

**THE JORDANIAN PHARMACEUTICAL MANUFACTURING CO.**

**PUBLIC SHAREHOLDING COMPANY**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (UNAUDITED)**

**31 MARCH 2023**

## Report on Review of Interim Condensed Consolidated Financial Statements

H.E. The Chairman and Board of Directors Members

The Jordanian Pharmaceutical Manufacturing Company - Public Shareholding Company

Amman - Jordan

### Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of The Jordanian Pharmaceutical Manufacturing Company – Public Shareholding Company (the “Company”) and its subsidiaries (the “Group”) as at 31 March 2023, comprising of the interim consolidated statement of financial position as at 31 March 2023 and the related interim consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three months period then ended and explanatory information. The management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard IAS 34 (Interim Financial Reporting). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.

### Business Solutions for Auditing



Amman - Jordan  
29 April 2023



**THE JORDANIAN PHARMACEUTICAL MANUFACTURING COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2023**

	Note	31 March 2023 JD (Unaudited)	31 December 2022 JD (Audited)
<b>ASSETS</b>			
<b>Non-current assets -</b>			
Right of use assets		7,343,858	7,382,184
Property, plant and equipment	3	4,448,573	3,909,225
Intangible assets		2,031,714	2,058,608
Investment in associates		3,413,233	3,413,233
Differed tax assets		1,368,350	1,368,350
Financial assets at fair value through other comprehensive income		319,419	319,419
		<u>18,925,147</u>	<u>18,451,019</u>
<b>Current assets -</b>			
Inventory		6,316,345	6,516,343
Other receivables		612,208	922,107
Due from related parties	4	1,182,968	1,182,968
Accounts receivables		12,654,950	17,046,536
Letters of credit under collection		342,458	492,905
Checks under collection		1,076,655	622,688
Cash and bank balances	5	2,693,137	2,608,016
		<u>24,878,721</u>	<u>29,391,563</u>
<b>Total Assets</b>		<u>43,803,868</u>	<u>47,842,582</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Attributable to equity holders of the parent -</b>			
Paid in capital	1	69,756,944	69,756,944
Share discount	1	(32,444,444)	(32,444,444)
Statutory reserve		216,424	216,424
Cumulative change in fair value through other comprehensive income		(2,197,632)	(2,197,632)
Accumulated losses		(35,369,455)	(33,202,985)
		<u>(38,163)</u>	<u>2,128,307</u>
Non-controlling interests		147,350	153,243
<b>Net equity</b>		<u>109,187</u>	<u>2,281,550</u>
<b>Liabilities</b>			
<b>Non-current liabilities -</b>			
Deferred gain from sale and lease back		1,062,432	1,091,147
Lease liabilities	6	6,372,485	6,496,635
Murabaha financing		19,832,233	20,396,326
Notes payable		4,847,189	5,086,802
		<u>32,114,339</u>	<u>33,070,910</u>
<b>Current liabilities -</b>			
Current portion of deferred gain on sale and lease back		114,858	114,858
Current portion of lease liabilities	6	552,432	543,438
Current portion of murabaha financing		2,249,218	1,936,142
Current portion of notes payable		967,691	969,742
Due to related parties	4	986,190	1,242,448
Accounts payables		2,335,339	2,799,091
Other payables		4,374,614	4,884,403
		<u>11,580,342</u>	<u>12,490,122</u>
<b>Total Liabilities</b>		<u>43,694,681</u>	<u>45,561,032</u>
<b>Total Equity and Liabilities</b>		<u>43,803,868</u>	<u>47,842,582</u>

**THE JORDANIAN PHARMACEUTICAL MANUFACTURING COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2023 (UNAUDITED)**

	Note	For the three months ended 31 March	
		2023	2022
		JD	JD
Net sales		2,044,664	3,711,421
Cost of sales		(2,251,437)	(2,525,522)
<b>Gross (Loss) profit</b>		<b>(206,773)</b>	<b>1,185,899</b>
Selling and distribution expenses		(493,982)	(662,489)
Administrative expenses		(553,558)	(621,837)
Donations		(290,570)	-
Finance costs		(310,786)	(285,551)
Research and study expenses		(98,798)	(88,902)
Impairment losses and amortization of intangible assets		(28,644)	(27,941)
Expired goods		(162,114)	(46,113)
Other income and expenses, net		(27,138)	(2,551)
<b>Loss for the period before income tax</b>		<b>(2,172,363)</b>	<b>(549,485)</b>
Income tax for the period		-	-
<b>Loss for the period</b>		<b>(2,172,363)</b>	<b>(549,485)</b>
<b>Loss for the period attributable to:</b>			
Shareholders of the parent company		(2,166,470)	(545,556)
Non-controlling interests		(5,893)	(3,929)
		<b>(2,172,363)</b>	<b>(549,485)</b>
		JD/Fils	JD/Fils
<b>Basic and diluted loss per share for the period</b>			
<b>attributable to shareholders of the parent company</b>	8	<b>(0/031)</b>	<b>(0/008)</b>

**THE JORDANIAN PHARMACEUTICAL MANUFACTURING COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2023 (UNAUDITED)**

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	Note	For the three months ended 31 March	
		2023	2022
		JD	JD
<b>Loss for the period</b>		(2,172,363)	(549,485)
<b>Other comprehensive income items that may be reclassified to profit or loss in subsequent periods, net of tax</b>			
Foreign currency translation differences		-	(2,322)
<b>Total comprehensive income for the period</b>		<u>(2,172,363)</u>	<u>(551,807)</u>
<b>Attributable to:</b>			
Shareholders of the parent company		(2,166,470)	(547,870)
Non-controlling interests		(5,893)	(3,937)
		<u>(2,172,363)</u>	<u>(551,807)</u>

**THE JORDANIAN PHARMACEUTICAL MANUFACTURING COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2023 (UNAUDITED)**

Attributable to equity holders of the parent company

	Paid-in capital		Share discount		Capital increase		Statutory reserve		Cumulative change in fair value of financial assets at fair value through other comprehensive income		Foreign currency translation differences		Accumulated losses		Total		Non-controlling interests		Net equity	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>Balance as at 1 January 2023</b>	69,756,944	-	(32,444,444)	216,424	-	(2,197,632)	-	(33,202,985)	2,128,307	153,243	2,281,550									
Losses for the year	-	-	-	-	-	-	-	(2,166,470)	(2,166,470)	(5,893)	(2,172,363)									
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-									
Balance as at 31 March 2023	69,756,944	-	(32,444,444)	216,424	-	(2,197,632)	-	(35,369,455)	(38,163)	147,350	109,187									
<b>Balance as at 1 January 2022</b>	25,312,500	-	-	219,115	12,000,000	(2,323,510)	(88,930)	(33,271,614)	1,847,561	106,792	1,954,353									
Losses for the year	-	-	-	-	-	-	-	(545,556)	(545,556)	(3,929)	(549,485)									
Other comprehensive income	-	-	-	-	-	-	(2,314)	-	(2,314)	(8)	(2,322)									
Balance as at 31 March 2022	44,444,444	-	(32,444,444)	219,115	(12,000,000)	-	(2,314)	(545,556)	(547,870)	(3,937)	(551,807)									
Balance as at 31 March 2022	69,756,944	-	(32,444,444)	219,115	-	(2,323,510)	(91,244)	(33,817,170)	1,299,691	102,855	1,402,546									

The attached notes from 1 to 12 form part of these interim condensed consolidated financial statements

**THE JORDANIAN PHARMACEUTICAL MANUFACTURING COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2023 (UNAUDITED)**

	Note	For the three months ended 31 March	
		2023 JD	2022 JD
<b><u>OPERATING ACTIVITIES</u></b>			
Loss for the period		(2,172,363)	(549,485)
<b>Adjustments for:</b>			
Depreciation and amortization		209,295	169,972
Finance costs		310,786	285,551
		<u>(1,652,282)</u>	<u>(93,962)</u>
<b>Changes in working capital-</b>			
Inventory		199,998	(174,924)
Due from related parties		-	(2,032)
Accounts receivables		4,391,586	(1,454,299)
Letters of credit under collection		150,447	324,088
Checks under collection		(453,967)	223,572
Other receivables		309,899	(203,128)
Accounts payables		(463,752)	(145,244)
Other payables		(509,789)	(1,260,831)
Due to related parties		(256,258)	(1,538)
<b>Net cash flows from (used in) operating activities</b>		<u>1,715,882</u>	<u>(2,788,298)</u>
<b><u>INVESTING ACTIVITIES</u></b>			
Purchase of property, plant and equipment	3	(683,423)	(249,692)
Purchase of intangible assets		-	(18,110)
<b>Net cash flows used in investing activities</b>		<u>(683,423)</u>	<u>(267,802)</u>
<b><u>FINANCING ACTIVITIES</u></b>			
Lease liabilities paid		(143,871)	(143,606)
Notes payables		(241,664)	(316,302)
Murabaha financing		(251,017)	943,210
Finance costs paid		(310,786)	(285,551)
<b>Net cash flows (used in) from financing activities</b>		<u>(947,338)</u>	<u>197,751</u>
<b>Net increase (decrease) in cash and cash equivalents</b>		85,121	(2,858,349)
Translation differences		-	(2,322)
Cash and cash equivalents at the beginning of the period	5	<u>2,608,016</u>	<u>10,479,516</u>
<b>Cash and cash equivalents at the end of the period</b>	5	<u>2,693,137</u>	<u>7,618,845</u>

**THE JORDANIAN PHARMACEUTICAL MANUFACTURING COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2023 (UNAUDITED)**

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**(1) GENERAL**

The Jordanian Pharmaceutical Manufacturing Company (the "Company") was established on 27 January 2004 as a Public Shareholding Company, Keep 347 as a result of the merger between Al Razi for Pharmaceutical Manufacturing a public shareholding company and the Jordanian Company for the Production of Medicines and Medical Equipment a limited liability company, with an authorized capital and paid in capital of JD 25,312,500 divided into 25,312,500 shares at par value of JD1 per share.

The general assembly of The Jordan Pharmaceutical Production Company has resolved in its extraordinary meeting held on 29 November 2021 to increase the capital of the company from 25,312,500 share/JD to 69,756,944 share/JD, by allocating the increased shares (44,444,444 shares) to some shareholders, with issuance discount of 0.73 piasters per share, and by the value of JD 12,000,000. The legal procedures were completed on 11 January 2022.

The head office of the Company is located in Amman - The Hashemite Kingdom of Jordan.

The Company's main objective is the production of medical, chemical, and pharmaceutical products.

The interim condensed consolidated financial statements were approved by the Board of Directors on 29 April 2023.

**INVESTORS WITH SIGNIFICANT INFLUENCE ON THE GROUP:**

Jordan Islamic Bank and Rimco for Investment Company owns 88.8% and 4.6% of the Company's issued shares, respectively.

**(2-1) BASIS OF PREPARATION**

The interim condensed consolidated financial statements for the period ended on 31 March 2023 are prepared in accordance with IAS 34 ("Interim Financial Information").

The interim condensed consolidated financial statements are presented in Jordanian Dinars ("JD") which is the functional currency of the Company.

The interim condensed consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income that have been measured at fair value as at the date of the interim condensed consolidated financial statements.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Company's annual financial statements as at 31 December 2022. In addition, the results for the three months ended 31 March 2023 are not necessarily indicative of the results that may be expected for the financial year ending on 31 December 2023.

**THE JORDANIAN PHARMACEUTICAL MANUFACTURING COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2023 (UNAUDITED)**

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**(2-2) CHANGES IN ACCOUNTING POLICES**

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023:

**Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2**

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide nonmandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The amendments did not have material impact on the Interim condensed consolidated financial statements of the Group.

**IFRS 17 Insurance Contracts**

IFRS 17 provides a comprehensive model for insurance contracts covering the recognition and measurement and presentation and disclosure of insurance contracts and replaces IFRS 4 - Insurance Contracts. The standard applies to all types of insurance contracts (i.e. life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The standard general model is supplemented by the variable fee approach and the premium allocation approach.

The amendments did not have material impact on the Interim condensed consolidated financial statements of the Group.

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**Amendments to IAS 1: Classification of Liabilities as Current or Non-current**

In January 2021, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

what is meant by a right to defer settlement,  
the right to defer must exist at the end of the reporting period,  
that classification is unaffected by the likelihood,  
that an entity will exercise its deferral right,  
and that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments did not have material impact on the Interim condensed consolidated financial statements of the Group.

**Definition of Accounting Estimates - Amendments to IAS 8**

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments did not have material impact on the Interim condensed consolidated financial statements of the Group.

**(2-3) BASIS OF CONSOLIDATION**

The interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries (the "Group") as at 31 March 2023. The subsidiaries that are included in the consolidated financial statements are as follow:

<u>Subsidiary Name</u>	<u>Capital</u>	<u>Principal activities</u>	<u>Country of incorporation</u>	<u>Ownership percentage</u>
	(JD)			
Dellas for Natural Products Co.	150,000	Industrial	Jordan	93.33%
Swagh for Pharmaceutical Manufacturing Co.	150,000	Industrial	Jordan	93.33%
Aragen for Technical Organic Co.	1,400,000	Industrial	Jordan	100%
Aragen for Technical Organic Co. (Free-Zone)	30,000	Industrial	Jordan	100%
Tafahom Algerian Jordanian Co.	10,000	Marketing	Jordan	51%

The control exists when the Group controls the subsidiaries' significant and relevant activities, and is exposed, or has the rights, to variable returns from its involvement with the subsidiaries, and has

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the ability to affect those returns. Control over the subsidiaries is exercised when the following factors exist:

- 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.

When the Group owns less than a majority of the voting rights in an investee, in this case, the Group considers all factors and circumstances to determine whether it has control over the investee, which include the following:

- Contractual agreements with shareholders that have voting rights in the investee.
- Rights resulting from other contractual arrangements.
- The Group's current and future voting rights in the investee.

The Group reassesses its control over the investee when circumstances and factors exist that lead to the change in one or more of the three factors listed above.

Subsidiaries are fully consolidated from the date of acquisition being the date on which the Group gains control, and continues to do so until the date when such control ceases. The subsidiaries revenues and expenses are consolidated in the consolidated statement of comprehensive income from the date the Group gains control over the subsidiaries until that control ceases.

Profits, losses, and all other comprehensive income items are attributed to the shareholders' equity of the parent company, and to non-controlling interest, even if this leads to a deficit balance. If need arises, the subsidiaries' financial statements are adjusted accordingly to comply with the Group's accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
  - Derecognises the carrying amount of any non-controlling interest
  - Derecognises the cumulative translation differences recorded in equity
  - Recognises the fair value of the consideration received
  - Recognises the fair value of any investment retained
  - Recognises any surplus or deficit in the statement of profit or loss and other comprehensive income
  - Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.
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**THE JORDANIAN PHARMACEUTICAL MANUFACTURING COMPANY - PUBLIC SHAREHOLDING COMPANY**  
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**(3) PROPERTY, PLANT AND EQUIPMENT**

During the three months period ended 31 March 2023, the Company purchased property, plant and equipment by the amount of JD 683,423 (31 March 2022: JD 249,692).

**(4) RELATED PARTIES BALANCES AND TRANSACTIONS**

Related parties represent major shareholders, directors and key management personnel of the Company, associates Company's and entities significantly controlled by them. Pricing policies and terms of the transactions are approved by the Company's management.

Balances with related parties as shown in the interim consolidated statement of financial position are as follows:

	<u>Nature of relationship</u>	<u>31 March 2023</u>	<u>31 December 2022</u>
		JD (Unaudited)	JD (Audited)
<b>Due from related parties:</b>			
The Algerian Jordanian for Drugs import Co.	Associate Company	1,182,968	1,182,968
<b>Due to related parties:</b>			
The Algerian Jordanian for Drugs import Co.	Associate Company	983,736	983,736
Dr. Adnan Badwan	Related Party	-	256,258
Azal pharmaceutical company	Associate Company	2,454	2,454
		<u>986,190</u>	<u>1,242,448</u>
<b>Lease liabilities:</b>			
Jordan Islamic Bank	Major Shareholder	6,924,917	7,040,073
<b>Murabaha financing:</b>			
Jordan Islamic Bank	Major Shareholder	22,081,451	22,332,468
<b>Other liabilities:</b>			
Amounts due to Board of Directors members	Board Members	199,478	226,738

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The following is a summary of transactions with related parties that appear in the interim consolidated statement of profit or loss:

	<u>Nature of relationship</u>	For the three months ended 31 March	
		2023	2022
		JD (unaudited)	JD (unaudited)
<b>Finance costs:</b>			
Jordan Islamic Bank	Major Shareholder	<u>310,786</u>	<u>285,551</u>
<b>Administrative expenses</b>			
Board members transportation allowance	Board Members	<u>25,300</u>	<u>24,000</u>

Short term salaries, transportation and other benefits of key management personnel amounted to JD 95,325 for the period ended 31 March 2023 (for the period ended 31 March 2022: JD 95,325).

**(5) CASH AND CASH EQUIVALENTS**

	31 March 2023	31 December 2022
	JD (Unaudited)	JD (Audited)
Bank current invest portfolio	1,607,000	1,929,000
Bank balances	1,080,847	675,474
Cash on hand	<u>5,289</u>	<u>3,542</u>
<b>Cash and bank balances</b>	<u><u>2,693,136</u></u>	<u><u>2,608,016</u></u>

**(6) LEASE LIABILITY**

This item includes accrued and unpaid lease installments by the amount of JD 73,263 as at 31 March 2023.

**(7) INCOME TAX**

**The Jordanian Pharmaceutical Manufacturing Company**

The Company obtained a final clearance from the Income Tax Department until the end of 2020. The Company has also submitted 2021 and 2022 income tax return to the Income and Sales Tax Department within the legal timeframe.

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**Dellas for Natural Products Company-**

The Company obtained a final clearance from the Income Tax Department until the end of 2018. The Company has also submitted 2019, 2020, 2021 and 2022 income tax returns to the Income and Sales Tax Department within the legal timeframe.

**Aragen for Technical Organic Company-**

The Company obtained a final clearance from the Income Tax Department until the end of 2018. The Company has also submitted 2019, 2020, 2021 and 2022 income tax returns to the Income and Sales Tax Department within the legal timeframe.

**Swagh for Pharmaceutical Manufacturing Company-**

The Company obtained a final clearance from the Income Tax Department until the end of 2018. The Company has also submitted 2019, 2020, 2021 and 2022 income tax returns to the Income and Sales Tax Department within the legal timeframe.

**Al Tafahum Algerian Jordanian Company-**

The Company submitted 2022 income tax returns to the Income and Sales Tax Department within the legal timeframe.

**(8) LOSS PER SHARE FOR THE PERIOD**

	For the three months period ended 31 March	
	2023	2022
Loss for the period (JD)	(2,166,470)	(545,556)
Weighted average number of shares (share)	69,756,944	69,756,944
	JD/Fils	JD/Fils
Basic and diluted loss per share for the period	<u>(0/031)</u>	<u>(0/008)</u>

**(9) SEGMENT INFORMATION**

For management purposes, the Company is organized based on the reports which are used by the General Manager and the main Decision Maker of the Company through the geographical distribution of sales and the geographical distribution of assets and liabilities.

**THE JORDANIAN PHARMACEUTICAL MANUFACTURING COMPANY - PUBLIC SHAREHOLDING COMPANY**  
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The geographical distribution of sales, cost of sales, gross profit and type of sold items are as follows:

	for the three months ended 31 March					
	Inside Jordan		Outside Jordan		Total	
	2023	2022	2023	2022	2023	2022
	JD	JD	JD	JD	JD	JD
Net sales	1,140,734	1,787,339	903,930	1,924,082	2,044,664	3,711,421
Cost of sales	(1,256,095)	(1,216,277)	(995,343)	(1,309,245)	(2,251,437)	(2,525,522)
<b>Gross profit</b>	<b>(115,361)</b>	<b>571,062</b>	<b>(91,413)</b>	<b>614,837</b>	<b>(206,773)</b>	<b>1,185,899</b>
<b>Other information:</b>						
Depreciation and amortization	209,295	169,972	-	-	209,295	169,972
Finance costs	310,786	269,801	-	15,750	310,786	285,551

The geographical distribution of assets, liabilities is as follows:

	Inside Jordan		Outside Jordan		Total	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	JD	JD	JD	JD	JD	JD
Total assets	16,520,958	34,934,623	12,090,910	12,907,959	43,803,868	47,842,582
Total liabilities	42,057,423	44,008,165	1,637,258	1,552,867	43,694,681	45,561,032

**(10) LAWSUITS HELD AGAINST THE COMPANY**

There are cases filed against the company for an amount of JD 698,095 as on 31 March 2023, and this is within the normal activity of the company, and in the discretion of the management and its legal advisor, the company will not have substantial obligations in response to these cases.

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**(11) COMMITMENTS AND CONTINGENCIES**

As of the date of these interim condensed consolidated financial statements, the Company has the following commitments and contingencies:

	<u>31 March 2023</u>	<u>31 December 2022</u>
	JD (Unaudited)	JD (Audited)
<b>Commitments and contingencies:</b>		
Letters of credit	-	223,043
Bank guarantees	2,865,359	3,361,822
Bills of collection	-	-

**(12) FAIR VALUES**

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

**Level 1:** quoted prices (unadjusted) in active markets for financial assets.

**Level 2:** inputs other than quoted prices included within Level I that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instrument evaluated based on: Prices quoted in active markets for similar instruments or through the use of valuation model that includes inputs that can be traced to markets, these inputs could be defended directly or indirectly.

**Level 3:** inputs for the asset or liability that are not based on observable market data.

**A- Financial assets and liabilities that are measured at fair value:**

	<u>Book value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	JD	JD	JD	JD
<b>As at 31 March 2023 (Unaudited)</b>				
Financial assets at fair value through other comprehensive income	319,419	-	-	319,419
<b>As at 31 December 2022 (Audited)</b>				
Financial assets at fair value through other comprehensive income	319,419	-	-	319,419

The management believes that the book value of financial assets and liabilities are not materially different from its fair value.

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**B- Financial assets and liabilities that are not measured at fair value:**

	<u>31 March 2022</u>	<u>31 December 2021</u>
	JD	JD
<b>Book value</b>	(Unaudited)	(Audited)
Cash and bank balances	2,693,137	2,608,016
Due from related parties	1,182,968	1,182,968
Accounts receivables	12,654,950	17,046,536
Letters of credit under collection	342,458	492,905
Checks under collection	1,076,655	622,688
Lease liabilities	6,924,917	7,040,073
Murabaha financing	22,081,451	22,332,468
Notes payables	5,814,880	6,056,544
Due to related parties	986,190	1,242,448
Accounts payables	2,335,339	2,799,091

The management believes that the book value of financial assets and liabilities are not materially different from its fair value.