

**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 30 JUNE 2022**

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

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**Condensed Interim Consolidated Financial Statements  
For the Period Ended 30 June 2022**

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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 30 June 2022 as well as the related condensed statements of profit or loss, Comprehensive income, changes in equity and cash flows for the Six months ended on 30 June 2022, 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 30 June 2022, and of its financial performance and its cash flows for the Six months ended on 30 June 2022 in accordance with Egyptian Accounting Standards.




**Ehab Marad Azer**  
FESAA - FEST  
(RAA 6537)  
(EFSA 87)

**Cairo: 15 August 2022**

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 June 2022

|  | Notes | 30 June 2022<br>EGP | 31 December 2021<br>EGP |
|--|-------|---------------------|-------------------------|
| <b>ASSETS</b>                                |       |                     |                         |
| <b>Non-current assets</b>                    |       |                     |                         |
| Fixed assets and projects under construction | (5)   | 537,739,422         | 541,954,828             |
| Right of use assets                          | (6-A) | 14,494,687          | 13,032,359              |
| Intangible assets                            | (7)   | 467,577,827         | 389,663,289             |
| <b>Total non-current assets</b>              |       | 1,019,811,936       | 944,650,476             |
| <b>Current assets</b>                        |       |                     |                         |
| Inventories                                  | (8)   | 297,022,212         | 259,398,338             |
| Trade and notes receivable                   | (9)   | 717,629,164         | 659,403,591             |
| Treasury Bills                               | (10)  | 437,040,964         | 468,010,954             |
| Due from related parties                     |       | 25,500              | 25,500                  |
| Prepayments and other receivables            |       | 62,840,407          | 74,809,972              |
| Cash on hand and at banks                    | (11)  | 22,091,459          | 14,001,699              |
| <b>Total current assets</b>                  |       | 1,536,649,706       | 1,475,650,054           |
| <b>TOTAL ASSETS</b>                          |       | 2,556,461,642       | 2,420,300,530           |
| <b>EQUITY AND LIABILITIES</b>                |       |                     |                         |
| <b>Equity</b>                                |       |                     |                         |
| Paid up Capital                              | (14)  | 250,000,000         | 250,000,000             |
| Legal reserve                                |       | 35,556,390          | 26,446,118              |
| General reserves - Issuance Premium          | (15)  | 486,965,000         | 486,965,000             |
| Treasury Shares                              | (16)  | (39,695,319)        | -                       |
| Share based payments reserve                 | (17)  | 6,536,280           | -                       |
| Other reserves                               |       | 278,952             | 278,952                 |
| Profits for the period and retained earnings |       | 675,206,732         | 584,420,299             |
| <b>Total equity of Parent Company</b>        |       | 1,414,848,035       | 1,348,110,369           |
| Non-controlling interest                     |       | (481,700)           | (2,621,626)             |
| <b>Total equity</b>                          |       | 1,414,366,335       | 1,345,488,743           |
| <b>LIABILITIES</b>                           |       |                     |                         |
| <b>Non-current liabilities</b>               |       |                     |                         |
| Long term lease liabilities                  | (6-B) | 13,679,322          | 12,256,160              |
| Deferred tax liabilities                     | (26)  | 45,841,479          | 40,498,236              |
| <b>Total non-current liabilities</b>         |       | 59,520,801          | 52,754,396              |
| <b>Current liabilities</b>                   |       |                     |                         |
| Provisions                                   | (12)  | 13,934,268          | 14,261,845              |
| Credit facilities                            | (18)  | 829,073,777         | 820,655,235             |
| Current portion of long-term loans           | (19)  | -                   | 21,949,676              |
| Current portion of lease liabilities         | (6-B) | 3,612,566           | 3,130,595               |
| Trade, notes and other payables              | (13)  | 206,607,206         | 128,568,694             |
| Income taxes payable                         |       | 29,346,689          | 33,491,346              |
| <b>Total current liabilities</b>             |       | 1,082,574,506       | 1,022,057,391           |
| <b>TOTAL LIABILITIES</b>                     |       | 1,142,095,307       | 1,074,811,787           |
| <b>TOTAL LIABILITIES AND EQUITY</b>          |       | 2,556,461,642       | 2,420,300,530           |

  
Finance Director  
Mohamed Abo Amira

Board Member

Amr Abdallah Morsy

The accompanying notes from (1) to (29) are an integral part of these condensed Interim 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 30 June 2022

|   | Notes | Six Months Ended    |                     | Three Months Ended  |                     |
|---|-------|---------------------|---------------------|---------------------|---------------------|
|   |       | 30 June 2022<br>EGP | 30 June 2021<br>EGP | 30 June 2022<br>EGP | 30 June 2021<br>EGP |
| Revenues  | (20)  | 711,499,609         | 537,771,892         | 368,435,006         | 266,926,157         |
| Cost of revenues                                  | (21)  | (366,773,055)       | (294,098,518)       | (196,895,307)       | (139,349,538)       |
| <b>GROSS PROFIT</b>                               |       | <b>344,726,554</b>  | <b>243,673,374</b>  | <b>171,539,699</b>  | <b>127,576,619</b>  |
| Selling and marketing expenses                    | (22)  | (135,577,407)       | (116,362,635)       | (72,437,811)        | (62,236,103)        |
| General and administrative expenses               | (23)  | (30,974,627)        | (26,250,929)        | (16,359,186)        | (13,079,195)        |
| Other income                                      |       | 5,052,981           | 426,430             | 4,776,341           | 205,738             |
| <b>OPERATING PROFIT</b>                           |       | <b>183,227,501</b>  | <b>101,486,240</b>  | <b>87,519,043</b>   | <b>52,467,059</b>   |
| Finance income                                    | (24)  | 27,666,965          | 29,611,654          | 13,706,278          | 15,002,910          |
| Finance expenses                                  | (25)  | (43,671,024)        | (48,132,456)        | (21,483,721)        | (24,258,171)        |
| Net foreign exchange gain/(loss)                  |       | 7,325,339           | (401,991)           | (29,608)            | (439,801)           |
| <b>NET FINANCE COST</b>                           |       | <b>(8,678,720)</b>  | <b>(18,922,793)</b> | <b>(7,807,051)</b>  | <b>(9,695,062)</b>  |
| Impairment of trade and notes receivable          |       | (1,000,000)         | -                   | -                   | -                   |
| Provision expense                                 |       | -                   | (500,000)           | -                   | (500,000)           |
| Share Based payment expenses                      |       | (6,536,280)         | -                   | (6,536,280)         | -                   |
| Contribution for health insurance                 |       | (1,884,702)         | (1,424,522)         | (983,581)           | (714,276)           |
| <b>PROFITS FOR THE PERIOD BEFORE INCOME TAXES</b> |       | <b>165,127,799</b>  | <b>80,638,925</b>   | <b>72,192,131</b>   | <b>41,557,721</b>   |
| Income taxes                                      | (26)  | (38,783,668)        | (19,165,703)        | (17,620,654)        | (10,094,074)        |
| <b>PROFITS FOR THE PERIOD</b>                     |       | <b>126,344,131</b>  | <b>61,473,222</b>   | <b>54,571,477</b>   | <b>31,463,647</b>   |
| <b>Attributable to:</b>                           |       |                     |                     |                     |                     |
| Equity holders of the Parent Company              |       | 124,204,205         | 61,765,094          | 52,405,052          | 31,603,387          |
| Non-controlling interests                         |       | 2,139,926           | (291,872)           | 2,166,425           | (139,740)           |
|   |       | <b>126,344,131</b>  | <b>61,473,222</b>   | <b>54,571,477</b>   | <b>31,463,647</b>   |
| Earnings Per Share - basic and diluted            | (27)  | <b>0.1245</b>       | <b>0.0618</b>       | <b>0.0525</b>       | <b>0.0316</b>       |

**Finance Director**

Mohamed Abo Amira



**Board Member**

Amr Abdallah Morsy



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)**

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the Period Ended 30 June 2022

|                                      | <i>30 June 2022</i> | <i>30 June 2021</i> | <i>30 June 2022</i> | <i>30 June 2021</i> |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                      | <i>EGP</i>          | <i>EGP</i>          | <i>EGP</i>          | <i>EGP</i>          |
| <b>PROFITS FOR THE PERIOD</b>        | <b>126,344,131</b>  | 61,473,222          | <b>54,571,477</b>   | 31,463,647          |
| OTHER COMPREHENSIVE INCOME           | -                   | -                   | -                   | -                   |
| <b>OTHER COMPREHENSIVE INCOME</b>    | <b>126,344,131</b>  | 61,473,222          | <b>54,571,477</b>   | 31,463,647          |
| <b>Attributable to</b>               |                     |                     |                     |                     |
| Equity holders of the Parent Company | <b>124,204,205</b>  | 61,765,094          | <b>52,405,052</b>   | 31,603,387          |
| Non-controlling interest             | <b>2,139,926</b>    | (291,872)           | <b>2,166,425</b>    | (139,740)           |
|                                      | <b>126,344,131</b>  | 61,473,222          | <b>54,571,477</b>   | 31,463,647          |

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)****CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the Period Ended 30 June 2022

|   | <i>Paid up<br/>Capital</i> | <i>Legal<br/>reserve</i> | <i>General<br/>reserve -<br/>Issuance<br/>Premium</i> | <i>Treasury<br/>Shares</i> | <i>Share based<br/>payment<br/>reserve</i> | <i>Other<br/>reserves</i> | <i>Retained<br/>earnings</i> | <i>Total equity<br/>of Parent<br/>Company</i> | <i>Non-<br/>controlling<br/>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>           |
| Balance as at 1 January 2021                        | 192,150,000                | 20,798,851               | 486,965,000   | -                          | -  | 278,952                   | 484,995,947                  | 1,185,188,750                                 | (1,618,706)                              | 1,183,570,044        |
| Effect of adoption of EAS (47)                      | -                          | -                        | -   | -                          | -  | -                         | (810,276)                    | (810,276)                                     | -  | (810,276)            |
| <b>Balance as at 1 January 2021(Adjusted)</b>       | <b>192,150,000</b>         | <b>20,798,851</b>        | <b>486,965,000</b>                                    | <b>-</b>                   | <b>-</b>                                   | <b>278,952</b>            | <b>484,185,671</b>           | <b>1,184,378,474</b>                          | <b>(1,618,706)</b>                       | <b>1,182,759,768</b> |
| Transferred to legal reserve                        | -                          | 5,647,267                | -   | -                          | -  | -                         | (5,647,267)                  | -   | -  | -                    |
| Transferred to other reserve under capital increase | -                          | -                        | -   | -                          | -  | 57,850,000                | (57,850,000)                 | -   | -  | -                    |
| Dividend distributions                              | -                          | -                        | -   | -                          | -  | -                         | (14,700,000)                 | (14,700,000)                                  | -  | (14,700,000)         |
| Total comprehensive income for the period           | -                          | -                        | -   | -                          | -  | -                         | 61,765,094                   | 61,765,094                                    | (291,872)                                | 61,473,222           |
| <b>Balance as at 30 June 2021</b>                   | <b>192,150,000</b>         | <b>26,446,118</b>        | <b>486,965,000</b>                                    | <b>-</b>                   | <b>-</b>                                   | <b>58,128,952</b>         | <b>467,753,498</b>           | <b>1,231,443,568</b>                          | <b>(1,910,578)</b>                       | <b>1,229,532,990</b> |
| Balance as at 1 January 2022                        | <b>250,000,000</b>         | <b>26,446,118</b>        | <b>486,965,000</b>                                    | -                          | -  | <b>278,952</b>            | <b>584,420,299</b>           | <b>1,348,110,369</b>                          | <b>(2,621,626)</b>                       | <b>1,345,488,743</b> |
| Transferred to legal reserve                        | -                          | <b>9,110,272</b>         | -   | -                          | -  | -                         | <b>(9,110,272)</b>           | -   | -  | -                    |
| Acquisition of treasury shares                      | -                          | -                        | -   | <b>(39,695,319)</b>        | -  | -                         | -                            | <b>(39,695,319)</b>                           | -  | <b>(39,695,319)</b>  |
| Share based Payment reserve                         | -                          | -                        | -   | -                          | <b>6,536,280</b>                           | -                         | -                            | <b>6,536,280</b>                              | -  | <b>6,536,280</b>     |
| Dividends distribution                              | -                          | -                        | -   | -                          | -  | -                         | <b>(24,307,500)</b>          | <b>(24,307,500)</b>                           | -  | <b>(24,307,500)</b>  |
| Total comprehensive income for the period           | -                          | -                        | -   | -                          | -  | -                         | <b>124,204,205</b>           | <b>124,204,205</b>                            | <b>2,139,926</b>                         | <b>126,344,131</b>   |
| <b>Balance as at 30 June 2022</b>                   | <b>250,000,000</b>         | <b>35,556,390</b>        | <b>486,965,000</b>                                    | <b>(39,695,319)</b>        | <b>6,536,280</b>                           | <b>278,952</b>            | <b>675,206,732</b>           | <b>1,414,848,035</b>                          | <b>(481,700)</b>                         | <b>1,414,366,335</b> |

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)

### CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS For the Period Ended 30 June 2022

|   | Notes   | 30 June 2022<br>EGP | 30 June 2021<br>EGP  |
|---|---------|---------------------|----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                         |         |                     |                      |
| Profits for the period before income taxes                          |         | 165,127,799         | 80,638,925           |
| <b>Adjustments to reconcile profit before tax to net cash flow:</b> |         |                     |                      |
| Net foreign exchange differences                                    |         | (4,485,533)         | (136,684)            |
| Depreciation and amortization                                       | (5,6,7) | 31,200,348          | 22,708,853           |
| Share based payment expense   |         | 6,536,280           | -                    |
| Provision charged   | (12)    | (327,577)           | 500,000              |
| Impairment of trade and notes receivable                            | (9)     | 1,000,000           | -                    |
| Impairment of inventory   | (8)     | 9,929,956           | 6,904,974            |
| Finance income  |         | (27,665,331)        | (29,602,842)         |
| Finance expenses  | (25)    | 42,629,390          | 47,073,379           |
| Unwinding interests of lease liabilities                            | (25)    | 1,041,634           | 1,059,077            |
| Loss from sale of fixed assets                                      | (5)     | 109,781             | 14,028               |
|   |         | <u>225,096,747</u>  | <u>129,159,710</u>   |
| Change in inventories   |         | (37,226,720)        | 52,148,689           |
| Used of inventory provision   |         | (10,327,110)        | (9,662,186)          |
| Change in trade and notes receivable                                |         | (57,940,246)        | 32,997,978           |
| Used of trade and notes receivable                                  |         | (1,285,327)         | -                    |
| Change in prepayments and other receivables                         |         | 12,353,755          | (6,837,502)          |
| Change in trade, notes and other payable                            |         | 73,855,891          | 3,905,495            |
| <b>Cash flows provided from operating activities</b>                |         | <u>204,526,990</u>  | <u>201,712,184</u>   |
| Debit interests paid  |         | (39,254,674)        | (44,428,403)         |
| Income taxes paid   |         | (37,585,082)        | (21,848,617)         |
| <b>NET CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES</b>            |         | <u>127,687,234</u>  | <u>135,435,164</u>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                         |         |                     |                      |
| Payments to acquire fixed assets                                    | (5)     | (9,430,530)         | (6,510,437)          |
| Payments to acquire assets under construction                       | (5)     | (3,720,576)         | (6,242,079)          |
| Payments to acquire intangible assets                               | (7)     | (89,937,692)        | (615,083)            |
| Payment to acquire treasury bills                                   | (10)    | (437,040,964)       | (468,310,649)        |
| Matured treasury bills collection                                   | (10)    | 496,100,000         | 500,300,000          |
| Proceeds from sale of fixed assets                                  | (5)     | 21,851              | 8,038                |
| Investment in term deposits   | (11)    | (290)               | (8,813)              |
| <b>NET CASH FLOWS (USED IN) PROVIDED FROM INVESTING ACTIVITIES</b>  |         | <u>(44,008,201)</u> | <u>18,620,977</u>    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                         |         |                     |                      |
| Credit facilities used  | (18)    | 619,587,472         | 457,190,295          |
| Payment of credit facilities  | (18)    | (611,168,930)       | (544,497,620)        |
| Payment of long-term loans  | (19)    | (21,949,676)        | (32,100,000)         |
| Dividends paid during the period                                    |         | (24,307,500)        | (14,700,000)         |
| Acquisition of Treasury shares                                      |         | (39,695,319)        | -                    |
| Lease payments paid during the period                               | (6-B)   | (2,541,143)         | (2,283,127)          |
| <b>NET CASH FLOWS (USED IN) FINANCING ACTIVITIES</b>                |         | <u>(80,075,096)</u> | <u>(136,390,452)</u> |
| <b>Net change in cash and cash equivalent during the period</b>     |         | <u>3,603,937</u>    | <u>17,665,689</u>    |
| Net foreign exchange difference                                     |         | 4,485,533           | 136,684              |
| Cash and cash equivalent - beginning of the year                    |         | 13,886,158          | 12,625,792           |
| <b>CASH AND CASH EQUIVALENT - END OF THE PERIOD</b>                 | (11)    | <u>21,975,628</u>   | <u>30,428,165</u>    |

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)**

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### **NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the Period Ended 30 June 2022

#### **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)**

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
For the Period Ended 30 June 2022

### **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, 2021. In addition, the results of the interim period ending June 30, 2022 may not be considered an accurate indication of the expected results for the financial year. On December 31, 2022.

#### **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, 2021.

### **3- SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES**

The preparation of these consolidated 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 consolidated financial statements of the Group are discussed below:

#### **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 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.

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
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### 3- SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (continued)

#### 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.

#### 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.

### 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 (30 June 2021: 93% and 7% 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 30 June 2022 were reported under two segments in the consolidated financial statements.

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

| Period              | Services                           | Sales of pharmaceutical products |                      |                    | Total<br>EGP       |
|---------------------|------------------------------------|----------------------------------|----------------------|--------------------|--------------------|
|                     | Toll                               | Export<br>EGP                    | Domestic             |                    |                    |
|                     | Manufacturing<br>"Domestic"<br>EGP |                                  | Private sales<br>EGP | Tenders<br>EGP     |                    |
| <b>30 June 2022</b> | <b>54,667,050</b>                  | <b>55,762,075</b>                | <b>495,391,420</b>   | <b>105,679,064</b> | <b>711,499,609</b> |
| 30 June 2021        | 35,993,570                         | 45,705,746                       | 364,330,369          | 91,742,207         | 537,771,892        |

Revenue from the top five customers presented 78% of total pharmaceutical products (30 June 2021: 85%).

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**5- FIXED ASSETS AND ASSETS UNDER CONSTRUCTION**

|  | Freehold<br>Land  | Buildings           | Machinery<br>and<br>equipment | Transportation<br>and dragging<br>equipment | Laboratory<br>equipment | Tools              | Office<br>furniture<br>and fixtures | Assets under<br>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                                  | -                 | 2,145,880           | 1,218,905                     | 1,898,136                                   | 1,921,023               | 733,556            | 1,513,030                           | 3,720,576                    | 13,151,106           |
| Transferred from assets under construction | -                 | 556,909             | 19,982,634                    | 1,037,870                                   | -                       | -                  | 54,105                              | (21,631,518)                 | -                    |
| Disposals                                  | -                 | -                   | (179,150)                     | -   | (271,696)               | (6,774)            | (47,457)                            | -                            | (505,077)            |
| <b>As of 30 June 2022</b>                  | <b>18,637,425</b> | <b>276,043,895</b>  | <b>435,795,891</b>            | <b>16,305,904</b>                           | <b>29,911,089</b>       | <b>6,749,759</b>   | <b>30,643,089</b>                   | <b>9,130,443</b>             | <b>823,217,495</b>   |
| 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 period                | -                 | (4,348,223)         | (9,466,612)                   | (357,999)                                   | (1,368,951)             | (271,512)          | (1,421,583)                         | -                            | (17,234,880)         |
| Disposals                                  | -                 | -                   | 150,442                       | -   | 179,807                 | 2,292              | 40,904                              | -                            | 373,445              |
| <b>As of 30 June 2022</b>                  | <b>-</b>          | <b>(70,423,299)</b> | <b>(172,451,579)</b>          | <b>(11,248,740)</b>                         | <b>(9,595,542)</b>      | <b>(2,503,318)</b> | <b>(19,255,595)</b>                 | <b>-</b>                     | <b>(285,478,073)</b> |
| <b>Net book value as of 30 June 2022</b>   | <b>18,637,425</b> | <b>205,620,596</b>  | <b>263,344,312</b>            | <b>5,057,164</b>                            | <b>20,315,547</b>       | <b>4,246,441</b>   | <b>11,387,494</b>                   | <b>9,130,443</b>             | <b>537,739,422</b>   |

- The cost of fixed assets as of 30 June 2022 includes EGP 109,259,621 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 year was allocated to the statement of profit or loss as follows:

|                                     | 30 June 2022<br>EGP |
|-------------------------------------|---------------------|
| Cost of revenue                     | 15,860,981          |
| Selling and marketing expenses      | 383,875             |
| General and administrative expenses | 990,024             |
|                                     | <u>17,234,880</u>   |

Loss from sale of fixed assets was calculated as follows:

|   | 30 June 2022<br>EGP |
|---|---------------------|
| Cost of disposed assets                     | 505,077             |
| Accumulated depreciation of disposed assets | 373,445             |
| Net book value of disposed assets           | <u>131,632</u>      |
| Proceeds from sale of fixed assets          | 21,851              |
| Loss from sale of fixed assets              | <u>(109,781)</u>    |

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**5- FIXED ASSETS AND ASSETS UNDER CONSTRUCTION (CONTINUED)**

|  | Freehold<br>Land  | Buildings           | Machinery<br>and<br>equipment | Transportation<br>and dragging<br>equipment | Laboratory<br>equipment | Tools              | Office<br>furniture and<br>fixtures | Assets under<br>construction | Total                |
|--|-------------------|---------------------|-------------------------------|---|-------------------------|--------------------|-------------------------------------|------------------------------|----------------------|
|  | EGP               | EGP                 | EGP                           | EGP   | EGP                     | EGP                | EGP                                 | EGP                          | EGP                  |
| Cost                                       |                   |                     |                               |   |                         |                    |                                     |                              |                      |
| As at 1 January 2021                       | 18,637,425        | 257,225,388         | 397,711,971                   | 13,025,828                                  | 20,292,443              | 5,689,305          | 25,385,313                          | 26,589,818                   | 764,557,491          |
| Additions                                  | -                 | 2,628,798           | 6,387,704                     | 344,070                                     | 3,454,965               | 357,601            | 1,310,762                           | 38,187,101                   | 52,671,001           |
| Transferred from assets under construction | -                 | 13,486,920          | 13,639,600                    | -   | 7,938,130               | -                  | 2,670,884                           | (37,735,534)                 | -                    |
| Disposals                                  | -                 | -                   | (2,965,773)                   | -   | (3,423,776)             | (23,929)           | (243,548)                           | -                            | (6,657,026)          |
| As at 31 December 2021                     | <u>18,637,425</u> | <u>273,341,106</u>  | <u>414,773,502</u>            | <u>13,369,898</u>                           | <u>28,261,762</u>       | <u>6,022,977</u>   | <u>29,123,411</u>                   | <u>27,041,385</u>            | <u>810,571,466</u>   |
| Accumulated depreciation                   |                   |                     |                               |   |                         |                    |                                     |                              |                      |
| As at 1 January 2021                       | -                 | (57,853,893)        | (147,381,612)                 | (10,254,249)                                | (9,971,721)             | (1,728,708)        | (15,466,027)                        | -                            | (242,656,210)        |
| Depreciation for the year                  | -                 | (8,221,183)         | (18,065,453)                  | (636,492)                                   | (1,787,573)             | (524,798)          | (2,641,953)                         | -                            | (31,877,452)         |
| Disposals                                  | -                 | -                   | 2,311,656                     | -   | 3,352,896               | 19,408             | 233,064                             | -                            | 5,917,024            |
| As at 31 December 2021                     | <u>-</u>          | <u>(66,075,076)</u> | <u>(163,135,409)</u>          | <u>(10,890,741)</u>                         | <u>(8,406,398)</u>      | <u>(2,234,098)</u> | <u>(17,874,916)</u>                 | <u>-</u>                     | <u>(268,616,638)</u> |
| Net book value as at 31 December 2021      | <u>18,637,425</u> | <u>207,266,030</u>  | <u>251,638,093</u>            | <u>2,479,157</u>                            | <u>19,855,364</u>       | <u>3,788,879</u>   | <u>11,248,495</u>                   | <u>27,041,385</u>            | <u>541,954,828</u>   |

- The cost of fixed assets as of 31 December 2021 includes EGP 106,816,740 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 year was allocated to the statement of profit or loss as follows:

|                                     | 31 December 2021<br>EGP |
|-------------------------------------|-------------------------|
| Cost of revenue                     | 29,340,376              |
| Selling and marketing expenses      | 629,764                 |
| General and administrative expenses | <u>1,907,312</u>        |
|                                     | <u>31,877,452</u>       |

Loss from sale of fixed assets was calculated as follows:

|   | 31 December 2021<br>EGP |
|---|-------------------------|
| Cost of disposed assets                     | 6,657,026               |
| Accumulated depreciation of disposed assets | <u>(5,917,024)</u>      |
| Net book value of disposed assets           | 740,002                 |
| Proceeds from sale of fixed assets          | <u>22,740</u>           |
| Loss from sale of fixed assets              | <u>(717,262)</u>        |

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### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Period Ended 30 June 2022

#### 6- LEASES

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

##### A) Right of use assets

|   | <i>30 June 2022</i> | <i>31 December 2021</i> |
|---|---------------------|-------------------------|
|   | <i>EGP</i>          | <i>EGP</i>              |
| Cost at 1 January 2022                      | 20,558,589          | 19,916,906              |
| Additions                                   | 3,404,642           | 641,683                 |
| Total Cost as of 30 June 2022               | <u>23,963,231</u>   | <u>20,558,589</u>       |
| Accumulated amortization at 1 January 2022  | (7,526,230)         | (3,658,601)             |
| Amortization for period                     | (1,942,314)         | (3,867,629)             |
| Accumulated amortization as of 30 June 2022 | <u>(9,468,544)</u>  | <u>(7,526,230)</u>      |
| Net book value as of 30 June 2022           | <u>14,494,687</u>   | <u>13,032,359</u>       |

##### B) Lease liability

|  | <i>30 June 2022</i> | <i>31 December 2021</i> |
|--|---------------------|-------------------------|
|  | <i>EGP</i>          | <i>EGP</i>              |
| Opening balance as of 1 January 2022             | 15,386,755          | 17,409,223              |
| Additions  | 3,404,642           | 641,683                 |
| Unwinding interests recognized during the period | 1,041,634           | 2,071,062               |
| Lease payments paid during the period            | (2,541,143)         | (4,735,213)             |
| As at 30 June 2022                               | <u>17,291,888</u>   | <u>15,386,755</u>       |
| Deduct: Current balance                          | <u>3,612,566</u>    | <u>3,130,595</u>        |
| Non-current balance                              | <u>13,679,322</u>   | <u>12,256,160</u>       |

#### 7- INTANGIBLE ASSETS

|   | <b>Registration Rights</b> |                         |
|---|----------------------------|-------------------------|
|   | <i>30 June 2022</i>        | <i>31 December 2021</i> |
|   | <i>EGP</i>                 | <i>EGP</i>              |
| Cost as at 1 January 2022                     | 424,149,596                | 238,621,188             |
| Additions                                     | 89,937,692                 | 185,528,408             |
| Total cost as at 30 June 2022                 | <u>514,087,288</u>         | <u>424,149,596</u>      |
| Accumulated amortization as at 1 January 2022 | (34,486,307)               | (24,049,815)            |
| Amortization for the period/ year             | (12,023,154)               | (10,436,492)            |
| Accumulated amortization as at 30 June 2022   | <u>(46,509,461)</u>        | <u>(34,486,307)</u>     |
| Net book value as at 30 June 2022             | <u>467,577,827</u>         | <u>389,663,289</u>      |

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 estimate the expected future benefit of the registration rights to be utilize over 20 years and assessed for impaired whenever there is an indication that the economic benefit of the product is impaired.

Intangible asset balance includes registration right assets under approval amounted to EGP 31,404,825 (31 December 2021: EGP 29,286,599).

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### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Period Ended 30 June 2022

#### 8- INVENTORIES

|                                 | <i>30 June 2022</i> | <i>31 December 2021</i> |
|---------------------------------|---------------------|-------------------------|
|                                 | <i>EGP</i>          | <i>EGP</i>              |
| Raw materials                   | <b>133,840,940</b>  | 110,972,898             |
| Packing and packaging materials | <b>58,578,504</b>   | 38,421,560              |
| Spare parts                     | <b>19,649,461</b>   | 14,549,227              |
| Finished goods                  | <b>58,409,117</b>   | 65,107,399              |
| Work in progress                | <b>28,356,772</b>   | 27,652,773              |
| Goods in transit                | <b>8,258,479</b>    | 13,148,916              |
| Inventory with others           | <b>605,679</b>      | 619,459                 |
|                                 | <b>307,698,952</b>  | 270,472,232             |
| Write down in inventories       | <b>(10,676,740)</b> | (11,073,894)            |
|                                 | <b>297,022,212</b>  | 259,398,338             |

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

|                                | <i>30 June 2022</i> | <i>31 December 2021</i> |
|--------------------------------|---------------------|-------------------------|
|                                | <i>EGP</i>          | <i>EGP</i>              |
| Beginning balance              | <b>(11,073,894)</b> | (12,572,377)            |
| Charged during the period/year | <b>(9,929,956)</b>  | (18,387,576)            |
| Used of inventory provision    | <b>10,327,110</b>   | 19,886,059              |
| Ending balance                 | <b>(10,676,740)</b> | (11,073,894)            |

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

#### 9- TRADE AND NOTES RECEIVABLES

|  | <i>30 June 2022</i> | <i>31 December 2021</i> |
|--|---------------------|-------------------------|
|  | <i>EGP</i>          | <i>EGP</i>              |
| Trade receivable                                   | <b>300,182,112</b>  | 265,206,613             |
| Trade receivable – toll manufacturing              | <b>10,943,666</b>   | 9,297,115               |
| Notes receivable                                   | <b>414,758,253</b>  | 393,440,057             |
|  | <b>725,884,031</b>  | 667,943,785             |
| Impairment in value of trade and notes receivables | <b>(8,254,867)</b>  | (8,540,194)             |
|  | <b>717,629,164</b>  | 659,403,591             |

Notes receivable amounting to MEGP 198.9 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>30 June 2022</i> | <i>31 December 2021</i> |
|--------------------------------|---------------------|-------------------------|
|                                | <i>EGP</i>          | <i>EGP</i>              |
| Beginning balance              | <b>(8,540,194)</b>  | (4,967,460)             |
| Effect of adoption of EAS (47) | -                   | (3,467,134)             |
| Charged during the period      | <b>(1,000,000)</b>  | (105,600)               |
| Used provision                 | <b>1,285,327</b>    | -                       |
| Ending balance                 | <b>(8,254,867)</b>  | (8,540,194)             |

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### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Period Ended 30 June 2022

#### 10- TREASURY BILLS

|                   | <i>30 June 2022</i> | <i>31 December 2021</i> |
|-------------------|---------------------|-------------------------|
|                   | <i>EGP</i>          | <i>EGP</i>              |
| Treasury bills    | 456,625,000         | 496,100,000             |
| Unearned interest | (19,584,036)        | (28,089,046)            |
|                   | <u>437,040,964</u>  | <u>468,010,954</u>      |

#### 11- CASH ON HAND AND AT BANKS

|                              | <i>30 June 2022</i> | <i>31 December 2021</i> |
|------------------------------|---------------------|-------------------------|
|                              | <i>EGP</i>          | <i>EGP</i>              |
| <b>a) Egyptian Pounds</b>    |                     |                         |
| Cash on hand                 | 1,275,671           | 51,897                  |
| Current accounts             | 6,603,950           | 4,762,619               |
| Checks under collection      | 5,224,742           | 6,984,687               |
| Term deposits                | 115,831             | 115,541                 |
|                              | <u>13,220,194</u>   | <u>11,914,744</u>       |
| <b>b) Foreign currencies</b> |                     |                         |
| Cash on hand                 | 2,831,544           | 24,148                  |
| Current accounts             | 6,039,721           | 2,062,807               |
|                              | <u>8,871,265</u>    | <u>2,086,955</u>        |
|                              | <u>22,091,459</u>   | <u>14,001,699</u>       |

Cash balances On Hand and at Banks are denominated in the following currencies:

|                      | <i>30 June 2022</i> | <i>31 December 2021</i> |
|----------------------|---------------------|-------------------------|
|                      | <i>EGP</i>          | <i>EGP</i>              |
| Egyptian pound (EGP) | 13,220,194          | 11,914,744              |
| US dollar (USD)      | 8,674,014           | 333,102                 |
| Euro (EUR)           | 197,251             | 1,753,853               |
|                      | <u>22,091,459</u>   | <u>14,001,699</u>       |

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

|                  | <i>30 June 2022</i> | <i>30 June 2021</i> |
|------------------|---------------------|---------------------|
|                  | <i>EGP</i>          | <i>EGP</i>          |
| Cash on hand     | 4,107,215           | 100,868             |
| Current accounts | 17,868,413          | 30,327,297          |
|                  | <u>21,975,628</u>   | <u>30,428,165</u>   |



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### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Period Ended 30 June 2022

#### 12- PROVISIONS

|                               | <i>Balance as at<br/>1 January 2022<br/>EGP</i> | <i>Charged during the<br/>period<br/>EGP</i> | <i>Used during the<br/>period<br/>EGP</i> | <i>Balance as at<br/>30 June 2022<br/>EGP</i> |
|-------------------------------|---|--|---|---|
| Provision for expected claims | 5,550,001                                       | -  | -   | 5,550,001                                     |
| Provision for sales returns*  | 8,711,844                                       | (327,577)                                    | -   | 8,384,267                                     |
|                               | <b>14,261,845</b>                               | <b>(327,577)</b>                             | <b>-</b>                                  | <b>13,934,268</b>                             |

|                               | <i>Balance as at<br/>1 January 2021<br/>EGP</i> | <i>Charged during the<br/>year<br/>EGP</i> | <i>Used during the<br/>year<br/>EGP</i> | <i>Balance as at<br/>31 December 2021<br/>EGP</i> |
|-------------------------------|---|--|---|---|
| Provision for expected claims | 4,300,001                                       | 1,250,000                                  | -                                       | 5,550,001   |
| Provision for sales returns*  | 7,987,618                                       | 724,226                                    | -                                       | 8,711,844   |
|                               | <b>12,287,619</b>                               | <b>1,974,226</b>                           | <b>-</b>                                | <b>14,261,845</b>                                 |

\*Provision for sales returns is deduced from sales disclosed (NOTE 20).

#### 13- TRADE, NOTES AND OTHER PAYABLES

|                                       | <i>30 June 2022<br/>EGP</i> | <i>31 December 2021<br/>EGP</i> |
|---------------------------------------|-----------------------------|---------------------------------|
| Trade payables                        | <b>128,410,130</b>          | 61,525,655                      |
| Notes payables                        | <b>16,812,864</b>           | 21,946,601                      |
| Accrued expenses                      | <b>23,775,051</b>           | 30,051,461                      |
| Tax authority (other than income tax) | <b>7,156,034</b>            | 7,258,006                       |
| Advances from customer                | <b>25,439,430</b>           | 5,716,158                       |
| Other payables                        | <b>5,013,697</b>            | 2,070,813                       |
|                                       | <b>206,607,206</b>          | <b>128,568,694</b>              |

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 250,000,000 divided over 1,000,000,000 shares of par value EGP 0.25 each.

The extraordinary General Assembly meeting held on May 19, 2021 decided to increase the paid-in capital by 57,850,000 Egyptian pounds by distributing bonus shares of 0.3010668748 free shares for each original share of the company's shares before the increase of 768,600,000 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, 2020, so the company's issued capital after the increase becomes 250,000,000 Egyptian pounds distributed over 1,000,000,000 shares with a nominal value of EGP 0.25 per share.

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

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The following illustrate the new structure for shareholders as of 30 June 2022:

|   | %           | <i>No. of shares</i>        | <i>Amount<br/>EGP</i> |
|---|-------------|-----------------------------|-----------------------|
| Main Shareholder's Shares                         | 34.51%      | 345,067,009                 | 86,266,752            |
| Treasury Shares                                   | 2.00%       | 20,000,000                  | 5,000,000             |
| Other listed Free Shares in Stock Exchange Market | 63.49%      | 634,932,991                 | 158,733,248           |
|   | <u>100%</u> | <u><b>1,000,000,000</b></u> | <u>250,000,000</u>    |

### 15- GENERAL RESERVE-ISSUANCE PREMIUM

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

### 16- TREASURY SHARES

The board members meeting held on February 23, 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 23 February 2022, the company purchased 20,000,000 shares from the stock market and held in treasury for a total consideration of EGP 39,695,319. The consideration paid has been accounted for as a reserve in the statement of shareholder's' equity.

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

### 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 25 March 2022 the company activated the reward and incentive program. Giving number of employees, managers and executive board members share options for total of 8,412,884 shares at the nominal value (.25 EGP per share) on condition of staying in service for the required period till the exercise date on 1 November 2022 an archiving the required performance appraisals. Each employee were granted maximum number of shares according to contracts giving one month period from the exercise date to exercise the purchasing right.

The faire value of the granted shares for numbers of employees were 16,909,897 Egyptian Pound using the price of the share announced in the Egyptian Stock Exchange on the grant date (2.01 EGP for share) before the deduction of the nominal value of shares that would be paid by the benefactrices in cash

### Movement of Equity instruments in the period as follow:

|  | Amount                  | Shares No.              |
|--|-------------------------|-------------------------|
| <b>Balance at 1 January 2022</b>         | -                       | -                       |
| Granted during the period                | <b>6,536,280</b>        | <b>8,412,884</b>        |
| Forfeited during the period              | -                       | -                       |
| Exercised during the period              | -                       | -                       |
| Expired during the period                | -                       | -                       |
| <b>Total shares at the end of period</b> | <u><b>6,536,280</b></u> | <u><b>8,412,884</b></u> |

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#### 18- CREDIT FACILITIES

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

|   | <b>30 June 2022</b>  | 31 December 2021 |
|---|----------------------|------------------|
|   | <b>EGP</b>           | EGP              |
| Opening balance                             | <b>819,720,928</b>   | 802,184,216      |
| Used during the period / year               | <b>617,882,695</b>   | 1,173,903,438    |
| Payment during the period / year            | <b>(611,168,930)</b> | (1,156,366,726)  |
| Ending balance                              | <b>826,434,693</b>   | 819,720,928      |
|   | <b>30 June 2022</b>  | 31 December 2021 |
|   | <b>EGP</b>           | EGP              |
| Credit facilities maturing within 12 months | <b>826,434,693</b>   | 819,720,928      |
| Bank credit                                 | <b>2,639,084</b>     | 934,307          |
|   | <b>829,073,777</b>   | 820,655,235      |

The interest rate on the Credit facilities ranges from 8% to 12.75% as of 30 June 2022 (31 December 2021: Range from 8% to 9.75%).

| Credit Facilities              | Facility amount | Interest rate            | Maturity Date | <b>30 June 2022</b> | 31 December 2021 |
|--------------------------------|-----------------|--------------------------|---------------|---------------------|------------------|
|                                | EGP             |                          |               | <b>EGP</b>          | EGP              |
| CIB                            | 250,000,000     | 0.25%+CBE lending rate   | 10-Jul-22     | <b>99,318,504</b>   | 124,385,085      |
|                                |                 | 8 % CBE INITAVIE*        | 10-Jul-22     | <b>67,452,571</b>   | 55,837,267       |
| FAB Bank                       | 125,000,000     | 0.5 %+CBE lending rate   | 31-Dec-22     | <b>70,182,254</b>   | 49,314,262       |
|                                |                 | 8 % CBE INITAVIE*        | 31-Dec-22     | <b>24,650,064</b>   | 31,062,538       |
| Arab Bank                      | 88,000,000      | 8 % CBE INITAVIE*        | 31-Jul-22     | <b>46,197,174</b>   | 36,589,690       |
| ABK                            | 120,000,000     | 0.5 %+CBE lending rate   | 31-Oct-22     | <b>35,637,983</b>   | 31,950,265       |
|                                |                 | 8 % CBE INITAVIE*        | 31-Oct-22     | <b>61,918,719</b>   | 48,229,814       |
| ADIB                           | 150,000,000     | 0.5%+CBE lending rate    | 30-Nov-22     | <b>31,915,065</b>   | 51,517,333       |
|                                |                 | 8 % CBE INITAVIE*        | 30-Nov-22     | <b>82,034,350</b>   | 83,650,090       |
| Alex Bank                      | 170,000,000     | 8 % CBE INITAVIE*        | 30-Jun-22     | <b>168,729,923</b>  | 145,589,868      |
| AUB                            | 130,000,000     | 0.35% + CBE lending rate | 1-Jun-23      | <b>24,660,000</b>   | 28,933,333       |
|                                |                 | 8 % CBE INITAVIE*        | 1-Jun-23      | <b>45,435,612</b>   | 45,426,752       |
| ENBD                           | 100,000,000     | 8 % CBE INITAVIE*        | 31-Oct-22     | <b>68,302,474</b>   | 87,234,631       |
| <b>Total Credit Facilities</b> |                 |                          |               | <b>826,434,693</b>  | 819,720,928      |

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

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

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#### 19- LONG TERM LOANS

##### Loan (1):

During the year 2017, the Group signed an agreement with Commercial International Bank to obtain a loan amounting to EGP 86,422,000 with an annual interest rate of 1.25% over the Corridor rate repayable over 36 monthly installments starting from 29 October 2018 and maturing on 29 March 2021 "Loan (1)".

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

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

The Company paid EGP 9,475,704 during the period ended 30 June 2022 and the balance outstanding was settled as at 30 June 2022 (31 December 2021: EGP 9,475,704).

##### Loan (2):

During the year 2018, the Group signed an agreement with Commercial International Bank to obtain a loan amounting to EGP 78,766,000 with an annual interest rate of 0.9% over the CBE lending rate repayable over 19 monthly installments after the expiry of grace year, which is 15 months from the date of first use. "Loan (2)".

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

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

The Company paid EGP 12,473,972 during the period ended 30 June 2022 and the balance outstanding was settled (31 December 2021: EGP 12,473,972).

The balance of loans as of 30 June 2022 as follows:

| Loans                                    | Interest rate          | 30 June 2022<br>EGP | 31 December 2021<br>EGP |
|--|------------------------|---------------------|-------------------------|
| Current portion of long-term loans       |                        |                     |                         |
| Loan (1)                                 | 0.75%+CBE lending rate | -                   | 9,475,704               |
| Loan (2)                                 | 0.85%+CBE lending rate | -                   | 12,473,972              |
| Total current portion of long-term loans |                        | -                   | 21,949,676              |

#### 20- REVENUES

|                                     | Six Months ended    |                     | Three months ended  |                     |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                     | 30 June 2022<br>EGP | 30 June 2021<br>EGP | 30 June 2022<br>EGP | 30 June 2021<br>EGP |
| Sale of goods (net)                 | 656,832,559         | 501,778,322         | 338,933,114         | 249,522,996         |
| Toll manufacturing services revenue | 54,667,050          | 35,993,570          | 29,501,892          | 17,403,161          |
|                                     | 711,499,609         | 537,771,892         | 368,435,006         | 266,926,157         |

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#### 21- COST OF REVENUES

|   | Six Months ended   |                    | Three months ended |                    |
|---|--------------------|--------------------|--------------------|--------------------|
|   | 30 June 2022       | 30 June 2021       | 30 June 2022       | 30 June 2021       |
|   | EGP                | EGP                | EGP                | EGP                |
| Salaries, social insurance and other benefits | 59,618,531         | 47,867,071         | 30,949,066         | 25,413,839         |
| Raw materials                                 | 214,966,781        | 172,695,846        | 118,154,017        | 79,865,307         |
| Spare parts and materials                     | 8,698,132          | 10,063,718         | 4,334,600          | 5,065,971          |
| Government fees and medical stamps            | 6,660,380          | 4,967,640          | 3,730,421          | 2,572,216          |
| Other operating expenses                      | 20,763,525         | 17,061,593         | 9,725,837          | 9,796,828          |
| Energy expenses                               | 18,777,205         | 14,395,060         | 10,670,153         | 7,067,102          |
| Depreciation and amortization (Note 5,6 &7)   | 27,884,135         | 19,551,781         | 14,218,090         | 6,147,866          |
| Rent  | 1,168,559          | 2,413,189          | 509,662            | 1,088,827          |
| Maintenance                                   | 8,235,807          | 5,082,620          | 4,603,461          | 2,331,582          |
|   | <b>366,773,055</b> | <b>294,098,518</b> | <b>196,895,307</b> | <b>139,349,538</b> |

#### 22- SELLING & MARKETING EXPENSES

|   | Six Months ended   |                    | Three months ended |                   |
|---|--------------------|--------------------|--------------------|-------------------|
|   | 30 June 2022       | 30 June 2021       | 30 June 2022       | 30 June 2021      |
|   | EGP                | EGP                | EGP                | EGP               |
| Salaries, social insurance and other benefits | 62,587,213         | 57,385,009         | 32,368,438         | 28,095,094        |
| Depreciation (Note 5,6)                       | 2,326,189          | 2,240,739          | 1,183,390          | 1,159,218         |
| Rent  | 25,500             | 37,800             | 19,200             | 18,900            |
| Advertising and marketing                     | 70,638,505         | 56,699,087         | 38,866,783         | 32,962,891        |
|   | <b>135,577,407</b> | <b>116,362,635</b> | <b>72,437,811</b>  | <b>62,236,103</b> |

#### 23- GENERAL & ADMINISTRATIVE EXPENSES

|   | Six Months ended  |                   | Three months ended |                   |
|---|-------------------|-------------------|--------------------|-------------------|
|   | 30 June 2022      | 30 June 2021      | 30 June 2022       | 30 June 2021      |
|   | EGP               | EGP               | EGP                | EGP               |
| Salaries, social insurance and other benefits | 23,737,572        | 20,851,741        | 12,305,678         | 10,550,721        |
| Professional fees                             | 908,084           | 926,494           | 613,398            | 436,054           |
| Maintenance                                   | 715,797           | 234,675           | 273,627            | 113,030           |
| Depreciation (Note 5)                         | 990,024           | 916,337           | 497,742            | 462,667           |
| Others  | 4,623,150         | 3,321,682         | 2,668,741          | 1,516,723         |
|   | <b>30,974,627</b> | <b>26,250,929</b> | <b>16,359,186</b>  | <b>13,079,195</b> |

#### 24- FINANCE INCOME

|                              | Six Months ended  |                   | Three months ended |                   |
|------------------------------|-------------------|-------------------|--------------------|-------------------|
|                              | 30 June 2022      | 30 June 2021      | 30 June 2022       | 30 June 2021      |
|                              | EGP               | EGP               | EGP                | EGP               |
| Interest from Treasury Bills | 27,665,331        | 29,602,842        | 13,706,263         | 15,002,910        |
| Interest from time deposits  | 1,634             | 8,812             | 15                 | -                 |
|                              | <b>27,666,965</b> | <b>29,611,654</b> | <b>13,706,278</b>  | <b>15,002,910</b> |

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#### 25- FINANCE EXPENSES

|  | Six Months ended  |                   | Three months ended |                   |
|--|-------------------|-------------------|--------------------|-------------------|
|  | 30 June 2022      | 30 June 2021      | 30 June 2022       | 30 June 2021      |
|  | EGP               | EGP               | EGP                | EGP               |
| Debit interests                          | 40,842,766        | 45,237,565        | 20,073,290         | 22,789,254        |
| Unwinding interests of lease liabilities | 1,041,634         | 1,059,077         | 531,718            | 526,918           |
| Bank Charges                             | 1,786,624         | 1,835,814         | 878,713            | 941,999           |
|  | <u>43,671,024</u> | <u>48,132,456</u> | <u>21,483,721</u>  | <u>24,258,171</u> |

#### 26- INCOME TAXES

|                           | Six Months ended    |                     | Three months ended  |                     |
|---------------------------|---------------------|---------------------|---------------------|---------------------|
|                           | 30 June 2022        | 30 June 2021        | 30 June 2022        | 30 June 2021        |
|                           | EGP                 | EGP                 | EGP                 | EGP                 |
| Current income tax        | (33,440,425)        | (13,549,875)        | (15,291,540)        | (6,764,705)         |
| Deferred income tax       | (5,343,243)         | (5,615,828)         | (2,329,114)         | (3,329,369)         |
| <b>Income tax expense</b> | <u>(38,783,668)</u> | <u>(19,165,703)</u> | <u>(17,620,654)</u> | <u>(10,094,074)</u> |

#### DEFERED INCOME TAXES

|   | <i>Statement of financial position</i> |                     | <i>Statement of profit or loss</i> |                    |
|---|--|---------------------|------------------------------------|--------------------|
|   | 30 June                                | 31 December         | 30 June                            | 30 June            |
|   | 2022                                   | 2021                | 2022                               | 2021               |
|   | EGP                                    | EGP                 | EGP                                | EGP                |
| Depreciation and amortization             | (52,448,688)                           | (46,890,081)        | (5,558,607)                        | (4,872,301)        |
| Provisions                                | 1,886,460                              | 1,960,165           | (73,705)                           | -                  |
| Impairment of trade and notes receivables | 1,857,345                              | 1,897,784           | (40,439)                           | 182,312            |
| Write down in value of inventory          | 2,402,267                              | 2,491,626           | (89,359)                           | (620,373)          |
| Share based payments                      | 1,470,663                              | -                   | 1,470,663                          | -                  |
| Unrealized foreign exchange differences   | (1,009,526)                            | 42,270              | (1,051,796)                        | (305,466)          |
| <b>Net deferred income taxes</b>          | <u>(45,841,479)</u>                    | <u>(40,498,236)</u> | <u>(5,343,243)</u>                 | <u>(5,615,828)</u> |

\* No deferred tax assets were recognized for the carry forward tax losses of the subsidiaries, since it is not expected that the future tax profits will be sufficient to offset the carry forward tax losses.

#### RECONCILIATION OF THE EFFECTIVE INCOME TAX RATE

|                              | Tax Rate      | 30 June 2022      | Tax Rate | 30 June 2021      |
|------------------------------|---------------|-------------------|----------|-------------------|
|                              |               | EGP               |          | EGP               |
| Profits before income taxes  |               | 165,127,799       |          | 80,638,925        |
| Income tax based on tax rate | 22.5%         | 37,153,755        | 22.5%    | 18,143,758        |
| Non-deductible expenses      |               | 1,629,913         |          | 1,021,945         |
| <b>Effective Tax Rate</b>    | <b>23.49%</b> | <u>38,783,668</u> | 23.77%   | <u>19,165,703</u> |

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#### 27- EARNINGS PER SHARE

Basic 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

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 in addition to number of shares that will be issued to employees, managers and executive board members according to the reward and incentive program as follows:

|   | <i>30 June 2022</i> | <i>30 June 2021</i> | <i>30 June 2022</i> | <i>30 June 2021</i> |
|---|---------------------|---------------------|---------------------|---------------------|
|   | <i>EGP</i>          | <i>EGP</i>          | <i>EGP</i>          | <i>EGP</i>          |
| Basic and diluted, profit for the period  | <b>124,204,205</b>  | 61,765,094          | <b>52,405,052</b>   | 31,603,387          |
| Weighted average number of shares outstanding after purchase of treasury shares during the period | <b>990,000,000</b>  | 1,000,000,000       | <b>990,000,000</b>  | 1,000,000,000       |
| Share Options for employees and executive board members   | <b>7,428,630</b>    | -                   | <b>7,428,630</b>    | -                   |
| Weighted average number of ordinary shares adjusted for the effect of share options               | <b>997,428,630</b>  | 1,000,000,000       | <b>997,428,630</b>  | 1,000,000,000       |
| <b>Earnings per share</b>   | <b>0.1245</b>       | 0.0618              | <b>0.0525</b>       | 0.0316              |

#### 28- TAX POSITION

##### a) Corporate Tax

- The Company's records were inspected till the year 2013 and it was agreed by the specialized internal committee.
- The Company's records were inspected initially from year 2014 till 2017 which were refused by the company and the actual inspection is under process with the preparation of actual inspection from year 2018 till year 2020.

##### b) Salary Tax

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

##### c) Stamp Tax

- The Company's records were inspected till 2013 and the taxes dues were paid.
- The company is preparing for tax inspection for the years from 2014 till 2020.

##### d) VAT

- The Company's records were inspected till the year 2015 and the taxes dues were paid.
- The Company's records were inspected from year 2016 till 2019 the taxes dues were paid.

#### 29- MAJOR EVENTS

On March 21, 2022, the Central Bank of Egypt decided to increase the overnight deposit and lending rates and the central bank's main operation price by 100 basis points to reach 9.25%, 10.25 and 9.75%, respectively. The credit and discount rates were also raised by 100 basis points to reach 9.75%. And the company studies the impact on the subsequent financial statements.

The exchange rates of the Egyptian pound against the dollar and some other currencies also declined in the period following the date of the financial statements. The company is studying the impact on the subsequent financial statements. To clarify the effect resulting from the change in exchange rates.