rameda

Quality For All

PROSPERITY
THROUGH AGILITY

ANNUAL REPORT **2022**

ANNUAL REPORT 2022

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A MESSAGE FROM OUR CHAIRMAN

Our people rose above the challenges presented to them and identified clear paths for maximal value creation across Rameda's business verticals

Fellow Shareholders,

On behalf of Rameda's esteemed Board of Directors and senior management, I am pleased to report the Group's solid results in 2022. Not only did we deliver strong double-digit revenue growth alongside significant margin growth on both the operational level and bottom-line, but we achieved this amidst a significantly challenging market environment. Despite facing various headwinds, including rising inflationary pressures, the devaluation of Egypt's local currency, as well as global supply chain constraints, our people rose above the challenges presented to them and identified clear paths for maximal value creation across Rameda's business verticals.

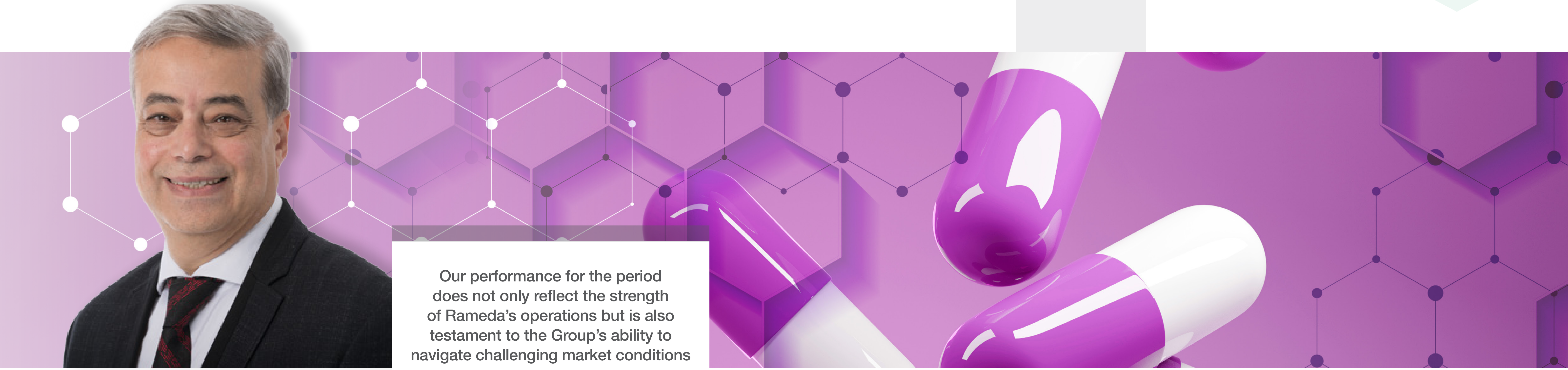
In anticipation of these economic headwinds, the Group took the necessary precautions to ensure sufficient inventory and procure APIs at attractive price points early on in the year, as well as the implementation of a repricing strategy across our product portfolio. This approach allowed us to ensure the sustainability of our operations over the course of the year. Parallel to this, the Group continued to reap the rewards of its successful portfolio optimization strategy, which saw several products that Rameda acquired in 2020 and 2021 reap solid results in 2022 and stand amongst our portfolio's top ten performers for the year. Our track record in acquisitions truly does speak for itself, with revenues generated from acquisitions since 2012 having contributed 44% of Group revenues in FY22, up by 30% year-on-year. Further on this front, Rameda has remained steadfast in its efforts to expand its portfolio and identify attractive molecule acquisitions across fast-growing therapeutic areas over the course of the year. I am optimistic that as sales for these products ramp-up over the coming period, we will witness significant value generation from each of these acquisitions.

The current state of affairs in the Egyptian market is fairly turbulent and we anticipate more headwinds coming our way in the new year. However, I firmly believe that our dynamic business model and exceptional team of professionals will support the Group in rising above the challenges once more and deliver on our goal of providing accessible, affordable, and quality healthcare products to patients in Egypt and beyond. We have our eyes set on further expanding Rameda's product offering, with a clear focus on high-margin and fast-growing products that boast a strong market presence to maintain the sustainability of our long-term growth trajectory with an eye to continue to maximize the value generated for our shareholders.

On a final note, I would like to thank our people for delivering an exceptional performance that has continued to guide our path towards success despite the challenges faced in 2022, and to our shareholders, who continue to believe in and support our vision for accessibility in Egypt's pharmaceutical space. The methods with which we manage our operations and dictate our forward-looking strategies are fueled by our core belief that all patients deserve medicine that is accessible, affordable, and of high-quality to ensure their long-term wellbeing. I am confident that as we continue to leverage our deep market know-how, stellar operational capacities, as well as the expertise of our people, we will be able to realize and deliver on our operational and strategic goals for 2023 and beyond.

Ayman Abbas
Non-Executive Chairman

NOTE FROM OUR CEO



As we kickstart operations for the new year, I would like to take this opportunity to reflect on the Group's performance over the course of 2022. I am pleased to report that Rameda has maintained its growth trajectory and recorded solid results despite the macroeconomic headwinds faced on both the global and local level during the year. Our performance for the period does not only reflect the strength of Rameda's operations but is also testament to the Group's ability to navigate challenging market conditions. Rameda continued to leverage its robust operational capacities, its management team's deep understanding of the Egyptian pharmaceutical market, and recently optimized and enhanced portfolio of products to deliver on its guidance for the year.

Booking Strong Results Despite Headwinds

Over the course of the year, the Egyptian economy faced multiple headwinds, including supply chain constraints, rising inflationary pressures, as well as the devaluation of its local currency, which presented significant challenges to the pharmaceutical sector. However, despite a challenging economic backdrop, the Group was able to deliver double-digit growth at its top and bottom-line in 2022. Rameda's revenues increased by 19.1% year-on-year to EGP 1.5 bn on the back of solid results generated by the Group's verticals across the board. Its private sales vertical contributed the lion's share of revenues during the period at 73.1% and recorded a revenue increase of 30.8% year-on-year driven by strong growth from the Group's recently launched and core products. Our exports vertical also played a key role in driving our performance, recording solid results from Rameda's existing export markets despite the loss of sales from the Group's antiviral portfolio, demonstrating Rameda's ability to continue to grow and adapt to everchanging conditions. Parallel to this, the Group's growing toll client base resulted in a 70.9% year-on-year increase in toll manufacturing revenue in 2022.

Pivoting Strategically to Enhance Profitability

A major point of focus for the Group during 2022 was enhancing profitability and ensuring healthy margins in light of an increasing cost base driven by inflationary and currency pressures. On this front, I am proud to say that our management team was able to pivot strategically and successfully position Rameda to deliver strong margin expansions across the board, culminating into a gross profit margin and EBITDA margin expansion of 2.2 and 2.9 percentage points, respectively in 2022. The Group's profitability strategy in 2022 was primarily two-pronged, maintaining Rameda's shift towards higher-margin verticals, such as private and export sales, which has resulted in minimizing the contribution of raw materials costs to the Group's top line, coupled with the implementation of a repricing strategy for multiple products across Rameda's portfolio. In anticipation of rising inflationary pressures and the devaluation of the Egyptian pound, management was swift to respond and successfully received the necessary approvals from the Egyptian Drug Authority (EDA) for price hikes between c.20%-30% across products representing 90% of Rameda's revenues in 2022.

Delivering on the Group's Portfolio Expansion Strategy

We have also continued to deliver on Rameda's portfolio expansion strategy as we regularly seek to acquire and launch high-margin products – especially those under free pricing frameworks – that will drive our portfolio optimization efforts, enhance Rameda's profitability, and support the sustainability of the Group's long-term growth strategy. Four of the Group's acquisitions in 2020 and 2021, Augram, Omnevora, Recoxibright, and Vaxato, were among our top ten selling products in 2022, collectively contributing 26.3% to total revenues for the year. I would like to especially shed light on the success of Vaxato – which Rameda acquired in the second half of 2021 – having contributed 4.2% of the Group's revenues and delivered a strong revenue increase of 94.6% year-on-year to EGP 63.0 million in FY22.

The Group completed 2 acquisitions in 2022, including "Artixiban", an anticoagulant, as well as an anticonvulsant, "Lacovimp", with both products delivering strong performances in the market according to IQVIA's estimates. The acquisitions are a continued reflection of our unwavering focus on portfolio expansion through the purchase of existing products with an established market presence, the penetration of large and fast-growing areas in chronic indications, and the enhancement of our operating margins through the acquisition of profitable molecules.

Furthermore, I would like to highlight our efforts regarding enhancing our portfolio with more products under free pricing frameworks, which allows us to generate even greater value from the Group's portfolio. On this front, 2022 saw Rameda acquire exclusive rights for the distribution and marketing of "Physiomer", a natural decongestant nasal spray. The acquisition marks the Group's strategic entry point into the medical devices segment, and I am optimistic that it will not only enhance the Group's product portfolio and operational leverage, but also serve as a steppingstone into growing the presence of medical devices across Rameda's product portfolio.

In terms of launches, the Group launched 6 products in 2022 across various therapeutic areas, including antivirals and nutraceuticals. Our notable launches for the period include Calnesia, Selestoc, and Family Vit, all of which are nutraceuticals. Additionally, we launched an antiviral, Molnupiravir Rameda, an analgesic, Paracetamol, and a product for respiratory systems, Guaiadesca.

Outlook

Looking ahead, the Group is well-positioned to maintain its desired growth trajectory in 2023 and I am confident that Rameda's management team will continue to unlock and deliver increased value even amid suboptimal market conditions and the economic uncertainties that lie ahead. Going forward, portfolio expansion will remain a cornerstone of Rameda's growth. The Group's continued focus on high-margin strategic molecule acquisitions and new product launches across fast-growing therapeutic areas is expected to drive growth across Rameda's sales channels.

Another key area of focus for us in 2023 will be maintaining the Group's healthy profitability levels and delivering even greater results on this front over the course of the year, especially in light of the rising inflationary and currency pressures in the Egyptian market. On this front, the Group is in regular discussions with the EDA to reprice its products and ultimately hedge itself against the impact of these pressures, and ensure that Rameda is able to extract further value generated from its product portfolio. Additionally, the Group is looking to continue to shift its focus towards higher margin verticals, such as private and export sales, and ramp-up its overall cost optimization efforts to further enhance Rameda's operating profitability in 2023.

The Egyptian market in recent years has witnessed various challenges and external market shocks, creating a perfect storm of events that the Group has not only weathered but thrived in, delivering strong growth and emerging on even stronger footing. Our business model emphasizes the dynamic and integrated mitigation of business risk, and the success of our proactive strategy in optimizing our portfolio and expenses to maximize Group profitability, all while generating solid revenue growth. As we remain steadfast in our efforts to leverage our deep know-how of the pharmaceutical space to continue to execute on the Group's portfolio enhancement strategy, I am confident in our ability to navigate a challenging macroeconomic environment and deliver on our goals for 2023.

Finally, I would like to take this opportunity to extend my appreciation to Rameda's people, who have time and again proven that they are the pillars of the Group's success and the backbone of our operations. Our exceptional results in 2022 would not have been possible without their continued commitment to operational excellence, and shared mission to deliver high-quality, affordable, and accessible medication to every patient that needs it.

Dr. Amr Morsy
Chief Executive Officer

RAMEDA
AT A GLANCE

RAMEDA AT A GLANCE

Rameda is one of Egypt's leading generic pharmaceutical players, providing high-quality, accessible, and safe medical products to patients throughout the nation and across the wider region.

Over the course of three decades, Rameda (RMDA.CA on the EGX) has grown to become one of Egypt's leading pharmaceutical players. The Group specializes in selling generic, quality-assured drugs and nutraceuticals, as well as food supplements. The Group's success over the years has been driven by Rameda's proven track record in launching and acquiring lucrative products that have allowed it to increasingly grow its portfolio across key therapeutic areas, and its well-invested production facility, whose advanced and unique manufacturing capabilities enable it to supply a variety of dosage forms. The Group's top-of-the-line production facility is comprised of three distinct factories, a general production plant, cephalosporin plant and penicillin plant, each with its own storage, packaging, production, and distribution divisions. The Group is dedicated to maintaining the highest standards of health, safety, and product quality throughout the entire manufacturing process - from production up to delivery - and adhering to Good Manufacturing Practice (GMP) guidelines. The Group's extensive quality and safety measures have allowed it to secure multiple ISO certifications from the International Standardization Organization.

Since the its listing in 2019, the Group has recorded strong growth despite the challenging market conditions witnessed in recent years, booking a 3-year revenue CAGR of 18% in 2022. Moreover, the Group has witnessed solid profitability across the board, delivering double-digit growth across the EBITDA and net income levels in 2022. Rameda's strong profitability came on the back of the Group's focus on its higher-margin private sales and export verticals, which have allowed Rameda to further maximize the value generated from its portfolio.

The Group's success over the years has been anchored by its exceptional management team, who boast decades of multidisciplinary experiences from various sectors across the local and international fronts. Their dedication to operational excellence as well as their motivation and focus to improve patient lives has guided Rameda's success and growth story.

Financial Highlights

EGP1.5 bn
Revenues FY22
▲ 19.1% YoY

EGP423.2mn
EBITDA FY22
▲ 32.3% YoY/28.5% Margin

EGP252.3mn
Net income[1] FY22
▲ 40.4% YoY/17.0% Margin

EGP0.248
EPS FY22
▲ 49.0% YoY

Operational Highlights

113
marketed products with 6 launches and 2 acquisitions in 2022

30%
contribution of launches since 2017 to 2022 revenues

EGP42.6
average price (IQVIA), up 12% YoY

3rd
highest YoY growth in Egypt's overall market[2]

[1] Reported net income figure takes into account EGP 17.8 million in ESOP expenses. Excluding ESOP expenses, reported net income would record EGP 270.7 million in FY22.

[2] Source: IQVIA (2022)

Our Verticals

Private Sales
73.1% of 2022 Revenues

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

Tenders
10.8% of 2022 Revenues

Rameda's tender sales vertical is primarily focused on bulk-selling the Group's products to public hospitals and government institutions, such as the Ministry of Health, through the Egyptian Authority for Unified Medical Procurement (UMPA). Management is focusing on reducing the vertical's contribution to its top-line due to its lower relative profitability, driven by strong price competition within the sales channel, and ultimately enhancing profitability on the gross level.

Toll Manufacturing
8.9% of 2022 Revenues

Rameda has leveraged its excess production capacity and unique lyophilized production capabilities to provide toll manufacturing services to third parties. This strategy has proven fruitful as the Group boasts a robust roster of local and global companies that have benefitted from its superior toll manufacturing capabilities, including leading names in the pharmaceutical industry.

Exports
7.2% of 2022 Revenues

The Group also sells its products beyond Egypt's borders across the wider region through export agents. The agents then distribute Rameda's products to multiple regional markets. Over the course of 2022, the Group successfully exported its products to 9 markets. Rameda's most popular export destination continued to be Iraq, contributing 54% of Rameda's export revenues in 2022.

Certifications

ISO 9001:2015	ISO 14001:2015	OHSAS 18001:2007	ISO 45001:2018
Quality Management Systems	Environmental Management Systems	Occupational Health and Safety Management System	Occupational Health and Safety Management System

Our Portfolio

Over the years, Rameda has developed an impressive portfolio of 113 products to support patients in Egypt and beyond. This ever-expanding range of products covers 12 key therapeutic areas and continues to grow with new product launches each year. On this front, products launched since 2017 represented 22% of the Group's top line in 2022, reflecting the Group's successful track record in bringing attractive products to market.

Our Therapeutic Areas

Therapeutic area	Percentage of FY22 Revenues
Systemic anti-infectives	34.3%
Alimentary tract and metabolism	25.4%
Genitourinary system and sex hormones	6.5%
Cardiovascular system	3.6%
Nervous system	3.5%
Blood and blood-forming organs	6.4%
Musculo-skeletal system	13.6%
Sensory organs	0.04%
Respiratory system	0.2%
Antiviral therapy	1.6%

OUR STRATEGY

OUR STRATEGY

Rameda has successfully established itself as one of the leading generic pharmaceutical players in the Egyptian market by leveraging its deep institutional knowledge of the healthcare and pharmaceutical space to deliver on an overarching growth strategy that has seen the Group build a comprehensive portfolio of products across key therapeutic areas and boast a growing regional export footprint.

Strategy Pillars

Grow our portfolio through accretive molecule acquisitions and launches

Rameda's growth continues to be fueled by its portfolio enhancement and optimization strategy, where management focuses on identifying, launching, and acquiring fast-growing molecules with strong market presence across a wide range of chronic therapeutic areas. The Group also offers its products with attractive pricing terms that yield high margins, enabling it to not only generate exceptional value from its strategic launches and acquisitions, but also to enhance its operating margins and record strong profitability. On this front, the Group's revenues from launches since 2012 have delivered a 2019-2022 CAGR of 42% and revenues from acquisitions since 2012 has recorded a 2019-2022 CAGR of 18%, reflecting the Group's well-established ability and track record of bringing successful products to market. In 2022, Rameda has reaped the rewards of its recently acquired products; Augram, Recoxibright, Omnevora, and Vaxato, which were all among its top ten selling products in FY22 and generated 26.3% of the Group's revenues for the year. Vaxato, in particular, has witnessed significant success in 2022, contributing 4.2% to overall revenues, recording a year-on-year revenue increase of 94.6% in FY22, and ranking 8th amongst the Group's top ten selling products during the period. Overall, Rameda successfully completed 2 acquisitions and 6 launches in FY22. Acquisitions included Artixiban (anticoagulant), and Lacovimp (anticonvulsant), while Rameda launched Calnesia (nutraceutical), Selestoc (nutraceutical), Family Vit (nutraceutical), Paracetamol (analgesic), Guaiadesca (respiratory system) and Molnupiravir Rameda (antiviral). Rameda is confident that it can replicate its recent successes with its acquisitions and launches that were completed in FY22 and generate significant value from its continually enhanced portfolio of products over the coming period.

Penetrate large and fast-growing therapeutic areas

Over the years, Rameda has built a comprehensive portfolio of products across an array of therapeutic areas that have addressed the needs of patients across Egypt and the wider region. Today, the Group boasts a portfolio of 113 marketed products across 12 of the 16 defined therapeutic areas in Egypt. Rameda's portfolio is well-positioned to address the pharmacological needs presented by the increasing prevalence of chronic and lifestyle diseases in Egypt and the wider region, such as diabetes, hypertension and depressive disorder, and as such, has successfully adapted to the industry-wide shift towards the consumption of medication to treat and manage such diseases.

In 2022, the Group continued growing its presence in the nutraceuticals therapeutic area, with the launch of Selestoc, an immunity booster. The Group has seen great success across the nutraceuticals space, including with Omnevora, a multivitamin that was launched in 2020 and is now Rameda's tenth highest selling product across its product portfolio. The Group is confident that it will expand its presence across the attractive nutraceuticals space as well as extend its reach in other areas, such as medical devices and cosmeceuticals.

Enhance our operating profitability

One of the cornerstones of Rameda's strategy is enhancing operating profitability. The Group's approach to delivering on this pillar is multi-pronged and is made possible by its portfolio optimization strategy, its primary focus of bringing to market higher-priced and higher margin products in order to maximize the value generated from Rameda's product portfolio. In 2022, despite turbulent market conditions, which saw inflationary pressures and the devaluation of Egypt's local currency hinder the local economy, Rameda was able to deliver solid expansions across its profitability margins. The Group's gross profit margin expanded by 2.2 percentage points year-on-year to 48.5%. Meanwhile, Rameda's reported net profit margin increased by 2.6 percentage points year-on-year to 17.0% in FY22. Strong profitability growth in 2022 was driven by a decline in raw materials costs as a percentage of total revenues as Rameda shifts towards verticals with higher margin contribution such as private and export sales whilst further diluting the Group's overheads with incremental toll revenues. Moreover, Rameda's profitability was further buoyed by management's swift response to the macroeconomic challenges. Rameda was able to receive approvals for price hikes between c.20%-30% across products representing 90% of Rameda's sales and grew its export sales by 21.2% y-o-y in FY22, which acted as a hedge against the impact of Egypt's local currency devaluation on the FX rate.

Going forward, there are various drivers that will continue enhancing the Group's margins, including Rameda's focus on lucrative new product launches and acquisitions of attractively priced and high margin products, focusing on improving its sales channel mix towards higher margin private sales, as well as selectively targeting higher margin tenders and tolling contracts.

Expand our footprint into new high-growth markets across the region

The Group's product offering is not only limited to its home market of Egypt, but Rameda's product portfolio generates solid value from various export markets across the region and internationally. With global markets conditions easing in 2021 and 2022, the Group was able to generate over EGP 106.5 million from its export sales vertical, reflecting a 21.2% y-o-y increase and contributing 7.2% to Rameda's revenues in FY22. During the year, the Group successfully exported its products to 9 markets. On this front, Iraq has remained Rameda's largest export market in 2022, contributing 54% of the export vertical's revenues, followed by Yemen, which generated 29% of export sales in FY22.

Going forward, Rameda is committed to further expanding its footprint and unlocking value from new markets that will benefit from the Group's comprehensive product offering. In this regard, the Group is in the process of registering its products into new markets across the GCC, with the supportive fundamentals in these regions expected to drive long-term growth for Rameda.

Monetize our excess capacity to enhance revenue generation

The Group's success would not be possible without its state-of-the-art production facilities. Rameda's significant investments – c.EGP 255 million between 2019 and 2022 – in its production facilities has not only supported the Group's positioning as one of the leaders in the pharmaceutical space in Egypt but also positioned it as one of the few players in the space to boast lyophilized production capabilities. The Group is able to maximize the value generated from its factories by utilizing excess capacity for toll manufacturing activities for leading pharma players in the region. On this front, Rameda's toll manufacturing vertical has recorded strong results over the years and booked a 2019-2022 revenue CAGR of 45%, with its client base expanding to 57 clients in 2022, up from 31 in 2019. Looking ahead, the Group will continue investing in its production capacities and is eyeing to serve between 55-65 toll clients in 2023.

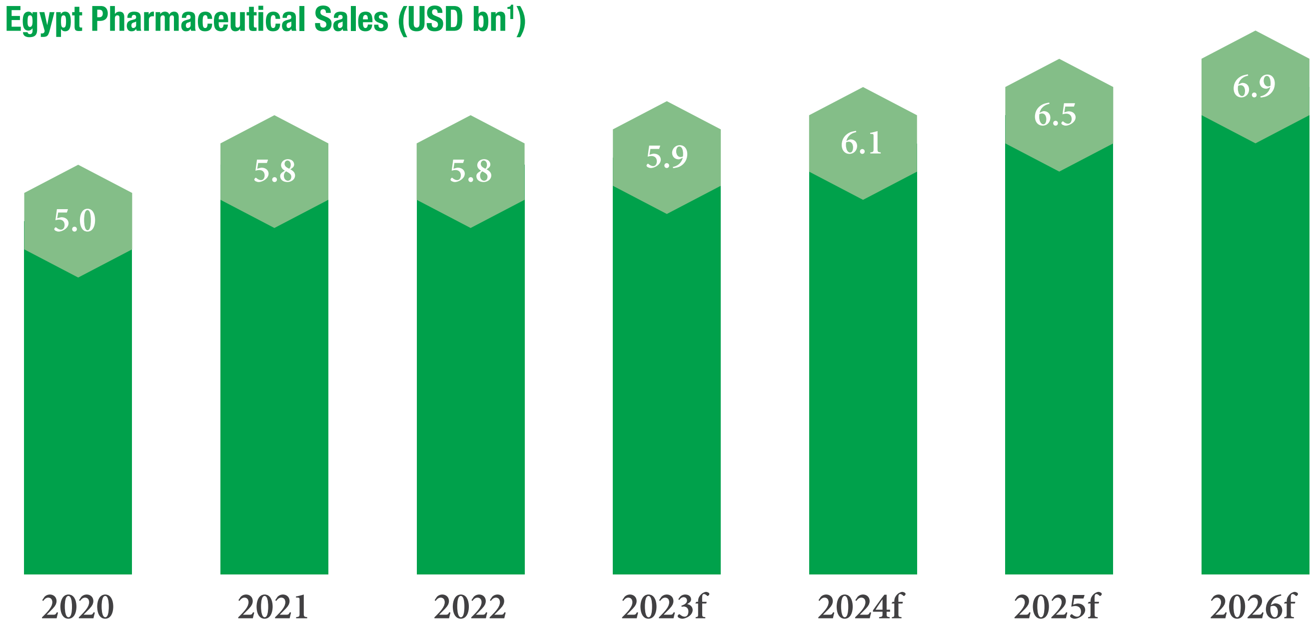
OUR MARKETS

OUR MARKETS-EGYPT

The Egyptian pharmaceutical space is poised for growth as the nation continues to capitalize on attractive fundamentals, including Egypt's demographic and epidemiology profile and growing chronic conditions, as well as a ramp in efforts to boost the domestic pharmaceutical landscape.

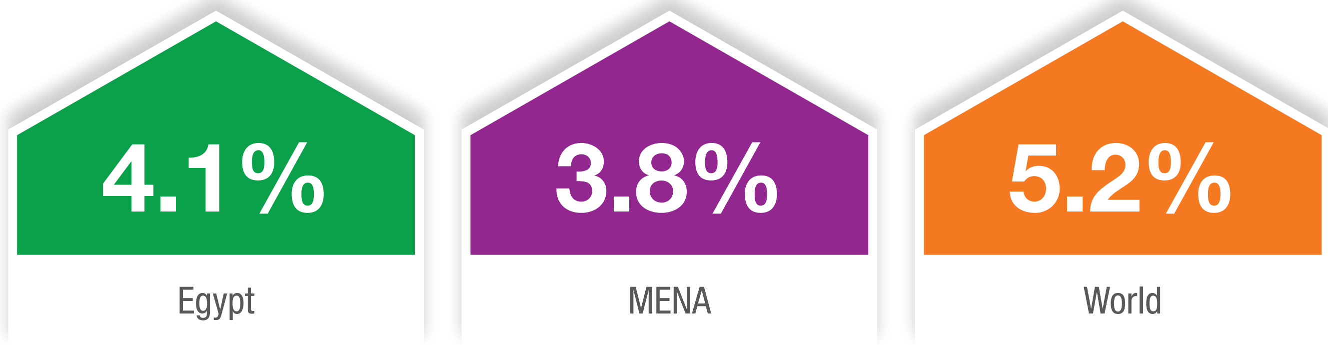
Egypt boasts one of the largest pharmaceutical markets in the MENA region, valued at c.USD 5.8 billion as of 2022[1]. The pharmaceutical space in Egypt has thrived on the back of the nation's fast-growing population of over 100 million people, the prevalence of chronic and non-communicable diseases, as well as rapid industry reforms aimed at increasing awareness and access to healthcare and treatments across all income groups. As a result, Egypt's pharmaceutical market booked a 2020-22 CAGR of c.7% (in USD terms), outpacing that of the MENA, which recorded a 2020-22 CAGR of 4.4% [2].

Egypt Pharmaceutical Sales (USD bn[1])



The Egyptian pharmaceutical sector represents an attractive value proposition due to several key factors that present the sector with various unique opportunities to continue to drive its forward-looking growth. The nation's sizable and expanding population of over 100 million, rising life expectancy and increase in the prevalence of diseases linked to a sedentary lifestyle, such as diabetes, obesity, and hypertension, are some of the key growth drivers for the pharmaceutical sector. Moreover, the Egyptian pharmaceutical sector is poised to benefit from an attractive pricing framework as well as the government's continued rollout of its universal health insurance program, which now covers c.69% of the Egyptian population and aims to cover all of Egypt's provinces by 2027[3].

Expected Market Growth[4] (2022f-25f CAGR)



[1] Fitch Solutions: Egypt Pharmaceuticals & Healthcare Report | Q4 2022
[2] Fitch Solutions: Egypt Pharmaceuticals & Healthcare Report | Q3 2022
[3] Fitch Solutions: Egypt Pharmaceuticals & Healthcare Report | Q3 2022
[4] Fitch Solutions: Egypt Pharmaceuticals & Healthcare Report | Q4 2022

Supporting demographic and epidemiological profile

Egypt is the most populated nation in the MENA region and is forecast to grow from its current 102.0 million people to 160.0 million people by 2050. Parallel to the nation's sizable and growing population, currently, 5.3% of the nation's population is above the age 65, and this figure is anticipated to increase to 6.4% by 2030 (around 7.7 million people), which will further drive demand for geriatrics services and long-term care.

Egypt Has a High Prevalence of Lifestyle-Related Diseases[5]

Percentage of Population Between the Ages of 20-79 with Diabetes

UK	3.9%
USA	10.8%
Kingdom of Saudi Arabia	15.8%
United Arab Emirates	16.3%
Egypt	17.2%

Percentage of Adult Population that is Obese

UK	27.8%
United Arab Emirates	31.7%
Egypt	32.0%
Kingdom of Saudi Arabia	35.4%
USA	36.2%

Percentage of Population Above the Age of 18 with Hypertension

USA	12.9%
UK	15.2%
United Arab Emirates	20.2%
Kingdom of Saudi Arabia	22.8%
Egypt	24.9%

Moreover, Egypt's growing population of chronic patients is also set to further drive demand for healthcare services and pharmaceutical products. Egypt has one of the highest prevalence of lifestyle diseases, globally, with approximately 16.0% of the population aged 20 years and over with diabetes, 31.0% with obesity and 26.0% with hypertension[6]. Rising non-communicable diseases, which presently account for 84.0% of all deaths and 67.0% of premature deaths in Egypt, will also generate increased demand for healthcare services across the nation. The increasing prevalence of these conditions across the country influenced Rameda to optimize its portfolio to better cater to the needs of the population and address these noncommunicable conditions.

[5]Colliers: An Overview of the Healthcare Sector in Egypt (2021/2022)
[6]Fitch Solutions: Egypt Pharmaceuticals & Healthcare Report | Q4 2022

Growing preference in generics to imported medicine

The generic drug market has witnessed steady growth over the past decade in Egypt and is poised for growth going forward on the back of multiple drivers. The rollout of Egypt's universal health insurance program, rising population size, growth of the local generics manufacturing industry, as well as weakened purchasing power due to rising inflationary and currency pressures, will continue to support the growth of Egypt's generic medicine market. Additionally, localization policies and suboptimal intellectual property protections have continued to support the local production of generics, which account for the majority of Egypt's local demand. Egypt's generic drug market is anticipated to grow in value from EGP 33.9 billion (USD 2.2 billion) in 2021 to EGP 61.6 billion in 2026, reflecting a 5-year CAGR of 12.7% in local currency terms and 6.2% in USD terms[7].

Contribution of Generic Drug Market to Total Drug Sales[8]

Generic Drug Sales as a Percentage of Total Drug Sales in Egypt

2018	34.1%
2022	38.2%
2026f	42.3%

[7]Fitch Solutions: Egypt Pharmaceuticals & Healthcare Report | Q4 2022
[8]Fitch Solutions: Egypt Pharmaceuticals & Healthcare Report | Q4 2022

Supportive government framework

Due to Egypt's rapidly growing population, rising life expectancy, as well as increasing levels of lifestyle-related diseases, various reforms have been put into action to enhance Egypt's healthcare infrastructure. Healthcare expenditure is anticipated to increase by c.10% in 2023 to USD 22.6 billion[9]. The forecasted growth in public spending on healthcare is a positive reflection of Egypt's efforts on localizing the industry as well as expanding coverage, enhancing healthcare services, and boosting the overall investment climate. On the localization front, the government has made significant strides in strengthening the local pharmaceutical sector in its efforts to protect local supply and reduce reliance on imported drugs. Additionally, the government is also moving to deepen its pharmaceutical partnerships and healthcare with Saudi Arabia and other major GCC markets to enhance Egypt's local production capacities and capabilities. Moreover, in an effort to decrease the high out-of-pocket costs and the fragmented nature of pooled funds, Egypt is working on implementing a new universal health insurance scheme to provide an improved and more accessible provision of care for all patients.

Unified Medical Procurement Authority's (UMPA) Digital Platform

On 25 August 2019, a new law was issued for the establishment of the Egyptian Authority for Unified Medical Procurement ("UMPA"), an exclusive government authority tasked to carry out purchase transactions of pharmaceutical products and medical equipment on behalf of all governmental and public entities in Egypt. Streamlining the purchasers' needs through the UMPA's recently enhanced digital platform has facilitated public tender sales by creating efficiencies when matching up buyers with sellers. As a centralized procurement and supply interface, UMPA aims to ensure equitable access of medicinal and health technology products through evidence-based technology assessments, value-driven procurement methods, and by establishing a robust and sustainable supply chain throughout the country.

Universal Health Insurance (UHI)

The Universal Health Insurance Law came into effect in July 2018 and aims to restructure Egypt's insurance system to allow for greater accessibility and reduced healthcare costs for Egyptians. Under the new law, the Egyptian government will pay for the entire cost of covered items for individuals whom the law deems unable to pay, which is expected to be approximately 23.7 million people based on the expected population at the time the law was fully implemented. The initiative was initially supported by a USD 5.3 million grant from the World Bank and a USD 400 million donation from the European Bank for Reconstruction and Development (EBRD) to further support the rollout of the program. Moving forward, the initiative will be funded by employee and employer contributions in addition to tax increases that supplement government budgetary allocations.

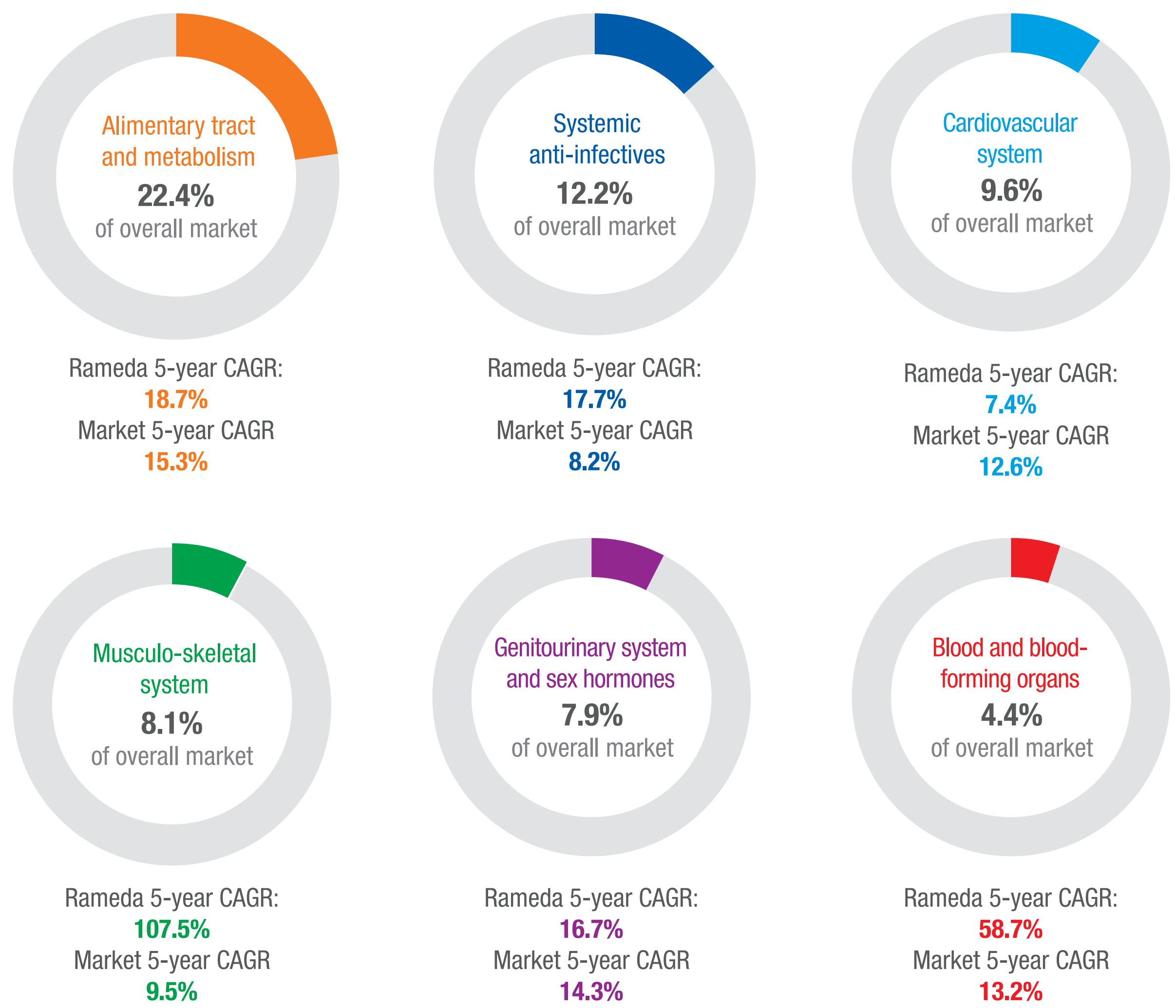
[9]Fitch Solutions: Egypt Pharmaceuticals & Healthcare Report | Q4 2022

Attractive generic pricing framework

The pricing of pharmaceutical products in Egypt is regulated by the Ministry of Health and Population (MOHP). The current pricing mechanism, which was introduced in 2012, is that based on an innovators' price, which is the lowest price offered in 36 reference countries, the first five generic pharmaceutical products thereafter are priced at 65% of the innovators' price and the remaining generic pharmaceutical products are priced at 60% of the innovators' price.

Historically, the MOHP has shown demonstrated sensitivity to the impact of economic factors on the pharmaceutical industry, for instance, by allowing price adjustments in order to account for foreign currency fluctuations resulting from the devaluation of the Egyptian pound. Such adjustments enable price increases in order to avoid margin erosion which may otherwise result from the effects of inflation.

Solid Growth Within Key Therapeutic Areas in 2022



2022
IN REVIEW

2022 IN REVIEW

Delivering growth despite challenging market conditions

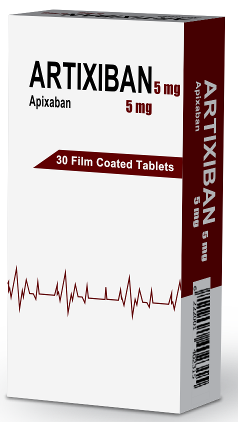
Rameda's top line grew by 19.1% y-o-y to EGP 1,484.0 million in FY22 driven by strong performances from its private, toll and export sales verticals, as the Group continued to reap the rewards of its portfolio optimization strategy and focus on maximizing the value generated from attractively priced products. In terms of profitability, the Group booked strong growth on both the operational level and its bottom-line despite challenging market conditions, including rising inflationary pressures and an unfavorable FX environment.

As a result, Rameda delivered a 40.4% y-o-y increase in reported net income to EGP 252.9 million, yielding a net profit margin expansion of 2.6 percentage points to 17.0% in FY22. Rameda's profitability in FY22 was further supported by a 12% y-o-y increase in average pricing – with its full impact yet to be realized – as per the latest estimates from IQVIA. This allowed the Group to generate increased value from its product portfolio amidst turbulent economic headwinds and enhance profitability levels.

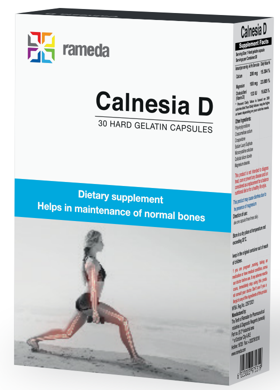
Successfully delivering on Rameda's portfolio expansion strategy and reaping the rewards of recently launched products

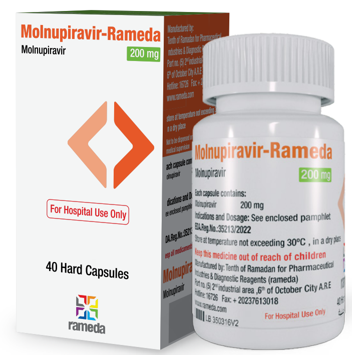
The Group's recent portfolio additions provided solid support for Rameda's performance in 2022. On this front, three of its portfolio additions from 2020, including Recoxibright, Augram, and Omnevora, contributed 22.0% of Rameda's revenues in FY22. Furthermore, its 2021 acquisition of Vaxato yielded strong results in 2022, with the product ranking 8th among the Group's top 10 selling products and booking a year-on-year revenue increase of 94.6% to EGP 63.0 million in FY22. Moreover, Rameda added 8 new products to its portfolio in 2022, with 6 new launches and 2 product acquisitions as it continues to expand its portfolio with attractively priced and higher margin products. Rameda's launches in 2022 included 3 nutraceuticals, 1 antiviral, 1 analgesic, and 1 under respiratory systems. Rameda's launch of 3 nutraceuticals in FY22 falls in line with its strategy to expand its portfolio with products that fall under free pricing frameworks. On the acquisitions front, Rameda acquired an anticoagulant and an anticonvulsant in FY22.

Product Acquisitions in 2022



Product Launches in 2022





The Group's portfolio supported Rameda's results in FY22

Rameda's product portfolio continued to generate solid results in 2022, with nine out of the Group's top ten selling products delivering strong double-and-triple-digit growth at an average year-on-year revenue increase of 56.0%, and Recoxibright, Colona, and Rametax, leading the pack as the Group's top three selling products in FY22. Combined, these top-three selling products contributed 30.7% of Rameda's overall revenues in FY22. Recoxibright stood as the Group's top performing product for the year, contributing 11.7% of Rameda's revenues and delivering a year-on-year revenue increase of 21.7% to EGP 174.1 million in FY22. Moreover, Colona and Rametax delivered a combined contribution to Group revenues of 19.0% and booked year-on-year revenue growth of 62.5% and 46.0%, respectively, in FY22. It is worthy to note that the solid performance from Rameda's product portfolio came despite the decline in contribution from antiviral sales to its top line, which fell to 2% in FY22 compared to 15% in FY22 the previous year, reflecting the resilience and diversity of Rameda's product offering.

Top Ten Products Sold in 2022 (EGP mn)

#	Product	2021	2022	% 2022 Revenues	YoY Growth
01	RECOXIBRIGHT	143.1	174.1	11.7%	21.7%
02	COLONA	94.7	153.9	10.4%	62.5%
03	RAMETAX	87.3	127.4	8.6%	46.0%
04	AUGRAM	45.8	95.5	6.4%	108.3%
05	PROTOFIX	107.5	89.5	6.0%	-16.7%
06	JOYPOX	52.2	86.1	5.8%	65.0%
07	RAMECEFTRAX	65.9	81.6	5.5%	23.9%
08	VAXATO[1]	32.4	63.0	4.2%	94.6%
09	OMNEVORA	45.5	57.1	3.8%	25.4%
10	LACTEOL FORT	32.9	51.3	3.5%	56.1%

Revenue by Therapeutic Area[2]

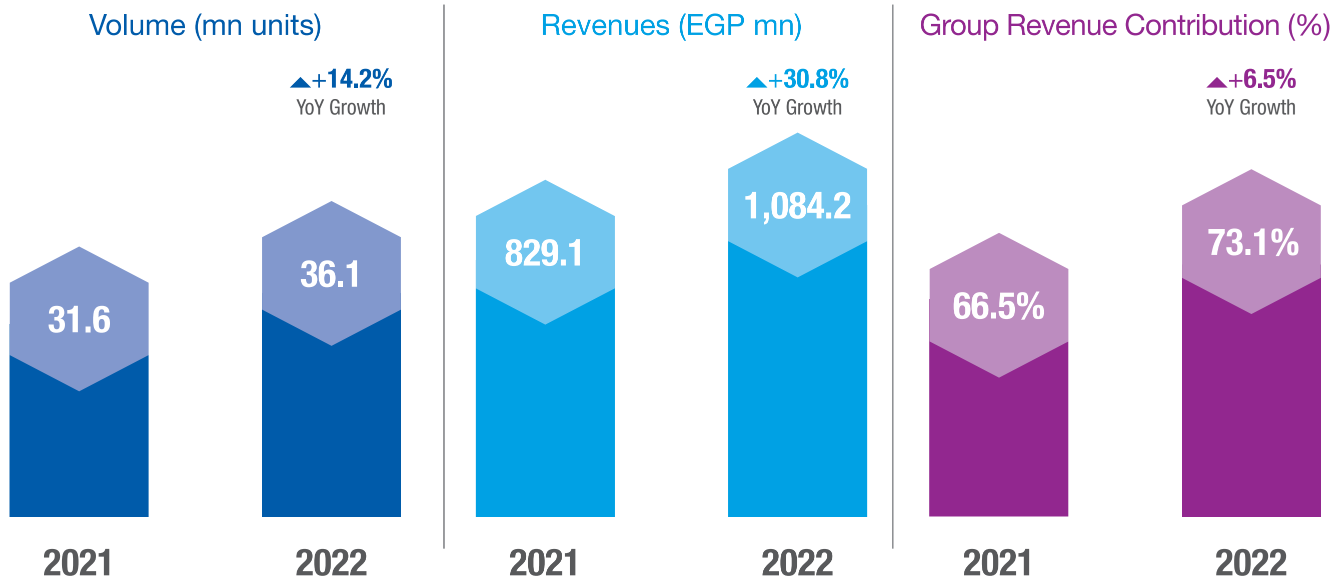
	2021	2022
Systemic anti-infectives	28%	34%
Alimentary tract and metabolism	23%	25%
Genitourinary system and sex hormones	5%	6%
Cardiovascular system	4%	4%
Nervous system	3%	4%
Blood and blood-forming organs	5%	6%
Musculo-Skeletal System	12%	14%
Antiviral Therapy	15%	2%
Others[3]	5%	5%
Total	**EGP 1.25 bn**	**EGP 1.48 bn**

[1]Vaxato reported 5 months of revenues in FY21.
[2]Contribution by therapeutic area is calculated on revenues excluding toll sales and before distributor incentives & discounts and sales return provision.
[3] Includes sensory organs, dermatologicals, food supplements, respiratory system and others, each contributing less than 1% to FY22 revenues.

Strong performances across the Group's verticals was further supported by a successful repricing strategy

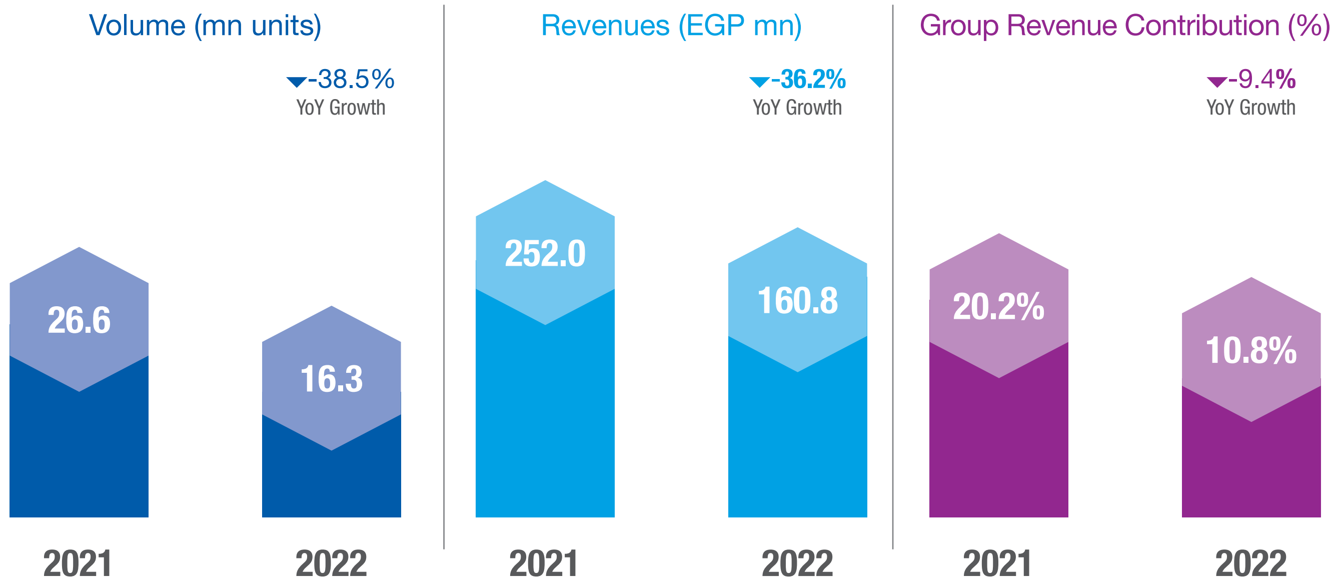
The majority of Rameda's verticals delivered strong performances that supported the Group's results in FY22, with private sales, export sales, and toll manufacturing all delivering strong double-digit revenue growth at year-end. Moreover, the Group maximized the value generated from its private sales vertical amidst turbulent market conditions by successfully receiving approval for two waves of repricing across its product portfolio. On this front, the Group executed price hikes of c.20-30% for products that represent 90% of the Group's revenues, parallel to this, products representing 45% of Rameda's revenues (based on 2022 revenues) have witnessed two waves of repricing, resulting in a total price increase of c.40-60% for those products. This strategy allowed the Group to generate increased value from its product portfolio and enhance Rameda's profitability margins in FY22.

Private Sales



Volumes from private sales increased by 14.2% y-o-y to 36.1 million units on the back of a strong performance from Rameda's core portfolio and was further supported by the general post Covid-19 recovery in Egypt's pharmaceutical retail segment in FY22. Consequently, revenues from private sales recorded an increase of 30.8% y-o-y to EGP 1,084.2 million and accounted for 73.1% of the Group's top line in FY22.

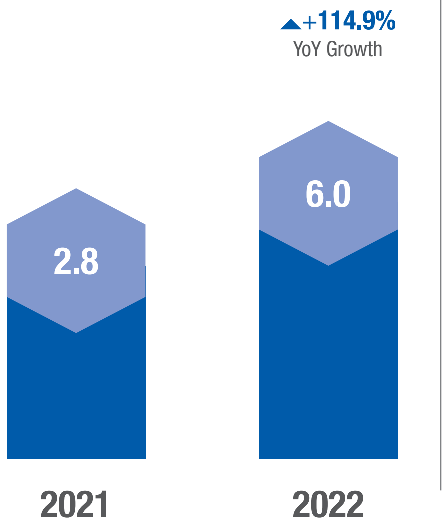
Tenders



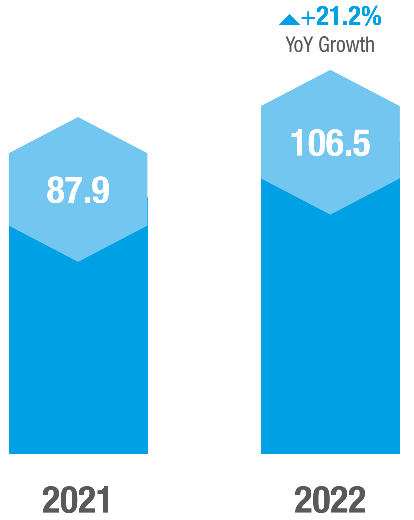
Volumes from tenders declined by 38.5% y-o-y to 16.3 million units in FY22. This performance is in line with management's strategy to reduce the contribution of tenders to Rameda's revenues due to its lower relative profitability, driven by strong price competition within the sales channel. Revenues from tenders booked a decline of 36.2% y-o-y to EGP 160.8 million, mirroring the decline in volumes during the year, and contributed 10.8% to Group revenues in FY22, down from 20.2% in FY21.

Exports

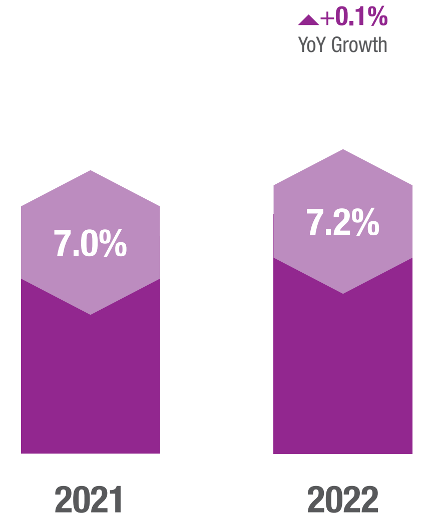
Volume (mn units)



Revenues (EGP mn)



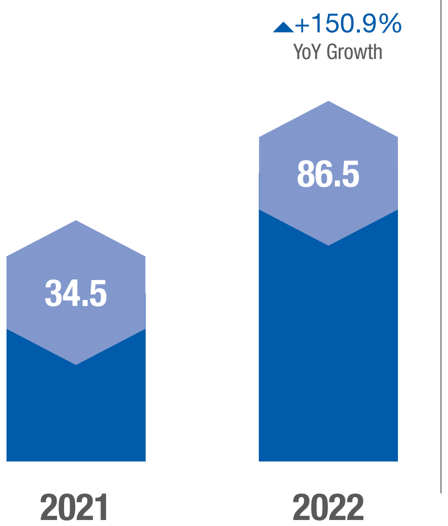
Group Revenue Contribution (%)



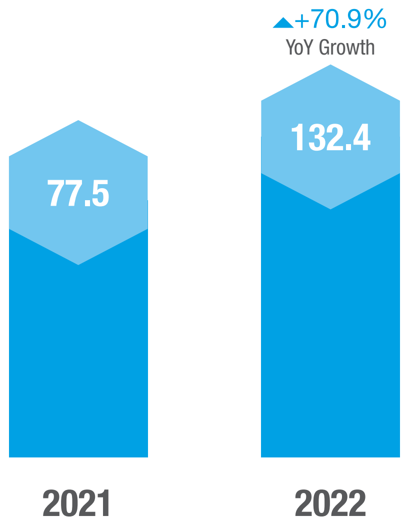
Volumes from exports increased by 114.9% y-o-y to 6.0 million units in FY22 on the back of strong sales to the Group's two largest export markets, Iraq and Yemen, with revenues up by 23.3% and 75.6% respectively, and was further supported by a 153.1% y-o-y increase in export sales to Libya. This solid performance offset the loss of sales from antiviral products, which contributed 57% of export sales in 2021. The increase in export volumes reflected positively on revenue performance, which booked a 21.2% y-o-y increase to EGP 106.5 million in FY22.

Toll Manufacturing

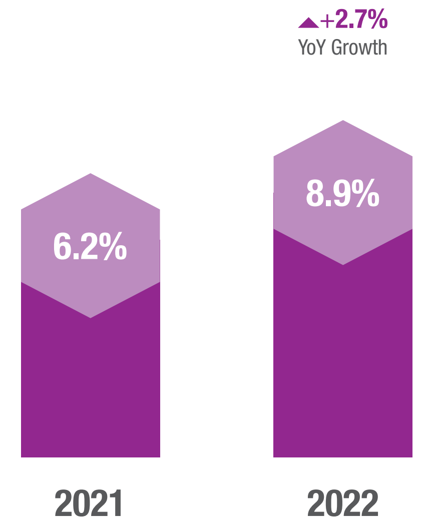
Volume (mn units)



Revenues (EGP mn)



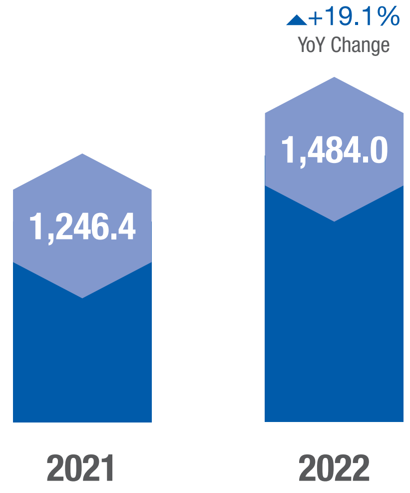
Group Revenue Contribution (%)



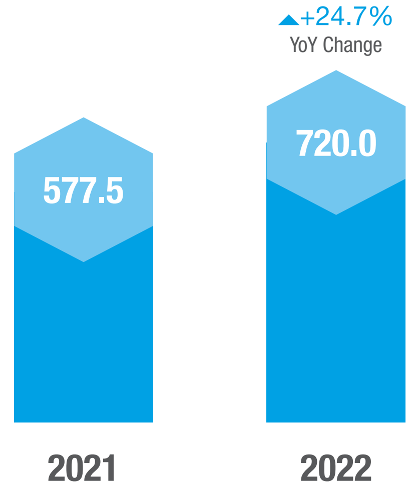
Toll manufacturing volumes grew by 150.9% y-o-y to 86.5 million units in FY22, driven by the ramp-up in contracts secured over the period, resulting in increased utilization of the Group's liquid, penicillin and lyophilized production lines. This performance drove a 70.9% y-o-y increase in revenue from toll manufacturing to EGP 132.4 million in FY22.

2022 Financial Highlights

Revenue (EGP mn)



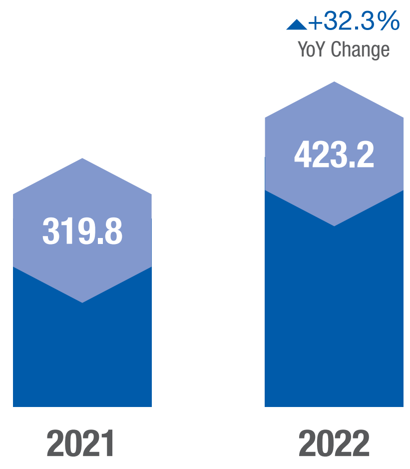
Gross Profit (EGP mn)



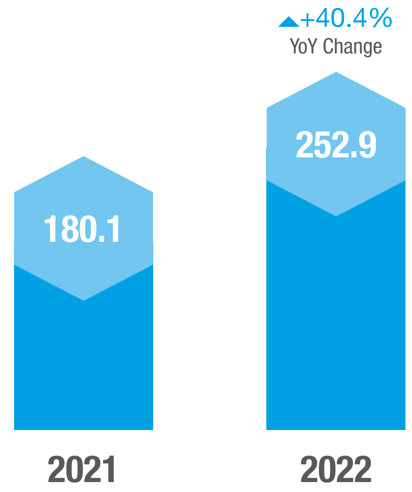
Consolidated revenues booked an increase of 19.1% y-o-y to EGP 1,484.0 million in FY22 driven by solid performances from the Group's verticals, which were supported by strong results from Rameda's product portfolio coupled with a successful repricing strategy over the course of the year. The Group's top-line growth in FY22 reflects the resilience and agility of its business model and the success of its portfolio optimization strategy geared towards generating increased from higher-priced products.

Rameda's gross profit increased by 24.7% y-o-y to EGP 720.0 and yielded a GPM expansion of 2.2 percentage points year-on-year to 48.5% due to a 3.4 percentage point decline in raw material costs as a percentage of sales during the period, which was achieved despite a rapidly depreciating currency. The Group's gross profitability was further supported by strategic price hikes applied across a majority of its product portfolio during the period.

EBITDA (EGP mn)



Reported Net Income[4] (EGP mn)

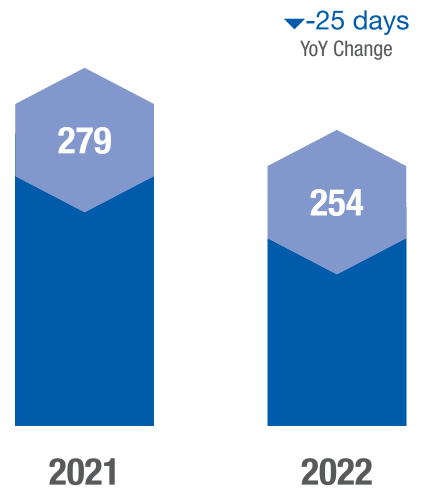


The Group's EBITDA increased by 32.3% y-o-y to EGP 423.2 million in FY22 and yielded an EBITDA margin expansion of 2.9 percentage points year-on-year to 28.5% as improved gross profitability trickled down to the EBITDA level during the year.

Reported net income increased by 40.4% y-o-y to EGP 252.9 million and yielded an NPM expansion of 2.6 percentage points to 17.0% in FY22, which came despite non-cash ESOP expenses of EGP 17.8 million incurred during the period, on the back of growing operating profitability coupled with declining interest expenses year-on-year.

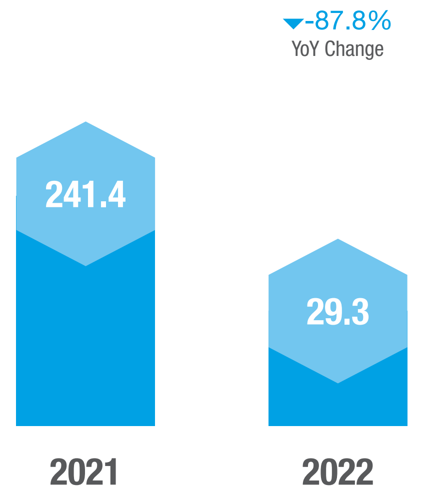
[4]Reported net income figure takes into account EGP 17.8 million in non-cash ESOP expenses. Adjusting for these expenses, reported net income would record EGP 270.7 million in FY22.

Cash Conversion Cycle (days)



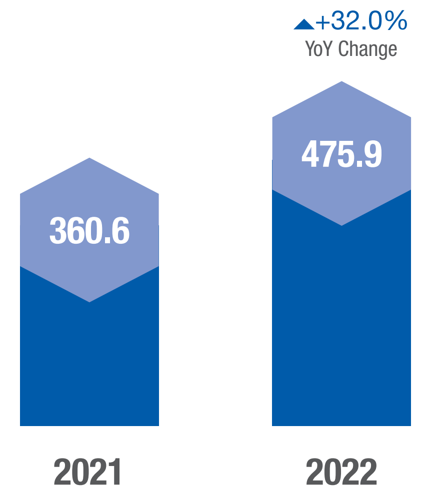
The Group's cash conversion cycle decreased by 25 days y-o-y to 254 days in FY22, driven by a 2-day increase in receivables DSO and a 9-day decrease in inventories DIO, combined with a 19-day increase in payables DPO.

Net Operating Cashflow (EGP mn)

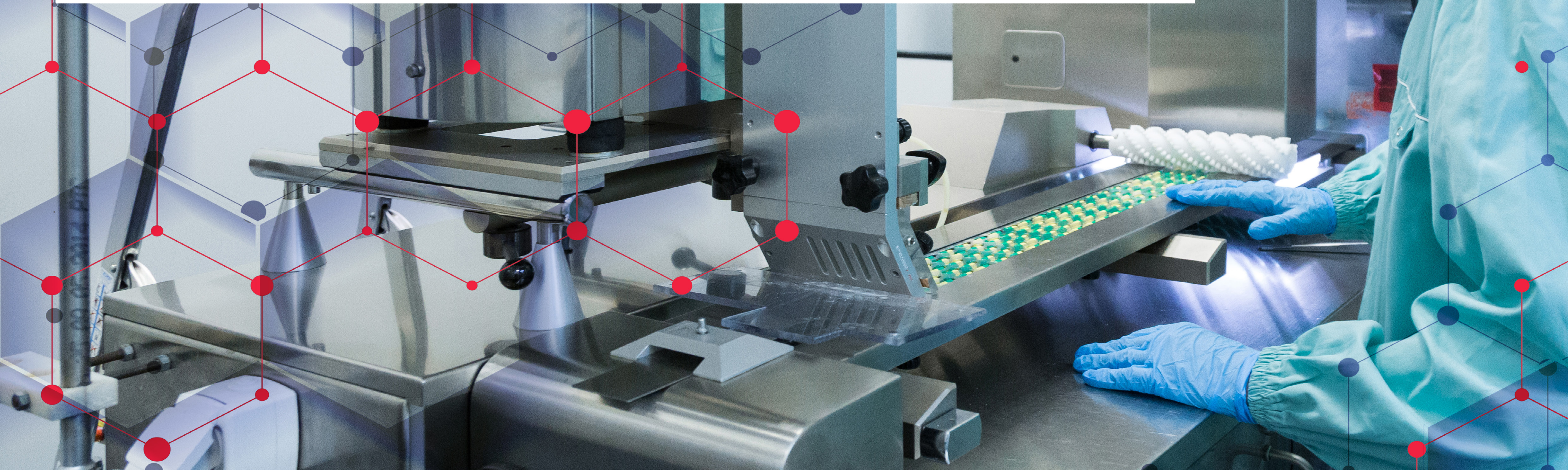


Rameda recorded net operating cashflows of EGP 29.3 million, reflecting a decline of 87.8% y-o-y in FY22 due to inflationary pressures and the impact of the devaluation on the Group's inventory as well as increasing receivables during the period.

Net Debt (EGP mn)



The Group's net debt stood at EGP 475.9 million as of 31 December 2022, representing an increase of 32% y-o-y, driven by a 7.4% y-o-y increase in total debt and a 11.0% y-o-y decline in cash and bank balances during the period.



OUR LEADERSHIP

OUR LEADERSHIP

Rameda's management team is comprised of professionals with extensive industry experience, local insights and a customer-centric approach. Although from varied backgrounds, each member of the Group's leadership shares a common goal: to operate with integrity and dedication to improve patients' lives.

2011 – Year Joined

Dr. Amr Morsy

Chief Executive Officer

Dr. Morsy is the Chief Executive Officer of Rameda. He has more than 25 years of experience which covers strategic and operational expertise in the pharmaceutical industry. Dr. Morsy brings to Rameda a wide range of experience in finance, business planning and strategy, human resources, product development, sales, and marketing. Before joining Rameda, Dr. Morsy was the Country Manager of Pfizer Egypt, which he joined in 1995, prior to which, he was a director at Schering-Plough in Saudi Arabia. Dr. Morsy holds a Bachelor's in Pharmacy from Alexandria University and an MBA from Arab Academy for Science and Technology, Alexandria, Egypt. Dr. Morsy also holds a Diploma in Business Development from Harvard Business School.

2019 – Year Joined

Mahmoud Fayek

Chief Financial Officer

Mr. Fayek is the Chief Financial Officer of Rameda. He has worked at Compass Capital since its inception and was integral in the completion of several transactions across the pharmaceutical, financial services and real estate sectors. Prior to joining Compass Capital, Mr. Fayek held several senior positions including CFO and Business Development Director in the manufacturing sector. Mr. Fayek is a Chartered Financial Analyst (CFA) charterholder and holds a Bachelor's in Business Administration from the Arab Academy for Science, Technology and Maritime Transport.

2011 – Year Joined

Dr. Amgad Elgabri

Commercial Director

Dr. Elgabri serves Rameda as its Commercial Director. Before joining Rameda, Mr. Elgabri was the National Sales Manager at United Company of Pharmacies and Middle East Chemicals specializing in Pfizer products. Prior to that, he held numerous positions at Bristol Myers Squibb including Area Sales Manager, Field Force Manager and Medical Representative. Mr. Elgabri holds a degree in Veterinary Medicine from Cairo University.

2013 – Year Joined

Saied Eisa

Site & Engineering Director

Eng. Eisa is the Engineering Director at Rameda. Prior to this, he was the Engineering Director at Mepaco Pharmaceutical. He also held the position of Engineering Director at Delta Pharma. Mr Eisa holds a Bachelor's of Science in Mechanical Engineering from Zagazig University, Egypt.

2012 – Year Joined

Mohamed Aboamira
Finance Director

Mohamed Aboamira is the Group's Finance Director and has over 17 years of experience covering treasury management, risk assessment, financial analysis, and auditing. He initially started out as the Group's Treasury Manager before becoming its Finance Director. Prior to this, he spent 8 years at a leading auditing firm in Egypt where he held various positions covering financial auditing.

2022 – Year Joined

Najla Muttawa
Human Resources Director

Ms. Muttawa recently joined as the Group's Human Resources Director and has over 25 years of experience spanning various roles across multiple industries, including the position of Human Resources Director at General Motors, and Gourmet. Ms. Muttawa is a seasoned trainer, having designed and delivered training programs across multiple sectors, including banking, pharmaceuticals, oil and gas, and hospitality, both in Egypt and internationally. Ms. Muttawa holds a Bachelor's degree in Business Administration and a Masters degree in Education, both from the American University in Cairo.

2018 – Year Joined

Yasmine Negm
Head of Institutional Investor Relations & Corporate Governance

Ms. Negm brings to Rameda more than 17 years of experience in investor communications, previously working at Qalaa Holdings as a Senior Communications Manager where she spent five years co-managing the company's communication strategy throughout its transformation from a leading private equity firm to an investment holding company with a portfolio of 55 companies. Ms. Negm also held the post of Communications and Public Affairs Manager at CEMEX Egypt. During 2008-2012, Ms. Negm worked at Orascom Telecom Holding as the Group Corporate Sustainability Manager. She holds a Bachelor's degree in Political Science and a Master's Degree in Economic Development from the American University in Cairo. Ms. Negm is a certified IR Professional from the Investor Relations Society in the UK and an IWF Global Fellow for the class of 2021/22. She is also a certified Corporate Director from the EIOD-IFC Corporate Director Certification Program.

2020 – Year Joined

Emad Adel
Internal Audit, Risk Management & Compliance Director

Mr. Adel is the Director of Internal Audit at Rameda. Before joining the Group he held various positions with Middle East Glass (MEG) Group including Internal Audit & Process Validation Senior Manager, Internal Audit Manager, and Internal Control and SOX Senior Supervisor. Mr. Adel holds a Bachelor of Commerce from Ain Shams University and is a Certified ISO 31000 Risk Management Professional.

2012 – Year Joined

Khaled Abdel Hamid
Business Technology Director

Eng. Abdel Hamid serves as the Business Technology Director for Rameda, a position he has held for the last 9 years. Prior to joining Rameda, he was the Project Manager at United OFOQ and IT General Manager at Helwan Cement. He has also served as the Project Manager at Ghabbour Group. Mr. Abdel Hamid holds a Bachelor of Science in Automatic Control & Computer Science from Ain Shams University.

SUSTAINABILITY

SUSTAINABILITY

Overview

As a leading pharmaceutical player, we are cognizant of the impact that we have on our communities and understand that we have duty to conduct our business operations in ways that are not only environmentally and socially conscious, but in a manner that ensures long-term economic sustainability. On this front, we are fully committed to providing patients with safe, high-quality, and accessible medical products but in a manner that encourages social progress and development, and one that positively contributes to our future economy. We are also firm believers that transparency and accountability are key when it comes to sustainability efforts, and the Group is committed to regularly communicating with its investors and stakeholders about its sustainability practices as well as the developments and strides it has made in this regard.

In line the Group's commitment to delivering on its sustainability agenda, Rameda has successfully joined the UN Global Compact in 2022, the world's largest voluntary corporate citizenship initiative with more than 6,000 participating companies from 135 countries. This achievement stands testament to our commitment to integrating sustainable strategies and procedures in our day-to-day operations that will ultimately transform the Group's business practices.

SDGs We Champion

3 Good Health & Wellbeing
Refer to page 50-51 for more

We contribute toward improving the health of populations both locally and regionally through the provision of reliable pharmaceutical and nutraceutical products. We export our pharmaceutical products to Iraq, Libya, Yemen, as well as other developing countries.

4 Quality Education
Refer to pages 55-56 for more

We provide comprehensive professional learning and development programs to our employees through Rameda's Learning & Development Academy.

5 Gender Equality
Refer to page 55 & 58 for more

We provide equal job opportunities regardless of gender, while making Rameda a safe and rewarding workplace for women.

6 Clean Water & Sanitation
Refer to page 53 for more

We installed a new in-house wastewater treatment station that was completed in August 2022 in order to minimize liquid waste discharge and our stress on freshwater sources.

7 Affordable & Clean Energy
Refer to pages 53 for more

We began substituting our use of diesel for natural gas in February 2021 to power some of the key systems at our primary factory.

8 Decent Work & Economic Growth
Refer to page 54-59 for more

This is fostered through the promotion of a work-life balance, occupational health and safety initiatives and by promoting health management among our employees.

10 Reduced Inequalities
Refer to page 55 & 58 for more

We strive to provide a safe work environment that fosters equal opportunities and respect for all regardless of gender, social class, religion, or culture.

12 Responsible Consumption & Production
Refer to page 52-53 for more

We are continuously working to ensures the efficient use of environmental resources while limiting waste and fossil fuel emissions during the production process.

13 Climate Action
Refer to pages 52-53 for more

We have embarked on a number of initiatives aimed at reducing the number of toxic pollutants we release into the environment, both in air and ground.

16 Peace, Justice & Strong Institutions
Refer to pages 50-51& 60-65 for more

Rameda promotes an ethical culture where people are expected to act with integrity and put patients first.

Stakeholder Engagement

In our efforts to further bolster our operational and business practices and leave ourselves better positioned to serve our stakeholders, we believe that establishing clear lines of communication and engaging with our audiences with regards to the Group's environmental, social, and governance (ESG) practices is key in achieving this endeavor. In this regard, Rameda has established various mediums of communication where its investors and both its internal and external stakeholders can access information relating to the developments of the Group's sustainability practices.

On this front, the Group posts quarterly ESG reports on its investor relations portal, and also includes a comprehensive Sustainability section in Rameda's annual report, both of these documents showcase the ESG principles and disclosures the Group abides by as well as the metrics used to assess their performance and success. This ongoing dialogue is key to enhancing our sustainability agenda, allowing us to better serve our stakeholders with regards to environmental, social, and governance-related matters.

Improving Patients' Lives

Our purpose is to ensure the well-being of our communities by providing accessible, affordable, and high-quality medicine that safeguards the people we serve. Our patients lie at the heart of what we do, and we will always strive to place their needs in mind as we focus on brining innovative and life-saving medicine across our operational footprint. We believe that safe and high-quality medication should be accessible to all, which is why the Group is regularly assessing expansion opportunities, with an eye to introduce its products to new markets and serve the patients that need them most.

Quality Management

Our ability to produce high-quality and safe medication is driven by our commitment to abiding by the highest standards in product safety. We build quality into all that we do, and Rameda's proactive quality assurance system is aligned with clear requirements for the policies, specifications and programs to guide our operations. As such, we employ a team of quality assurance and quality control specialists who follow rigid guidelines throughout the product life cycle, from inspecting and quarantining APIs and other raw materials to warehousing and distributing finished products. We continually refine our production processes, equipment and training to ensure safe delivery of quality pharmaceuticals to patients, and we place significant emphasis toward educating colleagues throughout the organization on improving access to medicine. In doing so, we are fully compliant with the laws and regulations applicable to the markets in which we conduct business activities.

Moreover, our standing as a large and growing manufacturer of pharmaceutical products comes on the back of our stellar manufacturing facilities. Rameda's manufacturing facilities complies with the relevant regulatory requirements and is ISO 9001:2015 certified by the International Organization for Standardization. All pharma products produced at our GMP-compliant facility are manufactured and controlled in accordance with World Health Organization (WHO) guidelines, while the integrity and safety of Rameda's products are protected by our superior quality control labs, which are fully licensed by the Egyptian Drug Authority (EDA), as well as our compliance to Good Distributing Practices (GDP). The Group is fully committed to furthering its efforts in maintaining superior and fully compliant manufacturing facilities with an eye to always guarantee the quality and safety of its product offering, ultimately ensuring the well-being and safety of the patients Rameda serves.

Internal & External Audits

Our dedication to quality is upheld through an ongoing risk assessment process, where the constant self-inspection of Rameda's factories and annual internal audits play a central part of our quality and control strategy. We drive appropriate quality management action by tracking quality issues, analyzing metrics to identify trends, issues and risks, examining key performance indicators, and providing clear and accurate data analysis. As an Egyptian-based pharmaceutical manufacturer, we are subject to periodic audits by the Egyptian Drug Authority (EDA) and must approve all materials used in production. We have also passed several annual key production audits conducted by multinational third-party clients, such as Sanofi, seeking to purchase toll manufacturing services from the Group. We are also subject to audits from foreign ministries of health in order to open into and maintain our export markets, including Iraq, Yemen, select Levant markets, Libya, Jordan, Palestine, Niger, Uganda and South Sudan.

Environment

Rameda's Corporate Environmental Policies

A cornerstone of our sustainability strategy is our dedication to safeguarding communities and maintaining a low environmental footprint. Our environmental policies, which adhere to industry standards, emphasize the conservation of resources and illustrate Rameda's commitment to protecting the environment. As evidence of this commitment, Rameda has obtained the ISO 14001:2015 Environment Management Systems certification for all its factories located in 6th of October City, which are strategically located away from residential areas. Furthermore, we employ an extensive process to measure and monitor consumption and carbon emissions from each factory. The Group utilizes various tools to measure its carbon emissions (including Tier 1 CO2 emissions), as well as internal policies for waste recycling and water and energy consumption and has outlined multiple targets to reduce the consumption of these resources annually. Further on this front, the Group's operations are in compliance with Egypt's governing environmental laws, its key points outlining minimal permissible emission and volume levels related to production, licensing to handle hazardous substances and the treatment of waste, among others. The Group is committed to maintaining its compliance with all applicable environmental laws set by the Egyptian government and the relevant organizations that monitor them.

> In its commitment to promoting a greener economy, Rameda has placed significant emphasis on protecting natural resources, minimizing its carbon footprint, and the impact the Group's operations may have on the environment.

Carbon Emissions (000 mg/m3)

2021	2022
739.8	771.5

Carbon Dioxide (Tie 1) Emissions (%)

2021	2022
41.1%	47.9%

Electricity Consumption (mn kWh)

2021	2022
19.7	24.2

Water Consumption (m3)

2021	2022
342,884	140,375

Environmental Risk Assessment

The Group is committed to addressing the risks presented by climate change and minimizing its carbon footprint. To achieve this, it will continue to invest in improving energy efficiency, assess the impacts of global warming on its operations, liaise with local authorities to facilitate low-carbon policies and collaborate with other firms on initiatives that reduce climate risk. Furthermore, it seeks to assume a leadership role in fostering climate action across its business environment. In order to meet its goal of becoming a more environmentally conscious organization, Rameda is looking to join Care for Climate in 2023. Led by the UN Global Compact and UNEP, the initiative emphasizes the importance of businesses taking action against climate change. This global movement has over 400 companies from 60 countries that are dedicated to finding solutions that reduce their environmental impact. Although Rameda does not currently conduct risk assessments regarding climate change, participation in this program will signify a shift towards greener practices.

Recent Initiatives

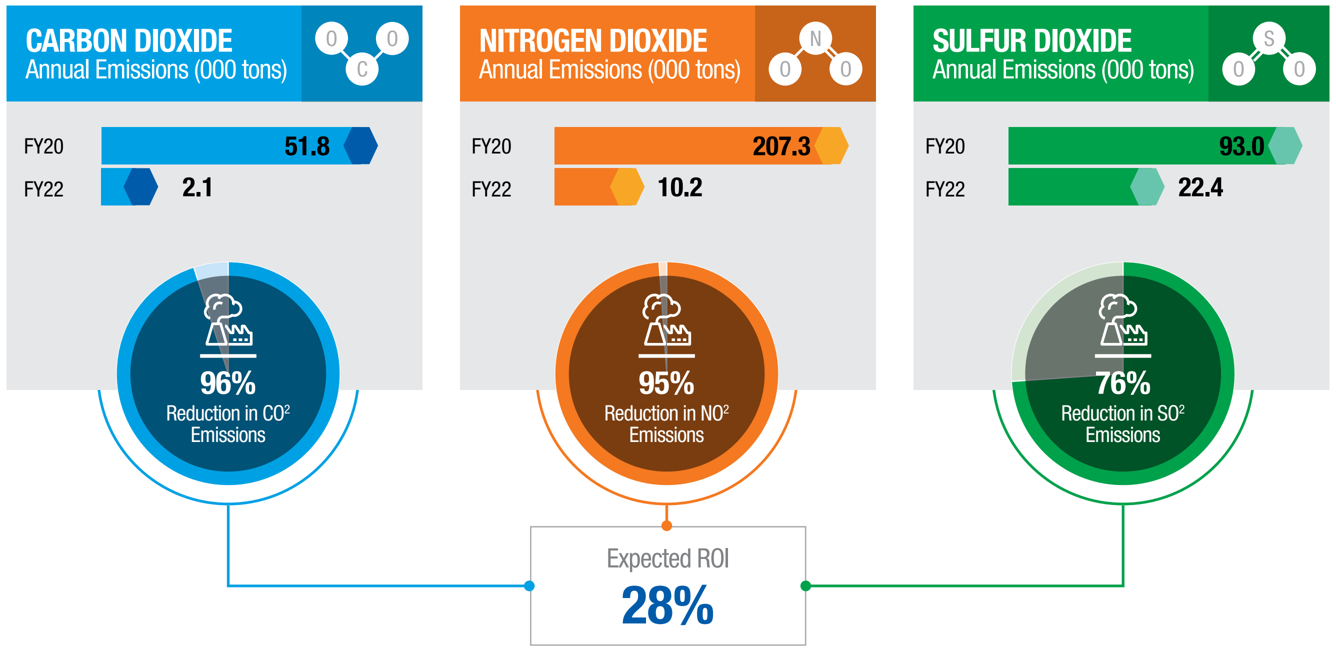
Rameda has spent a combined EGP 10 million between 2020 and 2022 on environmental initiatives aimed at reducing the Group's water use and carbon footprint.

Water Treatment Station

At the beginning of 2021, Rameda joined forces with El Watania Water Technologies, a specialized Egyptian-based water treatment plant manufacturer that has been delivering its solutions for more than 17 years. Together, we designed and constructed a high precision water treatment station, which was successfully launched in 2022. Wastewater has traditionally been the most significant polluting stream for Rameda; however, this new station will diminish potential disease transmissions by neutralizing bacterial agents and eradicating harmful organisms. On this front, the newly inaugurated water treatment station has successfully supported the Group in reducing Rameda's annual consumption of freshwater resources by c.50% and will further support Rameda in minimizing its impact on the environment going forward.

Natural Gas Project

Rameda successfully signed a deal with EGPC (Egypt's national oil company), Industrial Development Authority (IDA) and NATGAS (Egypt's largest privately owned gas distribution company), in 2021, with the goal to replace the use of diesel with natural gas. Additionally, the Tabbin Institute for Metallurgical Studies (TIMS) acted as the technical consultant for Rameda. The project centered around switching out the power source for HVAC systems and boilers at Rameda's production facility, which consumed over two million liters of diesel annually. By utilizing natural gas instead, the Group's carbon footprint would be significantly reduced. The initiative allowed Rameda to reduce its consumption of diesel by approximately 2 million liters per year, resulting in the decrease of carbon dioxide, nitrogen dioxide, and sulfur dioxide emissions by 96%, 95% and 76%, respectively, in 2022 .



Social

Rameda's history of success is rooted in its people. Their leadership and commitment to operational excellence have been integral to our growth, so we highly value hiring, training, and motivating a talented staff. We recognize that having a diverse group of employees from numerous backgrounds enhances our overall performance, so we focus on their wellbeing by promoting health, safety, professional development opportunities and work-life balance. Above all else, we promote an open dialogue between management and employees to ensure everyone has a say in how they can best contribute while being respected accordingly.

> At Rameda, we are devoted to fostering an atmosphere in which each employee's self-worth is respected and where their growth is encouraged. We aim to create a safe, healthy workplace that safeguards the rights of our team members and allows them to thrive.

Rameda is proud to provide an engaging work atmosphere that not only offers attractive salaries and remunerations, but also pathways for career progression. Additionally, we are aware of our responsibility to support the development of our personnel; for this reason, training programs and educational opportunities are regularly provided to further the growth of our team members. Our policies adhere to both Egyptian Labor Law and those from the US Occupational Safety & Health Administration (OSHA) as well as the International Labor Organization (ILO).

Key Employment Indicators in 2022

1,805	180	26%	14%
Employees	Part-time/contract employees	Overall turnover	Voluntary turnover

Key Training Indicators in 2022

39	1,345	1,125	518
Training programs	Overall attendees	Aggregate training hours	ESG-related training hours

Investing in Growth

At Rameda, we strive to ensure our people have access to the resources and knowledge they need to be successful in all areas related to Rameda's operations. Our people come various backgrounds and boast years of expertise across areas that are essential components to enabling the Group's growth, including expertise in regulation, intellectual property and commercialization, marketing and merchandising, and other functions of the Group's business. In our efforts to further the development and growth of our people, in 2018 we launched the Rameda Learning and Development Academy (RLDA), a teaching solution licensed by Global Courseware Inc.'s Canadian Corporate Training Organization located in New Glasgow.

At the RLDA, we strive to stay ahead of the learning curve by offering a range of professional development programs both in classrooms and laboratories. Our commitment to improving the Academy curriculum was evident in 2022 when we successfully trained 1,345 individuals, and the Group is keen on tracking current trends and customer needs to ensure that our people remain up to date with scientific innovations as well as market demands.

Programs Offered at Rameda Learning & Development Academy (RLDA)

- Introductory Program
- Sales Management
- Business & Marketing
- Medical Management
- Regulatory Affairs
- Plant Management
- Medical Sales Representative
- Executive Programs

For those seeking a more tailored training approach, Rameda has partnered with LEADS Group, the Middle Eastern partner for the Centre for Management and Organization Effectiveness (CMOE). The CMOE is a well-known leader in management and leadership development based in the United States. They specialize in various areas such as executive coaching, employee growth, organizational strategy, team building and leadership training.

Furthering Tolerance and Diversity

Rameda is committed to maintaining diversity and inclusion in the workplace and takes great pride in being an equal opportunity employer. The Group recognizes that its accomplishments are made possible through the contributions of a myriad of people from diverse backgrounds, thus creating a corporate culture which promotes creativity and innovation. To ensure no discrimination or harassment occurs, strong regulations have been set into place, as well as educating employees on Rameda's diversity policies, which must be adhered to without exception. Furthermore, all staff at Rameda must comply with the principles within the Code of Conduct handbook; this manual outlines ethical standards for behavior within the workplace, addressing issues such as harassment, safety, and conflicts of interest.

As part of our core focus, Rameda is dedicated to eliminating gender disparities in the workplace. In 2022, women made up 30% of total employees and 19% of new hires. Moreover, our commitment to bridging gaps extends beyond recruitment; we have a policy encouraging female staff to pursue executive roles, who now occupy 20% and 10% of executive and board roles, respectively. We take a number of measures to ensure our continued progress across these fronts, including:

- Flexible work schedules and part-time opportunities based on family needs
- Equal wages for equal work and experience irrespective of gender
- Maternal leave policy as per the Egyptian law
- On-site nursery (daycare) to support return to work from maternity leave
- Effective career mapping for women to management and executive positions

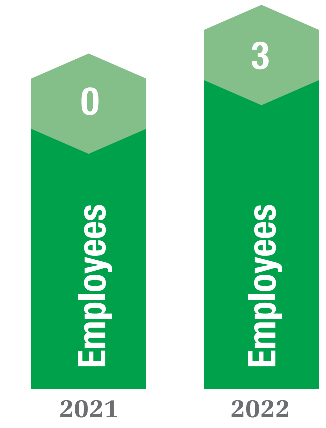
In 2022, women made up

30%	19%	20%	10%
of total employees	of new hires	of executive management	of the BOD

Putting Safety First

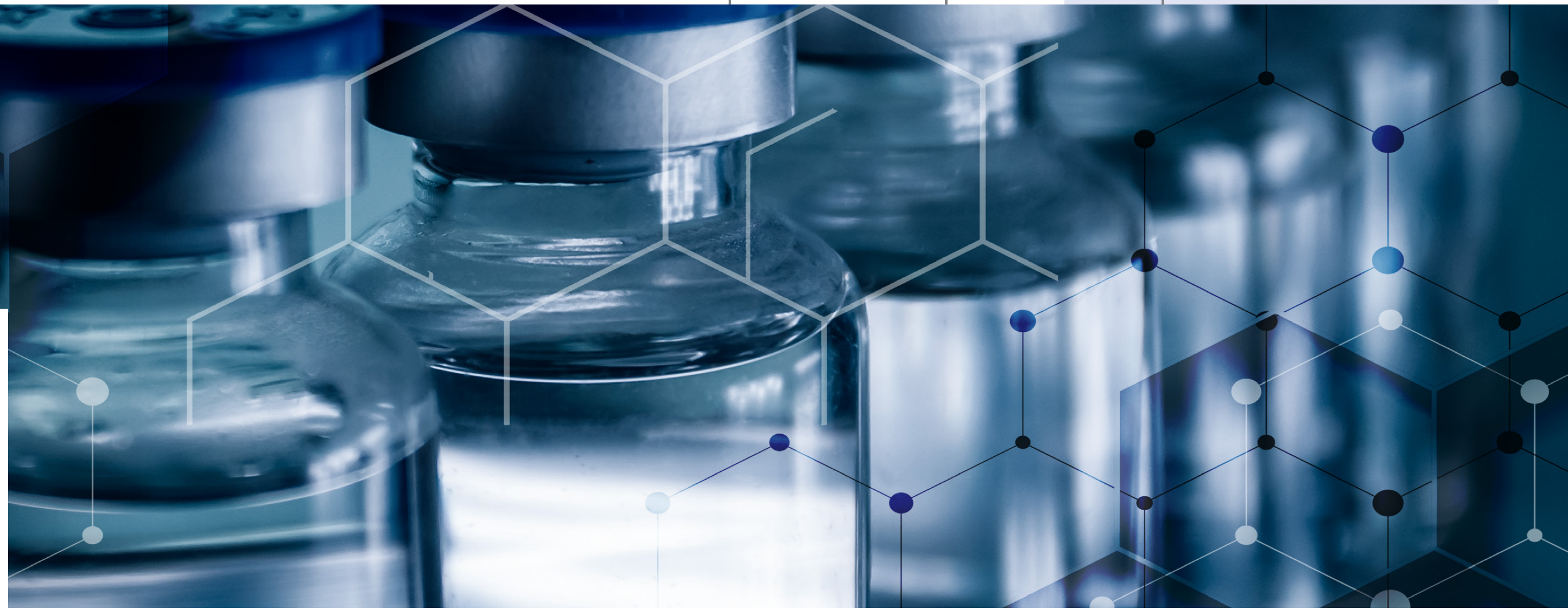
At Rameda, we strongly believe in equipping our staff with the necessary knowledge and skills to operate safely. As such, we host events and seminars geared towards creating a unified safety culture across the Group. Our Health and Safety Management system is designed to meet the highest standards of occupational safety by providing comprehensive procedures, including working with biological or chemical materials as well as operating lab equipment. We consistently make sure that this system is up to date on legislation and best practices so as to reflect continuous improvement and innovation. Thus, our commitment towards protecting employees, visitors, and contractors remains at the forefront of our operations.

Number of Victims of Adverse Incidents



Promoting Wellness and Togetherness

To ensure that our employees can reach their full potential, Rameda makes a concerted effort to create an atmosphere of collaboration and communication between management and staff. It is this open dialogue that supports individuals in finding equilibrium between their career aspirations and private lives. Taking the initiative to provide greater flexibility at the workplace, Rameda has launched part-time positions as well as enhanced its remote-work system. Through these efforts, the Group is dedicated to fostering innovation while also prioritizing employee wellness.



GOVERNANCE

Overview

Rameda is dedicated to upholding the values and principles of reliability, efficiency, transparency and ethical behavior in order to create sustained value for shareholders. With this in mind, the Group's Board of Directors are continuously reinforcing a robust corporate governance process which aligns with international best practices and puts accountability, transparency, and integrity at its core. These values are applied to all relationships between the Group's Board of Directors, management teams, shareholders and stakeholders alike. In our efforts to remain aligned with global best practices, Rameda regularly reviews its corporate governance approach.

Corporate Governance Framework

Shareholders

Board of Directors

Experts in Pharmaceuticals, Healthcare, Investments & Finance

- Audit Committee
- Strategy Committee
- Governance & Compensation Committee

In compliance with its public listing on the Egyptian Stock Exchange (EGX), the corporate affairs of Rameda are regulated under Law No. 159 of 1981 and its Executive Regulations as well as the Companies Law, the Egyptian Capital Market Law, the EGX Listing Regulations as well as other applicable laws governing companies incorporated across Egypt. The Group is required to publish annual and quarterly financial statements prepared as per the Egyptian Accounting Standards (EAS). The Group also provides the Financial Regulatory Authority (FRA) and the EGX with notices of any material developments in addition to providing the EGX with minutes of the Group's ordinary and extraordinary general assembly meetings.

Our Board of Directors

Board Composition

Name	Position	Initial Year of Appointment
Ayman Abbas	Chairman, Non-Executive Director	2011
Shamel Aboul Fadl	Non-Executive Vice Chairman	2011
Dr. Amr Morsy	CEO, Executive Director	2011
Mahmoud Fayek	CFO, Executive Director	2019
Dr. Mohamed Farouk	Non-Executive Director	2016
Tarek Abdelrahman	Non-Executive Director	2018
Karim Zahran	Non-Executive Director	2016
Mohamed Gamal El Shoura	Non-Executive Director	2022
Hatem Soliman	Independent Director	2019
Farida Khamis	Independent Director	2020

The role of the Board is to develop and cultivate the value, ethics and culture of Rameda, set the Group's strategic goals, and ensure that the necessary resources are in place to effectively meet its set goals. The Board is also responsible for the assessment and establishment of the necessary controls to effectively manage the Group's risk. The Board monitors the performance of the business and management against its strategic objectives with the ultimate objective of creating and delivering shareholder value.

Rameda's Board of Directors brings together a diverse group of individuals with broad expertise and deep industry and financial experience and comprise a total of 10 seats; two executive and eight non-executive members, two of whom are independent.

Ayman Abbas
Non-Executive Chairman

Mr. Abbas is Non-Executive Chairman on the board of Rameda. He is also Chairman of ADES, an oil services company he founded and was instrumental in transforming it into a regional player. He has held managerial positions within the oil and gas industry since 1998, where he co-founded and served as board member of the Egyptian Chinese Drilling Company (ECDC). Mr. Abbas also serves as a board member of Advansys Systems, a group focusing on the provision of solutions for the oil and gas industry. Beyond oil and gas, he served as Managing Partner at Invensys for Engineering and Services Egypt, focusing on outsourcing technology and engineering services worldwide. In addition to Rameda, Mr. Abbas serves as a member of the board at Advansys Engineering, M2, and Bonyan for Development & Trade. Mr. Abbas holds a Bachelor's Degree in Arts and Mass Communications from the American University in Cairo.

Shamel Aboul Fadl
Non-Executive Vice Chairman

Mr. Aboul Fadl is the founder and Chairman of Compass Capital, a financial services firm established in 2010, with experience in a multitude of industries including pharmaceuticals, financial services, and real estate. Prior to joining Compass Capital, Mr. Aboul Fadl was a Managing Partner at Pharos Holding, where he played a key role in developing the company into a full-fledged investment bank. He was Founder and Managing Partner of Paragon Asset Management, an independent asset manager in Switzerland. Mr. Aboul Fadl also served as Vice President at Citigroup in Switzerland and Vice President at Mansour and Maghraby Investment and Development where he was responsible for private equity investments. Mr. Aboul Fadl holds a Bachelor of Science in Construction Engineering from the American University in Cairo and an MBA from Wharton Business School, University of Pennsylvania.

Dr. Amr Morsy
Executive Director & Group CEO

Dr. Morsy is the Chief Executive Officer of Rameda. He has more than 25 years of experience that cover strategic and operational expertise in the pharmaceutical industry. Dr. Morsy brings to Rameda a wide range of experience in finance, business planning and strategy, human resources, product development, sales, and marketing. Before joining Rameda, Dr. Morsy was the country manager of Pfizer Egypt, which he joined in 1995, prior to which, he was a director at Schering-Plough in Saudi Arabia. Dr. Morsy holds a Bachelor's in Pharmacy from Alexandria University and an MBA from Arab Academy for Science and Technology, Alexandria, Egypt and a Diploma in Business Administration from Harvard Business School.

Mahmoud Fayek
Executive Director & Group CFO

Mr. Fayek is the Chief Financial Officer of Rameda. He has worked at Compass Capital since its inception and was integral in the completion of several transactions across the pharmaceutical, financial services and real estate sectors. Prior to joining Compass Capital, Mr. Fayek held several senior positions including CFO and Business Development Director in the manufacturing sector. Mr. Fayek is a Chartered Financial Analyst (CFA) charterholder and holds a Bachelor's in Business Administration from the Arab Academy for Science, Technology and Maritime Transport.

Mohamed Farouk
Non-Executive Director

Dr. Farouk is a Non-Executive Director on the board of Rameda. Dr. Farouk is currently the Chief Executive of ADES, an Egyptian oil and gas company that provides offshore and onshore drilling services for the MENA region. He led the firm's expansion transforming ADES into a leading international rig operator. Prior to that Dr. Farouk was Vice President at Invensys Operations Management based in Texas. He also served as Director of Invensys Global Engineering Excellence Centers in Egypt, India, China, and Argentina. Dr. Farouk holds a Bachelor of Science and a Masters degree in Electrical Engineering from Cairo University. Dr. Farouk completed his Ph.D. in Systems Engineering and Control at Case Western Reserve University in Ohio.

Tarek Abdelrahman
Non-Executive Director

Mr. Abdel Rahman is Managing Partner at Compass Capital, a leading private equity firm in Egypt. Prior to joining Compass Capital, Mr. Abdel Rahman spent five years as the CEO of Palm Hills Development where he led the successful turnaround of the company. Mr. Abdel Rahman spent over 20 years within the financial sector and was a founding partner of Akanar Partners, a dedicated corporate finance and M&A advisory firm. Mr. Abdel-Rahman also held the post of Director and Co-Head of Beltone Investment Banking. He was an Associate in the Infrastructure and Energy Finance Department with Citigroup based out of London. Prior to that, he held key posts with EFG Hermes Private Equity and the Corporate Banking department of HSBC Egypt, where he had begun his career. He currently serves as the Chief Executive Officer of Bonyan for Development & Trade and as Non-Executive Member of the board of directors of Palm Hills Development. Mr. Abdel Rahman holds a BA in Business Administration from the American University in Cairo and an MBA from London Business School

Karim Zahran
Non-Executive Director

Mr. Zahran is the Chief Executive Officer of Zahran Market, a diversified group with interests in foodretail and household goods. He spearheaded the restructuring and positioning of Zahran in the Egyptian market. Prior to that, Mr. Zahran has held roles with HSBC Securities in New York where he focused on US based hedge funds and mutual funds investing in the EMEA region. Mr. Zahran holds a Bachelor of Science in Business Administration with a concentration in Finance and a Bachelor of Arts in Economics from Boston University.

Mohamed Gamal El Shoura
Non-Executive Director

Mr. El Shoura is currently a Non-Executive Board member at Rameda, where he represents Ekuity B.V. He currently holds the role of Deputy Chief Investment Officer at Ekuity Holding, the investment arm of the Kuwait Investment Authority in Egypt (The Kuwaiti Sovereign Wealth Fund). He brings over 17 years of extensive experience in private equity, investment management, and has taken lead on multiple M&A transactions and turnarounds in the healthcare and pharmaceuticals sectors, tourism and hospitality, as well as the food and beverage space. Prior to joining Ekuity Holding, Mr. El Shoura held the position of Senior Vice President of Private Equity at Arab Moltaqa Investments (AMIC), the investment arm of Dallah Al-Baraka Group. Mr. El Shoura holds a bachelor's degree in Commerce from Cairo University, in addition to several professional certificates in feasibility studies and M&As from the Faculty of Economics and Political Science at Cairo University and London Business School (LBS). He is currently pursuing his MBA from Edinburgh Business School at Heriot - Watt University.

Hatem Soliman
Independent Non-Executive Director

Mr. Abdel Rahman is Managing Partner at Compass Capital, a leading private equity firm in Egypt. Prior to joining Compass Capital, Mr. Abdel Rahman spent five years as the CEO of Palm Hills Development where he led the successful turnaround of the company. Mr. Abdel Rahman spent over 20 years within the financial sector and was a founding partner of Akanar Partners, a dedicated corporate finance and M&A advisory firm. Mr. Abdel-Rahman also held the post of Director and Co-Head of Beltone Investment Banking. He was an Associate in the Infrastructure and Energy Finance Department with Citigroup based out of London. Prior to that, he held key posts with EFG Hermes Private Equity and the Corporate Banking department of HSBC Egypt, where he had begun his career. He currently serves as the Chief Executive Officer of Bonyan for Development & Trade and as Non-Executive Member of the board of directors of Palm Hills Development. Mr. Abdel Rahman holds a BA in Business Administration from the American University in Cairo and an MBA from London Business School.

Farida Khamis
Independent Non-Executive Director

Ms. Khamis serves as a Non-Executive Director on the board of Rameda. She currently holds the role of Vice President of Corporate Financing at Oriental Weavers, brining with her many years of experience in investor relations having served as Investor Relations and International Business Director at the leading local textile company. She also serves as a board member for a number of Oriental Weavers subsidiaries. Ms. Khamis is a member of numerous business associations including the European Business Council and Egypt's International Economic Forum and is a member of the Young President's Organization (YPO), participating in the organization on both regional and international levels. She is also a founder and board member of the Kayrazad Organization for Social Care. Ms Khamis holds a bachelor's degree in Business Administration from the American University in Cairo and has completed training modules at Citibank in New York and EFG Hermes' credit course.

Board Committees

Committee	Chairman	Members
Audit Committee	Hatem Soliman	Shamel Abou Fadl – Farida Khamis
Strategy Committee	Dr. Amr Morsy	Shamel Abou Fadl – Ayman Abbas
Governance & Compensation Committee	Hatem Soliman	Dr. Mohamed Farouk – Shamel Abou Fadl

Audit Committee

The Group's audit committee is headed by non-executive director, Hatem Soliman, alongside two members of the Board, Shamel Abou Fadl and Farida Khamis, ensuring complete objectivity in its corporate governance and overseeing responsibilities in relation to Rameda's financial reporting, internal control system, risk management system and internal and external audit functions. Its role is to advise and assist the Board in fulfilling its oversight responsibilities in connection with the Group's compliance and internal and external audits, ensuring mechanisms, procedures, plans and results are up-to-date and follow the latest in reporting standards.

The committee is also responsible for the inspection of the methods that are used in preparation of the periodic and annual financial statements, offering prospectus, public & private offering of securities and estimated balance sheets (that include cash flows and estimated income). This comes alongside the inspection of the preliminary draft of the financial statements prior to presenting to the board and submitting to the auditor. The committee also oversees (and determines the expense of) the appointment of the auditor and if necessary, issues related to the auditor's resignation or removal to ensure that such processes do not infringe the law, and granting permission of appointment for the auditor to carry out services on behalf of the Group if such services were to extend past the revision of the financial statements or impact estimated costs, while ensuring these do not infringe upon their independence. After the auditor's report is published, the committee is tasked with reviewing it and discussing its substance. The committee is responsible for understanding what was noted in the report's comments, notes and reservations and to then follow up with the Group's senior management and auditor to ensure that the necessary steps to resolve any issues were implemented correctly. Finally, the committee is responsible for the submission to the board of a report by non-conflicted, competent experts concerning all transactions for related parties, including their nature, and the extent to which such transactions effect the Group or its shareholders' interests. The audit committee is required to meet at least four times per year.

Strategy Committee

The primary functions of the Strategy Committee, headed by CEO and Executive-Director Dr. Amr Morsy, are to assist the Board in fulfilling its oversight responsibilities in connection to the Group's long-term strategy, the potential risks and opportunities related to said strategy, and to assess strategic decisions regarding potential investments, acquisitions and divestures. The committee also works with the Chief Executive Officer to oversee the development of the Group's strategy and to provide guidance for the strategic planning process. The committee's role is to ensure that the strategic implementation plan is developed, adhered to, and imbedded in the organization, as well as monitor the Group's progress against its strategic goals and, when necessary, provide feedback. The strategy committee is required to meet at least twice per year.

Governance and Compensation Committee

The Governance and Compensation Committee is headed by non-executive director, Hatem Soliman, alongside two additional members – Dr. Mohamed Farouk and Shamel Abou Fadl, with all three members of the committee being non-executive directors of the Group. The primary functions of the governance and compensation committee are to assist the Board in fulfilling its oversight responsibilities in relation to the corporate governance of the Group, oversee the process of determining the size, composition and structure of the board and its committees. The committee also leads the director nomination process and oversees the orientation and continual training of directors. Finally, the committee is also tasked with assessing matters involving conflicts of interest and transactions from related parties. In parallel, the committee is also tasked with deciding compensation packages for the Group's senior management up to managing director level, the total compensation for officers and employees, as well as overseeing the Group's human resources policies and procedures. The governance and compensation committee is required to meet at least twice per year.

FINANCIAL STATEMENTS

Auditor's Report

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of TENTH OF RAMADAN FOR PHARMACEUTICAL INDUSTRIES AND DIAGNOSTIC REAGENTS (RAMEDA) (S.A.E) (the "Parent Company") and its subsidiaries (together the "Group"), represented in the consolidated statement of financial position as at 31 December 2022, and the related consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the "Group", as at 31 December 2022, and its consolidated financial performance and consolidated cash flows for year then ended in accordance with the Egyptian Accounting Standards and the related applicable Egyptian laws and regulations.

Cairo: 7 March 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 December 2022

	Notes	31 December 2022 EGP	31 December 2021 EGP
Assets			
Non-current assets			
Fixed assets and projects under construction	(5)	540,765,324	541,954,828
Right of use assets	(6-A)	16,215,560	13,032,359
Intangible assets	(7)	457,567,619	389,663,289
Total non-current assets		**1,014,548,503**	**944,650,476**
Current assets			
Inventories	(8)	348,410,615	259,398,338
Trade and notes receivable	(9)	900,686,830	659,403,591
Treasury Bills	(10)	361,862,202	468,010,954
Due from related parties	(33)	25,500	25,500
Prepayments and other receivables	(11)	80,541,679	74,809,972
Cash on hand and at banks	(12)	66,956,028	14,001,699
Total current assets		**1,758,482,854**	**1,475,650,054**
Total assets		**2,773,031,357**	**2,420,300,530**
Equity and liabilities			
Equity			
Paid up capital	(15)	250,000,000	250,000,000
Paid under capital increase	(15)	160,606	-
Legal reserve		125,000,000	26,446,118
General reserve	(16)	397,521,390	486,965,000
Treasury shares	(17)	(65,926,198)	-
Share based payments reserve	(18)	14,873,267	-
Other reserves		278,952	278,952
Profits for the year and retained earnings		796,678,614	584,420,299
Total equity of Parent Company		**1,518,586,631**	**1,348,110,369**
Non-controlling interest		4,590,062	(2,621,626)
Total equity		**1,523,176,693**	**1,345,488,743**
Liabilities			
Non-current liabilities			
Long term lease liabilities	(6-B)	16,343,678	12,256,160
Deferred tax liabilities	(30)	51,555,823	40,498,236
Total non-current liabilities		**67,899,501**	**52,754,396**
Current liabilities			
Provisions	(13)	14,158,105	14,261,845
Credit facilities	(19)	904,752,873	820,655,235
Current portion of long-term loans	(20)	-	21,949,676
Current portion of lease liabilities	(6-B)	3,663,480	3,130,595
Trade, notes and other payables	(14)	205,666,967	128,568,694
Income taxes payable		53,713,738	33,491,346
Total current liabilities		**1,181,955,163**	**1,022,057,391**
Total liabilities		**1,249,854,664**	**1,074,811,787**
Total liabilities and equity		**2,773,031,357**	**2,420,300,530**

Finance Director	Board Member
Mohamed Abo Amira	**Abdallah Morsy**

The accompanying notes from (77) to (107) are an integral part of these consolidated financial statements.
Auditor's Report Attached.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the Year Ended 31 December 2022

	Notes	31 December 2022 EGP	31 December 2021 EGP
Revenues	(23)	1,483,951,426	1,246,434,628
Cost of revenues	(24)	(763,908,530)	(668,909,524)
Gross profit		**720,042,896**	**577,525,104**
Selling and marketing expenses	(25)	(296,417,891)	(251,984,883)
General and administrative expenses	(26)	(65,912,870)	(51,901,349)
Other income	(27)	5,909,850	41,606
Operating profit		**363,621,985**	**273,680,478**
Finance income	(28)	56,732,176	59,973,000
Finance expenses	(29)	(92,084,277)	(94,817,656)
Net foreign exchange gain /(loss)		25,651,093	(596,919)
Net finance cost		**(9,701,008)**	**(35,441,575)**
Impairment of trade and notes receivable	(9)	(3,643,441)	(105,600)
Provisions	(13)	-	(1,250,000)
Share Based payment expenses		(17,847,920)	-
Contribution for health insurance		(3,975,441)	(3,272,995)
Profits for the year before income taxes		**328,454,175**	**233,610,308**
Income taxes	(30)	(75,566,400)	(53,524,475)
Profits for the year		**252,887,775**	**180,085,833**
Attributable to:			
Equity holders of the Parent Company		245,676,087	181,088,753
Non-controlling interests		7,211,688	(1,002,920)
		252,887,775	**180,085,833**
Earnings Per Share - basic and diluted	(31)	**0.2312**	**0.1664**

Finance Director	Board Member
Mohamed Abo Amira	**Abdallah Morsy**

The accompanying notes from (77) to (107) are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the Year Ended 31 December 2022

	31 December 2022 EGP	31 December 2021 EGP
Profits for the year	**252,887,775**	**180,085,833**
Other comprehensive income	-	-
Other comprehensive income	**252,887,775**	**180,085,833**
Attributable to		
Equity holders of the Parent Company	245,676,087	181,088,753
Non-controlling interest	7,211,688	(1,002,920)
	252,887,775	**180,085,833**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 December 2022

	Paid up capital EGP	Paid under capital increase EGP	Legal reserve EGP	General reserve EGP	Treasury Shares EGP	Share based payment reserve EGP	Other reserves EGP	Retained earnings EGP	Total equity of parent company EGP	Non-controlling interest EGP	Total EGP
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)	-	-	-	-	-	-	-	(3,467,134)	(3,467,134)	-	(3,467,134)
Balance as at 1 January 2021 (Adjusted)	**192,150,000**	**-**	**20,798,851**	**486,965,000**	**-**	**-**	**278,952**	**481,528,813**	**1,181,721,616**	**(1,618,706)**	**1,180,102,910**
Transferred to legal reserve		-	-	5,647,267	-	-	-	-	(5,647,267)	-	-
Transferred from retained earnings to capital increase	57,850,000	-	-	-	-	-	-	(57,850,000)	-	-	-
Dividend distributions	-	-	-	-	-	-	-	(14,700,000)	(14,700,000)	-	(14,700,000)
Total comprehensive income for the year	-	-	-	-	-	-	-	181,088,753	181,088,753	(1,002,920)	180,085,833
Balance as at 31 December 2021	**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**
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	-	-	98,553,882	(89,443,610)	-	-	-	(9,110,272)	-	-	-
Paid under capital increase	-	160,606	-	-	-	-	-	-	160,606	-	160,606
Acquisition of treasury shares	-	-	-	-	(65,926,198)	-	-	-	(65,926,198)	-	(65,926,198)
Share based Payment reserve	-	-	-	-	-	14,873,267	-	-	14,873,267	-	14,873,267
Dividends distributions	-	-	-	-	-	-	-	(24,307,500)	(24,307,500)	-	(24,307,500)
Total comprehensive income for the year	-	-	-	-	-	-	-	245,676,087	245,676,087	7,211,688	252,887,775
Balance as at 31 December 2022	**250,000,000**	**160,606**	**125,000,000**	**397,521,390**	**(65,926,198)**	**14,873,267**	**278,952**	**796,678,614**	**1,518,586,631**	**4,590,062**	**1,523,176,693**

The accompanying notes from (77) to (107) are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 31 December 2022

	Notes	31 December 2022 EGP	31 December 2021 EGP
Cash flows from operating activities			
Profits for the year before income taxes		328,454,175	233,610,308
Adjustments to reconcile profit before tax to net cash flow:			
Net foreign exchange differences		(17,220,563)	187,866
Depreciation and amortization	(5,6,7)	65,484,366	46,181,573
Share based payment expense		17,847,920	-
Provision charged	(13)	(103,740)	1,974,226
Impairment of trade and notes receivable	(9)	3,643,441	105,600
Impairment of inventory	(8)	19,856,361	18,387,576
Finance income		(56,724,822)	(59,960,672)
Finance expenses	(29)	89,532,944	92,746,112
Unwinding interests of lease liabilities	(29)	2,551,333	2,071,544
Loss from sale of fixed assets	(5)	**128,285**	**717,262**
		453,449,700	336,021,395
Change in inventories		(88,594,743)	47,579,708
Used of inventory provision		(20,273,895)	(19,886,059)
Change in trade and notes receivable		(243,641,353)	(29,454,076)
Used of impairment of trade and notes receivable		(1,285,327)	-
Change in prepayments and other receivables		(9,794,716)	(6,108,338)
Change in trade, notes and other payable		68,594,495	31,511,141
Cash flows provided from operating activities		158,454,161	359,663,771
Debit interests paid		(84,819,761)	(89,408,266)
Income taxes paid		(44,286,421)	(28,905,238)
Net cash flows provided from operating activities		**29,347,979**	**241,350,267**
Cash flows from investing activities			
Payments to acquire fixed assets	(5)	(24,769,326)	(14,483,900)
Payments to acquire assets under construction	(5)	(9,606,254)	(38,187,101)
Payments to acquire intangible assets	(7)	(93,899,161)	(185,528,408)
Payment to acquire treasury bills		(1,322,700,580)	(1,057,602,853)
Matured treasury bills collection		1,461,450,000	1,125,175,000
Sale of treasury bills		29,003,101	-
Proceeds from sale of fixed assets	(5)	22,850	22,740
Investment in term deposits	(12)	(279,270)	491,501
Net cash flows resulted from (used in) investing activities		**39,221,360**	**(170,113,021)**
Cash flows from financing activities			
Credit facilities used	(17)	1,205,464,975	1,172,462,925
Payment of credit facilities	(17)	(1,121,367,337)	(1,156,366,726)
Payment of long-term loans	(18)	(21,949,676)	(66,450,000)
Acquisition of treasury shares		(65,926,198)	-
Dividends paid during the year		(24,307,500)	(14,700,000)
Lease payments paid during the year		(5,189,717)	(4,735,213)
Net cash flows (used in) financing activities		**(33,275,453)**	**(69,789,014)**
Net change in cash and cash equivalent during the year		35,293,886	1,448,232
Net foreign exchange difference		17,220,567	(187,866)
Cash and cash equivalent - beginning of the year		13,886,158	12,625,792
Cash and cash equivalent - end of the year	(12)	**66,400,611**	**13,886,158**

The accompanying notes from (77) to (107) are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 31 December 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.

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.

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 and the applicable laws and regulations.

The accounting policies adopted in this year are consistent with the policies adopted in the prior year.

2.2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.2.1. Basis of consolidation

The consolidated financial statements comprise the separate financial statements of the Parent Company and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

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

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

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

The Group re-assess whether or not it controls an investee if facts and circumstances indicates that there are changes to one or more of the three elements of controls. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The following steps are followed in preparing the consolidated financial statements:

a. Eliminate the carrying amount of the Parent Company investment in each subsidiary and the Parent Company share of equity of each subsidiary.
b. Identify the non-controlling interest in the profit or loss of the consolidated subsidiaries for the reporting year.
c. Identify the non-controlling interests in the net assets of consolidated subsidiaries and presented in the consolidated financial statement separately from the Parent ownership interests. Non-controlling interests in the net assets consist of:

    1. The amount of non-controlling interests as of the original date of combination.
    2. The non-controlling interests' share of changes in equity since the date of the combination.

d. Intergroup balances and transactions, revenues and expenses are eliminated.

- The separate financial statements of the Parent Company and its subsidiaries used in the preparation of the consolidated financial statements are prepared as of the same date.
- The separate financial statements of the Parent Company and its subsidiaries used in the preparation of the consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events with similar circumstances.

Non-controlling interests are presented in the consolidated financial position within equity, separately from the equity of the owners of the Parent Company, and the non-controlling interests share in the group profit or loss is presented separately.

2.2.2. Business combination

Accounting for business combination under EAS 29 only applies if it is considered that a business has been acquired. For acquisitions meeting the definition of a business, the acquisition method of accounting is used to account for the acquisition of subsidiaries by the Parent Company. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statement of profit or loss.

2.2.3. Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

2.2.4. Foreign currency translation

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

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

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

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

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

2.2.5. Fixed assets

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

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

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

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

The assets residual values, useful lives and methods of depreciation are reviewed at each financial position date. The useful lives of machinery and equipment related to the production activity were re-estimated to be 20 years.

Freehold Land is recognized at its acquisition cost and is not depreciated.

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

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

2-2-6. Assets under construction

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

2.2.7. Intangible Assets

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

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

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

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

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

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

2.2.8. Available for sale

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

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

2.2.9. Inventory

The inventory elements are valued as follows:

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

Goods in transit: at the lower of cost or net realizable value, and is recognized in the consolidated financial statements when risks and rewards are transferred to the Group which is determined based on shipping terms. Cost includes the purchase price of the materials and directly attributable expenses incurred to date.
Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

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

2.2.10. Trade and Notes receivables and other receivables
Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

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

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

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

2.2.11. Trade and notes payable, accrued expenses and other payables
Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

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

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

Where discounting is used, the increase in the provision due to the passage of time is recognized in the consolidated statement of profit or loss.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For assets traded in an active market, fair value is determined by reference to quoted market bid prices.
The fair value of interest-bearing items is estimated based on discounted cash flows using interest rates for items with similar terms and risk characteristics.

For unquoted assets, fair value is determined by reference to the market value of a similar asset or is based on the expected discounted cash flows.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

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

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

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

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

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

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

2.2.27. Cash and cash equivalent
For the purpose of preparing the consolidated statement of cash flow, the cash and cash equivalent comprise of cash on hand, current accounts with banks and time deposits maturing within three months from placement date.

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:

1.3. 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.

2.3. 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.

4. SEGMENT INFORMATION

Currently the Group's primary business segment is the production and selling of pharmaceutical products which contributes to 91% of total revenue and balance 9% is contributed by toll manufacturing services (31 December 2021: 94% and 6% 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 year ended 31 December 2022 were reported under two segments in the consolidated financial statements.

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

		Sales of pharmaceutical products			
	Services Toll Manufacturing "Domestic" EGP	Export EGP	Domestic Private sales EGP	Tenders EGP	Total EGP
31 December 2022	**132,436,833**	**106,506,582**	**1,084,236,994**	**160,771,017**	**1,483,951,426**
31 December 2021	77,490,353	87,872,886	829,081,153	251,990,236	1,246,434,628

Revenue from the top five customers presented 77% of total pharmaceutical products revenues (31 December 2021: 84%).

5. FIXED ASSETS AND ASSETS UNDER CONSTRUCTION

	Freehold Land EGP	Buildings EGP	Machinery and equipment EGP	Transportation and dragging equipment EGP	Laboratory equipment EGP	Tools EGP	Office furniture and fixtures EGP	Assets under construction EGP	Total 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 period	-	(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 as of 31 December 2022 includes impairment by EGP 686,437.

Loss from sale of fixed assets was calculated 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
	35,413,949

Depreciation for the year was allocated to the statement of profit or loss 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	**(128,285)**

	Freehold Land EGP	Buildings EGP	Machinery and equipment EGP	Transportation and dragging equipment EGP	Laboratory equipment EGP	Tools EGP	Office furniture and fixtures EGP	Assets under construction EGP	Total 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	**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**
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	**-**	**(66,075,076)**	**(163,135,409)**	**(10,890,741)**	**(8,406,398)**	**(2,234,098)**	**(17,874,916)**	**-**	**(268,616,638)**
Net book value as at 31 December 2021	**18,637,425**	**207,266,030**	**251,638,093**	**2,479,157**	**19,855,364**	**3,788,879**	**11,248,495**	**27,041,385**	**541,954,828**

- 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.

	31 December 2022 EGP
Cost of revenue	29,340,376
Selling and marketing expenses	629,764
General and administrative expenses	1,907,312
	31,877,452

	31 December 2022 EGP
Cost of disposed assets	**6,657,026**
Accumulated depreciation of disposed assets	(5,917,024)
Net book value of disposed assets	740,002
Proceeds from sale of fixed assets	22,740
Loss from sale of fixed assets	**(717,262)**

6. LEASES

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

A) Right of use assets

	31 December 2022 EGP	31 December 2021 EGP
Cost at 1 January 2022	20,558,589	19,916,906
Additions	7,258,787	641,683
Total Cost as of 31 December 2022	**27,817,376**	**20,558,589**
Accumulated amortization at 1 January 2022	(7,526,230)	(3,658,601)
Amortization for year	(4,075,586)	(3,867,629)
Accumulated amortization as of 31 December 2022	**(11,601,816)**	**(7,526,230)**
Net book value as of 31 December 2022	**16,215,560**	**13,032,359**

B) Lease liability

	31 December 2022 EGP	31 December 2021 EGP
Opening balance as of 1 January 2022	**15,386,755**	**17,409,223**
Additions	7,258,787	641,683
Unwinding interests recognized during the period	2,551,333	2,071,062
Lease payments paid during the year	(5,189,717)	(4,735,213)
As at 31 December 2022	**20,007,158**	**15,386,755**
Deduct: Current balance	**3,663,480**	**3,130,595**
Non-current balance	**16,343,678**	**12,256,160**

7. INTANGIBLE ASSETS

	Registration Rights	
	31 December 2022 EGP	31 December 2021 EGP
Cost as at 1 January 2022	424,149,596	238,621,188
Additions	93,899,161	185,528,408
Total cost as at 31 December 2022	**518,048,757**	**424,149,596**
Accumulated amortization as at1 January 2022	**(34,486,307)**	**(24,049,815)**
Amortization for the year	(25,994,831)	(10,436,492)
Accumulated amortization as at 31 December 2022	**(60,481,138)**	**(34,486,307)**
Net book value as at 31 December 2022	**457,567,619**	**389,663,289**

- 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 35,307,994 (31 December 2021: EGP 29,286,599).

8. INVENTORIES

	31 December 2022 EGP	31 December 2021 EGP
Raw materials	140,318,486	110,972,898
Packing and packaging materials	68,795,958	38,421,560
Spare parts	19,009,433	14,549,227
Finished goods	74,913,324	65,107,399
Work in progress	51,192,105	27,652,773
Goods in transit	4,657,299	13,148,916
Inventory with others	180,370	619,459
	359,066,975	**270,472,232**
Write down in inventories	(10,656,360)	(11,073,894)
	348,410,615	**259,398,338**

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

	31 December 2022 EGP	31 December 2021 EGP
Beginning balance	(11,073,894)	(12,572,377)
Charged during the year	(19,856,361)	(18,387,576)
Used of inventory provision	20,273,895	19,886,059
Ending balance	**(10,656,360)**	**(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

	31 December 2022 EGP	31 December 2021 EGP
Trade receivable	256,370,679	265,206,613
Trade receivable – toll manufacturing	31,131,130	9,297,115
Notes receivable	624,083,329	393,440,057
	911,585,138	**667,943,785**
Impairment in value of trade and notes receivables	(10,898,308)	(8,540,194)
	900,686,830	**659,403,591**

Notes receivable amounting to 398 MEGP are mortgage as a guarantee for the credit facilities (Note 17).

The aging analysis of gross trade and notes receivables before impairment is as follows:

		Neither Past	due but not impaired				
	Total	due nor impaired	Less than 180 days	From 181 to 270 days	From 271 to 365 days	More than 365 days	Impaired
31 December 2022	**911,585,138**	**616,900,522**	**283,779,446**	**2,998**	**3,864**	**-**	**10,898,308**
31 December 2021	667,943,785	391,733,509	258,323,939	5,494,294	3,302,589	549,260	8,540,194

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

	31 December 2022 EGP	31 December 2021 EGP
Balance as at 1 January 2021 before effect of adoption of EAS (47)	(8,540,194)	(4,967,460)
Effect of adoption of EAS (47)	-	(3,467,134)
Balance as at 1 January 2021 after effect of adoption of EAS (47)	(8,540,194)	(8,434,594)
Charged during the year	(3,643,441)	(105,600)
Used provision	1,285,327	-
Ending balance	**(10,898,308)**	**(8,540,194)**

10. TREASURY BILLS

	31 December 2022 EGP	31 December 2021 EGP
Treasury bills	378,900,000	496,100,000
Unearned interest	(17,037,798)	(28,089,046)
	361,862,202	**468,010,954**

11. PREPAYMENTS AND OTHER RECEIVABLES

	31 December 2022 EGP	31 December 2021 EGP
Prepaid expenses	2,828,758	991,484
Advances to suppliers	10,597,637	10,743,108
Tax authority	18,408,178	14,884,813
Social insurance authority	-	808,203
Letters of credit margin	39,779,507	29,508,859
Accrued interests	2,107,871	6,978,785
Deposits with others	2,175,017	2,457,871
Employees' imprests and advances	1,681,681	3,647,627
Customs-authority	908,863	1,475,993
Other receivables	2,054,167	3,313,229
	80,541,679	**74,809,972**

12. CASH ON HAND AND AT BANKS

	31 December 2022 EGP	31 December 2021 EGP
a) Egyptian Pounds		
Cash on hand	2,359,109	51,897
Current accounts	4,653,299	4,762,619
Checks under collection	7,179,075	6,984,687
Term deposits	394,811	115,541
	14,586,294	**11,914,744**
b) Foreign currencies		
Cash on hand	12,815	24,148
Current accounts	5,375,619	2,062,807
Term deposits	46,981,300	-
	52,369,734	**2,086,955**
	66,956,028	**14,001,699**

Cash balances are denominated in the following currencies:

	31 December 2022 EGP	31 December 2021 EGP
Egyptian pound (EGP)	14,586,294	11,914,744
US dollar (USD)	52,340,130	333,102
Euro (EUR)	29,604	1,753,853
	66,956,028	**14,001,699**

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

	31 December 2022 EGP	31 December 2021 EGP
Cash in hand	2,371,924	76,045
Current accounts	64,028,687	13,810,113
	66,400,611	**13,886,158**

13. PROVISIONS

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

	Balance as at 1 January 2021 EGP	Charged during the year EGP	Used during the year EGP	Balance as at 31 December 2021 EGP
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
	12,287,619	**1,974,226**	**-**	**14,261,845**

**Provision for sales returns is deduced from sales disclosed (NOTE 23).*

14. TRADE, NOTES AND OTHER PAYABLES

	31 December 2022 EGP	31 December 2021 EGP
Trade payables	120,250,295	61,525,655
Notes payables	5,423,773	21,946,601
Accrued expenses	51,102,049	30,051,461
Tax authority (other than income tax)	11,814,991	7,258,006
Advances from customer	11,382,706	5,716,158
Other payables	5,693,153	2,070,813
	205,666,967	**128,568,694**

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

15. 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.

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 160,606 as of 31 December 2022. Official procedures are being taken for that increase.

The following illustrate the new structure for shareholders as of 31 December 2022:

	%	No. of shares	EGP Amount
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	63.89%	638,955,691	159,738,923
	100%	**1,000,000,000**	**250,000,000**

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.

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 8,450,720 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 2022 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 14,873,267 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:

	Amount	Shares No.
Balance at 1 January 2022	-	-
Granted during the year	14,873,267	8,450,720
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Total shares at the end of year	**14,873,267**	**8,450,720**

18. 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.

19. CREDIT FACILITIES

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

	31 December 2022 EGP	31 December 2021 EGP
Opening balance	819,720,928	802,184,216
Used during the year	1,195,291,001	1,173,903,438
Payment during the year	(1,121,367,337)	(1,156,366,726)
Ending balance	**893,644,592**	**819,720,928**

	31 December 2022 EGP	31 December 2021 EGP
Credit facilities maturing within 12 months	893,644,592	819,720,928
Bank credit	11,108,281	934,307
	904,752,873	820,655,235

The interest rate on the Credit facilities ranges from 8% to 18.25% as of 31 December 2022 (31 December 2021: Range from 8% to 9.75%).

Credit Facilities	Facility amount EGP	Interest rate	Maturity Date	31 December 2022 EGP	31 December 2021 EGP
CIB	250,000,000	0.25%+CBE lending rate	14-Mar-23	102,163,279	124,385,085
		8 % CBE INITAVIE*	14-Mar-23	78,085,383	55,837,267
FAB Bank	125,000,000	0.5 %+CBE lending rate	31-Dec-23	23,809,186	49,314,262
		8 % CBE INITAVIE*	31-Dec-23	40,038,250	31,062,538
Arab Bank	88,000,000	0.25%+CBE lending	6-Jul-23	36,344,373	-
		8 % CBE INITAVIE*	6-Jul-23	37,502,956	36,589,690
ABK Bank	120,000,000	0.5 %+CBE lending rate	31-Oct-23	49,104,435	31,950,265
		8 % CBE INITAVIE*	31-Oct-23	46,032,065	48,229,814
ADIB	150,000,000	0.5%+CBE lending rate	7-Apr-23	42,539,694	51,517,333
		8 % CBE INITAVIE*	7-Apr-23	88,951,891	83,650,090
Alex Bank	170,000,000	8% + CBE lending rate	30-Jun-23	164,828,846	145,589,868
AUB	130,000,000	0.35% + CBE lending rate	1-Jun-23	41,675,898	28,933,333
		8 % CBE INITAVIE*	1-Jun-23	51,546,612	45,426,752
ENBD	100,000,000	8 % CBE INITAVIE*	31-Oct-23	75,911,472	87,234,631
		0.25%+CBE lending rate	31-Oct-23	15,110,252	-
Total Credit Facilities				**893,644,592**	**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).*

20. 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 year ended 31 December 2021.

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 Group paid EGP 12,473,972 during the year ended 31 December 2021.

The balance of loans as of 31 December 2022 as follows:

Loans	Interest rate	31 December 2022 EGP EGP	31 December 2021 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**

21. CAPTIAL COMMITMENTS

As at 31 December 2022, the Group had contractual commitments in respect of its assets under construction and facility machines not provided for in the financial statements amounted to EGP 42,164,225. (EGP 20,211,522 as at 31 December 2021).

22. CONTINGENT LIABILITIES

As at 31 December 2022, the Group has obligations in respect of its inventory (Cash against document) not provided for in the financial statements amounted to EGP 16,647,847. (EGP 4,666,847 as at 31 December 2021).

23. REVENUES

	31 December 2022 EGP	31 December 2021 EGP
Sale of goods (net)	1,351,514,593	1,168,944,275
Toll manufacturing services revenue	132,436,833	77,490,353
	1,483,951,426	**1,246,434,628**

24. COST OF REVENUES

	31 December 2022 EGP	31 December 2021 EGP
Salaries and incentives	103,668,343	83,199,259
Social insurance and other benefit	-	14,836,229
Raw materials	424,319,310	398,914,710
Spare parts and materials	21,017,950	22,613,961
Government fees and medical stamps	18,281,611	11,617,092
Other operating expenses	46,148,101	48,126,753
Energy expenses	42,237,341	34,262,067
Depreciation and amortization (Note 5,7)	58,576,291	39,776,868
Rent	3,613,147	3,910,976
Maintenance	21,677,732	11,651,609
	763,908,530	**668,909,524**

25. SELLING & MARKETING EXPENSES

	31 December 2022 EGP	31 December 2021 EGP
Salaries and incentives	116,058,635	110,239,117
Social insurance and other benefit	10,470,429	6,156,170
Depreciation (Note 5)	4,901,259	4,497,393
Rent	54,300	63,000
Advertising and marketing	164,933,268	131,029,203
	296,417,891	**251,984,883**

26. GENERAL & ADMINISTRATIVE EXPENSES

	31 December 2022 EGP	31 December 2021 EGP
Salaries and incentives	47,875,655	37,897,534
Social insurance and other benefit	2,720,150	3,459,254
Professional fees	2,028,596	2,096,189
Maintenance	1,369,142	705,134
Depreciation (Note 5)	2,006,816	1,907,312
Others	9,912,511	5,835,926
	65,912,870	**51,901,349**

27. OTHER INCOME

	31 December 2022 EGP	31 December 2021 EGP
Loss from sale of fixed assets (Note 5)	(128,285)	(717,262)
Other income	6,038,135	758,868
	5,909,850	**41,606**

28. FINANCE INCOME

	31 December 2022 EGP	31 December 2021 EGP
Interest from Treasury Bills	56,724,822	59,960,672
Interest from time deposits	7,354	12,328
	56,732,176	**59,973,000**

29. FINANCE EXPENSES

	31 December 2022 EGP	31 December 2021 EGP
Debit interests	86,515,124	88,954,870
Unwinding interests of lease liabilities	2,551,333	2,071,544
Bank Charges	3,017,820	3,791,242
	92,084,277	**94,817,656**

30. INCOME TAXES

	31 December 2022 EGP	31 December 2021 EGP
Current income tax	(64,508,813)	(44,087,720)
Deferred income tax	(11,057,587)	(9,436,755)
Income tax expense	**(75,566,400)**	**(53,524,475)**

DEFERED INCOME TAXES

	Statement of financial position		Statement of profit or loss	
	31 December 2022 EGP	31 December 2021 EGP	31 December 2022 EGP	31 December 2021 EGP
Depreciation and amortization	(58,468,620)	(46,890,081)	(11,578,539)	(9,999,396)
Provisions	1,936,823	1,960,165	(23,342)	162,951
Impairment of trade and notes receivables	2,437,135	1,897,784	539,351	780,105
Write down in value of inventory	2,397,681	2,491,626	(93,945)	(257,923)
Share based payment	4,015,782	-	4,015,782	-
Unrealized foreign exchange differences	(3,874,624)	42,270	(3,916,894)	(122,492)
Net deferred income taxes	**(51,555,823)**	**(40,498,236)**	**(11,057,587)**	**(9,436,755)**

RECONCILIATION OF THE EFFECTIVE INCOME TAX RATE

	Tax Rate	31 December 2022 EGP	Tax Rate	31 December 2021 EGP
Profits before income taxes		328,454,175		233,610,308
Income tax based on tax rate	22.5%	73,902,189	22.5%	52,562,319
Non-deductible expenses		1,664,211		962,156
Effective Tax Rate	23.01%	75,566,400	22.91%	53,524,475

31. EARNINGS PER SHARE

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

	31 December 2022 EGP	31 December 2021 EGP
Net profit for the year	245,676,087	181,088,753
Remuneration for the Board Members*	(5,200,000)	(5,200,000)
Staff profit Share*	(11,400,000)	(9,500,000)
Profit Available for Shareholders	**229,076,087**	**166,388,753**
Weighted average number of shares outstanding after purchase of treasury shares during the period	983,450,000	1,000,000,000
Share Options for employees and executive board members	7,568,211	-
Weighted average number of ordinary shares adjusted for the effect of share option of dilution	991,018,211	1,000,000,000
Earnings per share	**0.2312**	**0.1664**

- There are no shares with dilutive effect and hence the basic and diluted earnings per share are the same.

** Employees dividends and board of directors' remuneration as recommended in board meeting held on March 6, 2023 , and currently is a subject of general assembly approval.*

32. TAX POSITION

a) Corporate Tax

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

b) Salary Tax

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

c) Stamp Tax

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

d) Sales Tax

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

a) VAT Tax

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

33. RELATED PARTY DISCLOSURES

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

a) Due from related parties

	31 December 2022 EGP	31 December 2021 EGP
Eman Wahed El-Zomor	25,500	25,500
	25,500	**25,500**

b) Salaries and incentives of key managers

The key manager's compensation during year ended 31 December 2022 and 31 December 2021 is as follow:

	31 December 2022 EGP	31 December 2021 EGP
Salaries and incentives	34,352,243	28,194,799
Share options for employees, managers, and executive board members	17,847,920	-
	52,200,163	**28,194,799**

34. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES

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

a. Credit risk
b. Market risk
c. Liquidity risk

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

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

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

a) Credit risk

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

Trade and notes receivables

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

The maximum exposure is limited to the balances disclosed in note (9).

Other financial assets and balances with banks

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

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

The maximum exposure is limited to the balances disclosed in note (12).

Due from related parties

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

b) Market risk

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

Exposure to interest rate risk

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

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

	Change in rate	31 December 2022 Effect on profit before tax EGP	Change in rate	31 December 2021 Effect on profit before tax EGP
Financial assets	+1%	14,267	+1%	803
	-1%	(14,267)	-1%	(803)
Financial liabilities	+1%	(1,158,432)	+1%	(1,100,013)
	-1%	1,158,432	-1%	1,100,013

Exposure to foreign currency risk

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

	Change in rate	31 December 2022 Effect on profit before tax EGP	Change in rate	31 December 2021 Effect on profit before tax EGP
USD	+10%	10,796,311	+10%	3,084,372
	-10%	(10,796,311)	-10%	(3,084,372)
EUR	+10%	(472,385)	+10%	107,064
	-10%	472,385	-10%	(107,064)

c) Liquidity risk

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

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

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

Financial liabilities

	Less than 3 Months EGP	3 to 12 months EGP	1 to 5 years EGP	Over 5 years EGP	Total EGP
As at 31 December 2022					
Credit facilities	444,106,455	493,347,092	-	-	937,453,547
Trade, notes and other payables	165,319,334	40,347,633	-	-	205,666,967
Total undiscounted financial liabilities	**609,425,789**	**533,694,725**	**-**	**-**	**1,143,120,514**

Financial liabilities

	Less than 3 Months EGP	3 to 12 Months EGP	1 to 5 years EGP	Over 5 years EGP	Total EGP
As at 31 December 2021					
Credit facilities	346,123,008	497,264,228	-	-	843,387,236
Trade, notes and other payables	110,999,581	17,569,113	-	-	128,568,694
Term loans	9,348,719	14,388,869	-	-	23,737,588
Total undiscounted financial liabilities	**466,471,308**	**529,222,210**	**-**	**-**	**995,693,518**

35. CAPITAL MANAGEMENT

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

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

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

36. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

37. MAJOR EVENT

Some major global events occurred, which included the Arab Republic of Egypt, where an outbreak of COVID19 occurred, and the World Health Organization "WHO" announced that the outbreak of the virus can be described as a global epidemic, and the government has introduced various measures to combat disease outbreaks, including travel restrictions and quarantine, business closures, and other locations, these government responses and their corresponding impacts are still evolving and which are expected to affect the economic climate and that, in turn, could expose the company to various risks, including a significant reduction in Revenues, and evaluation / impairment of assets and other risks.

These events did not negatively affect the financial statements of the company as on 31 December 2022 but may affect the financial statements for future financial periods. It is difficult to quantify this effect for now; this effect will appear in future financial statements. The magnitude of the impact varies according to the expected extent, the period during which those events are expected to end and their impact.

Since the beginning of the crisis, the executive management of the group has been keen to take a set of measures and procedures, which had a positive impact in mitigating the severity of the effects of the crisis, and the group's tolerance for any potential fluctuations in the various activities resulting from that pandemic.

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

On May 19, 2022, the Central Bank of Egypt decided to increase the overnight deposit and lending rates and the price of the main operation of the central bank by 200 basis points, to reach 11.25%, 12.25%, and 11.75%, respectively. The credit and discount rate were also raised by 200 basis points, to reach 11.75%. The company is studying the impact on the subsequent financial statements.

On October 27, 2022, the Central Bank of Egypt decided to increase the overnight deposit and lending rates and the price of the central bank's main operation by 200 basis points, to reach 13.25%, 14.25%, and 15.75%, respectively. The credit and discount rate were also raised by 200 basis points, to reach 13.75%. The company is studying the impact on the subsequent financial statements.

On December 22, 2022, the Central Bank of Egypt decided to increase the rates of deposit and lending for one night and the price of the main operation of the central bank by 300 basis points, to reach 16.25%, 17.25% and 18.75%, respectively. The credit and discount rate was also raised by 200 basis points, to reach 17.75%. The company is studying the impact on the subsequent financial statements.

On October 27, 2022, the Central Bank of Egypt floated the exchange rate of the Egyptian pound against other foreign currencies, which led to a decrease in the value of the Egyptian pound against other currencies.

The exchange rates of the Egyptian pound declined against the dollar and some other currencies in the period following the date of the financial statements. The company is studying the impact on the subsequent financial rameda

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