895,424	361,862,202

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS For the Year Ended 31 December 2023

12- PREPAYMENTS AND OTHER RECEIVABLES

	<i>31 December 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Prepaid expenses	2,189,124	2,828,758
Accrued interests	17,065,424	2,107,871
Advances to suppliers	38,752,495	10,588,327
Tax authority	22,516,247	18,198,404
Letters of credit margin	15,593,769	35,332,976
Deposits with others	2,117,440	2,175,017
Employees' imprests and advances	1,310,725	1,681,681
Customs-authority	2,549,172	908,863
Other receivables	32,501,091	2,051,167
	134,595,487	75,873,064

13- CASH ON HAND AND AT BANKS

	<i>31 December 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
a) Egyptian Pounds		
Cash on hand	32,433	2,020,529
Current accounts	24,709,342	4,011,357
Checks under collection	9,241,507	7,179,075
Term deposits (Maturing within 3 months)	405,140	394,811
	34,388,422	13,605,772
b) Foreign currencies		
Cash on hand	180,130	12,815
Current accounts	16,108,131	4,999,557
Term deposits (Maturing within 3 months)	-	46,981,300
	16,288,261	51,993,672
	50,676,683	65,599,444

Cash balances are denominated in the following currencies:

	<i>31 December 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Egyptian pound (EGP)	34,388,422	13,605,772
US dollar (USD)	14,692,618	51,964,068
Euro (EUR)	1,595,643	29,604
	50,676,683	65,599,444

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

	<i>31 December 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Cash in hand	212,563	2,033,344
Checks under collection	9,241,507	7,179,075
Current accounts	40,817,473	8,850,308
	50,271,543	18,062,727

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the Year Ended 31 December 2023

14- PROVISIONS

	<i>Balance as at 1 January 2023 EGP</i>	<i>Charged during the year EGP</i>	<i>Used during the year EGP</i>	<i>Balance as at 31 December 2023 EGP</i>
Provision for expected claims	5,550,001	258,096	-	5,808,097
Provision for sales returns*	8,608,104	618,267	-	9,226,371
	<u>14,158,105</u>	<u>876,363</u>	<u>-</u>	<u>15,034,468</u>

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

*Provision for sales returns is deducted from sales disclosed in note (23).

15- TRADE, NOTES AND OTHER PAYABLE

	<i>31 December 2023 EGP</i>	<i>31 December 2022 EGP</i>
Trade payable	102,405,625	120,246,841
Notes payable	37,700,531	5,423,773
Accrued expenses	57,956,107	50,670,068
Tax authority (other than income tax)	17,767,667	11,782,414
Advances From Customers	9,328,863	10,784,502
Other payables	5,199,336	5,693,153
	<u>230,358,129</u>	<u>204,600,751</u>

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

16- CAPITAL

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

Based on the decision of the Extraordinary General Assembly on October 14, 2020, the meeting of the Board of Directors held on January 4, 2023 decided to increase the company's issued and paid-up capital from 250,000,000 Egyptian pounds to 252,112,680 Egyptian pounds, an increase of 2,112,680 Egyptian pounds distributed over 8,450,720 shares, funded by the payments of the beneficiaries of the system provided that the increase is allocated entirely for the benefit of the system of rewarding and motivating the company's employees, so that the company's issued capital after the increase will be 252,112,680 Egyptian pounds paid in full distributed over 1,008,450,720 shares with a nominal value of 0.25 Egyptian pounds. The amount paid under capital increase reached EGP 2,112,680 as of 31 December 2023.

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the Year Ended 31 December 2023

16- CAPITAL (CONTINUED)

According to the bank certificate issued by Arab Bank on January 9, 2023, the company's issued and paid-up capital was increased from 250,000,000 EGP to 252,112,680 EGP, an increase of 2,112,680 EGP distributed over 8,450,720 shares (Note 17).

The extraordinary General Assembly meeting held on August 16, 2023 decided to increase the paid-in capital by 127,887,320 Egyptian pounds by distributing bonus shares of 0.52253 free shares for each original share of the company's shares before the increase of 978,980,720 shares after excluding treasury shares with repurchases in favor of small shareholders from the smallest to The largest has to finance the increase in shares from the company's distributable net profits (profits for the year + retained earnings) for the fiscal year ending on December 31, 2022, so the company's issued capital after the increase becomes 380,000,000 Egyptian pounds distributed over 1,520,000,000 shares with a nominal value of EGP 0.25 per share and was registered in commercial register dated September 20,2023.

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

The following illustrate the structure for shareholders:

	%	<i>No. of shares</i>	<i>Amount EGP</i>
Main Shareholder's Shares	45.71%	685,593,073	171,398,268
Treasury Shares	0.63%	9,470,000	2,367,500
Other listed Free Shares in Stock Exchange Market	53.66%	804,936,927	201,234,232
	100%	1,500,000,000	375,000,000

The structure for shareholders as at 31 December 2022:

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

17- GENERAL RESERVE

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

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

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

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the Year Ended 31 December 2023

18- TREASURY SHARES

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

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

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

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

19- SHARE BASED PAYMENT RESERVE

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

On 30 March 2023 the company activated the reward and incentive program. Giving number of employees, managers and executive board members share options for total of 13,138,759 shares at the nominal value (0.25 EGP per share) on condition of staying in service for the required period till the exercise date on 1 November 2023 an archiving the required performance appraisal. Each employee was granted maximum number of shares according to contracts giving one month period from the exercise date to exercise the purchasing right.

The fair value of the granted shares for numbers of employees were 17,211,774 Egyptian Pound using the price of the share announced in the Egyptian Stock Exchange on the grant date (1.31 EGP for share) before the deduction of the nominal value of shares that would be paid by the beneficiaries in cash.

Movement of Equity instruments in the year as follow:

	31 December 2023		31 December 2022	
	Amount EGP	Shares No.	Amount EGP	Shares No.
Balance at 1 January 2023	14,873,267	8,450,720	-	-
Granted during the year	13,927,085	13,138,759	14,873,267	8,450,720
Forfeited during the year	-	-	-	-
Exercised during the year	(14,873,267)	(8,450,720)	-	-
Total shares at the end of year	13,927,085	13,138,759	14,873,267	8,450,720

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the Year Ended 31 December 2023

20- CREDIT FACILITIES

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

	<i>31 December 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Opening balance	893,644,592	819,720,928
Used during the year	1,429,210,500	1,195,291,001
Payment during the year	(1,265,092,259)	(1,121,367,337)
Ending balance	1,057,762,833	893,644,592
	<i>31 December 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Credit facilities maturing within 12 months	1,057,762,833	893,644,592
Bank credit	2,458,485	11,108,281
	1,060,221,318	904,752,873

The interest rate on the Credit facilities ranges from 8 % to 20.75% as of 31 December 2023 (31 December 2022: Range from 8% to 18.25%).

Credit Facilities	Facility amount	<i>31 December 2023</i>	<i>31 December 2022</i>
	EGP	<i>EGP</i>	<i>EGP</i>
CIB	500,000,000	326,662,581	180,248,662
FAB	125,000,000	118,301,989	63,847,436
Arab Bank	118,000,000	100,823,368	73,847,329
ABK	120,000,000	89,908,853	95,136,500
ADIB	150,000,000	132,496,882	131,491,585
Alex Bank	170,000,000	42,789,875	164,828,846
AUB	130,000,000	79,808,945	93,222,510
ENBD	100,000,000	80,119,201	91,021,724
AWB	100,000,000	86,851,139	-
Total Credit Facilities		1,057,762,833	893,644,592

Some of the above facilities are guaranteed by notes receivables (Note 10).

21- CAPITAL COMMITMENTS

As at 31 December 2023, the Company had contractual commitments in respect of its assets under construction and facility machines not provided for in the financial statements amounted to EGP 28,513,458. (EGP 42,164,225 as at 31 December 2022).

22- CONTINGENT LIABILITIES

As at 31 December 2023, the Company has obligations in respect of its inventory (Cash against document) not provided for in the financial statements amounted to EGP 98,131,643. (EGP 16,647,204 as at 31 December 2022).

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS For the Year Ended 31 December 2023

23- REVENUES

	<i>31 December 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Sale of goods (net)	1,776,030,783	1,319,321,908
Toll manufacturing services revenue	138,099,627	146,996,624
	<u>1,914,130,410</u>	<u>1,466,318,532</u>

24- COST OF REVENUE

	<i>31 December 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Salaries and incentives	123,672,203	103,668,343
Social insurance and other benefit	37,164,228	24,368,704
Raw materials	595,672,799	432,625,599
Spare parts and materials	35,148,212	21,017,950
Government fees and medical stamps	17,275,521	18,281,611
Other operating expenses	69,958,170	46,100,019
Energy expenses	47,503,868	42,237,341
Depreciation and amortization (Note 5,7)	64,488,742	57,418,485
Rent	5,042,077	3,613,147
Maintenance	36,158,059	21,677,731
	<u>1,032,083,879</u>	<u>771,008,930</u>

25- SELLING AND MARKETING EXPENSES

	<i>31 December 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Salaries and incentives	133,737,607	116,058,635
Social insurance and other benefit	14,179,532	10,470,429
Depreciation (Note 5)	5,122,198	4,901,259
Rent	66,900	54,300
Advertising and marketing	210,474,264	164,933,268
	<u>363,580,501</u>	<u>296,417,891</u>

26- GENERAL AND ADMINISTRATIVE EXPENSES

	<i>31 December 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Salaries and incentives	55,930,115	47,800,967
Social insurance and other benefit	3,758,063	2,720,150
Professional fees	4,231,099	1,663,289
Maintenance	1,701,150	1,369,142
Depreciation (Note 5)	2,003,262	2,006,816
Others	13,545,478	9,670,223
	<u>81,169,167</u>	<u>65,230,587</u>

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
For the Year Ended 31 December 2023

27- OTHER INCOME

	<i>31 December 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Gain (Loss) from sale of fixed assets (Note 5)	140,610	(128,285)
Other income	6,902,158	5,987,815
	<u>7,042,768</u>	<u>5,859,530</u>

28- FINANCE INCOME

	<i>31 December 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Interest from Treasury Bills	61,696,842	56,724,822
Interest from time deposits	1,205,679	7,354
	<u>62,902,521</u>	<u>56,732,176</u>

29- FINANCE EXPENSES

	<i>31 December 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Debit interests	189,163,156	86,515,124
Unwinding interests of lease liabilities	2,035,503	2,551,333
Bank Charges	3,060,650	3,017,820
	<u>194,259,309</u>	<u>92,084,277</u>

30- INCOME TAXES

	<i>31 December 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Current income tax	(64,970,868)	(58,869,020)
Deferred income tax	(5,175,649)	(11,057,587)
Income tax expense	<u>(70,146,517)</u>	<u>(69,926,607)</u>

DEFERED INCOME TAX

	<i>Statement of financial position</i>		<i>Statement of profit or loss</i>	
	<i>31 December 2023</i>	<i>31 December 2022</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Depreciation and amortization	(70,671,595)	(58,468,620)	(12,202,975)	(11,578,539)
Provisions	2,075,933	1,936,823	139,110	(23,342)
Impairment of trade and notes receivables	3,291,545	2,437,135	854,410	539,351
Write down of inventory	5,588,023	2,397,681	3,190,342	(93,945)
Share based payment	3,133,594	4,015,782	(882,188)	4,015,782
Unrealized foreign exchange differences	(148,972)	(3,874,624)	3,725,652	(3,916,894)
Net deferred income taxes	<u>(56,731,472)</u>	<u>(51,555,823)</u>	<u>(5,175,649)</u>	<u>(11,057,587)</u>

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
For the Year Ended 31 December 2023

30- INCOME TAXES (CONTINUED)

RECONCILIATION OF THE EFFECTIVE INCOME TAX RATE

	<i>Tax Rate</i>	<i>31 December 2023</i>	<i>Tax Rate</i>	<i>31 December 2022</i>
		<i>EGP</i>		<i>EGP</i>
Profits before income taxes		304,602,326		304,571,274
Income tax based on tax rate	22.50%	68,535,523	22.50%	68,528,537
Non-deductible expenses		1,610,994		1,398,070
Effective Tax Rate	23.03%	70,146,517	22.96%	69,926,607

31- EARNINGS PER SHARE

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

	<i>31 December</i>	<i>31 December</i>
	<i>2023</i>	<i>2022</i>
	<i>EGP</i>	<i>EGP</i>
Net profit for the year	234,455,809	234,644,667
Remuneration for the Board Members*	(5,362,000)	(5,362,000)
Staff profit Share*	(16,000,000)	(11,400,000)
Profit Available for Shareholders	213,093,809	217,882,667
Weighted average number of shares outstanding after purchase of treasury shares during the year	1,490,530,000	1,474,996,796
Share Options for employees and executive board members	10,928,596	7,593,165
Weighted average number of ordinary shares adjusted for the effect of share option. of dilution	1,501,458,596	1,482,589,961
Earnings per share - Basic	0.1430	0.1477
Earnings per share - Diluted	0.1419	0.1470

*Employees dividends and board of directors' remuneration as recommended in board meeting held on March 18, 2024 and currently is a subject of general assembly approval.

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS For the Year Ended 31 December 2023

32- TAX POSITION

a) Corporate Tax

- The Company's records were inspected till the year 2013 and the due tax has been paid.
- The years from 2014 to 2017 were inspected as an estimate and were challenged and a decision was issued to re-examine the actual and preparations are underway for the inspection for those years.

b) Salary Tax

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

c) Stamp Tax

- The Company's records were inspected till 2013 and the taxes due were paid.
- Years from 2014 till 2020 were inspected and the dispute is being settled in the internal committee.

d) Sales Tax

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

a) VAT Tax

- The Company's books were examined from 2016 to 2022 and the due tax has been paid.

33- RELATED PARTIES

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

a) Related party transactions

During the year, 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	<i>31 December 2023</i>	<i>31 December 2022</i>
			<i>EGP</i>	<i>EGP</i>
Rameda for Pharmaceuticals trading	Subsidiary	Rent	6,000	6,000
		Purchases	949,931	12,493,910
		Sales	-	520,812
Ramecare Company	Subsidiary	Rent	6,000	6,000
		Purchases	3,143,924	4,277,814
		Rent	6,000	6,000
Ramepharma Company	Subsidiary	Purchases	-	8,247,090
		Sales	30,235,875	25,757,069

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the Year Ended 31 December 2023

33- RELATED PARTIES (CONTINUED)

b) Related party balances

Nature of party	31 December 2023		31 December 2022	
	Due from EGP	Due to EGP	Due from EGP	Due to EGP
Rameda for Pharmaceuticals Trading	-	4,532,537	620,366	-
Ramecare Company	-	7,595,469	1,518,083	-
Ramepharma Company	8,886,603	-	22,284,090	-
	<u>8,886,603</u>	<u>12,128,006</u>	<u>24,422,539</u>	<u>-</u>

c) Salaries and incentives of key managers

The key manager's compensation during year ended 31 December 2023 and 31 December 2022 is as follow:

	31 December 2023	31 December 2022
	EGP	EGP
Salaries and incentives	40,894,987	34,277,555
Share options for employees, managers, and executive board members	17,768,011	17,847,920
	<u>58,662,998</u>	<u>52,125,475</u>

- No expected credit losses formed for related parties

34- FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Market risk
- Liquidity risk

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

The Board of Directors of the company has overall responsibility for the establishment and oversight of the Group's risk management framework. The company's senior management are responsible for developing and monitoring the risk management policies and report regularly to the Board of Directors on their activities.

The company's current financial risk management framework is a combination of formally documented risk management policies in certain areas and informal risk management policies in other areas.

a) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company is exposed to credit risk principally from its receivables from customers, notes receivable, due from related parties, other receivables, including balances with banks.

Trade and notes receivables

The customer credit risk is established by the company's policies, procedures and controls relating to customer credit risk management. Credit quality of a customer is assessed by the management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis.

The maximum exposure is limited to the balances disclosed in note (10).

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the Year Ended 31 December 2023

34- FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Other financial assets and balances with banks

The Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these assets.

Credit risk from balances with banks is managed by group treasury. The Company limits its exposure to credit risk by only placing balances with international banks and local banks of good reputation, in addition, the local banks are under the supervision of the central Bank of Egypt and thus their exposure to credit risk is minimal.

The maximum exposure is limited to the balances disclosed in note (13).

Due from related parties

The Company's exposure to credit risk rises from related parties equal to the carrying amount of these balances.

b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as currency risk and interest rate risk, which will affect the Company's income. Financial instruments affected by market risk include interest-bearing loans and borrowings and deposits. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company does not hold or issue derivative financial instruments.

Exposure to interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's obligations with floating interest rates and interest-bearing time deposits.

Interest on financial instruments having floating rates is re-priced at intervals of less than one year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, of the Company's profit before tax (through the impact on floating rate borrowings). There is no impact on the Company's equity other than the profit impact stated below.

	31 December 2023		31 December 2022	
	Change in rate	Effect on profit before tax EGP	Change in rate	Effect on profit before tax EGP
Financial assets	+8%	6,741	+1%	14,267
	-1%	(3,488)	-1%	(14,267)
Financial liabilities	+8%	(23,120,235)	+1%	(1,158,432)
	-1%	2,890,029	-1%	1,158,432

The sensitivity of profit or loss and equity to changes in interest rates on the EGP has increased in 2023 compared to 2022 due to the increase in market interest rates during the period from January 2024 to the authorization date of these separate financial statements by 800 basis points. Refer to Note (37) "Subsequent and Significant Events."

Interest rates on credit facilities from financial institutions are shown as stated in Note (20) to the separate financial statements.

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS For the Year Ended 31 December 2023

34- FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Exposure to foreign currency risk

The following tables demonstrate the sensitivity to a reasonably possible change in USD & EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

	31 December 2023		31 December 2022	
	Change in rate	Effect on profit before tax EGP	Change in rate	Effect on profit before tax EGP
USD	+60%	79,619,759	+10%	10,796,311
	-10%	(13,269,960)	-10%	(10,796,311)
EUR	+60%	(5,302,649)	+10%	(472,385)
	-10%	883,775	-10%	472,385

The sensitivity of profit or loss and equity to changes in the exchange rate between the USD and the functional currency has increased, because the Central Bank has taken some financial measures during 2023 and 2022 to reduce the impact of global and local economic conditions and the geopolitical risks facing the Egyptian economy. Among these measures is reducing the EGP, increasing the interest rate on overnight deposits and lending, and setting maximum limits on cash withdrawals and deposits from and to banks, which resulted in a decrease in foreign currency exchange rates and their availability through official channels. This caused a delay in the payment of some financial liabilities in foreign currencies, as well as an increase in the costs of managing and paying foreign currencies.

c) Liquidity risk

The cash flows, funding requirements and liquidity of the Company are monitored by Company's management. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings. The Company manages liquidity risk by maintaining adequate reserves and borrowing facilities, by continuously monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Company currently has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Financial liabilities	Less than 3 Months EGP	3 to 12 months EGP	1 to 5 years EGP	Over 5 years EGP	Total EGP
As at 31 December 2023					
Credit facilities	589,930,550	494,689,835	-	-	1,084,620,385
Trade, notes and other payables	198,896,818	31,461,310	-	-	230,358,128
Total undiscounted financial liabilities	788,827,368	526,151,145	-	-	1,314,978,513

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the Year Ended 31 December 2023

34- FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Financial liabilities	Less than 3 Months EGP	3 to 12 Months EGP	1 to 5 years EGP	Over 5 years EGP	Total EGP
As at 31 December 2022					
Credit facilities	444,106,455	493,347,092	-	-	937,453,547
Trade, notes and other payables	164,253,118	40,347,633	-	-	204,600,751
Total undiscounted financial liabilities	608,359,573	533,694,725	-	-	1,142,054,298

35- CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of Parent Company.

The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manage its capital structure and makes adjustments in light of change in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a leverage ratio. Which is total liabilities divided by net equity. The Group's policy is to keep leverage ratio between 1 to 2.

36- FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities. Financial assets of the Group include cash on hand and at banks, trade and notes receivable, due from related parties and other receivables. Financial liabilities of the Group include credit facilities, term loans, trade and notes payable, dividends payable, income taxes payable, accrued expenses and other payables.

The fair values of the financial assets and liabilities are not materially different from their carrying value unless stated otherwise.

37- SUBSEQUENT AND SIGNIFICANT EVENTS

Standard Poor's (credit rating) and Fitch Ratings lowered Egypt's sovereign rating in foreign and local currencies from B to B-, with a stable expectation. Moody's (credit rating) also lowered Egypt's sovereign rating from B3 to Caa1, with a negative future outlook. The Company reviewed the potential effects resulting from downgrading Egypt's sovereign rating and its impact on the Company's separate financial statements. The Company's management believes that there is no material impact on the Company's separate financial statements as at 31 December 2023, and the Company will assess the potential impact on the Company's separate financial statements in the subsequent periods.

During the subsequent period, Moody's (credit rating) announced that it has altered its future outlook on Egypt's rating to "positive." Moody's (credit rating) also kept Egypt's credit rating at Caa1, with a stable future outlook, and the Company reviewed the potential effects resulting from downgrading Egypt's sovereign rating and its impact on the Company's separate financial statements. The Company's management believes that there is no material impact on the Company's separate financial statements as at 31 December 2023, and the Company will assess the potential impact on the Company's separate financial statements in subsequent periods.

The impact of the current uncertain economic environment is discretionary, and management will continue to regularly assess the current situation and its related impact. It should be taken into consideration that the assumptions used about economic forecasts are subject to a high degree of inherent uncertainty and therefore the actual result may differ significantly from the forecast information.

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS For the Year Ended 31 December 2023

37- SUBSEQUENT AND SIGNIFICANT EVENTS (CONTINUED)

The Company considered the potential effects of current economic fluctuations in determining the amounts reported for the Company's financial and non-financial assets, and they represent the best assessment of management based on available information. However, markets remain volatile and recorded amounts remain sensitive to market fluctuations.

On 1 February 2024, the Central Bank of Egypt has resolved to increase its overnight deposit and lending rates, along with the price of main operation by 200 basis points to be 21.25%, 22.25% and 21.75%, respectively. The credit and debit rates have been also raised by 200 basis points to be 21.75%. The Company is considering the impact on the subsequent financial statements.

On 6 March 2024, and proceeding in the policy of monetary compliance adopted by the Central Bank, the Monetary Policy Committee has resolved in its extraordinary meeting to increase its overnight deposit and lending rates along with the price of the main operation of the Central Bank by 600 basis points, to be 27.25%, 28.25%, and 27.75%, respectively. The credit and debit rates have been also raised by 600 basis points, to be 27.75%. The Company is considering the impact on the subsequent financial statements. In order to explain the impact of interest rate risks and the impact on the Company as at 31 December 2023, please refer to Note (34b).

On 6 March 2024, the Central Bank agreed to continue its hedging efforts towards a flexible inflation-targeting framework by amending the interest rates on deposit, borrowing, and discount, as well as allowing the exchange rate to be determined according to the market mechanisms, including the consequent significant future financial impacts on the Company's financial position, future business results, and equity. In order to explain the impact of exchange rate risks, please refer to Note (34b).

Note (34b) on financial risks shows the sensitivity of profit or loss and other components of equity to changes in interest rates and foreign currency rates in light of the instruments held by the Company at the end of the financial year. These separate financial statements were not affected by the impacts of these subsequent events, as they are considered events that do not entail amendments in accordance with EAS (7) "Events After the Reporting Period."

Minister of Finance's Resolution No. 34 of 2024 was issued on 27 January 2024, regarding the adoption of the change percentage in price differences resulting from the management of foreign currencies when determining the income tax base for 2023. The percentages approved in accordance with such Resolution were used when estimating the income tax that was recognized for 2023.

38- NEW VERSIONS AND AMENDMENTS TO THE Egyptian Accounting Standards

On 3 March 2024, the Prime Minister's Resolution No. (636) of 2024 was issued amending certain provisions of accounting standards, where he agreed to replace the following standards: EAS (13) "Effects of Changes in Foreign Exchange Rates" with the revised EAS (13) "Effects of Changes in Foreign Exchange Rates", EAS (17) "Separate Financial Statements" with the revised EAS (17) "Separate Financial Statements," and EAS (34) "Real Estate Investment" with the revised EAS (34) "Real Estate Investment", of the aforementioned Egyptian accounting standards, enclosed with such Resolution. Further, the Egyptian Accounting Interpretation (2) "Carbon Emission Reduction Certificates" enclosed with such Resolution has been added.