MACRO PHARMACEUTICALS

Macro Group Pharmaceuticals Reports Stellar Start to 2025, Marking Return to Strong Growth

Cairo, 4 June 2025 | Cairo, Egypt

Macro Group Pharmaceuticals (Macro Capital) S.A.E ("Macro" or the "Group"), a leading player in Egypt's cosmeceuticals sector, returned to strong growth, reporting strong operational and financial performance for the quarter ending 31 March 2025.

Following the successful completion of its stabilization program in FY24, Macro maintained a clear strategic focus on growth throughout the first quarter. Revenues reached EGP 184 million, a remarkable 210% year-on-year increase, driven by a 209% surge in total sales volumes, reflecting solid market demand. The Group continued to optimize its distributor engagement model, sustaining core product availability at 1.5 months of coverage, while executing targeted price adjustments to support top-line growth in 2025.

As part of its commitment to enhanced financial reporting, Macro adopted IFRS-15 standards, reclassifying rebates and bonuses for FY23 and implementing product return rights to align with best practices.

Operationally, the Group delivered strong profitability, with gross profit reaching EGP 121 million and a gross margin of 65.7%, supported by improved product mix, operational efficiencies, and disciplined cost control. EBITDA for the quarter came in at EGP 34 million, a notable turnaround from a negative EGP 61 million in the prior-year period. Adjusting for one-off impairment charges, EBITDA stood at EGP 38 million, compared to a normalized loss of EGP 26 million in 1Q24—marking a significant operational recovery.

Net profit for the quarter reached EGP 22 million, up from a net loss of EGP 78 million in the same period last year. On a normalized basis, excluding non-recurring impairment losses, net income stood at EGP 26 million, underscoring Macro's continued financial improvement and focus on profitability.

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Financial & Operational Highlights

EGP **184** 1Q25 Revenue[1]	EGP **121** mn 1Q25 gross Profit	EGP **34** mn 1Q25 EBITDA	EGP **22** mn 1Q25 Net Income
▲ 210% YoY	▲ 232% YoY / 65.7% margin	Vs. EGP (61) mn / 18.7% margin	Vs. EGP (78) mn / 12.1% margin
EGP **26** mn 1Q25 Normalized Net income[2]	EGP **38** mn 1Q25 Adjusted EBITDA	EGP **0.04/0.05** 1Q25 EPS/Normalized EPS[3]	**3.8** mn units 1Q25 Volume Sold
Vs. EGP (43) mn / 14.1% margin	Vs. EGP (26) mn / 20.6% margin	Vs. EGP (0.14) / Vs. EGP (0.08)	▲ 209% YoY

[1] Revenue after deducting sales right of return provision & reclassification of rebate and bonus expenses
[2] Adjusted for impairment losses on financial assets
[3] Based on the weighted average number of shares outstanding

Message from our Chairman

It is with great pride that I present Macro's financial and operational results for the quarter ended 31 March 2025. Despite continued macroeconomic headwinds—including inflation, currency volatility, and the lingering impact of past import restrictions—Macro has delivered a strong return to growth and profitability. This performance reflects a tangible rebound in demand and the success of our disciplined cost management, as evidenced by the robust margins achieved this quarter.

The first quarter of 2025 marks a turning point for the Group. Having concluded our restructuring efforts in FY24, we have now fully shifted our strategic focus to growth and operational efficiency. During the quarter, we more than doubled our revenue and maintained strict cost discipline, translating top-line growth into a net profit of EGP 22 million—reversing last year's loss and confirming the strength of our recovery.

Revenue grew 210% year-on-year, primarily driven by a sharp rise in sales volumes. This growth underscores the effectiveness of our targeted marketing initiatives and our brand's strong market position. Inventory optimization efforts initiated last year have yielded an optimal 1.5-month stock coverage level, ensuring both product availability and efficient supply chain management. In parallel, we launched the first phase of our structured pricing strategy in March 2025, supporting continued top-line momentum.

Our multi-channel distribution model remains a key pillar of our strategy. In 1Q25, direct sales to pharmacies accounted for 4% of revenue, while key accounts and wholesalers contributed 39% and 54%, respectively—striking a balance between margin generation and working capital discipline. Export sales reached EGP 5.5 million, up from just EGP 0.17 million last year, now representing 3% of total revenue. This growth reflects our commitment to international expansion, with a structured market entry strategy already underway and set to begin delivering results from 2Q25 onwards.

On the profitability front, Macro posted a gross profit of EGP 121 million with a healthy gross margin of 65.7%. EBITDA reached EGP 34 million, up from a loss of EGP 61 million in 1Q24, delivering an 18.7% margin. These gains are a direct result of rigorous cost controls and operational streamlining. Selling & marketing and G&A expenses as a percentage of revenue declined by 29 and 34 percentage points, respectively—further supporting our turnaround.

Looking ahead, our focus remains on scaling volumes, driving revenue growth, and reinforcing profitability. We will continue to capitalize on our strong brand equity and market position to introduce innovative products tailored to evolving consumer preferences. Our extensive marketing and distribution networks will be instrumental in seizing both domestic and international growth opportunities.

We remain confident in Macro's strategic direction and long-term prospects. Our financial position has been further strengthened by EGP 260 million in shareholder loans, supporting both working capital and our ongoing transformation efforts. With a clear roadmap and solid operational foundations, Macro is well-positioned to sustain its recovery and unlock long-term value for all stakeholders.

I would like to extend my sincere appreciation to our Group CEO, Khaled Kamel, and the entire management team for their exceptional leadership and dedication in delivering this remarkable turnaround. Their efforts have laid a strong foundation for sustained growth, and I look forward to the continued progress in the quarters ahead.

Dr. Ahmed Elnayeb, Chairman of Macro Group

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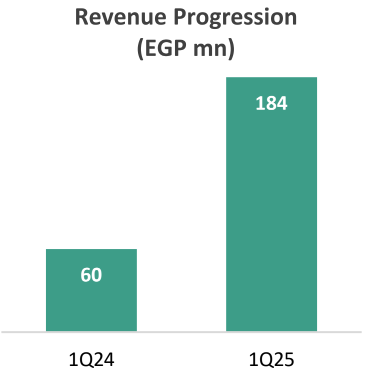
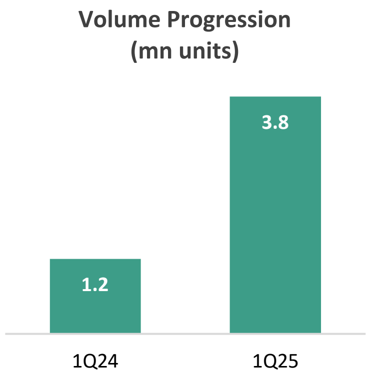
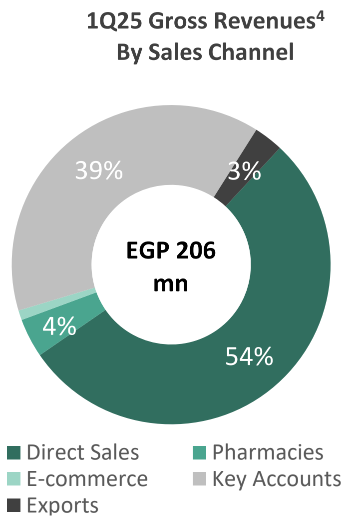
Consolidated Financial Review







Revenues

Macro reported consolidated revenues of EGP 184 million in 1Q25, a 210% year-on-year increase. This strong growth was primarily driven by higher volumes sold and an improved sales mix, despite adjustments made during the period for right of return provisions and the reclassification of rebate and bonus expenses. The increase in product volumes reflects the effectiveness of targeted sales and marketing initiatives, which successfully stimulated real demand and promoted higher-value offerings. Core product inventory levels remain healthy at 1.5 months, ensuring consistent product availability and supporting the Company's growth trajectory for 2025.

Revenues by Sales Channel

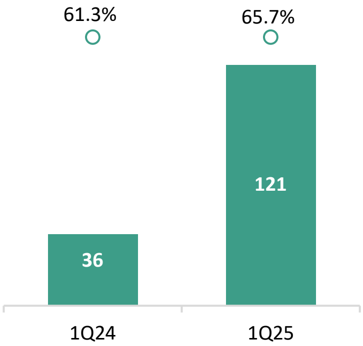
Macro Group sells its products through its direct distribution channels, consisting of sales to wholesalers, retailers and through e-commerce, in addition to its indirect distribution channels, comprising of key accounts and exports.

Direct Distribution Channels. Direct sales channels generated EGP 120 million in revenue during 1Q25, a significant turnaround from a loss of EGP (1.97) million in 1Q24, accounting for 59% of total revenues. Wholesale revenues reached EGP 110 million, also recovering from a negative EGP (4.9) million in the same period last year. Additionally, direct pharmacy sales came in at EGP 8.9 million, marking a 165% year-on-year increase and maintaining the channel's overall revenue contribution at 4%. Management remains focused on strengthening the company's footprint in the direct pharmacy segment, with ongoing initiatives to expand access to large and mid-sized pharmacy chains. E-commerce revenues were EGP 1.3 million in 1Q25, representing 1% of total revenue.

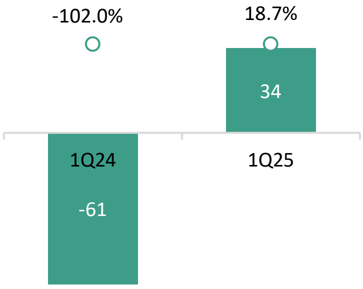
Indirect Distribution Channels. Indirect sales channels contributed 41% to total revenue in 1Q25, generating EGP 85.3 million—an increase of 25% year-on-year. This growth was largely driven by a 17% year-on-year increase in key account sales, which reached EGP 79.7 million, supported by improved performance from major distributors Ibn Sina and Pharma Overseas. Export revenues rose sharply to EGP 5.5 million, up from EGP 0.17 million in 1Q24, representing 3% of total revenue. Management remains committed to expanding Macro's export footprint and mitigating foreign exchange risk by entering new markets such as the Netherlands and Bangladesh, while continuing operations in existing markets like Saudi Arabia and Yemen.

[4] *Gross Revenue is not adjusted for right of return provisions and the reclassification of rebate and bonus expenses*

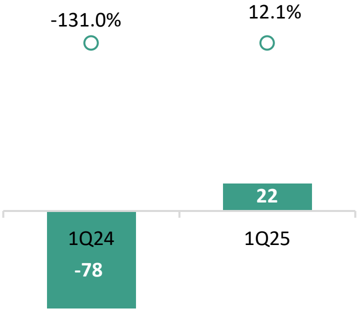
Gross Profit and Margin Progression
(EGP mn | %)



EBITDA and Margin Progression
(EGP mn | %)



Net Profit and Margin Progression
(EGP mn | %)



Gross Profit

Gross profit reached EGP 121 million in 1Q25, reflecting a 232% year-on-year increase, with the gross margin rising 4.4 percentage points to 65.7%. This strong performance was mainly driven by a more favorable sales mix weighted toward higher-margin products, alongside continued efforts to localize and diversify the sources of raw materials to limit the impact of cost inflation.

SG&A Expense

Selling and marketing expenses were EGP 57 million in 1Q25, reflecting a 62% year-on-year increase. Macro remains focused on enhancing efficiency through targeted cost-optimization initiatives, including the restructuring of its marketing budget to maximize return on investment. General and administrative expenses remained stable at EGP 30 million, unchanged from the same period last year, despite ongoing inflationary pressures in the Egyptian market.

EBITDA

EBITDA reached EGP 34 million in 1Q25, a strong recovery from EGP (61) million in the same period last year, resulting in an EBITDA margin of 18.7%. The significant improvement in margin was driven by reduced selling and marketing and General and Administrative expenses as a percentage of sales, in addition to stronger operating performance. This growth highlights management's ongoing efforts to optimize costs, enhance operational efficiency, and drive top-line expansion.

Net Profit

In 1Q25, Macro posted a net income of EGP 22 million, a sharp turnaround from a net loss of EGP (78) million in the same period last year. This improvement was mainly attributed to a significant rise in operating income, a 43% year-over-year reduction in net finance costs, and the absence of any provision charges during the period. On a normalized basis—excluding impairment losses on financial assets—net income reached EGP 26 million, compared to a normalized net loss of EGP (43) million in 1Q24

Cash Conversion Cycle

Macro's cash conversion cycle stood at 221 days in 1Q25, marking a 261-day improvement over last year. This was mainly driven by a 414-day reduction in inventory days (DIO) and a 28-day drop in receivables days (DSO), partially offset by a 181-day decrease in payables days (DPO).

The improvement in DSO reflected management's focus on strengthening distributor relationships and ensuring more timely collections. The drop in DIO was largely due to efforts to impair and liquidate slow-moving and obsolete inventory. Meanwhile, the reduction in DPO stemmed from the settlement of supplier balances to preserve strong ties with key stakeholders.

Total Debt

Total debt reached EGP 340 million in 1Q25, comprising shareholder loans (77%), bank overdrafts (9%), and short- and long-term lease liabilities (14%). The year-to-date increase in debt was mainly driven by an additional EGP 88 million in shareholder funding. Despite the rise in total debt, net debt declined to EGP 185 million as of 31 March 2025, down from EGP 218 million at year-end 2024, supported by more than a twofold increase in cash and bank balances during the period.

Fixed Assets

Net fixed assets came in at EGP 55 million as of 31 March 2025, up 18% from 31 December 2024. Additionally, CAPEX saw a significant increase in 1Q25 reaching EGP 9.7 million, up from EGP 1.1 million during the same period last year. This rise was primarily driven by EGP 8.4 million allocated to projects under construction taking place at the plant. CAPEX to sales stood at 5.3%, aligning with our budgeted assumptions for the year and supporting compliance with EDA requirements.

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About Macro Group Pharmaceuticals (Macro Capital) S.A.E.

Established in 2005 as a joint partnership by Dr. Ahmed El Nayeb and his partner, Macro Group is one of the leaders in Egypt's fast-growing Cosmeceuticals space, with a market share of 17% recorded in 1Q25 according to IQVIA[1], based on the therapeutic areas in which it operates. The Company is principally engaged in the manufacture and sale of cosmeceutical and has recently ventured into nutraceutical products. While all of the Company's products are available over-the-counter, Macro Group also utilizes a prescription-based sales strategy and generates demand through an incentivized medical salesforce of more than 289 employees who target physicians and pharmacies nationwide. The majority of Macro Group's diverse portfolio of 174 marketed SKUs as of 31 March 2025 is manufactured in-house at its production facility in Badr City. The Company's local-brand portfolio includes household names such as Orovex, Gold, Scaro, Topi-Gent and Frost. By developing its own branded products which are both cosmetic and may help achieve a therapeutic effect, the Company offers an attractive value proposition and benefits from an advantageous regulatory framework for cosmetics as well as the defensive attributes and demand profile of prescription-based pharmaceuticals.

For more information about Macro Group, please visit: www.macro-egy.com.

[1] Source: IQVIA. While the total market reflects the cosmeceutical/nutraceutical space in which the company operates in, The IQVIA universe used for this data reflects Macro's direct competitors, significantly increasing Macro's market share from 2021.

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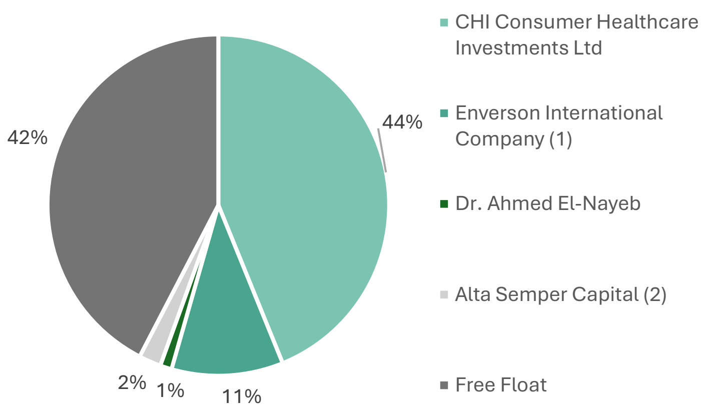
Shareholding Structure



[1] Enverson International Company is the personal holding vehicle for Dr. Ahmed El Nayeb and Family
[2] Alta Semper Capital includes Alta Semper Capital Partners I, Alta Semper Lira Fund I LP and Alta Semper Investors II B.V

Forward-looking Statements

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

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

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

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Consolidated Income Statement

Macro Group Pharmaceuticals (Macro Capital) S.A.E - Consolidated statement of profit and loss for the three-month period ended 31 March 2025

Consolidated Income Statement (EGP)	1Q-2024	1Q-2025	% CHG Y-o-Y
Sales Revenue[1]	59,536,121	184,387,191	*209.7%*
COGS	(23,054,632)	(63,274,601)	*174.5%*
Gross Profit	**36,481,489**	**121,112,590**	***232.0%***
Gross profit margin	*61.3%*	*65.7%*	***4.4 pps***
G&A Expenses	(30,545,790)	(30,441,910)	*-0.3%*
S&M Expenses	(35,549,990)	(57,456,895)	*61.6%*
Impairment Losses on Financial Assets	(34,941,466)	(3,520,197)	*-89.9%*
Other Income – Net	302,236	571,516	*89.1%*
Net Operating Profit	**-64,253,521**	**30,265,104**	***-147.1%***
Net operating profit margin	*36.1%*	*16.4%*	***-19.7 pps***
Add back: Depreciation Expense	3,684,325	4,206,081	*14.2%*
EBITDA	**-60,569,196**	**34,471,185**	***n/a***
EBITDA margin	*-101.7%*	*18.7%*	***120.4 pps***
Finance income/(cost)	(13,805,346)	(7,872,214)	*-43.0%*
EBT	**-78,058,867**	**22,392,890**	***n/a***
Income Tax	(47,081)	0	*-100.0%*
Net Profit	**-78,105,948**	**22,392,890**	n/a
Net Profit margin	*-131.2%*	*12.1%*	***143.3 pps***

[1] Figure presented is after deducting right of return provisions & reclassification of rebate and bonus expenses

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Consolidated Balance Sheet

Macro Group Pharmaceuticals (Macro Capital) S.A.E - Consolidated statement of financial position as of 31 March 2025

Consolidated Balance Sheet (EGP)	Dec-24	Mar-25	% CHG Y-o-Y
Inventories	103,064,012	104,920,924	*1.8%*
Trade and notes receivables	298,125,499	292,362,368	*-1.9%*
Prepayments & other debit balances	50,746,961	53,728,120	*5.9%*
Cash & cash equivalents	62,337,763	154,632,828	*148.1%*
Total Current Assets	**514,274,235**	**605,644,240**	***17.8%***
PP&E	46,544,659	55,092,577	*18.4%*
Right of use assets	27,475,176	24,509,227	*-10.8%*
Intangible assets	1,458,723	1,798,282	*23.3%*
Goodwill	25,280,108	25,280,108	*0.0%*
Total Non-Current Assets	**100,758,666**	**106,680,194**	***5.9%***
Total Assets	**615,032,901**	**712,324,434**	***15.8%***
Trade and notes payable	67,642,322	68,288,162	*1.0%*
Accrued expenses & credit balances	138,353,687	152,862,449	*10.5%*
Short-term loans	74,834,792	48,474,330	*-35.2%*
Provisions	49,208,857	49,208,857	*0.0%*
Dividends payable	431,645	431,645	*0.0%*
Current income tax liability	1,148,245	1,148,245	*0.0%*
Short-term lease liability	17,084,337	12,798,382	*-25.1%*
Shareholder loan	33,154,799	33,654,290	*1.5%*
Total Current Liabilities	**381,858,684**	**366,866,360**	***-3.9%***
Long-term lease liabilities	16,304,670	18,214,426	*11.7%*
Shareholder Loan	138,767,475	226,748,686	*63.4%*
Total Non-Current Liabilities	**155,072,145**	**244,963,112**	***58.0%***
Total Liabilities	**536,930,829**	**611,829,472**	***13.9%***
Paid-in capital	114,041,291	114,041,291	*0.0%*
Legal reserve	37,126,148	38,349,005	*3.3%*
Treasury shares	0	0	*n/a*
Retained earnings	(73,239,401)	(52,079,835)	*-28.9%*
Total Equity Attributable to Equity Holders	**77,928,038**	**100,310,461**	***28.7%***
Non-controlling interest	174,034	184,501	*6.0%*
Total Equity	**78,102,072**	**100,494,962**	***28.7%***
Total Liabilities & Equity	**615,032,901**	**712,324,434**	***15.8%***