

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

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

TOGETHER WITH REVIEW REPORT

FOR THE PERIOD ENDED 31 MARCH 2023

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

**Consolidated Financial Statements
For the Period Ended 31 March 2023**

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

Introduction

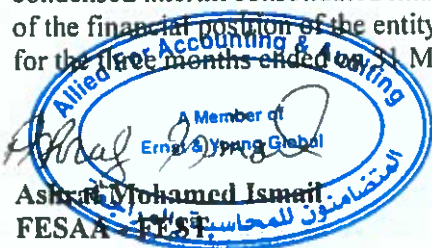
We have reviewed the accompanying condensed interim financial position of **TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E)** as of 31 March 2023 as well as the related condensed statements of profit or loss, Comprehensive income, changes in equity and cash flows for the three months ended on 31 March 2023, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed interim consolidated financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements does not give a true and fair view, in all material respects, of the financial position of the entity as at 31 March 2023, and of its financial performance and its cash flows for the three months ended on 31 March 2023 in accordance with Egyptian Accounting Standards.



Ashraf Mohamed Ismail
FESAA - FESAT
(RAA 9380)
(EFSA 102)

Cairo: 15 May 2023

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

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 March 2023**

	Notes	31 March 2023 EGP	31 December 2022 EGP
ASSETS			
Non-current assets			
Fixed assets and projects under construction	(5)	539,044,446	540,765,324
Right of use assets	(6-A)	15,416,681	16,215,560
Intangible assets	(7)	451,005,041	457,567,619
Total non-current assets		1,005,466,168	1,014,548,503
Current assets			
Inventories	(8)	384,853,312	348,410,615
Trade and notes receivable	(9)	989,050,306	900,686,830
Treasury Bills	(10)	317,946,689	361,862,202
Due from related parties		25,500	25,500
Prepayments and other receivables		83,698,013	80,541,679
Cash on hand and at banks	(11)	98,188,774	66,956,028
Total current assets		1,873,762,594	1,758,482,854
TOTAL ASSETS		2,879,228,762	2,773,031,357
EQUITY AND LIABILITIES			
Equity			
Paid up Capital	(14)	252,112,680	250,000,000
Paid under capital increase	(14)	-	160,606
Legal reserve		126,056,340	125,000,000
General reserve	(15)	412,394,657	397,521,390
Treasury Shares	(16)	(65,926,198)	(65,926,198)
Share based payments reserve	(17)	3,718,317	14,873,267
Other reserves		278,952	278,952
Profits for the period and retained earnings		862,136,143	796,678,614
Total equity of Parent Company		1,590,770,891	1,518,586,631
Non-controlling interest		6,735,021	4,590,062
Total equity		1,597,505,912	1,523,176,693
LIABILITIES			
Non-current liabilities			
Long term lease liabilities	(6-B)	15,194,812	16,343,678
Deferred tax liabilities	(25)	56,419,452	51,555,823
Total non-current liabilities		71,614,264	67,899,501
Current liabilities			
Provisions	(12)	14,500,105	14,158,105
Credit facilities	(18)	857,767,685	904,752,873
Current portion of lease liabilities	(6-B)	4,055,370	3,663,480
Trade, notes and other payables	(13)	265,633,417	205,666,967
Income taxes payable		68,152,009	53,713,738
Total current liabilities		1,210,108,586	1,181,955,163
TOTAL LIABILITIES		1,281,722,850	1,249,854,664
TOTAL LIABILITIES AND EQUITY		2,879,228,762	2,773,031,357

Finance Director

Mohamed Abo Amira



Board Member

Amr Abdallah Morsy



The accompanying notes from (1) to (28) are an integral part of these condensed consolidated financial statements.
Review Report Attached.

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the Period Ended 31 March 2023

	Notes	31 March 2023 EGP	31 March 2022 EGP
Revenues	(19)	392,001,696	343,064,603
Cost of revenues	(20)	(213,248,130)	(169,877,748)
GROSS PROFIT		178,753,566	173,186,855
Selling and marketing expenses	(21)	(68,032,558)	(63,139,596)
General and administrative expenses	(22)	(19,238,690)	(14,615,441)
Other income		667,059	276,640
OPERATING PROFIT		92,149,377	95,708,458
Finance income	(23)	15,710,826	13,960,687
Finance expenses	(24)	(31,118,126)	(22,187,303)
Net foreign exchange gain/(loss)		19,379,430	7,354,947
NET FINANCE COST		3,972,130	(871,669)
Impairment of trade and notes receivable	(9)	(1,528,673)	(1,000,000)
Provisions	(12)	(415,186)	-
Share Based payment expenses		(4,461,980)	-
Contribution for health insurance		(1,084,293)	(901,121)
PROFITS FOR THE PERIOD BEFORE INCOME TAXES		88,631,375	92,935,668
Income taxes	(25)	(19,972,547)	(21,163,014)
PROFITS FOR THE PERIOD		68,658,828	71,772,654
Attributable to:			
Equity holders of the Parent Company		66,513,869	71,799,153
Non-controlling interests		2,144,959	(26,499)
		68,658,828	71,772,654
Basic Earnings Per Share	(26)	0.0679	0.0718
Diluted Earnings Per Share	(26)	0.0675	0.0718

Finance Director

Mohamed Abo Amira

Board Member

Amr Abdallah Morsy

The accompanying notes from (1) to (28) are an integral part of these condensed consolidated financial statements.

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Period Ended 31 March 2023

	<i>31 March 2023</i>	<i>31 March 2022</i>
	<i>EGP</i>	<i>EGP</i>
PROFITS FOR THE PERIOD	68,658,828	71,772,654
OTHER COMPREHENSIVE INCOME	-	-
OTHER COMPREHENSIVE INCOME	68,658,828	71,772,654
Attributable to		
Equity holders of the Parent Company	66,513,869	71,799,153
Non-controlling interest	2,144,959	(26,499)
	68,658,828	71,772,654

The accompanying notes from (1) to (28) are an integral part of these condensed consolidated financial statements

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

For the Period Ended 31 March 2023

	<i>Paid up capital</i>	<i>Paid under capital increase</i>	<i>Legal reserve</i>	<i>General reserve</i>	<i>Treasury Shares</i>	<i>Share based payment reserve</i>	<i>Other reserves</i>	<i>Retained earnings</i>	<i>Total equity of parent company</i>	<i>Non-controlling interest</i>	<i>Total</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Balance as at 1 January 2022	250,000,000	-	26,446,118	486,965,000	-	-	278,952	584,420,299	1,348,110,369	(2,621,626)	1,345,488,743
Transferred to legal reserve	-	-	9,110,272	-	-	-	-	(9,110,272)	-	-	-
Acquisition of treasury shares	-	-	-	-	(37,547,159)	-	-	-	(37,547,159)	-	(37,547,159)
Dividend distributions	-	-	-	-	-	-	-	(24,307,500)	(24,307,500)	-	(24,307,500)
Total comprehensive income for the period	-	-	-	-	-	-	-	71,799,153	71,799,153	(26,499)	71,772,654
Balance as at 31 March 2022	250,000,000	-	35,556,390	486,965,000	(37,547,159)	-	278,952	622,801,680	1,358,054,863	(2,648,125)	1,355,406,738
Balance as at 1 January 2023	250,000,000	160,606	125,000,000	397,521,390	(65,926,198)	14,873,267	278,952	796,678,614	1,518,586,631	4,590,062	1,523,176,693
Transferred to legal reserve	-	-	1,056,340	-	-	-	-	(1,056,340)	-	-	-
Paid under capital increase (Note 14)	-	1,952,074	-	-	-	-	-	-	1,952,074	-	1,952,074
Transferred from paid under increase to capital increase (Note 14)	2,112,680	(2,112,680)	-	-	-	-	-	-	-	-	-
Share based Payment reserve	-	-	-	-	-	3,718,317	-	-	3,718,317	-	3,718,317
Transferred from Share based payment reserve to General reserve	-	-	-	14,873,267	-	(14,873,267)	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	66,513,869	66,513,869	2,144,959	68,658,828
Balance as at 31 March 2023	252,112,680	-	126,056,340	412,394,657	(65,926,198)	3,718,317	278,952	862,136,143	1,590,770,891	6,735,021	1,597,505,912

The accompanying notes from (1) to (28) are an integral part of these condensed consolidated financial statements.

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS For the Period Ended 31 March 2023

	Notes	31 March 2023 EGP	31 March 2022 EGP
CASH FLOWS FROM OPERATING ACTIVITIES			
Profits for the period before income taxes		88,631,375	92,935,668
Adjustments to reconcile profit before tax to net cash flow:			
Net foreign exchange differences		(14,851,704)	(5,602,541)
Depreciation and amortization	(5,6,7)	16,692,731	15,301,127
Share based payment expense		4,461,980	-
Provision charged	(12)	415,186	1,077,994
Impairment of trade and notes receivable	(9)	1,528,673	1,000,000
Impairment of inventory	(8)	7,673,833	5,860,877
Finance income		(15,532,446)	(13,959,068)
Finance expenses	(24)	30,580,107	21,677,387
Unwinding interests of lease liabilities	(24)	538,019	509,916
Loss / (Gain) from sale of fixed assets	(5)	(106,473)	24,547
		120,031,281	118,825,907
Change in inventories		(39,947,233)	(4,990,290)
Used of inventory provision		(4,169,297)	(3,670,125)
Change in trade and notes receivable		(89,892,149)	2,490,730
Used of Impairment of trade and notes receivable		-	(105,600)
Change in prepayments and other receivables		9,830,779	10,179,016
Change in trade, notes and other payable		51,656,733	(7,541,040)
Cash flows provided from operating activities		47,510,114	115,188,598
Debit interests paid		(23,982,566)	(18,956,100)
Provisions used		(73,186)	-
Income taxes paid		(670,646)	(2,224,385)
NET CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES		22,783,716	94,008,113
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to acquire fixed assets	(5)	(4,805,570)	(3,836,100)
Payments to acquire assets under construction	(5)	(2,598,180)	(2,962,490)
Payments to acquire intangible assets	(7)	(7,035)	(1,950,494)
Payment to acquire treasury bills		(163,497,569)	(149,989,121)
Matured treasury bills collection		178,900,000	191,000,000
Sale of Treasury bills		31,866,321	-
Proceeds from sale of fixed assets	(5)	115,576	12,000
Investment in term deposits	(11)	25,361,074	(275)
NET CASH FLOWS RESULTED FROM INVESTING ACTIVITIES		65,334,617	32,273,520
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments to capital increase	(14)	2,112,680	-
Credit facilities used	(18)	227,594,477	253,788,677
Payment of credit facilities	(18)	(274,579,665)	(287,665,879)
Acquisition of Treasury shares		-	(21,949,676)
Dividends paid during the period		-	(37,547,159)
Lease payments paid during the period		(1,503,709)	(2,157,040)
NET CASH FLOWS (USED IN) FINANCING ACTIVITIES		(46,376,217)	(95,531,077)
Net change in cash and cash equivalent during the period		41,742,116	30,750,556
Net foreign exchange difference		14,851,704	5,602,541
Cash and cash equivalent - beginning of the period		19,579,917	13,886,158
CASH AND CASH EQUIVALENT - END OF THE PERIOD	(11)	76,173,737	50,239,255

The accompanying notes from (1) to (28) are an integral part of these condensed Interim consolidated financial statements.

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Period Ended 31 March 2023

1- BACKGROUND

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

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

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

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

The Group is principally engaged in:

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

Below is a brief background about the subsidiaries:

Rameda for Pharmaceuticals Trading Company

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

Ramecare Company

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

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

Ramepharma Company

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

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

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Period Ended 31 March 2023

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, 2022. In addition, the results of the interim period ending March 31, 2023 may not be considered an accurate indication of the expected results for the financial year. On December 31, 2023.

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 consolidated financial statements for the year ending on December 31, 2021.

There is no change in the accounting policies used as the company did not apply the new changes in the accounting standards.

2-3 CHANGES IN ACCOUNTING POLICIES

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

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

Set out below are the amended standards and interpretations issued,

Amended Egyptian accounting standard 10: Fixed assets

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

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

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

Amended Egyptian accounting standard 23: Intangible assets

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

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

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

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Period Ended 31 March 2023

2-3 CHANGES IN ACCOUNTING POLICIES (CONT)

Amended Egyptian accounting standard 34: Investment properties

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

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

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

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

Amended Egyptian accounting standard 35: Agriculture

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

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

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

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

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

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

Egyptian accounting standard 50: Insurance contracts

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

Early application of the standard is allowed

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

There is no impact on the company's consolidated financial statements.

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the Period Ended 31 March 2023

3- SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

3-1 Judgments

Revenue Recognition for sale of goods

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

3-2 Estimates

Impairment of trade and other receivables

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

Provision for sales returns

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

Useful lives of fixed assets

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

Useful lives of intangible assets

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

Taxes

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

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

Impairment of non-financial assets

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

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Period Ended 31 March 2023

4- SEGMENT INFORMATION

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

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

Period	<i>Services</i>	<i>Sales of pharmaceutical products</i>			<i>Total</i>
	<i>Toll</i>	<i>Export</i>	<i>Domestic</i>		
	<i>Manufacturing</i>			<i>Private sales</i>	<i>Tenders</i>
	<i>"Domestic"</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
31 March 2023	40,030,779	35,704,333	264,281,401	51,985,183	392,001,696
31 March 2022	25,165,158	26,386,338	221,291,797	70,221,310	343,064,603

Revenue from the top five customers presented 85% of total pharmaceutical products revenues (31 March 2022: 81%).

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

For the Period Ended 31 March 2023

5- FIXED ASSETS AND ASSETS UNDER CONSTRUCTION

	Freehold Land	Buildings	Machinery and equipment	Transportatio n and dragging equipment	Laboratory equipment	Tools	Office furniture and fixtures	Assets under construction	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost									
As of 1 January 2023	18,637,425	279,172,534	444,859,590	16,305,904	31,982,677	7,345,392	33,111,400	12,858,215	844,273,137
Additions	-	1,259,263	1,810,030	-	20,007	1,287,060	429,210	2,598,180	7,403,750
Transferred from assets under construction	-	-	-	-	-	-	207,600	(207,600)	-
Disposals	-	-	(4,050)	(245,740)	-	-	(17,766)	-	(267,556)
As of 31 March 2023	18,637,425	280,431,797	446,665,570	16,060,164	32,002,684	8,632,452	33,730,444	15,248,795	851,409,331
Accumulated depreciation									
As of 1 January 2023	-	(74,889,887)	(182,460,484)	(11,707,422)	(11,027,525)	(2,818,251)	(20,604,244)	-	(303,507,813)
Depreciation for the period	-	(2,211,621)	(4,994,303)	(220,323)	(746,772)	(172,501)	(770,005)	-	(9,115,525)
Disposals	-	-	3,473	245,740	-	-	9,240	-	258,453
As of 31 March 2023	-	(77,101,508)	(187,451,314)	(11,682,005)	(11,774,297)	(2,990,752)	(21,365,009)	-	(312,364,885)
Net book value as of 31 March 2023	18,637,425	203,330,289	259,214,256	4,378,159	20,228,387	5,641,700	12,365,435	15,248,795	539,044,446

- The cost of fixed assets as of 31 March 2023 includes EGP 110,490,122 which represents fully depreciated assets that are still in use.
- The cost of asset under construction as of 31 March 2023 includes impairment by EGP 686,437, (EGP 686,437 as at 31 December 2022).

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

	31 March 2023 EGP
Cost of revenue	8,394,357
Selling and marketing expenses	232,688
General and administrative expenses	488,480
	<u>9,115,525</u>

Gain from sale of fixed assets was calculated as follows:

	31 March 2023 EGP
Cost of disposed assets	267,556
Accumulated depreciation of disposed assets	(258,453)
Net book value of disposed assets	9,103
Proceeds from sale of fixed assets	115,576
Gain from sale of fixed assets	<u>106,473</u>

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

For the Period Ended 31 March 2023

5- FIXED ASSETS AND ASSETS UNDER CONSTRUCTION (CONTINUED)

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

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

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

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

Loss from sale of fixed assets was calculated as follows:

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

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Period Ended 31 March 2023

6- LEASES

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

A) Right of use assets

	<i>31 March 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Cost at 1 January 2023	27,817,376	20,558,589
Additions	208,714	7,258,787
Total Cost as of 31 March 2023	28,026,090	27,817,376
Accumulated amortization at 1 January 2023	(11,601,816)	(7,526,230)
Amortization for period	(1,007,593)	(4,075,586)
Accumulated amortization as of 31 March 2023	(12,609,409)	(11,601,816)
Net book value as of 31 March 2023	15,416,681	16,215,560

B) Lease liability

	<i>31 March 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Opening balance as of 1 January 2023	20,007,158	15,386,755
Additions	208,714	7,258,787
Unwinding interests recognized during the period	538,019	2,551,333
Lease payments paid during the period	(1,503,709)	(5,189,717)
As at 31 March 2023	19,250,182	20,007,158
Deduct: Current balance	4,055,370	3,663,480
Non-current balance	15,194,812	16,343,678

7- INTANGIBLE ASSETS

	Registration Rights	
	<i>31 March 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Cost as at 1 January 2023	518,048,757	424,149,596
Additions	7,035	93,899,161
Total cost as at 31 March 2023	518,055,792	518,048,757
Accumulated amortization as at 1 January 2023	(60,481,138)	(34,486,307)
Amortization for the period	(6,569,613)	(25,994,831)
Accumulated amortization as at 31 March 2023	(67,050,751)	(60,481,138)
Net book value as at 31 March 2023	451,005,041	457,567,619

- The balance of the intangible assets represents the cost of acquiring the registration rights of certain pharmaceutical products and is amortized using the straight-line method over their useful life (20 periods). Management estimate the expected future benefit of the registration rights to be utilize over 20 periods and assessed for impaired whenever there is an indication that the economic benefit of the product is impaired.
- Intangible asset balance includes registration right assets under approval amounted to EGP 35,315,029 (31 December 2022: EGP 35,307,994).

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Period Ended 31 March 2023

8- INVENTORIES

	<i>31 March 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Raw materials	151,201,385	140,318,486
Packing and packaging materials	74,925,041	68,795,958
Spare parts	20,163,728	19,009,433
Finished goods	106,548,655	74,913,324
Work in progress	34,745,082	51,192,105
Goods in transit	11,249,947	4,657,299
Inventory with others	180,370	180,370
	399,014,208	359,066,975
Write down in inventories	(14,160,896)	(10,656,360)
	384,853,312	348,410,615

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

	<i>31 March 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Beginning balance	(10,656,360)	(11,073,894)
Charged during the period	(7,673,833)	(19,856,361)
Used of inventory provision	4,169,297	20,273,895
Ending balance	(14,160,896)	(10,656,360)

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

9- TRADE AND NOTES RECEIVABLES

	<i>31 March 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Trade receivable	320,667,423	256,370,679
Trade receivable – toll manufacturing	39,387,863	31,131,130
Notes receivable	641,422,001	624,083,329
	1,001,477,287	911,585,138
Impairment in value of trade and notes receivables	(12,426,981)	(10,898,308)
	989,050,306	900,686,830

Notes receivable amounting to 403.5 MEGP are mortgage as a guarantee for the credit facilities (Note 18).

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

	<i>31 March 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Balance as at 1 January 2023	(10,898,308)	(8,540,194)
Charged during the period	(1,528,673)	(3,643,441)
Used provision	-	1,285,327
Ending balance	(12,426,981)	(10,898,308)

10- TREASURY BILLS

	<i>31 March 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Treasury bills	345,800,000	378,900,000
Unearned interest	(27,853,311)	(17,037,798)
	317,946,689	361,862,202

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Period Ended 31 March 2023

11- CASH ON HAND AND AT BANKS

	<i>31 March 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
a) Egyptian Pounds		
Cash on hand	181,698	2,359,109
Current accounts	13,594,642	4,653,299
Checks under collection	23,537,193	7,179,075
Term deposits	394,137	394,811
	<u>37,707,670</u>	<u>14,586,294</u>
b) Foreign currencies		
Cash on hand	4,840,533	12,815
Current accounts	34,019,671	5,375,619
Term deposits	21,620,900	46,981,300
	<u>60,481,104</u>	<u>52,369,734</u>
	<u>98,188,774</u>	<u>66,956,028</u>

Cash balances are denominated in the following currencies:

	<i>31 March 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Egyptian pound (EGP)	37,707,670	14,586,294
US dollar (USD)	60,467,222	52,340,130
Euro (EUR)	13,882	29,604
	<u>98,188,774</u>	<u>66,956,028</u>

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

	<i>31 March 2023</i>	<i>31 March 2022</i>
	<i>EGP</i>	<i>EGP</i>
Cash in hand	5,022,231	1,104,556
Checks under collection	23,537,193	1,647,847
Current accounts	47,614,313	47,486,852
	<u>76,173,737</u>	<u>50,239,255</u>

12- PROVISIONS

	<i>Balance as at 1 January 2023</i>	<i>Charged during the period</i>	<i>Used during the period</i>	<i>Balance as at 31 March 2023</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Provision for expected claims	5,550,001	415,186	(73,186)	5,892,001
Provision for sales returns*	8,608,104	-	-	8,608,104
	<u>14,158,105</u>	<u>415,186</u>	<u>(73,186)</u>	<u>14,500,105</u>

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

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

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Period Ended 31 March 2023

13- TRADE, NOTES AND OTHER PAYABLES

	<i>31 March 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Trade payables	166,503,478	120,250,295
Notes payables	8,402,008	5,423,773
Accrued expenses	36,640,654	51,102,049
Tax authority (other than income tax)	26,100,588	11,814,991
Advances from customer	11,764,543	11,382,706
Other payables	16,222,146	5,693,153
	<u>265,633,417</u>	<u>205,666,967</u>

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

14- CAPITAL

The Group's authorized capital amounted to EGP 1 billion, whereas the issued and paid up capital amounted to EGP 252,112,680 divided over 1,008,450,720 shares of par value EGP 0.25 each.

Based on the decision of the Extraordinary General Assembly on October 14, 2020, the meeting of the Board of Directors held on January 4, 2023 decided to increase the company's issued and paid-up capital from 250,000,000 Egyptian pounds to 252,112,680 Egyptian pounds, an increase of 2,112,680 Egyptian pounds distributed over 8,450,720 shares, funded by the payments of the beneficiaries of the system provided that the increase is allocated entirely for the benefit of the system of rewarding and motivating the company's employees, so that the company's issued capital after the increase will be 252,112,680 Egyptian pounds paid in full distributed over 1,008,450,720 shares with a nominal value of 0.25 Egyptian pounds. The amount paid under capital increase reach EGP 2,112,680 as of 31 March 2023. According to the bank certificate issued by Arab Bank on January 9, 2023, the company's issued and paid-up capital was increased from 250,000,000 EGP to 252,112,680 EGP, an increase of 2,112,680 EGP distributed over 8,450,720 shares (Note 17).

The following illustrate the structure for shareholders as of 31 March 2023:

	<i>%</i>	<i>No. of shares</i>	<i>Amount</i>
			<i>EGP</i>
Main Shareholder's Shares	32.83%	331,089,309	82,772,327
Treasury Shares	2.92%	29,470,000	7,367,500
Share based payment	0.84%	8,450,720	2,112,680
Other listed Free Shares in Stock Exchange Market	63.41%	639,440,691	159,860,173
	<u>100%</u>	<u>1,008,450,720</u>	<u>252,112,680</u>

The structure for shareholders as at 31 December 2022:

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

15- GENERAL RESERVE

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

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

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16- TREASURY SHARES

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

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

Currently, the company is taking the necessary actions to reduce its capital by the nominal value of the treasury stocks with a total value of 5,000,000 EGP.

17- SHARE BASED PAYMENT RESERVE

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

On 30 March 2023 the company activated the reward and incentive program. Giving number of employees, managers and executive board members share options for total of 7,748,502 shares at the nominal value (0.25 EGP per share) on condition of staying in service for the required period till the exercise date on 1 November 2023 an archiving the required performance appraisal. Each employee was granted maximum number of shares according to contracts giving one month period from the exercise date to exercise the purchasing right.

The fair value of the granted shares for numbers of employees were 13,404,908 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 beneficiaries in cash.

Movement of Equity instruments in the period as follow:

	31 March 2023		31 December 2022	
	Amount EGP	Shares No.	Amount EGP	Shares No.
Balance at 1 January 2023	14,873,267	8,450,720	-	-
Granted during the period / year	3,718,317	7,748,502	14,873,267	8,450,720
Forfeited during the period / year	-	-	-	-
Exercised during the period / year	<u>(14,873,267)</u>	<u>(8,450,720)</u>	-	-
Total shares at the end of period / year	<u>3,718,317</u>	<u>7,748,502</u>	<u>14,873,267</u>	<u>8,450,720</u>

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS For the Period Ended 31 March 2023

18- CREDIT FACILITIES

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

	<i>31 March 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Opening balance	893,644,592	819,720,928
Used during the period	233,977,310	1,195,291,001
Payment during the period	(274,579,665)	(1,121,367,337)
Ending balance	853,042,237	893,644,592
	<i>31 March 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Credit facilities maturing within 12 months	853,042,237	893,644,592
Bank credit	4,725,448	11,108,281
	857,767,685	904,752,873

The interest rate on the Credit facilities ranges from 8% to 17.75% as of 31 March 2023 (31 December 2022: Range from 8% to 17.75%).

Credit Facilities	Facility amount EGP	Interest rate	Maturity Date	<i>31 March 2023</i>	<i>31 December 2022</i>
				<i>EGP</i>	<i>EGP</i>
CIB	250,000,000	0.25%+CBE lending rate	14-Mar-23	193,541,091	102,163,279
		8 % CBE INITAVIE*	14-Mar-23	10,632,763	78,085,383
FAB Bank	125,000,000	0.5 %+CBE lending rate	31-Dec-23	33,868,807	23,809,186
		8 % CBE INITAVIE*	31-Dec-23	27,865,693	40,038,250
Arab Bank	88,000,000	0.25%+CBE lending	6-Jul-23	66,205,455	36,344,373
		8 % CBE INITAVIE*	6-Jul-23	10,604,438	37,502,956
ABK Bank	120,000,000	0.5 %+CBE lending rate	31-Oct-23	61,365,598	49,104,435
		8 % CBE INITAVIE*	31-Oct-23	18,527,678	46,032,065
ADIB	150,000,000	0.5%+CBE lending rate	7-Apr-23	63,577,513	42,539,694
		8 % CBE INITAVIE*	7-Apr-23	50,521,631	88,951,891
Alex Bank	170,000,000	8% + CBE lending rate	30-Jun-23	131,464,912	164,828,846
AUB	130,000,000	0.35% + CBE lending rate	1-Jun-23	62,701,462	41,675,898
		8 % CBE INITAVIE*	1-Jun-23	35,815,253	51,546,612
ENBD	100,000,000	8 % CBE INITAVIE*	31-Oct-23	63,771,386	75,911,472
		0.25%+CBE lending rate	31-Oct-23	22,578,557	15,110,252
Total Credit Facilities				853,042,237	893,644,592

* 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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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Period Ended 31 March 2023

19- REVENUES

	<i>31 March 2023</i>	<i>31 March 2022</i>
	<i>EGP</i>	<i>EGP</i>
Sale of goods (net)	351,970,917	317,899,445
Toll manufacturing services revenue	40,030,779	25,165,158
	392,001,696	343,064,603

20- COST OF REVENUES

	<i>31 March 2023</i>	<i>31 March 2022</i>
	<i>EGP</i>	<i>EGP</i>
Salaries and incentives	29,718,622	24,044,935
Social insurance and other benefit	9,124,958	4,624,530
Raw materials	115,573,465	96,812,764
Spare parts and materials	6,982,468	4,363,532
Government fees and medical stamps	3,734,751	2,929,959
Other operating expenses	16,534,977	11,037,688
Energy expenses	9,237,318	8,107,052
Depreciation and amortization (Note 5,7)	14,963,970	13,666,046
Rent	1,036,220	658,897
Maintenance	6,341,381	3,632,345
	213,248,130	169,877,748

21- SELLING & MARKETING EXPENSES

	<i>31 March 2023</i>	<i>31 March 2022</i>
	<i>EGP</i>	<i>EGP</i>
Salaries and incentives	29,761,167	28,537,361
Social insurance and other benefit	3,395,454	1,681,414
Depreciation (Note 5)	1,240,281	1,142,799
Rent	9,600	6,300
Advertising and marketing	33,626,056	31,771,722
	68,032,558	63,139,596

22- GENERAL & ADMINISTRATIVE EXPENSES

	<i>31 March 2023</i>	<i>31 March 2022</i>
	<i>EGP</i>	<i>EGP</i>
Salaries and incentives	13,689,964	11,063,994
Social insurance and other benefit	924,390	367,900
Professional fees	934,260	294,686
Maintenance	447,632	442,170
Depreciation (Note 5)	488,480	492,282
Others	2,753,964	1,954,409
	19,238,690	14,615,441

23- FINANCE INCOME

	<i>31 March 2023</i>	<i>31 March 2022</i>
	<i>EGP</i>	<i>EGP</i>
Interest from Treasury Bills	15,532,446	13,959,068
Interest from time deposits	178,380	1,619

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Period Ended 31 March 2023

	15,710,826	13,960,687
24- FINANCE EXPENSES	<i>31 March 2023</i>	<i>31 March 2022</i>
	<i>EGP</i>	<i>EGP</i>
Debit interests	30,017,330	20,769,476
Unwinding interests of lease liabilities	538,019	509,916
Bank Charges	562,777	907,911
	31,118,126	22,187,303

25- INCOME TAXES

	<i>31 March 2023</i>	<i>31 March 2022</i>
	<i>EGP</i>	<i>EGP</i>
Current income tax	(15,108,918)	(18,148,885)
Deferred income tax	(4,863,629)	(3,014,129)
Income tax expense	(19,972,547)	(21,163,014)

DEFERED INCOME TAXES

	<i>Statement of financial position</i>		<i>Statement of profit or loss</i>	
	<i>31 March 2023</i>	<i>31 December 2022</i>	<i>31 March 2023</i>	<i>31 March 2022</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Depreciation and amortization	(60,710,321)	(58,468,620)	(2,241,701)	(2,671,077)
Provisions	1,936,823	1,936,823	-	242,549
Impairment of trade and notes receivables	2,796,071	2,437,135	358,936	225,000
Write down in value of inventory	3,186,202	2,397,681	788,521	492,919
Share based payment	1,003,946	4,015,782	(3,011,836)	-
Unrealized foreign exchange differences	(3,366,684)	(3,874,624)	507,940	(1,303,520)
Others	(1,265,489)	-	(1,265,489)	-
Net deferred income taxes	(56,419,452)	(51,555,823)	(4,863,629)	(3,014,129)

RECONCILIATION OF THE EFFECTIVE INCOME TAX RATE

	<i>Tax Rate</i>	<i>31 March 2023</i>	<i>Tax Rate</i>	<i>31 March 2022</i>
		<i>EGP</i>		<i>EGP</i>
Profits before income taxes		88,631,375		92,935,668
Income tax based on tax rate	22.5%	19,942,059	22.5%	20,910,525
Non-deductible expenses		30,488		252,489
Effective Tax Rate	22.53%	19,972,547	22.77%	21,163,014

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Period Ended 31 March 2023

26- EARNINGS PER SHARE

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

	<i>31 March</i> 2023 <i>EGP</i>	<i>31 March</i> 2022 <i>EGP</i>
Net profit for the period	66,513,869	71,799,153
Profit Available for Shareholders	66,513,869	71,799,153
Weighted average number of shares outstanding after purchase of treasury shares during the period	978,980,720	1,000,000,000
Share Options for employees and executive board members	6,770,156	-
Weighted average number of ordinary shares adjusted for the effect of share option of dilution	985,750,876	1,000,000,000
Earnings per share - Basic	0.0679	0.0718
Earnings per share - Diluted	0.0675	0.0718

27- TAX POSITION

a) Corporate Tax

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

b) Salary Tax

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

c) Stamp Tax

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

d) Sales Tax

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

a) VAT Tax

- The Company's books were examined from 2016 to 2019 and the due tax has been paid.

28- MAJOR EVENT

The Central Bank of Egypt decided to raise the overnight deposit rate the overnight lending rate and the rate this is expected to affect the Bank's pricing policies for current and future products. Besides raising the interest rate, the Central Bank of Egypt has also decided to liberalize the foreign exchange rate to give banks operating in Egypt the flexibility to determine the buy and sell price of foreign currencies.