Tenth of Ramadan for Pharmaceutical Industries and Diagnostic Reagents (Rameda) S.A.E. delivers top-line increase of 40% y-o-y to EGP 763 million and books 54% y-o-y net profit growth to EGP 120 million in 3Q24.

November 13th, 2024 | Cairo, Egypt

Tenth of Ramadan for Pharmaceutical Industries and Diagnostic Reagents (Rameda) S.A.E. (the "Company", and, together with its consolidated subsidiaries, "Rameda" or the "Company"), RMDA.CA on the EGX, a leading Egyptian pharmaceutical company, announced today its consolidated results for the nine months of 2024.

3Q24 Financial & Operational Highlights

Consolidated Revenue	Gross Profit	EBITDA	Net Income
EGP 763.2 million ▲ 40% y-o-y	**EGP 347.1 million** (45% margin) ▲ 31% y-o-y	**EGP 244.5 million** (32% margin) ▲ 45% y-o-y	**EGP 120.4 million** (16% margin) ▲ 54% y-o-y
Core Net Income[1]	**Net Debt**	**Average Unit Price**	**Private Sales Units Sold**
EGP 133.0 (17% Margin) ▲ 61% y-o-y	**EGP 805.4** ▲ 8% y-o-y	**EGP 85.5** (IQVIA) ▲ 40% y-o-y	**10.9 million** ▲ 27 % y-o-y

9M24 Financial & Operational Highlights

Consolidated Revenue	Gross Profit	EBITDA	Net Income
EGP 1,784.4 million ▲ 29% y-o-y	**EGP 815.5 million** (46% margin) ▲ 25% y-o-y	**EGP 496.9 million** (28% margin) ▲ 27% y-o-y	**EGP 244.0 million** (14% margin) ▲ 24% y-o-y
Core Net Income[1]	**Net Debt**	**Average Unit Price**	**Private Sales Units Sold**
EGP 215.7 (12% Margin) ▲ 13% y-o-y	**EGP 805.4** ▲ 8% y-o-y	**EGP 73.7** (IQVIA) ▲ 28% y-o-y	**25.4 million** ▲ 23.5 % y-o-y

[1] *Core net income before minority interest adjusted for ESOP expense, FX income/losses, unusual items, and provisions.*

Revenue Analysis	3Q23	3Q24	% YoY	9M23	9M24	% YoY
Private Sales						
Volumes Sold ('000)	8,528.8	10,854.0	*27.3%*	20,596.7	25,442.4	*23.5%*
Sales (EGP mn)	399.5	628.9	*57.4%*	997.0	1,411.9	*41.6%*
Tenders						
Volumes Sold ('000)	3,405.5	1,837.8	*-46.0%*	10,398.9	4,237.6	*-59.2%*
Sales (EGP mn)	50.3	49.5	*-1.7%*	145.5	116.2	*-20.1%*
Exports						
Volumes Sold ('000)	2,296.9	1,428.0	*-37.8%*	5,231.4	3,913.4	*-25.2%*
Sales (EGP mn)	61.1	41.5	*-32.1%*	140.3	139.1	*-0.9%*
Volume (excluding toll) ('000)	14,231.2	14,119.8	*-0.8%*	36,227.0	33,593.4	*-7.3%*
Revenue (excluding toll) (EGP mn)	510.9	719.9	*40.9%*	1,282.9	1,667.2	*30.0%*
Toll Manufacturing						
Volumes Sold ('000)	13,719.6	16,067.1	*17.1%*	48,437.5	43,357	*-10.5%*
Sales (EGP mn)	34.8	43.3	*24.5%*	105.3	117.2	*11.3%*
Total Volume Sold (000 units)	**27,950.8**	**30,187.0**	***8.0%***	**84,664.5**	**76,950.7**	***-9.1%***
Total Revenue (EGP mn)	**545.7**	**763.2**	***39.9%***	1,388.2	1,784.4	***28.5%***

Financial & Operational Highlights

- **Revenues** climbed 39.9% y-o-y to EGP 763.2 million due to a 57.4% y-o-y increase in private sales revenue coupled with revenue growth of 24.5% across the Company's toll manufacturing vertical in 3Q24. During 9M24, Revenue grew by 28.5% to EGP 1,784.4 million on the back of a 41.6% increase in private sales revenue, alongside an 11.3% increase in toll manufacturing sales.
- **COGS** booked an increase of 48.3% y-o-y to EGP 416.1 million, while increasing its contribution to revenue by 3.1 percentage points to 54.5% due to a 61.9% increase in the cost of raw materials during 3Q24. During 9M24, COGS reached EGP 967.0 million, with a 31.6% increase year on year, alongside a 1.3 percentage point's increase reaching a 54.5% contribution to total revenue, on the back of a 42.4% increase to raw materials.
- **Gross profit** increased 30.9% y-o-y to EGP 347.1 million, while, with gross profit margin decreasing by 3.1 percentage points year on year to 45.5% in 3Q24. This was due to a rise in the Company's cost base, primarily raw materials, surging by 61.9% during 3Q24 and 42.4% during 9M24, while price increases were gradually applied through 3Q24. The full effect of margin improvement should be in 4Q24, given the full effect of repricing. On the other hand, gross profit increased by 25.1% to reach EGP 815.5 million during 9M24, with a 1.3 percentage points decrease in gross profit margin, reaching 45.7%.
- **EBITDA** grew by 45.2% y-o-y to EGP 244.5 million in 3Q24, with the EBITDA margin increasing by 1.2 percentage points to 32.0% in 3Q24, despite a 20.8% increase in the cost of salaries and social insurance, as a measure of successful cost saving due to their decrease in their percent of total revenue. EBITDA grew by 26.7% to reach EGP 496.9 million during 9M24 with a 0.4 percentage points decrease, reaching a 27.8% margin, the EBITDA margin remained flat despite the decrease in the gross profit margin level, on the back of effective cost saving measures.
- **Reported net income**[1] increased by 54.5% y-o-y to EGP 120.4 million and experienced a margin expansion of 1.5 ppts to 15.8% in 3Q24. During 9M24, the recorded net income came in at EGP 244.0 million, with a 23.9% increase y-o-y, with a 0.5 ppts decrease, reaching a 13.7% net income margin, despite the 52.5% increase in finance cost.
- **Core Net Income**, calculated as net income before minority interest adjusted for FX gains/losses, non-cash ESOP expenses, increased by 61.5% y-o-y to EGP 133.0 million and yielded a year-on-year margin expansion of 2.3 percentage points to 17.4% in 3Q24.
- **EPS** increased by 51.5% y-o-y to EGP 0.0772 in 3Q24 and increased by 22.1% to reach EGP 0.1565 in 9M24

Notes from the Management Team

Dr. Amr Morsy, Chief Executive Officer

As we wrap up the first nine months of the year, I'm pleased to share a robust set of results that underscores Rameda's unwavering commitment to growth and the strength of its operations. Despite challenging market conditions over the past nine months—including the March currency devaluation, delays in market repricing, and limited FX availability that constrained pharmaceutical production—our agile business model and diverse product portfolio, have enabled us not only to meet our targets but to achieve notable success in the face of 2024's obstacles.

Rameda reported double-digit growth at its top line, aligning with the Company's expectations of the later half, as price increase approvals have set in gradually throughout 3Q24, with the full effect of these price adjustments entering full force during 4Q24, as we entered the quarter with products that contribute more than 90% of the company's portfolio having been repriced, at an average 40%-50% increase. Additionally, some key products have received price increase approvals higher than the stated average to correct historical price distortions.

On the other hand, the Company is strategically focused on freely priced products, empowering us to swiftly adapt to market changes and enhance profitability. This approach not only keeps us agile amid delayed repricing but also protects us from cost pressures, positioning us for sustainable growth. In line with this strategy, I'm thrilled to announce our entry into the cosmeceutical market through Glow, Rameda's new subsidiary dedicated to building an innovative portfolio in cosmetics, cosmeceuticals, dermatology, and related fields. We also recently marked one of our most successful brand launches to date with Ramelact, Egypt's first lactase enzyme supplement for lactose intolerance. These ventures are vital components of Rameda's strategy to expand our freely-priced product portfolio, providing additional resilience against inflationary pressures.

We remain committed to pursuing additional acquisitions, prioritizing substantial opportunities within the chronic medication segment, with our current product portfolio standing at 60% chronic medication after our most recent acquisition of the leading drug in the new-generation oral antidiabetic market, which aligns seamlessly with our long-term growth strategy. We anticipate continued success in executing our accretive acquisition approach and are confident in our ability to replicate past achievements by acquiring molecules at competitive prices. These acquisitions will enable us to drive significant value creation and support sustainable growth in the months ahead, reinforcing our position as a leading player in chronic care treatments.

As the year progresses, we will fully benefit from recent price adjustments, marking a turning point after a challenging period. This shift is set to drive substantial improvements in profitability, margins, and volume growth. The Company is actively exploring high-potential product launches and acquisition opportunities, particularly within chronic segments and free-pricing frameworks, along with new ventures beyond our local borders to diversify our revenue streams and bolster the resilience of our business model. We are steadfast in our commitment to achieving the Company's operational and financial targets, with a clear focus on maximizing value creation for our shareholders. As we move forward, we are confident that these initiatives will drive sustainable growth and position us strongly for the future.

Mahmoud Fayek, Chief Financial Officer and Chief Operating Officer

Rameda's revenues booked an increase of 40% year-on-year to EGP 763 million in 3Q24 thanks to solid performance from the Company's private sales and toll manufacturing verticals witnessed over the quarter. At the private sales vertical, Rameda recorded a revenue increase of 57% year-on-year to EGP 629 million during the period on the back of price increase approvals that were applied weekly since the end of May, as well as significant growth in private sales volumes, growing 27% y-o-y. Furthermore, Utilization has improved from 2Q24, which stood at 25%, to 30% in 3Q24.

Parallel to this, Rameda's toll manufacturing vertical booked a revenue increase of 25% year-on-year to EGP 43 million in 3Q24, due to FX shortages being resolved during 2Q24 and the start of granting price increase approvals towards the end of May, allowing toll clients to source raw materials and restart their production. Toll margins will also improve on the back of higher demand and higher economies of scale. Additionally, toll manufacturing has become a key focus for the Company. We've hired a dedicated team to expand this segment, recognizing its strong potential to boost both top-line and profitability. Toll manufacturing effectively absorbs our fixed overhead costs without requiring additional investment.

Revenue from tenders declined by 2% YoY during 3Q24 due to a lack of favorable contracts before repricing was applied, as such the vertical recorded a volume decline of 46% YoY in 3Q24. Starting 4Q24 and 2025, the Company has already secured favorable contracts, given that the price increases have been applied to these contracts.

In terms of profitability, Rameda's gross profit increased by 31% year-on-year to EGP 347 million in 3Q24. The Company's gross profit margin declined by 3.1 percentage points to 45%, this increase was largely driven by a rise in the Company's cost base, with raw material expenses surging by 62% during 3Q24 alone and by 42% over the course of 9M24. While price adjustments were gradually implemented throughout 3Q24 to help counterbalance these cost pressures, their positive impact on margins will become fully apparent in 4Q24, when the effect of the repricing will be felt across our financials. Conversely, the Company's EBITDA recorded a margin increase of 1.2 percentage points year-on-year to 32% in 3Q24 despite the decrease in the gross profit margin level, because of significant cost saving in SG&A costs as a percentage of sales. At the reported net income level, Rameda booked a margin increase of 1.5 percentage points year-on-year to 16%, with a 54% increase yoy to reach EGP 120mn in 3Q24.

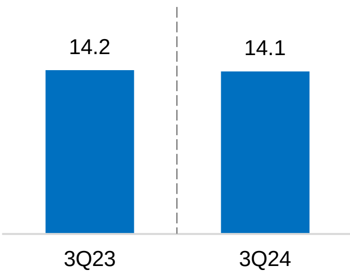
Regarding our working capital metrics, the Company's cash conversion cycle improved by 36 days, supported by a 20-day reduction in receivables days on hand. This progress highlights our move toward cash-based transactions by selling directly to clients, effectively reducing credit risk with primary distributors.

We are also very excited to announce our largest acquisition to date in the newer-generation oral anti-diabetic market. The product currently holds the top position in unit sales, capturing a 9% market share within the newer generation oral anti-diabetics segment, a market valued at over EGP 6.7 billion and comprising 31.3 million units. The product itself outperformed its market, with a three-year CAGR of 60% in value and 42% in units, significantly outpacing its overall market growth.

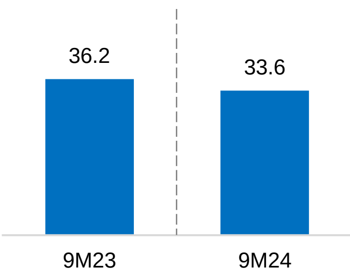
In the first nine months of the year, we faced significant challenges from inflation and currency devaluation; however, we have now shielded these concerns, and we now expect to fully reap the rewards of the year's price adjustments during the coming quarters, as they will reflect positively on profitability, margins, and sales volumes.

Financial & Operational Performance

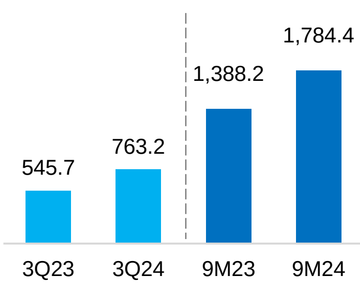
3Q24 Volume Progression
(excludes toll manufacturing)
(mn units)



9M24 Volume Progression
(excludes toll manufacturing)
(mn units)



Revenue Progression
(EGP mn)



Volumes

Private sales booked a 27.3% increase to 10.9 million units in comparison to 8.5 million units in the same period last year. On the other hand, total volumes (excluding toll manufacturing) booked a decline of 0.8% y-o-y primarily due to a 46.0% and 37.8% y-o-y volume decline across Rameda's Domestic Tenders and Exports vertical in 3Q24. This was due to delayed repricing of tender contracts, as well as Rameda booking nearly no sales from its largest export nation, Iraq.

Revenues

Revenues grew by 39.9% to EGP 763.2 million y-o-y due to an increase in private sales revenue coupled with revenue growth across the Company's toll manufacturing sales 3Q24. Solid revenue growth from private sales was driven by price increase approvals that ranged from 40%-50% across products that contribute 90% of the Company's top line, as the Company started to generate increased value from the positive impact of price increases across Rameda's product portfolio towards the end of May, as well as significant volume growth across private sales, due to consumers switching from branded innovators to high-quality generics.

Revenues by Business Line

Private Sales

Rameda sells its products to domestic distributors who in turn distribute the products to pharmacies throughout Egypt. Products sold by the private sales segment include pharmaceuticals, nutraceuticals, and food supplements. The primary sales strategy in this field is largely prescription-based, whereby marketing representatives engage with physicians to create demand for the Company's products.

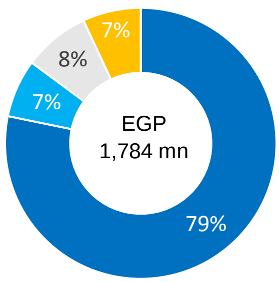
Private sales revenue booked an increase of 57.4% y-o-y to EGP 628.9 mn during 3Q24 on the back of significant volume growth (+27.3%) driven by consumers shifting from branded innovators to high-quality generics. Moreover, price increase approvals of 40%-50% were secured across products that represent more than 90% of the Company's top line. This allowed Rameda to start benefiting from the positive impact of these price adjustments by late May.

Tenders

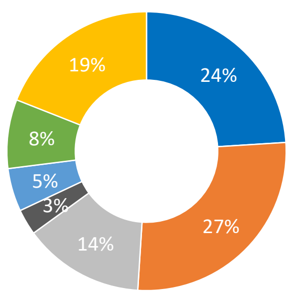
Rameda also engages in institutional sales by selling its products through tender processes through the Egyptian Authority for Unified Medical Procurement (UMPA) to government-owned institutions such as the Ministry of Health and public hospitals. Rameda focuses on participating in selective tender contracts that ensure certain profitability levels in line with its strategy.

Management pressed on with its strategy aimed at selectively participating in tender contracts only when profitable, tender volumes recorded a decline of 46.0% y-o-y to 1.8 million units and a revenue decrease of 1.7% y-o-y to EGP 49.5 million in 3Q24. Starting 4Q24 and 2025, the Company has

9M24 Sales Contribution by Vertical



9M24 Sales Contribution by Therapeutic Area



already secured favourable contracts, given that the price increases have been applied to these contracts.

Exports

Rameda sells its products to export agents, responsible for distributing its products across different regional markets; 42% of total export sales were sold in Yemen during 3Q24, with 33% sold in Sudan, and 10% in Libya. The remaining 16% of exports were distributed among Iraq, Beirut, Lebanon, and Nigeria.

During 3Q24, Exports faced a 37.8% y-o-y decline in volumes, while revenue from exports declined by 32.1% y-o-y to EGP 41.5 million, however, sales from our largest exporter, Iraq, began to bounce back, contributing 6% of the period's total exports.

Toll Manufacturing

To monetise its excess production capacity and dilute the Company's existing fixed overheads, Rameda selectively engages in toll manufacturing arrangements. Over the years, the Company has developed a solid and diverse client base, including well-known regional and international pharmaceutical companies, which has in turn enabled Rameda to benefit from enhanced brand equity and acts as a testament to the quality and the standards of Rameda' s production facilities.

Toll manufacturing volumes increased by 17.1% y-o-y in 3Q24 as companies received approved price increases, paving way for them to be able to secure necessary raw materials for production. Rameda witnessed increased utilization at its general tablets, small-sized sachets, and liquid lines, coupled with high utilization of its lyophilized production capabilities during the period. Additionally, the vertical's revenue grew by 24.5% y-o-y to EGP 43.3 million in 3Q24.

Revenue by Therapeutic Area[1]

System anti-infectives (excluding antivirals) accounted for the majority of revenues in 3Q24, at 36%, followed by Alimentary tract and metabolism, which contributed 27%, during the period. Blood and blood-forming organs came in at 8% contribution, with Musculoskeletal system following at a 6% contribution. Nervous system contributed 5%. Respiratory system contributed 4% in 3Q24.

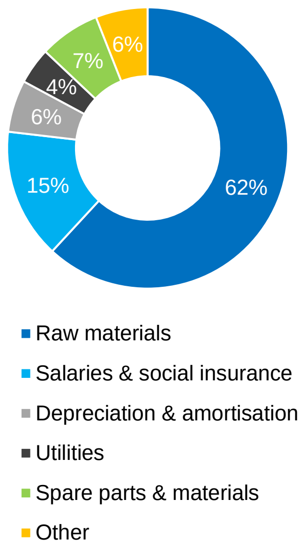
Cost of Revenues

Cost of revenues comprises raw materials, employee salaries and social insurance, depreciation and amortisation, utilities charges, spare parts & materials and other operating expenses (including inventory impairments).

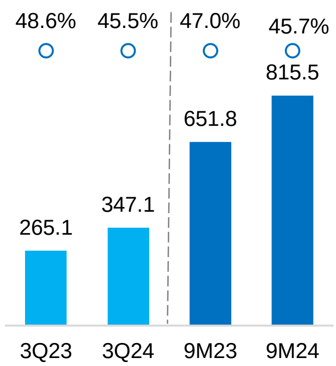
Rameda's cost of revenues booked an increase of 48.3% y-o-y to EGP 416.1 million in 3Q24, while increasing its contribution to revenue to 54.5% due to a 61.9% increase in the cost of raw materials.

[1] *Contributions here are calculated on revenues before toll manufacturing revenue, discounts & incentives and sales returns.*

9M24 Cost of Revenues Breakdown



Gross Profit and Margin Progression (EGP mn | %)



Gross Profit

Gross profit grew by 30.9% YoY to EGP 347.1 million and its margin decreased by 3.1 ppts due to significant increases in the cost of raw materials, specifically, raw material costs surged by 61.9% during 3Q24 and 42.4% during 9M24, while the price increase approvals came in gradually throughout 3Q24, not quite offsetting the imbalance. However, the full effect of margin improvement should be in 4Q24, given the full effect of repricing.

Selling and Marketing Expenses

Selling and marketing expenses principally comprise salaries, social insurance & other fringe benefits associated with the Company's sales and marketing function, advertising & marketing expenses, rent, and depreciation.

Selling and marketing expenses grew by 4.1% y-o-y to EGP 97.5 million, primarily driven by a 19.7% y-o-y increase in salaries, social insurance, and other fringe benefits in 3Q24.

General and Administrative Expenses

General and administrative expenses mainly comprise salaries, social insurance & other fringe benefits not directly attributable to the production, sales or marketing of the Company's products.

General and administrative expenses increased by 14.4% y-o-y to EGP 25.6 million in 3Q24, which was mainly driven by a 23.5% y-o-y increase in salaries and social insurance during the period.

EBITDA

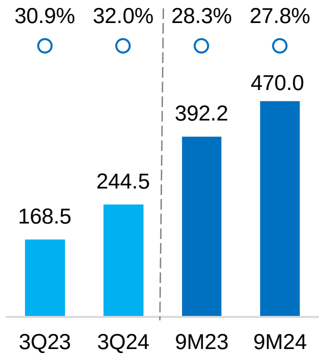
EBITDA is defined as earnings before finance expenses (including bank charges), income taxes, depreciation and amortisation, impairment of trade and notes receivable, provisions for expected claims and universal healthcare tax.

The Company's EBITDA increased by 45.2% y-o-y to EGP 244.5 million in 3Q24. The EBITDA margin expanded by 1.2 percentage points in 3Q24, to reach 32.0%. This was in spite of the 3.1 percentage points decrease in the gross profit margin, as a result of significant cost saving in SG&A costs as a percentage of sales.

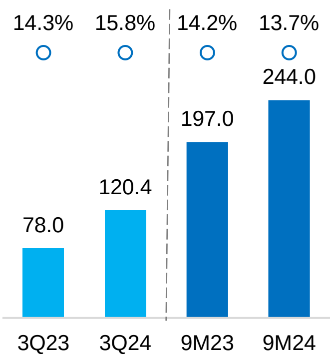
Net Income

Reported net income increased by 54.5% y-o-y to EGP 120.4 million and booked a margin expansion of 1.5 percentage points year-on-year to 15.8% in 3Q24 due to the significant increase in Rameda's top-line coupled with cost saving on S&M expenses.

EBITDA and Margin Progression (EGP mn | %)



Net Income and Margin Progression (EGP mn | %)



Core Net Income, calculated as net income before minority interest adjusted for FX gains/losses, and non-cash ESOP expenses, increased by 61% y-o-y to EGP 133.0 million and yielded a year-on-year margin expansion of 2.3 percentage points to 17.4% in 3Q24.

Operating Cash Flow, Capital Expenditure and Debt

Rameda recorded net operating inflows of EGP 166.3 million compared to an outflow of EGP 93.8 million in the same period last year. This was due to an EGP 190 million increase in net inventory, as well as interest costs reaching EGP 205 million during the period.

Net debt stood at EGP 805.4 million as of 31 September 2024, reflecting an increase of 8% YTD y-o-y.

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About Rameda

Established in 1986, Rameda (RMDA.CA on EGX) is a leading Egyptian pharmaceutical company led by a team of professionals with extensive multinational experience. The company develops and produces a wide range of branded generic pharmaceuticals, nutraceuticals, food supplements and veterinary products. Rameda combines global standards with local insights and a customer-centric approach. It has developed a broad portfolio of products across multiple therapeutic areas, by successfully leveraging its strong product portfolio with its accretive product acquisitions to become one of the fastest-growing pharmaceutical players in Egypt. The company produces its wide range of dosage forms at its three manufacturing facilities located at the industrial complex in Cairo's Sixth of October Industrial Zone.

Forward-Looking Statements

This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as "according to estimates", "anticipates", "assumes", "believes", "could", "estimates", "expects", "intends", "is of the opinion", "may", "plans", "potential", "predicts", "projects", "should", "to the knowledge of", "will", "would", or, in each case, their negatives, or other similar expressions that are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding our business and management, our future growth or profitability and general economic and regulatory conditions and other matters affecting us.

Forward-looking statements reflect our management's ("Management") current views of future events, are based on Management's assumptions, and involve known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause our actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements. Our business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate, or prediction to become inaccurate. These risks include fluctuations in the prices of raw materials or employee costs required by our operations, its ability to retain the services of certain key employees, its ability to compete successfully, changes in political, social, legal, or economic conditions in Egypt, worldwide economic trends, the impact of war and terrorist activity, inflation, interest rate and exchange rate fluctuations, and Management's ability to timely and accurately identify future risks to our business and manage the risks mentioned above.

Certain figures contained in this document, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this document may not conform exactly to the total figure given.