rameda
Quality For All

Tenth of Ramadan for Pharmaceutical Industries and Diagnostic Reagents (Rameda) S.A.E. delivers 4Q23 revenue growth of 37% y-o-y to EGP 534 million coupled with strong profitability margins and a core net income growth of 47% y-o-y to EGP 67 million

March 18th, 2024 | Cairo, Egypt

Tenth of Ramadan for Pharmaceutical Industries and Diagnostic Reagents (Rameda) S.A.E. (the "Company", and, together with its consolidated subsidiaries, "Rameda" or the "Group"), RMDA.CA on the EGX, a leading Egyptian pharmaceutical company, announced today its consolidated results for the fourth quarter and full year period ending 31 December 2023.

4Q23 Financial & Operational Highlights

Consolidated Revenue	Gross Profit	EBITDA	Net Income[1]
EGP 534.2 million ▲ 37% y-o-y	EGP 254.1 million (48% margin) ▲ 41% y-o-y	EGP 140.7 million (26% margin) ▲ 58% y-o-y	EGP 56.2 million (11% margin) ▲ 4% y-o-y
Core Net Income[2]	**Net Debt**	**Average Unit Price**	**Units Sold[3]**
EGP 61.6 million (12% margin) ▲ 47% y-o-y	EGP 747.0 million ▲ 57% YTD	EGP 54.3 (IQVIA) ▲ 12% y-o-y	15.7 million ▲ 37% y-o-y

FY23 Financial & Operational Highlights

Consolidated Revenue	Gross Profit	EBITDA	Net Income[1]
EGP 1,922.4 million ▲ 30% y-o-y	EGP 905.9 million (47% margin) ▲ 26% y-o-y	EGP 532.9 million (28% margin) ▲ 26% y-o-y	EGP 253.2 million (13% margin) ▼ 0.1% y-o-y
Core Net Income[2]	**Net Debt**	**Average Unit Price**	**Units Sold[3]**
EGP 270.5 million (14% margin) ▲ 13% y-o-y	EGP 747.0 million ▲ 57% YTD	EGP 56.6 (IQVIA) ▲ 29% y-o-y	51.9 million ▼ 11% y-o-y

[1] *Reported net income.*
[2] *Calculated as net income before minority interest adjusted for FX gains/losses, non-cash ESOP expenses, and covid-19 related impairments.*
[3] *Value reflects total volumes (excluding toll manufacturing).*
Excluding toll manufacturing and injectable antibiotics, volumes would record an increase of 30% YoY to 10.7 million units in 4Q23, and an increase of 13% YoY to 42.5 million units in FY23.

Financial & Operational Highlights

- **Revenues** grew by 37% y-o-y to EGP 534.2 million in 4Q23 on the back of solid growth across Rameda's verticals, with growth primarily driven by the private sales vertical (+51%), followed by domestic tender sales (+28%) in 4Q23. On a full year basis, the Group's revenues grew by 30.0% y-o-y to EGP 1,922.4 million in FY23.
- **Gross Profit** increased by 41% y-o-y to EGP 254.1 million with a margin expansion of 1.3 percentage points year-on-year to 47.6% in 4Q23, on the back of positive effect of portfolio repricing. On a full year basis, gross profit climbed 26% y-o-y to EGP 905.9 million but booked a margin contraction of 1.4 percentage points. This was due to a 36% increase in raw material costs, a 67% increase in spare parts, maintenance, & materials in FY23, and a 72% y-o-y increase in impairment costs to EGP 34.0 million – of which EGP 25.7 million accounted for a one-off impairment charge relating to the COVID-19 antiviral product portfolio.
- **EBITDA** grew by 58% y-o-y to EGP 140.7 million, alongside a margin expansion of 3.5 percentage points year-on-year to 26.3% in 4Q23 on the back positive effect of cost optimizations and portfolio repricing . On a full year basis, EBITDA increased 26.0% y-o-y to EGP 532.9 million but booked a margin contraction of 0.8 percentage points, reflecting a trickle-down effect from a decrease in gross profit margin, yet impact was more muted as cost optimization efforts resulted in SG&A as a percentage of revenues dropping by 1.2 percentage points from 24.4% in FY23 to 23.2% in FY24.
- **Reported net income** recorded a 4% y-o-y increase to EGP 56.2 million in 4Q23, however, booked a margin contraction of 3.3 percentage points to 10.5% reflecting the rise in Rameda's cost base coupled with the impact of a significant rise (+144%) in net interest costs to EGP 59.6 million in 4Q23. On a full year basis, reported net income remained largely flat at EGP 253.2 million, however, its margin contracted 3.9 percentage points to 13.2% in FY23.
- **Core Net Income**, calculated as net income before minority interest adjusted for FX gains/losses, non-cash ESOP expenses, and one-off impairment charges relating to the COVID-19 antiviral product portfolio, increased by 47% y-o-y to EGP 61.6 million and booked a margin expansion of 0.8 percentage points year-on-year to 11.5% in 4Q23. On a full year basis, core net income increased by 13% y-o-y to EGP 270.5 million, however, recorded a margin contraction of 2.0 percentage points to 14.1% in FY23.

Revenues by Business Line

Revenue Analysis	4Q22	4Q23	% YoY	FY22	FY23	% YoY
Private Sales						
Volumes Sold – Exc. Injectable Antibiotics ('000)	4,604.9	6,861.5	*49.0%*	19,519.3	25,667.4	*31.5%*
Sales – Exc. Injectable Antibiotics (EGP mn)	230.7	313.0	*35.7%*	792.7	1,249.5	*57.6%*
Injectable Antibiotic Volumes ('000)	2,480.6	4,362.1	*75.8%*	16,586.7	6,152.9	*-62.9%*
Injectable Antibiotic Sales (EGP mn)	49.2	108.6	*120.7%*	291.5	169.2	*-42.0%*
Total Private Sales Volumes – Inc. Injectable Antibiotics ('000)	7,085.5	11,223.6	*58.4%*	36,106.0	31,820.3	*-11.9%*
Total Private Sales Revenue – Inc. Injectable Antibiotics (EGP mn)	279.9	421.6	*50.6%*	1,084.2	1,418.6	*30.8%*
Tenders						
Volumes Sold ('000)	2,891.4	2,677.0	*-7.4%*	16,327.8	13,076.0	*-19.9%*
Sales (EGP mn)	34.3	44.0	*28.2%*	160.8	189.5	*17.9%*
Exports						
Volumes Sold ('000)	1,489.9	1,774.2	*19.1%*	6,008.9	7,005.6	*16.6%*
Sales (EGP mn)	30.7	39.9	*30.0%*	106.5	180.2	*69.2%*
Volume (excluding toll) ('000)	**11,466.8**	**15,674.9**	***36.7%***	**58,442.7**	**51,901.8**	***-11.2%***
Revenue (excluding toll) (EGP mn)	**344.9**	**505.5**	***46.6%***	**1,351.5**	**1,788.3**	***32.3%***
Toll Manufacturing						
Volumes Sold ('000)	35,383.0	15,036.9	*-57.5%*	86,512.3	63,474	*-26.6%*
Sales (EGP mn)	46.0	28.7	*-37.6%*	132.4	134.0	*1.2%*
Total Revenue (EGP mn)	**390.9**	**534.2**	***36.7%***	**1,484.0**	**1,922.4**	***29.5%***

Notes from the Management Team

Dr. Amr Morsy, Chief Executive Officer

2023 presented significant obstacles for various industries across Egypt, including rising inflation, supply chain disruptions, and foreign exchange limitations impacting raw material availability. Despite these headwinds, Rameda delivered a strong performance, achieving solid revenue growth in the high double-digits across all our business lines.

This success is a testament to our diversified portfolio's strength in driving sustainable growth. We strategically leverage our existing offerings in key therapeutic areas while maximizing value through continuous improvement. Additionally, acquired products in fast-growing therapeutic segments have made significant contributions.

Further on this front, and in line with our efforts to further deliver on our portfolio optimization strategy and expand our product offering across fast-growing and chronic therapeutic areas, I am pleased to announce that the Group launched 2 products and acquired 11 products in FY23. The acquisition of the portfolio of 11 cardiometabolic products continues to reflect our commitment to delivering on one of our key strategic pillars, which aims to complement our organic growth with value-accretive molecule acquisitions across fast-growing therapeutic areas that will support Rameda's trajectory. Additionally, the acquisition is in line with our efforts to increase the contribution of chronic medication within Rameda's portfolio and will allow us to benefit from the shift towards generics, which dominate the market across these selected therapeutic areas as consumers become increasingly price sensitive due to the current inflationary environment. Overall, I am confident that this acquisition will yield positive results over the coming periods and will act as the cornerstone for our cardiometabolic portfolio.

Additionally, the Group has been successful at optimizing its pharma distributors network, significantly reducing its exposure to distributors that pose potential risks to Rameda's ability to maximize the value generated from its operations, which will continue to support our performance going forward. In the meantime, we will remain focused on driving Rameda's performance through lucrative product acquisitions and launches – especially those that operate under free-pricing frameworks – as well as driving growth across other fast-growing therapeutic areas.

Despite the turbulent market conditions across Egypt's landscape, I am optimistic of the road ahead. Our results this past quarter have witnessed significant improvement, with the Group delivering strong revenue growth as well as healthy margins and stands testament to the strength and resilience of the Group's operations. Over the coming periods, Rameda will be focused on further expanding the contribution of specialty products, assessing potentially lucrative acquisitions that would better position us to generate synergies and to diversify the Group's revenue streams with new product categories falling under the free-pricing regime, leaving us well-positioned to pursue and deliver on our sustainable growth objectives.

Mahmoud Fayek, Chief Financial Officer & Chief Operational Officer

Despite a challenging macroeconomic landscape, the Group has continued to deliver solid top-line growth and healthy profitability levels. This comes on the back of Rameda's success at navigating various headwinds, including rising inflationary pressures and FX shortages affecting our ability to secure raw materials. Overcoming these challenges without any negative impact to our profitability and product availability reflects the resilience of our business model as well as management's commitment to operational excellence and delivering on Rameda's goals.

The Group booked top-line growth of 30% in FY23 year-on-year to EGP 1.9 billion, driven by strong performances from the Group's key verticals and several product price hikes throughout the year with products reflecting 82% of Group revenues in FY23 witnessing an average price increase of 43%. Additionally, the vertical's results were further supported by the positive performances from the Group's recently acquired portfolio of cardiometabolic products. Rameda's private sales vertical recorded a revenue increase of 31% year-on-year to EGP 1.4 billion and recorded an even stronger increase of 58% y-o-y to EGP 1.2 billion if we exclude the injectable antibiotic portfolio's performance from the period. In this regard, the injectable antibiotic portfolio's recovery gained momentum in the second half of 2023. The portfolio booked 10 million of sales in 1H23 (vs. 170mn in 1H22), followed by 51 million in 3Q23 (vs. 73mn in 3Q22), followed by 109 million in 4Q23 (vs. 49mn in 4Q22), signaling the beginnings of a recovery across the injectable antibiotics portfolio, which is anticipated to continue in the upcoming periods and reflect positively on Rameda's 2024 performance especially as we benefit from the full year impact of various repricing received for injectable antibiotics products.

On this front, Rameda's top ten products delivered a stellar performance in FY23. Leading the pack were Colona (+50% y-o-y), Augram (+64% y-o-y), and Protofix (+50% y-o-y), solidifying their positions as the Group's top three revenue contributors. Additionally, Trexotaz and Optaminess exhibited exceptional growth, with sales surging by 170% and approximately 145% y-o-y, respectively.

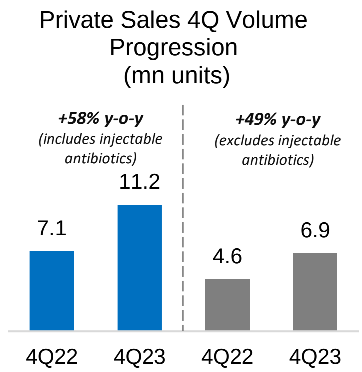
Moreover, the Group's export sales vertical booked a revenue increase of 69% y-o-y to EGP 180.2 million in FY23 on the back of improved trading conditions. In USD terms, exports recorded 7% growth y-o-y to reach $5.9 million.

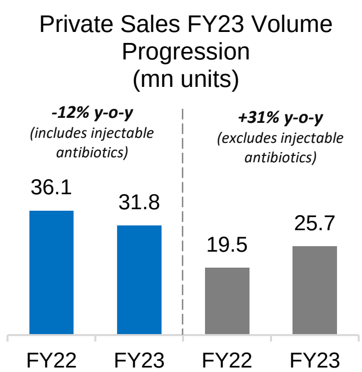
Rameda delivered impressive profitability growth in Q4 2023. EBITDA surged by 58% year-over-year to EGP 141 million, with a healthy expansion of the EBITDA margin by 3.5 percentage points to 26.3%. This strong performance is attributed to a combination of successful cost optimization initiatives in SG&A expenses. Looking at the full year, EBITDA increased steadily by 26% to EGP 533 million. While the gross profit margin experienced a 1.4 percentage point contraction in FY23, effective cost optimization on SG&A expenses successfully mitigated this impact, resulting in a slight margin contraction of only 0.8 percentage points.

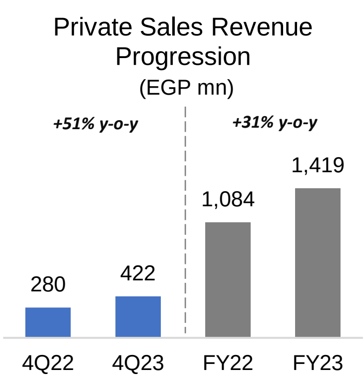
Reported net income recorded a 4% y-o-y increase to EGP 56 million in 4Q23, despite the negative impact of the significant increase in net interest costs to EGP 60 million in 4Q23. On a full-year basis, reported net income remained largely flat at EGP 253 million, as net interest costs increased by 111% y-o-y to reach 194 million.

Despite navigating recent macroeconomic headwinds that threatened product availability and profitability targets, Rameda's resilient operations and agile management team successfully steered the company towards strong results. We are confident that these macro uncertainties are receding, allowing us to leverage the momentum built in 2023 and propel Rameda towards achieving significant growth and enhanced profitability in 2024.

Financial & Operational Performance







Volumes

Private sales volumes increased by 58% to 11 million units in 4Q23, as the injectable antibiotics portfolio continued its recovery, with 4Q23 injectable antibiotics volumes increasing by 76% y-o-y, and 270% q-o-q.

On a full year basis, private sales volumes declined by 12% y-o-y to 31.8 million units due to the contraction in sales booked by the injectable antibiotics portfolio in FY23. However, excluding the injectable antibiotics portfolio, private sales recorded a volume increase of 31% y-o-y to 25.7 million units in FY23.

Export volumes increased by 19% y-o-y in 4Q23 and booked a 17% y-o-y increase in FY23, fuelled by a strategic focus on export markets.

Our sales volume faced headwinds throughout the year due to a combination of strategic choices and external factors. Management's focus on securing high-margin tenders, while enhancing profitability, reduced the overall contribution of tender sales to the Group's performance. Additionally, a deliberate strategy to decrease stocks with distributors has impacted short-term sales. These internal decisions were compounded by external challenges, and a broader market trend reflected in a 20% year-over-year decline in tender volumes.

Revenues

Group revenues increased by 37% y-o-y to EGP 534.2 million in 4Q23 on the back of solid growth across Rameda's key verticals, with growth primarily driven by the private sales vertical, growing by 51% y-o-y during the period, followed by exports at 30% y-o-y in 4Q23. On a full year basis, Rameda booked revenue growth of 30% y-o-y to EGP 1,922.4 million due to the strong results witnessed at the private sales vertical, which was driven by solid performances from Rameda's top ten selling products, namely Colona (+50% y-o-y), Augram (+64% y-o-y), and Protofix (+50% y-o-y) and the stellar y-o-y increases seen in sales from Trexotax (+170% y-o-y)& Optaminess (+143% y-o-y) in FY23. It is worthy to note that, excluding injectables, private sales revenues booked an increase of 58% YoY to EGP 1.2 billion.

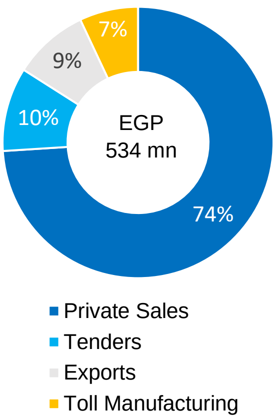
Revenues by Business Line

Private Sales

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

Private sales booked a revenue increase of 51% y-o-y to EGP 421.6 million in 4Q23, driven by impressive volume growth of 58% y-o-y benefitting from high demand for Rameda products and the faster recovery of the antibiotics portfolio. On this front, antibiotics booked 10 million of sales in 1H23 (vs. 170mn in 1H22), followed by 51 million in 3Q23 (vs. 73mn in 3Q22), followed

FY23 Sales Contribution by Vertical



by 109 million in 4Q23 (vs. 49mn in 4Q22), signalling the beginnings of a recovery across the antibiotics portfolio, which is anticipated to continue in the upcoming periods and reflect positively on Rameda's 2024 performance.

On a full year basis, private sales revenue grew by 31% y-o-y to EGP 1,418.6 million in FY23, despite a 12% y-o-y decline in volumes given the absence of antibiotic sales in the first six months of 2023. Excluding the injectable antibiotics portfolio, private sales volumes would record a 58% YoY to EGP 1.2 billion.

Tenders

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

Tender volumes booked a decrease of 7% y-o-y in 4Q23 due to management strategy of selectively participating in high-margin tender contracts to secure profitability of the segment. Consequently, revenue from tenders increased by 28% y-o-y to EGP 44.0 million in 4Q23. On a full year basis, tender volumes declined by 20% y-o-y in FY23, however, recorded revenue growth of 18% y-o-y to EGP 189.5 million during the full year on the back of providing products to the UMPA at higher and more attractive price points given the various rounds of product repricing witnessed.

Exports

Rameda sells its products to export agents, responsible for distributing its products across different regional markets; 64% of total export sales were sold in Yemen during 4Q23 and 8% sold in Iraq. In FY23, Iraq contributed 54%, Yemen 33%, and Libya 12%, with Palestine accounting for the remaining 2%.

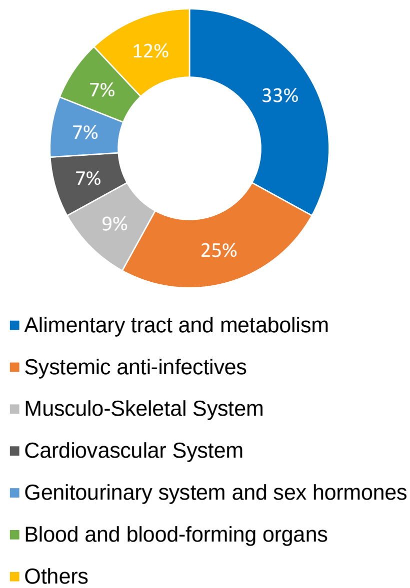
Revenue from exports grew to EGP 39.9 million in 4Q23 driven by strong export sales to one of Rameda's largest export markets, Yemen, during the quarter. The vertical's performance was further fueled by the USD-denominated nature of export sales, ultimately having a favorable effect on performance given the currently depreciating state of Egypt's local currency. On a full year basis, export revenue increased by a solid 69% y-o-y to EGP 180.2 million in FY23, and worthy to note that, in USD terms, export sales booked USD 5.9 million in FY23 compared to USD 5.5 million in the same period last year, growing by 7% y-o-y.

Toll Manufacturing

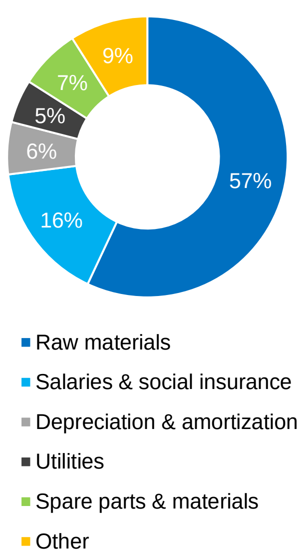
To monetise its excess production capacity and dilute the Group's existing fixed overheads, Rameda selectively engages in toll manufacturing arrangements. Over the years, the Group has developed a solid and diverse client base, including well-known regional and international pharmaceutical companies,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

Toll manufacturing faced significant challenges in Q4 2023. Volumes booked a 57.5% decrease, and revenue fell 37.6% y-o-y to EGP 28.7 million. This

FY23 Sales Contribution by Therapeutic Area



FY23 Cost of Revenues Breakdown



decline is primarily due to raw material shortages experienced by our toll clients. Reduced foreign exchange (FX) availability has hampered their ability to secure these materials, impacting our production volumes.

On a full year basis, toll volumes declined by 26.6% y-o-y while revenues grew by 1.2% y-o-y to EGP 134.0 million in FY23, given the various rounds of product repricing witnessed.

Revenue by Therapeutic Area[4]

Alimentary tract and metabolism accounted for the majority of revenues in FY23, at 33%, followed by Systemic anti-infectives, which contributed 25%, and Musculo-Skeletal System, at 9% during the period. Blood and blood-forming organs, genitourinary system and sex hormones, and Cardiovascular system contributed 7%.

Cost of Revenues

Rameda's cost of revenue decreased as a percentage of revenue by 1.3 percentage points to 52.4% during the quarter, on the back of improved performance of the injectable antibiotics portfolio and price increases received throughout the year.

On a full year basis, cost of revenue grew by 33% y-o-y to EGP 1,016.4 million in FY23 and increased as a percentage of revenue by 1.4 percentage points year-on-year to 53% in FY23, with the 72% y-o-y rise in impairment costs to EGP 34.0 million – of which EGP 25.7 million accounted for one-off impairment costs relating to COVID-19 related antiviral products – further contributing to the increase in COGS during the full year.

Gross Profit

The Group's gross profit increased by 41% y-o-y to EGP 254.1 million and booked a margin expansion of 1.3 percentage points year-on-year to 47.6% in 4Q23, reflecting the positive impact of operational leverage. On a full year basis, gross profit grew 26% y-o-y to EGP 905.9 million but booked a margin contraction of 1.4 percentage points to 47.1% in FY23.

Selling and Marketing Expenses

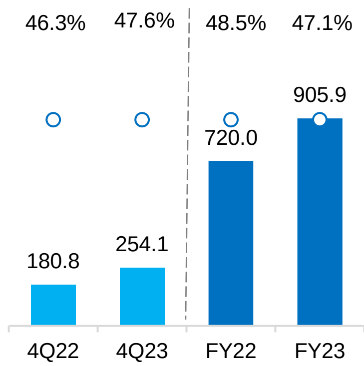
Selling and marketing expenses principally comprise salaries, social insurance & other fringe benefits associated with the Group's sales and marketing function, advertising & marketing expenses, rent, and depreciation.

Selling and marketing expenses grew by 27.0% y-o-y to EGP 115.2 million in 4Q23 primarily on the back of inflationary pressures. However, Rameda's cost optimization efforts have seen the contribution of selling and marketing expenses to revenue decline 1.6 percentage points year-on-year to 21.6% in 4Q23. On a full year basis, selling and marketing expenses increased by 23% y-o-y to EGP 363.6 million but booked a decline of 1.1 percentage points year-on-year to 18.9% in FY23 in terms of its contribution to revenue.

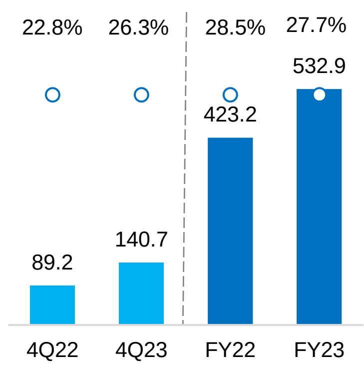
[4] *Contributions here are calculated on revenues before toll manufacturing revenue, discounts & incentives, and sales returns.*

Quality For All

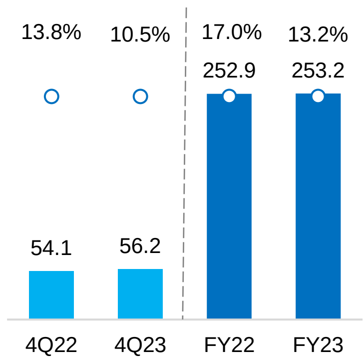
Gross Profit and Margin Progression
(EGP mn | %)



EBITDA and Margin Progression
(EGP mn | %)



Net Income and Margin Progression
(EGP mn | %)



General and Administrative Expenses

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

General and administrative expenses decreased by 0.2% y-o-y to EGP 18.2 million and booked a contraction of 1.3 percentage points year-on-year to 3.4% in 4Q23 as a percentage of revenue. On a full year basis, general and administrative expenses increased by 25% y-o-y to EGP 82.3 million in FY23 and booked a decrease of 0.2 percentage points y-o-y to 4.3%.

EBITDA

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

The Group's EBITDA grew by 58% y-o-y to EGP 140.7 million and recorded a margin expansion of 3.5 percentage points year-on-year to 26.3% in 4Q23, due the expansion of the gross profit margin coupled with cost optimizations on the SG&A front.

On a full year basis, EBITDA increased 26% y-o-y to EGP 532.9 million but booked a mere margin contraction of 0.8 percentage points in FY23 to reach 27.7%, despite a gross profit margin contraction of 1.4 percentage points, as the Group benefitted from cost optimizations.

Net Income

Reported net income recorded a 4% y-o-y increase to EGP 56.2 million in 4Q23, however, booked a margin contraction of 3.3 percentage points to 10.5%, reflecting the rise in Rameda's cost base coupled with the impact of a significant increase (+144% y-o-y) in net interest costs to EGP 59.6 million in 4Q23. On a full year basis, reported net income remained largely flat at EGP 253.2 million, however, its margin contracted 3.9 percentage points to 13.2% in FY23.

Core Net Income, calculated as net income before minority interest adjusted for FX gains/losses, one-off impairments, and non-cash ESOP expenses, increased by 47% y-o-y to EGP 61.6 million and booked a margin expansion of 0.8 percentage points year-on-year to 11.5% in 4Q23. On a full year basis, core net income increased by 13% y-o-y to EGP 270.5 million, however, recorded a margin contraction of 2.0 percentage points to 14.1% in FY23.

Operating Cash Flow, Capital Expenditure and Debt

Rameda booked net operating outflows of EGP -44.5 million in FY23 compared to an inflow of EGP 29.3 million in the same period last year, primarily due to delayed payments from distributors. Additionally, net operating outflows were further driven by inflationary pressures, which caused an increase in Rameda's inventory. Parallel to this, net debt stood at EGP 747.0 million as of 31 December 2023, reflecting an increase of 57% y-o-y due to the Group's acquisition of four new molecules in 2Q23 as well as the impact of delayed collections from distributors.

Investor Relations Contact:

Khaled Daader
Head of Mergers and Acquisitions and Investor Relations
E-mail : khaled.daader@rameda.com

Youseph Adel
Junior Investor Relations and Mergers & Acquisitions Analyst
E-mail : youssef.adel@rameda.com

About Rameda

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

Forward-Looking Statements

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

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

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