

**MACRO GROUP PHARMACEUTICALS S.A.E. (MACRO
CAPITAL) AND ITS SUBSIDIARIES**

**LIMITED REVIEW REPORT
AND INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED
30 JUNE 2024**

**MACRO GROUP PHARMACEUTICALS (MACRO CAPITAL) S.A.E. AND ITS
SUBSIDIARIES**

**Interim condensed consolidated financial statements
For the six months period ended 30 June 2023**

Contents	Page
Limited review report	1
Interim condensed consolidated statement of financial position	2
Interim condensed consolidated statement of profit or loss	3
Interim condensed consolidated statement of comprehensive income	4
Interim condensed consolidated statement of changes in equity	5
Interim condensed consolidated statement of cash flows	6
Notes to the interim condensed consolidated financial statements	7 – 18



Limited review report on the interim condensed consolidated financial statements

To the Board of Directors of Macro Group Pharmaceuticals (Macro Capital) S.A.E.

Introduction

We have conducted a limited review for the accompanying interim condensed consolidated statement of financial position of Macro Group Pharmaceuticals (Macro Capital) S.A.E. and its subsidiaries (together the "Group") as of 30 June 2024 and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with the Egyptian Accounting Standard (30) "Interim financial reporting", and our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our limited review.

Scope of limited review

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

Conclusion

In light of our limited review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared in all material respects, in accordance with Egyptian Accounting Standard (30) "Interim financial reporting".



Wael Sakr
R.A.A. 26144
F.R.A. 381

4 September 2024
Cairo

**MACRO GROUP PHARMACEUTICALS (MACRO CAPITAL) S.A.E
AND ITS SUBSIDIARIES**

Interim condensed consolidated statement of financial position - As of 30 June 2024

(All amounts in Egyptian Pounds)

	Note	30 June 2024	31 December 2023
Assets			
Non-current assets			
Property, plant and equipment	5	38,890,103	39,044,387
Right of use assets	6	36,289,495	23,699,990
Intangible assets	7	1,692,586	1,926,451
Goodwill		25,280,108	25,280,108
Total non-current assets		102,152,292	89,950,936
Current assets			
Inventories	8	125,869,905	141,563,256
Trade and notes receivables	9	138,176,764	164,959,004
Prepayments and other debit balances		44,003,410	41,908,894
Financial assets at fair value through profit or loss	17	50,814,938	-
Cash and cash equivalents		56,469,300	75,309,682
Total current assets		415,334,317	423,740,836
Total assets		517,486,609	513,691,772
Equity and liabilities			
Equity			
Capital		114,041,291	114,041,291
Legal reserve		32,232,799	32,232,799
Other reserves		4,893,349	4,893,349
Treasury shares		-	(29,970,000)
Accumulated losses		(123,939,404)	(26,986,002)
Equity attributable to the equity holders of the company		27,228,035	94,211,437
Non - controlling interests		122,299	119,121
Total equity		27,350,334	94,330,558
Liabilities			
Non-current liabilities			
Deferred income tax liabilities		2,373,731	2,415,576
Lease liabilities		30,494,012	22,902,608
Total non-current liabilities		32,867,743	25,318,184
Current liabilities			
Loan from related parties	11	125,799,860	-
Provisions	12	48,401,009	48,401,009
Bank overdrafts	13	118,019,557	165,832,406
Trade and notes payables		58,613,602	86,213,009
Creditors and other credit balances	14	95,593,693	88,315,162
Lease liabilities		10,486,533	4,987,677
Current income tax liabilities		354,278	293,767
Total current liabilities		457,268,532	394,043,030
Total liabilities		490,136,275	419,361,214
Total equity and liabilities		517,486,609	513,691,772

- The accompanying notes on pages 7 to 18 form an integral part of these interim condensed consolidated financial statements.

These interim condensed consolidated financial statements were approved and authorized for issue by the board of directors and signed on their behalf on 3 September 2024 by:


Mr. Khaled Kamel
Chief Financial Officer


Dr. Ahmed El Nayeb
Chairman

Limited review report attached.

**MACRO GROUP PHARMACEUTICALS (MACRO CAPITAL) S.A.E
AND ITS SUBSIDIARIES**

**Interim condensed consolidated statement of profit or loss
For the six months period ended 30 June 2024**

(All amounts in Egyptian Pounds)

	Note	Six months ended 30 June		Three months ended 30 June	
		2024	2023	2024	2023
Sales	15	155,252,205	337,235,024	95,716,084	182,034,371
Cost of sales	16	(58,402,003)	(96,196,046)	(35,347,371)	(54,125,423)
Gross profit		96,850,202	241,038,978	60,368,713	127,908,948
Selling and marketing expenses	16	(70,995,791)	(103,472,107)	(35,445,801)	(53,612,033)
General and administrative expenses	16	(56,415,926)	(62,707,022)	(25,870,136)	(29,814,853)
Formed expected credit loss		(34,941,466)	(5,416,283)	-	-
Fair value change of financial asset through profit or loss	17	814,938	-	814,938	-
Other expense - net		582,399	182,500	280,163	(3,735)
Operating (losses)/profit		(64,105,644)	69,626,066	147,877	44,478,327
Finance cost	18	(27,006,429)	(35,295,982)	(11,678,010)	(20,734,940)
Finance income	18	2,335,028	4,074,371	811,955	(207,528)
Net finance cost	18	(24,671,401)	(31,221,611)	(10,866,055)	(20,942,468)
Net (losses)/profit for the period before income tax		(88,777,045)	38,404,455	(10,718,178)	23,535,859
Income tax expense		(18,666)	(9,062,202)	28,415	(3,635,730)
Net (losses) profit for the period		(88,795,711)	29,342,253	(10,689,763)	19,900,129
Profit is attributable to:					
Owners of the parent		(88,798,889)	29,337,607	(10,687,290)	19,892,705
Non - controlling interests		3,178	4,646	(2,473)	7,424
Net (losses) / profit for the period		(88,795,711)	29,342,253	(10,689,763)	19,900,129
Earnings per share from the net profit for the period:					
Basic (losses)/earnings per share	19	(0.16)	0.05	(0.02)	0.03
Diluted (losses)/earnings per share	19	(0.16)	0.05	(0.02)	0.03

- The accompanying notes on pages 7 to 18 form an integral part of these interim condensed consolidated financial statements.

**MACRO GROUP PHARMACEUTICALS (MACRO CAPITAL) S.A.E.
AND ITS SUBSIDIARIES**

**Interim condensed consolidated statement of comprehensive income
For the six months period ended 30 June 2024**

(All amounts in Egyptian Pounds)

	Six months ended 30 June		Three months ended 30 June	
	2024	2023	2024	2023
Net profit for the period	(88,795,711)	29,342,253	(10,689,763)	19,900,129
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive (losses) / income for the period	(88,795,711)	29,342,253	(10,689,763)	19,900,129
Total comprehensive (losses) / income is attributable to:				
Owners of the parent	(88,798,889)	29,337,607	(10,687,290)	19,892,705
Non - controlling interests	3,178	4,646	(2,473)	7,424
Total comprehensive (losses)/income for the period	(88,795,711)	29,342,253	(10,689,763)	19,900,129

- The accompanying notes on pages 7 to 18 form an integral part of these interim condensed consolidated financial statements.

**MACRO GROUP PHARMACEUTICALS (MACRO CAPITAL) S.A.E.
AND ITS SUBSIDIARIES**

**Interim condensed consolidated statement of changes in equity
For the six months period ended 30 June 2024**

(All amounts in Egyptian Pounds)

	Capital	Legal reserve	Other reserve	Treasury shares	Retained earnings / Accumulated Losses	Equity attributable to equity holders	Non-controlling interests	Total
Balance as at 1 January 2023	115,471,700	32,232,799	4,893,349	(24,866,586)	335,101,245	462,832,507	107,542	462,940,049
Acquisition of treasury shares	-	-	-	(29,970,000)	-	(29,970,000)	-	(29,970,000)
Dividends	-	-	-	-	(66,000,000)	(66,000,000)	-	(66,000,000)
Total comprehensive income for the period	-	-	-	-	29,337,607	29,337,607	4,646	29,342,253
Transfer to legal reserve	-	1,516,845	-	-	(1,516,845)	-	-	-
Termination of treasury shares	(1,430,409)	-	-	24,866,586	(23,436,177)	-	-	-
Balance at 30 June 2023	114,041,291	33,749,644	4,893,349	(29,970,000)	273,485,830	396,200,114	112,188	396,312,302
Balance as at 1 January 2024	114,041,291	32,232,799	4,893,349	(29,970,000)	(26,986,002)	94,211,437	119,121	94,330,558
Total comprehensive (loss) / income for the period	-	-	-	-	(88,798,889)	(88,798,889)	3,178	(88,795,711)
Reissuance of treasury shares (note 23)	-	-	-	29,970,000	(8,154,513)	21,815,487	-	21,815,487
Balance at 30 June 2024	114,041,291	32,232,799	4,893,349	-	(123,939,404)	27,228,035	122,299	27,350,334

- The accompanying notes on pages 7 to 18 form an integral part of these interim condensed consolidated financial statements.

**MACRO GROUP PHARMACEUTICALS (MACRO CAPITAL) S.A.E.
AND ITS SUBSIDIARIES**

**Interim condensed consolidated statement of cash flows
For the six months period ended 30 June 2023**

(All amounts in Egyptian Pounds)

	Note	30 June 2024	30 June 2023
Cash flows from operating activities			
Net (losses) / Profit before income tax		(88,777,045)	38,404,455
Adjustments for:			
Depreciation and amortization	16	7,915,776	6,921,219
Interest income	18	(2,335,028)	(1,118,053)
Interest expense	18	25,344,434	35,295,982
Impairment of trade and notes receivables		-	5,416,283
Impairment of inventories		-	2,000,000
Other income - net		(17,006)	(43,034)
Fair value change of financial asset		(814,938)	-
Short term loan forex		1,779,451	-
Operating (losses) / profits before changes in working capital		(56,904,356)	86,876,852
Changes in working capital			
Inventories		15,693,351	(37,757,529)
Trade and notes receivables		26,782,240	30,099,274
Prepayments and other debit balances		(2,094,516)	(3,569,456)
Trade and notes payables		(27,599,407)	(16,872,184)
Creditors and other credit balances		11,983,136	(3,513,451)
Cash flows (used in)/generated from operating activities		(32,139,552)	55,263,506
Income tax paid		-	(51,778,104)
Interest paid		(21,684,983)	(33,209,526)
Net cash flows (used in) / generated from operating activities		(53,824,535)	(29,724,124)
Cash flows from investing activities			
Payments to purchase of property, plant and equipment		(1,870,396)	(5,124,599)
Interest received		2,335,028	1,118,053
Proceeds from reissuance of treasury shares		21,815,487	-
Financial asset through profit or loss		(50,000,000)	-
Net cash flows (used in) investing activities		(27,719,881)	(4,006,546)
Cash flows from financing activities			
Proceeds from facilities and loan from related parties		233,112,708	145,858,388
Repayments of facilities		(157,780,593)	(139,926,109)
Payment for acquisition of treasury shares		-	(29,970,000)
Lease payments		(7,923,476)	(6,007,869)
Dividends paid		(4,704,605)	(6,000,000)
Net cash flows generated / (used in) financing activities		62,704,034	(36,045,590)
Net change in cash and cash equivalents		(18,840,382)	(69,776,260)
Cash and cash equivalents at beginning of the period		75,309,682	186,751,962
Cash and cash equivalents at end of period		56,469,300	116,975,702

- The accompanying notes on pages 7 to 18 form an integral part of these interim condensed consolidated financial statements.

MACRO GROUP PHARMACEUTICALS S.A.E (MACRO CAPITAL) AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial statements For the six months period ended 30 June 2024

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

1. General information

Macro Group Pharmaceuticals (Macro Capital) S.A.E (“the Company”) was established in Cairo - Egypt in 2005 as a general partnership Company according to the provision of law No. 8 of 1997. The Company was registered in the commercial register on 25 January 2005 under No. 6098

In 2010 the articles of association were amended to reflect the change of the legal form of the Company to limited liability Company complying with the law No. 8 of 1997 and its executive regulations and to law No. 95 of 1992 and its executive regulations.

On 1 September 2020, the Company filed a request to the General Authority for Investment and Free zones “GAFI” to approve the conversion of the Company’s legal form from a Limited Liability Company (L.L.C.) to a Joint Stock Company (S.A.E.). “GAFI” approved on 18 January 2021 to change the legal form of the Company under the law no 72 for the year 2017.

The Company's duration is 50 years started from the date of registration in the commercial register.

The registered office of the Company is 83 Al Moltaqa Al Araby, Sheraton Cairo Egypt.

These interim condensed consolidated financial statements comprise the Company and its subsidiaries (together referred to as the “Group”).

The Group is primarily involved in:

- The production of all pharmaceutical products, cosmetic products, sanitizers, Flavour’s taste, colour and odour, production of all types and shapes of hard and liquid soap.
- Operating printing press and producing advertising and packing material.
- Selling of nutraceutical products.
- Manufacturing and production of herbal medications, herbal products, and extracts, nutritional supplements and baby nutrition.

The immediate parent for the Company is LEO I (Mauritius), which is the controlling party. While the ultimate parent Company for the Company is Kingsway fund (Luxembourg).

The Company received approval for its registration with the Financial Regulatory Authority (the “FRA”). The Shares were listed on the Egyptian Exchange (the “EGX”) pursuant to the approval of the EGX listing committee convened on 12 January 2022.

These interim condensed consolidated financial statements have been approved for issuance by the Board of Directors on 3 September 2024.

MACRO GROUP PHARMACEUTICALS S.A.E (MACRO CAPITAL) AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial statements For the six months period ended 30 June 2024

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

2. Basis of preparation of the interim condensed consolidated financial statements

2.1 Compliance with EAS

The interim condensed consolidated financial statements for the financial period ended 30 June 2024 have been prepared in accordance with the requirements of the Egyptian Accounting Standard (30) "Interim Financial Statements".

These interim condensed consolidated financial statements don't contain all the information required in preparing the full annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2023.

The accounting policies adopted in the preparation of this interim condensed consolidated financial statements are consistent with those of the previous financial year and corresponding interim reporting period. In addition, results of the Six months period ended 30 June 2024 are not necessary indicative for the results that may be expected for the financial year ending 31 December 2024.

2.2 New releases and amendments to the Egyptian Accounting Standards

The Prime Minister issued Resolution No. 636 of 2024 on 3rd of March 2024, amending some provisions of the Egyptian Accounting Standards, as follows:

- A) Amending Egyptian Accounting Standard No. 13 "Effects of Changes in Foreign Currency Exchange Rates"
- B) Amending the Egyptian Accounting Standard No. 17 "Separate Financial Statements"
- C) Amending Egyptian Accounting Standard No. 34 "Investment property"

The company has applied the new accounting standards amendments and determined that these amendments do not have a material impact on the financial period end 30 June 2024.

3. Critical accounting estimates and judgments

Information about significant areas of estimation uncertainty and critical judgement in applying accounting policies that have the most significant effect on the amounts recognized in the interim condensed consolidated financial statement is described in the annual consolidated financial statements published for the year ended 31 December 2023.

In preparing these interim condensed consolidated financial statements, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements for the year ended 31 December 2023, Other than the ability to continue as going concern.

Going concern.

The accumulated losses as of 30 June 2024 reached EGP 123,939,404 which cast doubt about the Group's ability to continue as going concern Management prepared these consolidated financial statements on a going concern basis. In making this judgement management considered the Group's financial position, future plans, profitability of operations and access to financial resources, and analyzed the impact of the macro-economic developments on the operations of the Group.

**MACRO GROUP PHARMACEUTICALS S.A.E (MACRO CAPITAL)
AND ITS SUBSIDIARIES**

**Notes to the interim condensed consolidated financial statements
For the six months period ended 30 June 2024**

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

4. Maturities of financial liabilities

The table below summarizes the maturities of the Group's undiscounted financial liabilities at 30 June 2024 and 31 December 2023, based on contractual payment dates and current market interest rates.

	Less than 6 months	Between 6 months & 1 year	Over 1 year
June 2024			
Lease liabilities	6,827,112	8,788,167	38,527,564
Bank overdraft	141,343,048	20,586,694	-
Trade and notes payables	58,613,602	-	-
Creditors and other credit balances	95,593,693	-	-
Loan from related parties	-	135,863,849	-
Total	302,377,455	165,238,710	38,527,564
December 2023			
Lease liabilities	4,428,295	4,202,628	28,209,993
Bank overdraft	145,286,142	33,497,493	-
Trade and notes payables	86,213,009	-	-
Creditors and other credit balances	88,315,162	-	-
Total	324,242,608	37,700,121	28,209,993

**MACRO GROUP PHARMACEUTICALS (MACRO CAPITAL) S.A.E
AND ITS SUBSIDIARIES**

Notes to the interim condensed consolidated financial statements - For the six months ended 30 June 2024

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

5. Property, plant and equipment

	Land	Buildings	Machinery & equipment	Tools	Furniture & fixtures	Computers	Vehicles	Total
At 31 December 2023								
Cost	3,517,148	16,911,728	24,905,940	2,984,404	8,301,761	6,208,668	3,297,568	66,127,217
Accumulated depreciation	-	(3,309,048)	(14,809,121)	(1,547,844)	(2,621,712)	(2,990,752)	(1,804,353)	(27,082,830)
Net book value	3,517,148	13,602,680	10,096,819	1,436,560	5,680,049	3,217,916	1,493,215	39,044,387
Financial period ended 30 June 2024								
Net book value at the beginning of the period	3,517,148	13,602,680	10,096,819	1,436,560	5,680,049	3,217,916	1,493,215	39,044,387
Additions	-	-	1,064,410	-	805,986	-	-	1,870,396
Depreciation expense	-	(155,200)	(622,474)	(59,120)	(316,512)	(378,680)	(180,950)	(1,712,936)
Disposals	-	-	-	-	-	(118,421)	(842,105)	(960,526)
Disposal accumulated depreciation	-	-	-	-	-	52,000	596,782	648,782
Net book value at the end of the period	3,517,148	13,447,480	10,538,755	1,377,440	6,169,523	2,772,815	1,066,942	38,890,103
At 30 June 2024								
Cost	3,517,148	16,911,728	25,970,350	2,984,404	9,107,747	6,090,247	2,455,463	67,037,087
Accumulated depreciation	-	(3,464,248)	(15,431,595)	(1,606,964)	(2,938,224)	(3,317,432)	(1,388,521)	(28,146,984)
Net book value	3,517,148	13,447,480	10,538,755	1,377,440	6,169,523	2,772,815	1,066,942	38,890,103

**MACRO GROUP PHARMACEUTICALS (MACRO CAPITAL) S.A.E
AND ITS SUBSIDIARIES**

**Notes to the interim condensed consolidated financial statements
For the six months period ended 30 June 2024**

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

6. Right of use assets

	Total
At 31 December 2023	
Cost	47,481,502
Accumulated amortization	(23,781,512)
Net book value	23,699,990
Financial period ended 30 June 2024	
Net book value at the beginning of the period	23,699,990
Additions (note 22)	20,383,387
Depreciation expense	(5,968,975)
Adjustments	678,489
disposal	(2,503,396)
Net book value at the end of the period	36,289,495
At 30 June 2024	
Cost	65,361,493
Accumulated amortization	(29,071,998)
Net book value	36,289,495

Right of use assets represent properties rented by the Group.

7. Intangible assets

	Computer software	License	Total
At 31 December 2023			
Cost	2,050,104	3,500,000	5,550,104
Accumulated amortization	(512,526)	(111,127)	(623,653)
Accumulated impairment	-	(3,000,000)	(3,000,000)
Net book value	1,537,578	388,873	1,926,451
Financial period ended 30 June 2024			
Net book value at the beginning of the period	1,537,578	388,873	1,926,451
Amortization expense	(192,198)	(41,667)	(233,865)
Net book value at the end of the period	1,345,380	347,206	1,692,586
At 30 June 2024			
Cost	2,050,104	3,500,000	5,550,104
Accumulated amortization	(704,724)	(152,794)	(857,518)
Accumulated impairment	-	(3,000,000)	(3,000,000)
Net book value	1,345,380	347,206	1,692,586

* Intangible assets represent of computer system used by the Group.

**MACRO GROUP PHARMACEUTICALS (MACRO CAPITAL) S.A.E
AND ITS SUBSIDIARIES**

**Notes to the interim condensed consolidated financial statements
For the six months period ended 30 June 2024**

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

8. Inventories

	30 June 2024	31 December 2023
Finished goods	68,468,680	92,868,679
Raw materials	61,652,532	53,206,043
Packing materials	60,127,603	59,659,400
Work in process	573,207	781,251
Total	190,822,022	206,515,373
Provision for obsolete and slow-moving inventory	(64,952,117)	(64,952,117)
	125,869,905	141,563,256

9. Trade and other receivables

	30 June 2024	31 December 2023
Trade receivables	69,853,089	93,403,519
Notes receivables	206,928,585	175,218,930
Total	276,781,674	268,622,449
Provision for impairment of trade receivable	(54,809,614)	(54,646,543)
Provision for impairment of notes receivables	(83,795,296)	(49,016,902)
Balance	138,176,764	164,959,004

The movement of the provisions for impairment of trades and notes receivables was as follows:

	30 June 2024	31 December 2023
Balance as of 1 January	103,663,445	5,231,389
Formed during the period/ year	34,941,465	98,432,056
Balance	138,604,910	103,663,445

10. Related party transactions

The Group entered into several transactions with other entities fall under the definition of related parties in accordance with the disclosure's requirements of the Egyptian Accounting Standard No. 15 "Related party disclosure". Related parties are represented the Group's board of directors, companies under common ownership and/or common control, key management and Shareholders.

Key management remunerations

Key management remunerations amounted to EGP for the period ended 30 June 2024 5,586,013 (30 June 2023: EGP 5,586,013). These amounts represent short-term employee benefits.

**MACRO GROUP PHARMACEUTICALS (MACRO CAPITAL) S.A.E
AND ITS SUBSIDIARIES**

**Notes to the interim condensed consolidated financial statements
For the six months period ended 30 June 2024**

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

11. Loan from related party

	30 June 2024	31 December 2023
Short term loan – Consumer Health Limited *	125,799,860	-
	125,799,860	-
	30 June 2024	31 December 2023
Opening balance	-	-
Additions	123,144,964	-
Interest	875,445	-
Foreign exchange loss	1,779,451	-
Balance	125,799,860	-

- * Based on the ordinary general assembly decision on 26th of May 2024 approval was granted to obtain a loan from CHI Consumer Healthcare Investment and Enverson International Company (main shareholders) with an amount of EGP 150,000,000 as a maximum limit or the corresponding amount in another currency. The group has received USD 2,597,995 which is equivalent to EGP 123,144,964 as of 30 June 2024. As this loan is due in one year and the loan bears interest of 8%.

12. Provisions

	30 June 2024	31 December 2023
Balance at 1 January	48,401,009	24,362,440
Provision formed during the period/ year	-	32,931,161
Provisions used during the period/ year	-	(3,000,000)
Reclass	-	(5,892,592)
Balance	48,401,009	48,401,009

Provisions relate to claims expected to be made by third parties in connection with the Group's operations. The information usually required by accounting standards is not disclosed because the management believes that to do so would seriously prejudice the outcome of the negotiations with those parties. Management reviews these provisions every period and adjust the amount provided based on latest developments, discussions and agreements with those parties.

**MACRO GROUP PHARMACEUTICALS (MACRO CAPITAL) S.A.E
AND ITS SUBSIDIARIES**

**Notes to the interim condensed consolidated financial statements
For the six months period ended 30 June 2024**

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

13. Banks overdrafts

	30 June 2024	31 December 2023
Short term loan – Bank A	34,552,073	45,805,966
Short term loan – Bank B	83,467,484	96,615,411
Short term loan – Bank C	-	23,411,029
	118,019,557	165,832,406

Movement of bank overdrafts during the six months period ended 30 June 2024 and 30 June 2023 was as follows:

	30 June 2024	30 June 2023
Balance at 1 January	165,832,406	132,635,100
Proceeds from facilities	109,967,744	293,767,647
Repayments of facilities	(157,780,593)	(260,570,341)
Balance	118,019,557	165,832,406

14. Creditors and other credit balances

	30 June 2024	31 December 2023
Tax authority	46,115,537	43,710,518
Accrued expenses	32,768,994	37,860,793
Right of return accrual	13,308,955	-
Advances from customers	2,514,345	1,413,427
Other credit balances	454,217	194,174
Dividends payables	431,645	5,136,250
	95,593,693	88,315,162

15. Sales (net)

	Six months ended 30 June		Three months ended 30 June	
	2024	2023	2024	2023
Local sales	148,914,387	323,942,279	89,548,538	172,216,933
Export sales	6,337,818	13,292,745	6,167,546	9,817,438
	155,252,205	337,235,024	95,716,084	182,034,371

- The sales figure is presented after deducting the sales right of return provision with value of EGP 13,308,955.
- All revenues are recognized at a point in time.

**MACRO GROUP PHARMACEUTICALS (MACRO CAPITAL) S.A.E
AND ITS SUBSIDIARIES**

**Notes to the interim condensed consolidated financial statements
For the six months period ended 30 June 2024**

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

16. Expenses by nature

	Six months ended 30 June		Three months ended 30 June	
	2024	2023	2024	2023
Cost of sales	58,402,003	96,196,046	35,347,371	54,125,423
Selling and marketing expenses	70,995,791	103,472,107	35,445,801	53,612,033
General and administrative expenses	56,415,926	62,707,022	25,870,136	29,814,853
	185,813,720	262,375,175	96,663,308	137,552,309
	Six months ended 30 June		Three months ended 30 June	
	2024	2023	2024	2023
Staff costs	98,576,016	111,227,573	46,811,519	56,340,074
Raw material cost	44,954,357	83,493,121	28,064,815	47,440,703
Marketing and advertising expenses	7,218,020	19,917,337	4,318,469	11,705,078
Right of use amortization	5,968,975	4,728,811	3,249,251	2,411,443
Meetings and accommodation expenses	5,314,684	6,479,122	2,614,508	2,686,943
Professional fees	4,488,748	7,906,729	1,995,806	4,122,909
License and subscription fees	4,172,559	3,387,052	2,287,259	1,340,632
Transportation and travel expenses	3,525,086	5,057,415	1,529,181	2,609,649
Repair and maintenance	1,986,796	1,134,657	1,167,545	536,372
Depreciation expense	1,712,936	1,809,057	865,267	992,796
Other expenses	1,600,725	2,347,035	630,059	1,054,329
Goods distribution expense	1,470,440	2,747,772	1,026,292	1,245,335
Storage Expenses	1,397,687	-	519,333	-
Supplies	1,145,042	1,972,995	409,521	683,984
Security	749,130	712,602	367,979	268,704
Utilities expense	730,821	732,175	344,900	355,331
Health insurance	414,531	853,184	262,200	459,366
Intangible assets amortization	233,865	383,351	116,933	205,559
Low value rent	148,408	3,247,039	79,841	1,493,859
Bank Charges	4,894	-	2,630	-
Stamping	-	1,058,800	-	785,217
Trainings	-	1,179,348	-	814,026
Inventory provisions	-	2,000,000	-	-
	185,813,720	262,375,175	96,663,308	137,552,309

**MACRO GROUP PHARMACEUTICALS (MACRO CAPITAL) S.A.E
AND ITS SUBSIDIARIES**

**Notes to the interim condensed consolidated financial statements
For the six months period ended 30 June 2024**

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

17. Financial assets at fair value through profit or loss

	30 June 2024	31 December 2023
Subscriptions in money market fund – Current portion	50,814,938	-
Balance	50,814,938	-

The below amounts are recognized in the consolidated statement of profit or loss:

	For the 6 months ended 30 June 2024	For the 6 months ended 30 June 2023	For the 3 months ended 30 June 2024	For the 3 months ended 30 June 2023
NI capital Siula fund change in fair value	814,938	-	814,938	-
	814,938	-	814,938	-

* The group has invested EGP 50 million in a money market fund “Siula fund” with daily interest which granted the group 3,231,452 subscriptions. The subscription fair value as of 30 June 2024 was EGP 15.72511 per investment certificate resulting in a gain of EGP 814,938 as a change in fair value of the fund.

18. Net finance cost

	Six months ended 30 June 2024	2023	Three months ended 30 June 2024	2023
Interest income	2,335,028	1,118,053	1,541,469	312,835
Foreign exchange gain	-	2,956,318	(729,514)	(520,363)
Finance income	2,335,028	4,074,371	811,955	(207,528)
Accelerated payment discount	(4,653,810)	(23,276,452)	-	(15,064,336)
Interest expense	(17,906,618)	(9,933,074)	(8,231,870)	(4,589,544)
Lease interest expense	(2,784,006)	(2,086,456)	(1,784,145)	(1,081,060)
Foreign exchange loss	(1,661,995)	-	(1,661,995)	-
Finance cost	(27,006,429)	(35,295,982)	(11,678,010)	(20,734,940)
Net finance cost	(24,671,401)	(31,221,611)	(10,866,055)	(20,942,468)

**MACRO GROUP PHARMACEUTICALS (MACRO CAPITAL) S.A.E
AND ITS SUBSIDIARIES**

**Notes to the interim condensed consolidated financial statements
For the six months period ended 30 June 2024**

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

19. (Losses) / Earnings per share

Basic earnings per share is calculated by dividing the net profit for the period attributable to the shareholders of the parent company by the weighted average number of ordinary shares issued during the period.

	Six months ended 30 June		Three months ended 30 June	
	2024	2023	2024	2023
Net (loss)/ for the period attributable to the shareholders of the parent company	(88,798,889)	29,337,607	(10,687,290)	19,892,705
Weighted average number of ordinary issued and paid shares	569,258,500	565,731,318	577,358,500	577,358,500
Basic (losses) / earnings per share	(0.16)	0.05	(0.02)	0.03

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group does not have any categories of dilutive potential ordinary shares on 30 June 2024 and 30 June 2023, hence the diluted earnings per share is the same as the basic earnings per share.

20. Segment reporting

The Group's activities are organised into one segment which is wholly related to the manufacturing and sale of cosmetics. This is in accordance with the presentations to the Board of Directors. Therefore, entity wide information required under EAS 41 "operating segments" are already included in the interim condensed consolidated financial statements, so no further information require disclosures.

21. Contingent liabilities

The Group has no contingent liabilities in respect of letters of credit arising from ordinary course of business as of 30 June 2024.

22. Non-cash transactions

- The increase in the right of use assets amounted to EGP 20,383,387 against the increase in the Lease liability by same amount.

**MACRO GROUP PHARMACEUTICALS (MACRO CAPITAL) S.A.E
AND ITS SUBSIDIARIES**

**Notes to the interim condensed consolidated financial statements
For the six months period ended 30 June 2024**

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

23. Significant events

Based on the Board of Directors' decision dated 21 March 2024, approval was granted to sell 8,100,000 shares, and the sale was made for a total amount of EGP 21,815,487. These shares represent the total treasury shares previously purchased by the Company. The sale resulted in a loss of EGP 8,145,513, which has been added to the accumulated losses with the equity section.

The Monetary Policy Committee of the Central Bank of Egypt decided to raise the deposit and lending interest rates by 200 basis points on 1 February 2024, then by 600 basis points on 6 March 2024. The credit and discount rates were also raised by 600 basis points on 6 March 2024.

The Central Bank of Egypt has announced allowing the exchange rate of foreign currencies against the Egyptian pound to be determined according to market mechanisms as of 6 March 2024.