

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

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

TOGETHER WITH REVIEW REPORT

FOR THE PERIOD ENDED 31 MARCH 2024

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

**Consolidated Financial Statements
For the Period Ended 31 March 2024**

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

Introduction

We have reviewed the accompanying condensed interim financial position of TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E) as of 31 March 2024 as well as the related condensed statements of profit or loss, Comprehensive income, changes in equity and cash flows for the three months ended on 31 March 2024, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed interim consolidated financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements does not give a true and fair view, in all material respects, of the financial position of the entity as at 31 March 2024, and of its financial performance and its cash flows for the three months ended on 31 March 2024 in accordance with Egyptian Accounting Standards.



Cairo: 14 May 2024

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

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 March 2024**

	Notes	31 March 2024 EGP	31 December 2023 EGP
ASSETS			
Non-current assets			
Fixed assets and projects under construction	(5)	591,350,647	593,657,768
Right of use assets	(6-A)	11,382,833	12,391,296
Intangible assets	(7)	582,275,023	589,271,529
Total non-current assets		1,185,008,503	1,195,320,593
Current assets			
Inventories	(8)	391,553,068	303,260,502
Trade and notes receivable	(9)	1,277,315,089	1,271,742,277
Treasury Bills	(10)	272,570,202	260,895,424
Due from related parties		25,500	25,500
Prepayments and other receivables		164,930,262	134,669,448
Cash on hand and at banks	(11)	70,081,938	52,358,275
Total current assets		2,176,476,059	2,022,951,426
TOTAL ASSETS		3,361,484,562	3,218,272,019
EQUITY AND LIABILITIES			
Equity			
Paid up Capital	(14)	375,000,000	375,000,000
Legal reserve		136,722,790	125,000,000
General reserve	(15)	365,976,936	377,699,726
Treasury Shares	(16)	(26,231,267)	(26,231,267)
Share based payments reserve	(17)	13,927,085	13,927,085
Other reserves		278,952	278,952
Profits for the period and retained earnings		953,897,209	896,888,242
Total equity of Parent Company		1,819,571,705	1,762,562,738
Non-controlling interest		16,069,968	12,936,522
Total equity		1,835,641,673	1,775,499,260
LIABILITIES			
Non-current liabilities			
Long term lease liabilities	(6-B)	8,904,375	11,699,588
Deferred tax liabilities	(25)	75,119,433	58,234,398
Total non-current liabilities		84,023,808	69,933,986
Current liabilities			
Provisions	(12)	15,034,468	15,034,468
Credit facilities	(18)	1,094,015,907	1,060,221,318
Current portion of lease liabilities	(6-B)	5,248,599	4,807,464
Trade, notes and other payables	(13)	265,947,480	232,184,692
Income taxes payable		61,572,627	60,590,831
Total current liabilities		1,441,819,081	1,372,838,773
TOTAL LIABILITIES		1,525,842,889	1,442,772,759
TOTAL LIABILITIES AND EQUITY		3,361,484,562	3,218,272,019

Finance Director

Mohamed Abo Amira



Board Member

Amr Abdallah Morsy



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

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the Period Ended 31 March 2024

	Notes	31 March 2024 EGP	31 March 2023 EGP
Revenues	(19)	456,233,346	392,001,696
Cost of revenues	(20)	(258,593,826)	(213,248,130)
GROSS PROFIT		197,639,520	178,753,566
Selling and marketing expenses	(21)	(89,879,255)	(68,032,558)
General and administrative expenses	(22)	(26,441,596)	(19,238,690)
Other income		1,738,227	667,059
OPERATING PROFIT		83,056,896	92,149,377
Finance income	(23)	16,976,600	15,710,826
Finance expenses	(24)	(61,855,844)	(31,118,126)
Net foreign exchange gain/(loss)		46,149,540	19,379,430
NET FINANCE COST		1,270,296	3,972,130
Impairment of trade and notes receivable	(9)	(335,247)	(1,528,673)
Provisions	(12)	-	(415,186)
Share Based payment expenses		-	(4,461,980)
Contribution for health insurance		(1,315,229)	(1,084,293)
PROFITS FOR THE PERIOD BEFORE INCOME TAXES		82,676,716	88,631,375
Income taxes	(25)	(22,534,303)	(19,972,547)
PROFITS FOR THE PERIOD		60,142,413	68,658,828
Attributable to:			
Equity holders of the Parent Company		57,008,967	66,513,869
Non-controlling interests		3,133,446	2,144,959
		60,142,413	68,658,828
Basic Earnings Per Share	(27)	0.0382	0.0452
Diluted Earnings Per Share	(27)	0.0382	0.0450

Finance Director

Mohamed Abo Amira

Board Member

Amr Abdallah Morsy

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

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Period Ended 31 March 2024

	<i>31 March 2024</i>	<i>31 March 2023</i>
	<i>EGP</i>	<i>EGP</i>
PROFITS FOR THE PERIOD	60,142,413	68,658,828
OTHER COMPREHENSIVE INCOME	-	-
OTHER COMPREHENSIVE INCOME	60,142,413	68,658,828
Attributable to		
Equity holders of the Parent Company	57,008,967	66,513,869
Non-controlling interest	3,133,446	2,144,959
	60,142,413	68,658,828

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

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

For the Period Ended 31 March 2023

	<i>Paid up capital</i>	<i>Paid under capital increase</i>	<i>Legal reserve</i>	<i>General reserve</i>	<i>Treasury Shares</i>	<i>Share based payment reserve</i>	<i>Other reserves</i>	<i>Retained earnings</i>	<i>Total equity of parent company</i>	<i>Non-controlling interest</i>	<i>Total</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Balance as at 1 January 2023	250,000,000	160,606	125,000,000	397,521,390	(65,926,198)	14,873,267	278,952	796,678,614	1,518,586,631	4,590,062	1,523,176,693
Transferred to legal reserve	-	-	1,056,340	-	-	-	-	(1,056,340)	-	-	-
Paid under capital increase (Note 14)	-	1,952,074	-	-	-	-	-	-	1,952,074	-	1,952,074
Transferred from paid under increase to capital increase	2,112,680	(2,112,680)	-	-	-	-	-	-	-	-	-
Share based Payment reserve	-	-	-	-	-	3,718,317	-	-	3,718,317	-	3,718,317
Transferred from Share based payment reserve to General reserve	-	-	-	14,873,267	-	(14,873,267)	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	66,513,869	66,513,869	2,144,959	68,658,828
Balance as at 31 March 2023	252,112,680	-	126,056,340	412,394,657	(65,926,198)	3,718,317	278,952	862,136,143	1,590,770,891	6,735,021	1,597,505,912
Balance as at 1 January 2024	375,000,000	-	125,000,000	377,699,726	(26,231,267)	13,927,085	278,952	896,888,242	1,762,562,738	12,936,522	1,775,499,260
Transferred to legal reserve	-	-	11,722,790	(11,722,790)	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	57,008,967	57,008,967	3,133,446	60,142,413
Balance as at 31 March 2024	375,000,000	-	136,722,790	365,976,936	(26,231,267)	13,927,085	278,952	953,897,209	1,819,571,705	16,069,968	1,835,641,673

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

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the Period Ended 31 March 2024

	Notes	31 March 2024 EGP	31 March 2023 EGP
CASH FLOWS FROM OPERATING ACTIVITIES			
Profits for the period before income taxes		82,676,716	88,631,375
Adjustments to reconcile profit before tax to net cash flow:			
Net foreign exchange differences		(50,191,074)	(14,851,704)
Depreciation and amortization	(5,6,7)	19,753,743	16,692,731
Share based payment expense		-	4,461,980
Provision charged	(12)	-	415,186
Impairment of trade and notes receivable	(9)	335,248	1,528,673
Impairment of inventory	(8)	-	7,673,833
Finance income		(16,925,686)	(15,532,446)
Finance expenses	(24)	61,430,698	30,580,107
Unwinding interests of lease liabilities	(24)	425,146	538,019
Loss / (Gain) from sale of fixed assets	(5)	3,870	(106,473)
		97,508,661	120,031,281
Change in inventories		(77,344,152)	(39,947,233)
Used of inventory provision		(10,948,414)	(4,169,297)
Change in trade and notes receivable		(5,908,060)	(89,892,149)
Change in prepayments and other receivables		(36,672,465)	9,830,779
Change in trade, notes and other payable		27,434,250	51,656,733
Cash flows provided from operating activities		(5,930,180)	47,510,114
Debit interests paid		(55,102,159)	(23,982,566)
Provisions used		-	(73,186)
Income taxes paid		(4,667,472)	(670,646)
NET CASH FLOWS (USED IN) RESULTED FROM OPERATING ACTIVITIES		(65,699,811)	22,783,716
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to acquire fixed assets	(5)	(7,699,872)	(4,805,570)
Payments to acquire assets under construction	(5)	(363,963)	(2,598,180)
Payments to acquire intangible assets	(7)	(1,395,000)	(7,035)
Payment to acquire treasury bills		(402,550,418)	(163,497,569)
Matured treasury bills collection		283,900,000	178,900,000
Sale of Treasury bills		130,312,976	31,866,321
Proceeds from sale of fixed assets	(5)	13,312	115,576
Investment in term deposits	(11)	(3,486,801)	25,361,074
NET CASH FLOWS (USED IN) RESULTED FROM INVESTING ACTIVITIES		(1,269,766)	65,334,617
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments to capital increase	(14)	-	2,112,680
Credit facilities used	(18)	448,902,290	227,594,477
Payment of credit facilities	(18)	(415,107,701)	(274,579,665)
Lease payments paid during the period		(2,779,224)	(1,503,709)
NET CASH FLOWS RESULTED FROM (USED IN) FINANCING ACTIVITIES		31,015,365	(46,376,217)
Net change in cash and cash equivalent during the period		(35,954,212)	41,742,116
Net foreign exchange difference		50,191,074	14,851,704
Cash and cash equivalent - beginning of the period		51,953,135	19,579,917
CASH AND CASH EQUIVALENT - END OF THE PERIOD	(11)	66,189,997	76,173,737

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

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Period Ended 31 March 2024

1- BACKGROUND

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

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

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

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

The Group is principally engaged in:

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

Below is a brief background about the subsidiaries:

Rameda for Pharmaceuticals Trading Company

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

Ramecare Company

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

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

Ramepharma Company

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

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

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Period Ended 31 March 2024

2- SIGNIFICANT ACCOUNTING POLICIES

2-1 BASIS OF PREPARATION

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

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

The consolidated financial statements of the Group have been prepared in accordance with the Egyptian accounting standards Num (30) and the applicable laws and regulations, The condensed financial statements do not include all the financial statements and disclosures required in the annual financial statements, and should be read in conjunction with the financial statements for the year ending December 31, 2023. In addition, the results of the interim period ending March 31, 2024 may not be considered an accurate indication of the expected results for the financial year. On December 31, 2024.

2-2 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of the condensed consolidated interim financial statements are consistent with those used in the preparation of the separate financial statements for the year ending on December 31, 2023.

3- SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

3-1 Judgments

Revenue Recognition for sale of goods

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

3-2 Estimates

Impairment of trade and other receivables

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

Provision for sales returns

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

Useful lives of fixed assets

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

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Period Ended 31 March 2024

Useful lives of intangible assets

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

Taxes

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

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

Impairment of non-financial assets

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

4- SEGMENT INFORMATION

Currently the Group's primary business segment is the production and selling of pharmaceutical products which contributes to 92% of total revenue and balance 8% is contributed by toll manufacturing services (31 March 2023: 90% and 10% receptively). The Group's management monitors the business under two segments, "production and selling of pharmaceutical products" and "manufacturing for others" (Toll manufacturing) for the purpose of making business decisions.

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

Accordingly, the Group's revenues during the period ended 31 March 2024 were reported under two segments in the consolidated financial statements.

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

Period	<i>Services</i>	<i>Sales of pharmaceutical products</i>			<i>Total</i>
	<i>Toll</i>	<i>Domestic</i>			
	<i>Manufacturing</i>				
	<i>"Domestic"</i>	<i>Export</i>	<i>Private sales</i>	<i>Tenders</i>	<i>Total</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
31 March 2024	35,122,479	53,500,123	338,325,447	29,285,297	456,233,346
31 March 2023	40,030,779	35,704,333	264,281,401	51,985,183	392,001,696

Revenue from the top five customers presented 70% of total pharmaceutical products revenues (31 March 2023: 85%).

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

For the Period Ended 31 March 2024

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 2024	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
Additions	-	2,067,579	3,335,420	1,091,150	76,380	-	1,129,343	363,963	8,063,835
Transferred from assets under construction	-	-	28,445,812	-	-	-	-	(28,445,812)	-
Disposals	-	-	-	-	-	(17,432)	(28,590)	-	(46,022)
As of 31 March 2024	18,637,425	290,500,371	514,575,407	17,151,314	35,262,979	11,554,029	40,524,471	10,008,726	938,214,722
Accumulated depreciation									
As of 1 January 2024	-	(84,033,388)	(198,803,696)	(12,303,486)	(14,143,898)	(3,642,757)	(23,611,916)	-	(336,539,141)
Depreciation for the period	-	(2,336,968)	(5,739,227)	(218,437)	(814,943)	(266,065)	(978,134)	-	(10,353,774)
Disposals	-	-	-	-	-	8,997	19,843	-	28,840
As of 31 March 2024	-	(86,370,356)	(204,542,923)	(12,521,923)	(14,958,841)	(3,899,825)	(24,570,207)	-	(346,864,075)
Net book value as of 31 March 2024	18,637,425	204,130,015	310,032,484	4,629,391	20,304,138	7,654,204	15,954,264	10,008,726	591,350,647

- The cost of fixed assets as of 31 March 2024 includes EGP 110,868,888 which represents fully depreciated assets that are still in use.
- The cost of asset under construction as of 31 March 2024 includes impairment by EGP 686,437, (EGP 686,437 as at 31 December 2023).

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

	31 March 2024 EGP
Cost of revenue	9,491,037
Selling and marketing expenses	322,319
General and administrative expenses	540,418
	<u>10,353,774</u>

Loss from sale of fixed assets was calculated as follows:

	31 March 2024 EGP
Cost of disposed assets	46,022
Accumulated depreciation of disposed assets	(28,840)
Net book value of disposed assets	17,182
Proceeds from sale of fixed assets	13,312
Loss from sale of fixed assets	<u>(3,870)</u>

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

For the Period Ended 31 March 2024

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 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		-
Disposals	-	-	(4,427,411)	(245,740)	-	-	(448,318)	(43,144,398)	(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 110,490,122 which represents fully depreciated assets that are still in use.
- The cost of asset under construction includes impairment by EGP 686,437.

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

	31 December 2023 EGP
Cost of revenue	35,018,353
Selling and marketing expenses	1,089,220
General and administrative expenses	2,003,262
	<u>38,110,835</u>

Gain from sale of fixed assets was calculated as follows:

	31 December 2023 EGP
Cost of disposed assets	5,121,469
Accumulated depreciation of disposed assets	(5,079,507)
Net book value of disposed assets	41,962
Proceeds from sale of fixed assets	182,572
Gain from sale of fixed assets	<u>140,610</u>

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6- LEASES

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

A) Right of use assets

	<i>31 March 2024</i>	<i>31 December 2023</i>
	<i>EGP</i>	<i>EGP</i>
Cost at 1 January 2024	28,026,090	27,817,376
Additions	-	208,714
Total Cost as of 31 March 2024	28,026,090	28,026,090
Accumulated amortization at 1 January 2024	(15,634,794)	(11,601,816)
Amortization for period	(1,008,463)	(4,032,978)
Accumulated amortization as of 31 March 2024	(16,643,257)	(15,634,794)
Net book value as of 31 March 2024	11,382,833	12,391,296

B) Lease liability

	<i>31 March 2024</i>	<i>31 December 2023</i>
	<i>EGP</i>	<i>EGP</i>
Opening balance as of 1 January 2024	16,507,052	20,007,158
Additions	-	208,714
Unwinding interests recognized during the period	425,146	2,035,503
Lease payments paid during the period	(2,779,224)	(5,744,323)
As at 31 March 2024	14,152,974	16,507,052
Deduct: Current balance	5,248,599	4,807,464
Non-current balance	8,904,375	11,699,588

7- INTANGIBLE ASSETS

	Registration Rights	
	<i>31 March 2024</i>	<i>31 December 2023</i>
	<i>EGP</i>	<i>EGP</i>
Cost as at 1 January 2024	680,492,842	518,048,757
Additions	1,395,000.00	162,444,085
Total cost as at 31 March 2024	681,887,842	680,492,842
Accumulated amortization as at 1 January 2024	(91,221,313)	(60,481,138)
Amortization for the period	(8,391,506)	(30,740,175)
Accumulated amortization as at 31 March 2024	(99,612,819)	(91,221,313)
Net book value as at 31 March 2024	582,275,023	589,271,529

- The balance of the intangible assets represents the cost of acquiring the registration rights of certain pharmaceutical products and is amortized using the straight-line method over their useful life (20 periods). Management estimates the expected future benefit of the registration rights to be utilize over 20 periods and assessed for impaired whenever there is an indication that the economic benefit of the product is impaired.
- Intangible asset balance includes registration right assets under approval amounted to EGP 14,834,970 (31 December 2023: EGP 13,439,970).

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8- INVENTORIES

	<i>31 March 2024</i>	<i>31 December 2023</i>
	<i>EGP</i>	<i>EGP</i>
Raw materials	139,170,833	111,944,615
Packing and packaging materials	74,460,168	73,593,369
Spare parts	25,474,095	19,850,409
Finished goods	58,190,461	89,060,232
Work in progress	36,800,497	24,630,447
Goods in transit	69,725,032	7,329,099
Inventory with others	1,619,225	1,687,988
	405,440,311	328,096,159
Write down in inventories	(13,887,243)	(24,835,657)
	391,553,068	303,260,502

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

	<i>31 March 2024</i>	<i>31 December 2023</i>
	<i>EGP</i>	<i>EGP</i>
Beginning balance	(24,835,657)	(10,656,360)
Charged during the period	-	(34,022,291)
Used of inventory provision	10,948,414	19,842,994
Ending balance	(13,887,243)	(24,835,657)

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

9- TRADE AND NOTES RECEIVABLES

	<i>31 March 2024</i>	<i>31 December 2023</i>
	<i>EGP</i>	<i>EGP</i>
Trade receivable	411,626,647	331,578,953
Trade receivable – toll manufacturing	36,748,151	36,863,339
Notes receivable	843,982,426	918,006,872
	1,292,357,224	1,286,449,164
Impairment in value of trade and notes receivables	(15,042,135)	(14,706,887)
	1,277,315,089	1,271,742,277

Notes receivable amounting to 493 MEGP are mortgage as a guarantee for the credit facilities (Note 18).

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

	<i>31 March 2024</i>	<i>31 December 2023</i>
	<i>EGP</i>	<i>EGP</i>
Balance as at 1 January 2024	(14,706,887)	(10,898,308)
Charged during the period	(335,248)	(3,808,579)
Ending balance	(15,042,135)	(14,706,887)

10- TREASURY BILLS

	<i>31 March 2024</i>	<i>31 December 2023</i>
	<i>EGP</i>	<i>EGP</i>
Treasury bills	319,650,000	283,900,000
Unearned interest	(47,079,798)	(23,004,576)
	272,570,202	260,895,424

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11- CASH ON HAND AND AT BANKS

	<i>31 March 2024</i>	<i>31 December 2023</i>
	<i>EGP</i>	<i>EGP</i>
a) Egyptian Pounds		
Cash on hand	10,792	32,433
Current accounts	36,814,932	25,777,065
Checks under collection	6,827,864	9,241,507
Term deposits	405,418	405,140
	<u>44,059,006</u>	<u>35,456,145</u>
b) Foreign currencies		
Cash on hand	2,676,344	180,130
Current accounts	19,860,065	16,722,000
Term deposits	3,486,523	-
	<u>26,022,932</u>	<u>16,902,130</u>
	<u>70,081,938</u>	<u>52,358,275</u>

Cash balances are denominated in the following currencies:

	<i>31 March 2024</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Egyptian pound (EGP)	44,059,006	35,456,145
US dollar (USD)	25,661,470	15,306,487
Euro (EUR)	361,462	1,595,643
	<u>70,081,938</u>	<u>52,358,275</u>

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

	<i>31 March 2024</i>	<i>31 March 2023</i>
	<i>EGP</i>	<i>EGP</i>
Cash in hand	2,687,136	5,022,231
Checks under collection	6,827,864	23,537,193
Current accounts	56,674,997	47,614,313
	<u>66,189,997</u>	<u>76,173,737</u>

12- PROVISIONS

	<i>Balance as at</i>	<i>Charged during</i>	<i>Used during the</i>	<i>Balance as at</i>
	<i>1 January 2024</i>	<i>the period</i>	<i>period</i>	<i>31 March 2024</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Provision for expected claims	5,808,097	-	-	5,808,097
Provision for sales returns*	9,226,371	-	-	9,226,371
	<u>15,034,468</u>	<u>-</u>	<u>-</u>	<u>15,034,468</u>

	<i>Balance as at</i>	<i>Charged during</i>	<i>Used during the</i>	<i>Balance as at</i>
	<i>1 January 2023</i>	<i>the year</i>	<i>year</i>	<i>31 December 2023</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Provision for expected claims	5,550,001	673,282	(415,186)	5,808,097
Provision for sales returns*	8,608,104	618,267	-	9,226,371
	<u>14,158,105</u>	<u>1,291,549</u>	<u>(415,186)</u>	<u>15,034,468</u>

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

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13- TRADE, NOTES AND OTHER PAYABLES

	<i>31 March 2024</i>	<i>31 December 2023</i>
	<i>EGP</i>	<i>EGP</i>
Trade payables	140,059,616	102,405,625
Notes payables	3,291,705	37,700,531
Accrued expenses	46,466,846	58,644,065
Tax authority (other than income tax)	14,162,616	17,800,462
Advances from customer	55,966,211	10,431,219
Other payables	6,000,486	5,202,790
	<u>265,947,480</u>	<u>232,184,692</u>

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

14- CAPITAL

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

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

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

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

The following illustrate the structure for shareholders as of 31 March 2024:

	%	<i>No. of shares</i>	<i>Amount</i>
			<i>EGP</i>
Main Shareholder's Shares	45.50%	682,431,288	170,607,822
Treasury Shares	0.63%	9,470,000	2,367,500
Other listed Free Shares in Stock Exchange Market	53.87%	808,098,712	202,024,678
	<u>100%</u>	<u>1,500,000,000</u>	<u>375,000,000</u>

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The structure for shareholders as at 31 December 2023:	%	No. of shares	Amount EGP
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
	<u>100%</u>	<u>1,500,000,000</u>	<u>375,000,000</u>

15- GENERAL RESERVE

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

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

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

16- TREASURY SHARES

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

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

During 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.

17- SHARE BASED PAYMENT RESERVE

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

On 30 March 2023 the company activated the reward and incentive program. Giving number of employees, managers and executive board members share options for total of 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

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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 period as follow:

	<i>31 March 2024</i>		<i>31 December 2023</i>	
	Amount EGP	Shares No.	Amount EGP	Shares No.
Balance at 1 January 2024	13,927,085	13,138,759	14,873,267	8,450,720
Granted during the period / year	-	-	13,927,085	13,138,759
Forfeited during the period / year	-	-	-	-
Exercised during the period / year	-	-	(14,873,267)	(8,450,720)
Total shares at the end of period / year	13,927,085	13,138,759	13,927,085	13,138,759

18- CREDIT FACILITIES

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

	<i>31 March 2024</i> <i>EGP</i>	<i>31 December 2023</i> <i>EGP</i>
Opening balance	1,057,762,833	893,644,592
Used during the period	450,165,076	1,429,210,500
Payment during the period	(415,107,701)	(1,265,092,259)
Ending balance	1,092,820,208	1,057,762,833
	<i>31 March 2024</i> <i>EGP</i>	<i>31 December 2023</i> <i>EGP</i>
Credit facilities maturing within 12 months	1,092,820,208	1,057,762,833
Bank credit	1,195,699	2,458,485
	1,094,015,907	1,060,221,318

The interest rate on the Credit facilities ranges from 11% to 28.75% as of 31 March 2024 (31 December 2023: Range from 8% to 20.75%).

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Credit Facilities	Facility amount EGP	31 March 2024	31 December 2023
		EGP	EGP
CIB	500,000,000	379,714,733	326,662,581
FAB	125,000,000	115,887,506	118,301,989
Arab Bank	88,000,000	92,185,418	100,823,368
ABK	120,000,000	63,167,765	89,908,853
ADIB	150,000,000	131,710,909	132,496,882
Alex Bank	170,000,000	15,763,878	42,789,875
AUB	130,000,000	98,497,669	79,808,945
ENBD	100,000,000	81,458,460	80,119,201
AWB	100,000,000	114,433,870	86,851,139
Total Credit Facilities		1,092,820,208	1,057,762,833

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

19- REVENUES

	31 March 2024	31 March 2023
	EGP	EGP
Sale of goods (net)	421,110,867	351,970,917
Toll manufacturing services revenue	35,122,479	40,030,779
	456,233,346	392,001,696

20- COST OF REVENUES

	31 March 2024	31 March 2023
	EGP	EGP
Salaries and incentives	36,668,428	29,718,622
Social insurance and other benefit	12,211,984	9,124,958
Raw materials	143,964,514	115,573,465
Spare parts and materials	9,583,221	6,982,468
Government fees and medical stamps	2,897,973	3,734,751
Other operating expenses	8,211,992	16,534,977
Energy expenses	12,207,810	9,237,318
Depreciation and amortization (Note 5,7)	17,882,543	14,963,970
Rent	1,786,866	1,036,220
Maintenance	13,178,495	6,341,381
	258,593,826	213,248,130

21- SELLING & MARKETING EXPENSES

	31 March 2024	31 March 2023
	EGP	EGP
Salaries and incentives	38,234,418	29,761,167
Social insurance and other benefit	4,497,923	3,395,454
Depreciation (Note 5)	1,330,782	1,240,281
Rent	28,100	9,600
Advertising and marketing	45,788,032	33,626,056
	89,879,255	68,032,558

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22- GENERAL & ADMINISTRATIVE EXPENSES

	<i>31 March 2024</i>	<i>31 March 2023</i>
	<i>EGP</i>	<i>EGP</i>
Salaries and incentives	19,489,765	13,689,964
Social insurance and other benefit	1,238,430	924,390
Professional fees	1,819,522	934,260
Maintenance	477,016	447,632
Depreciation (Note 5)	540,418	488,480
Others	2,876,445	2,753,964
	<u>26,441,596</u>	<u>19,238,690</u>

23- FINANCE INCOME

	<i>31 March 2024</i>	<i>31 March 2023</i>
	<i>EGP</i>	<i>EGP</i>
Interest from Treasury Bills	16,925,686	15,532,446
Interest from time deposits	50,914	178,380
	<u>16,976,600</u>	<u>15,710,826</u>

24- FINANCE EXPENSES

	<i>31 March 2024</i>	<i>31 March 2023</i>
	<i>EGP</i>	<i>EGP</i>
Debit interests	60,599,233	30,017,330
Unwinding interests of lease liabilities	425,146	538,019
Bank Charges	831,465	562,777
	<u>61,855,844</u>	<u>31,118,126</u>

25- INCOME TAXES

	<i>31 March 2024</i>	<i>31 March 2023</i>
	<i>EGP</i>	<i>EGP</i>
Current income tax	(4,258,911)	(15,108,918)
Deferred income tax	(18,275,392)	(4,863,629)
Income tax expense	<u>(22,534,303)</u>	<u>(19,972,547)</u>

DEFERED INCOME TAXES

	<i>Statement of financial position</i>		<i>Statement of profit or loss</i>	
	<i>31 March 2024</i>	<i>31 December 2023</i>	<i>31 March 2024</i>	<i>31 March 2023</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Depreciation and amortization	(74,206,930)	(70,926,537)	(4,670,750)	(2,241,701)
Provisions	2,075,933	2,075,933	-	-
Impairment of trade and notes receivables	3,384,480	3,309,050	75,430	358,936
Write down in value of inventory	3,124,630	5,588,023	(2,463,393)	788,521
Share based payment	3,133,594	3,133,594	-	(3,011,836)
Unrealized foreign exchange differences	(11,365,651)	(148,972)	(11,216,679)	507,940
Others	(1,265,489)	(1,265,489)	-	(1,265,489)
Net deferred income taxes	<u>(75,119,433)</u>	<u>(58,234,398)</u>	<u>(18,275,392)</u>	<u>(4,863,629)</u>

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RECONCILIATION OF THE EFFECTIVE INCOME TAX RATE

	<i>Tax Rate</i>	<i>31 March 2024</i>	<i>Tax Rate</i>	<i>31 March 2023</i>
		<i>EGP</i>		<i>EGP</i>
Profits before income taxes		<u>82,676,716</u>		88,631,375
Income tax based on tax rate	22.5%	<u>18,602,261</u>	22.5%	19,942,059
Non-deductible expenses		<u>3,932,042</u>		30,488
Effective Tax Rate	27.26%	<u>22,534,303</u>	22.53%	<u>19,972,547</u>

26- EARNINGS PER SHARE

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

	<i>31 March</i>	<i>31 March</i>
	<i>2024</i>	<i>2023</i>
	<i>EGP</i>	<i>EGP</i>
Net profit for the period	<u>57,008,967</u>	66,513,869
Profit Available for Shareholders	<u>57,008,967</u>	<u>66,513,869</u>
Weighted average number of shares outstanding after purchase of treasury shares during the period	<u>1,490,530,000</u>	1,470,527,516
Share Options for employees and executive board members	-	6,770,156
Weighted average number of ordinary shares adjusted for the effect of share option of dilution	<u>1,490,530,000</u>	<u>1,477,297,672</u>
Earnings per share - Basic	<u>0.0382</u>	<u>0.0452</u>
Earnings per share - Diluted	<u>0.0382</u>	<u>0.0450</u>

27- TAX POSITION

a) Corporate Tax

- The Company's records were inspected till the year 2013 and the due tax has been paid.
- The years from 2014 to 2017 were inspected as an estimate and were challenged and a decision was issued to re-examine the actual 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.
- Year 2020 was inspected and the tax due was paid and under settlements.

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.

e) VAT Tax

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

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the Period Ended 31 March 2024

27- TAX POSITION (CONTINUED)

RAMEDA FOR PHARMACEUTICAL TRADING (S.A.E)

a) Corporate Tax

- The company provides legal procedures within the legal dates according to law 91 of year 2005.
- The years 2012 and 2021 have been inspected and the tax dues were paid and settled.

b) Salary Tax

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

c) Stamp Tax

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

d) VAT

- The company was examined from the beginning of registration 8/2018 until 8/2019, and the tax dues were paid and settled.

e) Social Insurance

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

f) Withholding Tax

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

RAMECARE COMPANY (L.L.C).

a) Corporate Tax

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

b) Salary Tax

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

c) Stamp Tax

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

d) VAT

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

e) Social Insurance

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

f) Withholding Tax

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

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Period Ended 31 March 2024

27- TAX POSITION (CONTINUED)

RAMEPHARMA COMPANY (L.L.C).

a) Corporate Tax

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

b) Salary Tax

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

c) Stamp Tax

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

d) VAT

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

e) Social Insurance

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

f) Withholding Tax

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

28- MAJOR EVENT

- 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 consolidated financial statements. The Company's management believes that there is no material impact on the Company's consolidated financial statements as of 31 March 2024, and the Company will assess the potential impact on the Company's consolidated 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 consolidated financial statements. The Company's management believes that there is no material impact on the Company's consolidated financial statements as at 31 March 2024, and the Company will assess the potential impact on the Company's consolidated 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.
- 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.

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

For the Period Ended 31 March 2024

28- MAJOR EVENT

- 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 March 2024, please refer to Note (33b).
- 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 (33b).
- Note (33b) 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 consolidated 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.

29- 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.