

**The Arab Pesticides & Veterinary Drugs Mfg. Co.**  
**Public Shareholding Company**  
**Consolidated Financial Statements**  
**31 December 2025**

**The Arab Pesticides & Veterinary Drugs Mfg. Co.**  
**Public Shareholding Company**

---

	<u><b>Pages</b></u>
- Independent auditors' report	2 – 4
- Consolidated statement of financial position	5
- Consolidated statement of profit or loss	6
- Consolidated statement of comprehensive income	7
- Consolidated statement of changes in equity	8
- Consolidated statement of cash flows	9
- Notes to the consolidated financial statements	10 – 23

## INDEPENDENT AUDITOR'S REPORT

**To The Shareholders of  
The Arab Pesticides & Veterinary Drugs Mfg. Co.  
Public Shareholding Company  
Irbid - Jordan**

### **Opinion**

We have audited the consolidated financial statements of **The Arab Pesticides & Veterinary Drugs Mfg. Co. PLC** which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Hashemite Kingdom of Jordan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matter**

The accompanying consolidated financial statements include a land amounting to JOD (602,940) not registered in the name of the Company.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

#### **(1) Provision for Expected Credit Loss**

Included in the accompanying consolidated financial statements at the end of the year 2025 financial assets totaling JOD (21,018,072), as the provision for the expected credit loss of these financial assets are dependent on the management's estimates of different variables, the adequacy of the provision is considered a key audit matter. The audit procedures performed by us to address this key audit matter included inquiring from management about the methodology used in calculating the provision and assessing the reasonableness of estimates and assumptions used by the management in calculating the provision amount. We have also inquired about the management's collection procedures and the amounts collected post year end.

## **(2) Cost of Finished Goods and Work in Progress**

Included in the accompanying consolidated financial statements at the end of the year 2025 finished goods and work in progress totaling JOD (5,261,316) as determining the cost of these goods involve the calculation of an overhead application rate based on the plant normal capacity, we considered determining the cost of finished goods and work in progress a key audit matter. The audit procedures performed by us to address this key audit matter included assessing the appropriateness of the underlying data used by management in determining the overhead application rate. We have also inspected sales invoices to assess whether inventory is being sold at a higher value than its cost by comparing sales price to values at which it is held in the Company's inventory records.

### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

The **Arab Pesticides & Veterinary Drugs Mfg. Co. PLC** as at **31 December 2025** maintains proper accounting records and the accompanying consolidated financial statements are in agreement therewith and with the financial data presented in the Board of Directors' report, and we recommend the General Assembly to approve it.

18 March 2026  
Amman – Jordan



**Arab Professionals**  
**Amin Samara**  
License No. (481)

**The Arab Pesticides & Veterinary Drugs Mfg. Co.**  
**Public Shareholding Company**  
**Consolidated Statement of Financial Position**  
**As at 31 December 2025**  
**(In Jordanian Dinar)**

	Notes	2025	2024
<b>Assets</b>			
<b>Non - current assets</b>			
Property, plant and equipment	3	8,873,576	8,669,432
Projects under construction	4	4,631,905	3,705,335
Investment in associate	5	724,667	630,346
Financial assets at fair value through other comprehensive income	6	266,029	237,090
<b>Total non - current assets</b>		<u>14,496,177</u>	<u>13,242,203</u>
<b>Current assets</b>			
Inventory	7	18,038,373	16,998,535
Other current assets	8	4,254,646	2,347,059
Accounts receivable	9	15,491,683	14,070,620
Checks under collection		2,054,181	2,233,867
Cash and cash equivalents	10	6,937,594	8,203,010
<b>Total current assets</b>		<u>46,776,477</u>	<u>43,853,091</u>
<b>Total assets</b>		<u><b>61,272,654</b></u>	<u><b>57,095,294</b></u>
<b>Equity and liabilities</b>			
<b>Equity</b>	11		
Paid - in capital		16,500,000	16,500,000
Additional paid in capital		1,500,000	1,500,000
Statutory reserve		4,125,000	4,125,000
Voluntary reserve		2,118,949	2,118,949
Changes in foreign exchange rate		(3,150,623)	(3,095,919)
Retained earnings		19,597,017	15,373,503
<b>Total Shareholder's Equity</b>		<u>40,690,343</u>	<u>36,521,533</u>
Non-controlling interest		9,033,570	8,727,356
<b>Total equity</b>		<u>49,723,913</u>	<u>45,248,889</u>
<b>Liabilities</b>			
<b>Non - current liabilities</b>			
Credit facilities - long term	13	2,543,776	2,786,182
Notes payable - long term	12	23,766	76,070
Provision for end of services indemnity		568,761	522,272
<b>Total non - current liabilities</b>		<u>3,136,303</u>	<u>3,384,524</u>
<b>Current liabilities</b>			
Credit facilities - short term	13	3,794,286	3,183,843
Notes payable - short term	12	1,088,420	1,170,849
Postdated checks		159,628	144,151
Accounts payable		1,832,409	2,190,235
Other current liabilities	14	1,537,695	1,772,803
<b>Total current liabilities</b>		<u>8,412,438</u>	<u>8,461,881</u>
<b>Total liabilities</b>		<u>11,548,741</u>	<u>11,846,405</u>
<b>Total equity and liabilities</b>		<u><b>61,272,654</b></u>	<u><b>57,095,294</b></u>

"The accompanying notes from (1) to (26) are integral part of these consolidated financial statements"

The Arab Pesticides & Veterinary Drugs Mfg. Co.  
Public Shareholding Company  
Consolidated Statement of Profit or Loss  
For the year ended 31 December 2025  
  
(In Jordanian Dinar)

	Notes	2025	2024
Net sales	15	35,881,999	35,708,446
Cost of sales	16	(23,520,339)	(23,720,364)
<b>Gross profit</b>		<b>12,361,660</b>	<b>11,988,082</b>
Share from associate company results	5	255,525	342,586
Selling and distribution expenses	18	(1,635,618)	(1,468,359)
Administrative expenses	19	(2,439,648)	(2,320,807)
Financing expenses		(452,023)	(328,039)
Provision for expected credit losses	9	(220,000)	(442,500)
Provision for slow moving and expired inventories	7	(50,000)	(100,000)
Bank deposits interest income		255,312	79,423
Other income		53,332	59,853
Board of Directors remunerations		(45,000)	(45,000)
<b>Profit for the year before tax</b>		<b>8,083,540</b>	<b>7,765,239</b>
Income and National Contribution tax expense for the year	20	(661,512)	(521,307)
<b>Profit for the year</b>		<b>7,422,028</b>	<b>7,243,932</b>
<b>Attributable to:</b>			
Shareholders of the company		6,038,514	5,700,192
Non-controlling interest		1,383,514	1,543,740
		<b>7,422,028</b>	<b>7,243,932</b>
 <b>Basic and diluted earnings per share attributed to shareholders</b>	 21	 <b>0.366</b>	 <b>0.345</b>

"The accompanying notes from (1) to (26) are integral part of these consolidated financial statements"

The Arab Pesticides & Veterinary Drugs Mfg. Co.  
Public Shareholding Company  
Consolidated Statement of Comprehensive Income  
For the year ended 31 December 2025

(In Jordanian Dinar)

	<u>Note</u>	<u>2025</u>	<u>2024</u>
Profit for the year		7,422,028	7,243,932
<b>Other comprehensive income items:</b>			
Changes in foreign exchange rate	5	<u>(54,704)</u>	<u>(86,450)</u>
<b>Total comprehensive income for the year</b>		<b><u>7,367,324</u></b>	<b><u>7,157,482</u></b>
 <b>Attributable to:</b>			
Shareholders of the company		5,983,810	5,613,742
Non-controlling interest		<u>1,383,514</u>	<u>1,543,740</u>
		<b><u>7,367,324</u></b>	<b><u>7,157,482</u></b>

"The accompanying notes from (1) to (26) are integral part of these consolidated financial statements"



**The Arab Pesticides & Veterinary Drugs Mfg. Co.**  
**Public Shareholding Company**  
**Consolidated Statement of Changes in Equity**  
**For the year ended 31 December 2025**

(In Jordanian Dinar)

	Paid - in Capital	Additional paid in capital	Reserves		Changes in Foreign Exchange Rate	Retained Earnings	Total Shareholder's Equity	Non- Controlling Interest	Total Equity
			Statutory	Voluntary					
<b>Balance at 1 January 2025</b>	<b>16,500,000</b>	<b>1,500,000</b>	<b>4,125,000</b>	<b>2,118,949</b>	<b>(3,095,919)</b>	<b>15,373,503</b>	<b>36,521,533</b>	<b>8,727,356</b>	<b>45,248,889</b>
Cash dividends (Note 11)	-	-	-	-	-	(1,815,000)	(1,815,000)	-	(1,815,000)
Non-controlling interest dividends	-	-	-	-	-	-	-	(1,077,300)	(1,077,300)
Total comprehensive income for the year	-	-	-	-	(54,704)	6,038,514	5,983,810	1,383,514	7,367,324
<b>Balance at 31 December 2025</b>	<b>16,500,000</b>	<b>1,500,000</b>	<b>4,125,000</b>	<b>2,118,949</b>	<b>(3,150,623)</b>	<b>19,597,017</b>	<b>40,690,343</b>	<b>9,033,570</b>	<b>49,723,913</b>
<b>Balance at 1 January 2024</b>	<b>16,500,000</b>	<b>1,500,000</b>	<b>4,125,000</b>	<b>2,118,949</b>	<b>(3,009,469)</b>	<b>11,323,311</b>	<b>32,557,791</b>	<b>7,440,116</b>	<b>39,997,907</b>
Cash dividends	-	-	-	-	-	(1,650,000)	(1,650,000)	-	(1,650,000)
Non-controlling interest dividends	-	-	-	-	-	-	-	(256,500)	(256,500)
Total comprehensive income for the year	-	-	-	-	(86,450)	5,700,192	5,613,742	1,543,740	7,157,482
<b>Balance at 31 December 2024</b>	<b>16,500,000</b>	<b>1,500,000</b>	<b>4,125,000</b>	<b>2,118,949</b>	<b>(3,095,919)</b>	<b>15,373,503</b>	<b>36,521,533</b>	<b>8,727,356</b>	<b>45,248,889</b>

“The accompanying notes from (1) to (26) are an integral part of these consolidated financial statements”

**The Arab Pesticides & Veterinary Drugs Mfg. Co.**  
**Public Shareholding Company**  
**Consolidated Statement of Cash Flows**  
**For the year ended 31 December 2025**

(In Jordanian Dinar)

	2025	2024
<b>Operating activities</b>		
Profit for the year before tax	8,083,540	7,765,239
Depreciation	608,131	536,542
Profit from sale of property, plant and equipment	(29,500)	(36,800)
Share from associate company results	(255,525)	(342,586)
Provision for expected credit losses	220,000	442,500
Provision for slow moving and expired inventories	50,000	100,000
Provision for agents and salesmen commissions	32,419	63,077
Provision for executive management bonus	121,500	115,425
Provision against end of service indemnity	119,409	127,950
Board of Directors remuneration	45,000	45,000
<b>Changes in working capital</b>		
Checks under collection	179,686	118,463
Inventory	(1,089,838)	(1,986,682)
Other current assets	(1,907,587)	(678,171)
Accounts receivable	(1,641,063)	(770,870)
Postdated checks	15,477	(264,857)
Accounts payable	(357,826)	515,476
Other current liabilities	(331,332)	(164,967)
Paid income tax	(837,128)	(316,959)
<b>Net cash flows from operating activities</b>	<b>3,025,363</b>	<b>5,267,780</b>
<b>Investing activities</b>		
Property, plant and equipment	(782,775)	(1,538,504)
Project under construction	(926,570)	(1,263,689)
Financial assets at fair value through other comprehensive income	(28,939)	-
Dividends received from associate investment	106,500	106,500
<b>Net cash flows used in investing activities</b>	<b>(1,631,784)</b>	<b>(2,695,693)</b>
<b>Financing activities</b>		
Cash dividends	(1,815,000)	(1,650,000)
Non-controlling interest	(1,077,300)	(256,500)
Credit facilities	368,038	3,088,443
Notes payable	(134,733)	(32,101)
<b>Net cash flows (used in) from financing activities</b>	<b>(2,658,995)</b>	<b>1,149,842</b>
<b>Net changes in cash and cash equivalents</b>	<b>(1,265,416)</b>	<b>3,721,929</b>
Cash and cash equivalents, beginning of year	8,203,010	4,481,081
<b>Cash and cash equivalents, end of year</b>	<b>6,937,594</b>	<b>8,203,010</b>

"The accompanying notes from (1) to (26) are integral part of these consolidated financial statements"

**The Arab Pesticides & Veterinary Drugs Mfg. Co.**  
**Public Shareholding Company**  
**Notes to the Consolidated Financial Statements**  
**31 December 2025**

(In Jordanian Dinar)

**1 . General**

The Arab Pesticides & Veterinary Drugs Mfg. Co. was established as a limited liability Company on 17 October 1991 and on 31 July 2005 the company changed its legal entity to a public shareholding company, and registered in the Hashemite Kingdom of Jordan under number (366), with the main objective of manufacturing of pesticides and veterinary medicines.

The Company shares are listed in Amman Stock Exchange – Jordan.

The consolidated financial statements were authorized for issue by the Company's Board of Directors in their meeting held on 2 March 2026, and these consolidated financial statements require the approval of the General Assembly.

**2 . Summary of Significant Accounting Policies**

**Basis of preparation**

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards.

The consolidated financial statements have been prepared on a historical cost basis.

The consolidated financial statements are presented in Jordanian Dinar which is the functional currency of the Company.

The accounting policies are consistent with those used in the previous year, except for amended standards effective as at the beginning of the year.

**Principles of Consolidation**

The consolidated financial statements comprise of the financial statements of the parent and its subsidiaries where the Company has the power to govern the financial and operating policies of the subsidiaries so as to obtain benefits from their activities. The financial statements of the subsidiaries are prepared for the same reporting year as the Company using consistent accounting policies. All balances, transactions, income, and expenses between the Company and its subsidiaries are eliminated.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

The results of operations of the subsidiaries are included in the consolidated statement of profit or loss from the acquisition date which is the date on which control over subsidiaries is transferred to the Company. The results of operation of the disposed subsidiaries are included in the consolidated statement of profit or loss to the disposal date which is the date on which the Company loses control over the subsidiaries.

The following subsidiaries have been consolidated:

Company	Registration country	Ownership	Capital	Activity
Endmaj Chemical and Specialized Medical Industries Company LLC	Jordan	100%	50,000	Manufacturing
Delta Sudia for Chemical Industries Company LLC	KSA	55%	9,500,000	Manufacturing
Ard Al-Baytara Company for Veterinary Medicines Trading LLC	Jordan	100%	19,000	Manufacturing

### **Adoption of new and revised IFRS standards**

The following amendments to standard have been published that are mandatory for accounting year beginning on or after 1 January 2025.

New IFRS and amendments	Effective Date
These amendments clarify how the company should assess whether a currency is exchangeable and how to determine the spot exchange rate when exchangeability is lacking. Additionally, they require disclosure of information that enables users of the financial statements to understand the effect or the expected effect of a lack of exchangeability on the company's financial position, financial performance, and cash flows (Amendments to IAS 21).	1 January 2025

The adoption of these amendments has no material impact on the financial consolidated statements of the Company for the current and past year.

### **Use of Estimates**

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amount of the financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions and in particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions. Management believes that the estimates are reasonable and are as follows:

- Management reviews periodically the tangible assets in order to assess the depreciation for the year based on the useful life and future economic benefits. Any impairment is taken to the consolidated statement of profit or loss.
- The measurement of impairment losses under IFRS 9 requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. Elements of the expected credit loss model that are considered accounting judgments and estimates include Probability of default (PD), Loss given default (LGD) and Exposure at default (EAD).
- Inventories are held at the lower of cost and net realizable value. When inventories become old or obsolete, an estimate is made of their net realizable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

### **Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation (except lands) and accumulated impairment loss. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the consolidated statement of profit or loss.

Depreciation is computed on a straight-line basis using the following annual depreciation rates:

Buildings	2%
Machines and equipment	10-12%
Transportation fleet	15%
Others	10-20%

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

### **Projects under construction**

Projects under construction are recorded at cost which represents the contractual obligations of the Company for the construction. Allocated costs directly attributable to the construction of the asset are capitalized. The Projects under construction is transferred to the appropriate asset category and depreciated in accordance with the Company's policies when construction of the asset is completed and commissioned.

### **Investments in Associate**

Investments in associate undertakings are accounted for by the equity method of accounting. These are undertakings over which the Company generally has between 20% and 50% of the voting rights, or over which the Company has significant influence, but which it does not control. Unrealized gains and losses on transactions between the Company and its associate undertakings are eliminated to the extent of the Company's interest in the associate undertakings.

### **Financial Assets at Fair Value through Other Comprehensive Income**

These financial assets represent investments in equity instruments held for the purpose of generating gain on a long term and not for trading purpose.

Financial assets at fair value through other comprehensive income initially stated at fair value plus transaction costs at purchase date.

Subsequently, they are measured at fair value with gains or losses arising from changes in fair value recognized in the consolidated statement of other comprehensive income and within owner's equity, including the changes in fair value resulting from translation of non-monetary assets stated at foreign currency. In case those assets – or part of them- were sold, the resultant gain or loss is recorded in the consolidated statement of comprehensive income within owners' equity and the reserve for the sold assets is directly transferred to the retained earnings and not through the consolidated statement of profit or loss.

These assets are not subject to impairment testing.

Dividends are recorded in the consolidated statement of profit or loss on a separate line item.

### **Trading and Settlement Date Accounting**

Purchases and sales of financial assets are recognized on the trade date, i.e. the date on which the Company commits its self to purchase or sell the asset.

### **Fair Value**

For fair value of investments, which are traded in organized financial markets, is determined by reference to the quoted market bid price at the close of the business on financial position date. For investments which are listed in inactive stock markets, traded in small quantities or have no current prices, the fair value is measured using the current value of cash flows or any other method adopted. If there is no reliable method for the measurement of these investments, then they are stated at cost less any impairment in their value.

### **Inventories**

Inventories are stated at the lower of cost or net realizable value. Cost is determined by the weighted average method.

The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads.

Raw materials are stated at the lower of the cost or net realizable value, cost is determined by the weighted average method.

### **Accounts Receivable**

Accounts receivables are carried at original invoice amount less estimate made for expected credit loss based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

### **Cash and Cash Equivalents**

Cash and cash equivalents comprise of cash on hand, deposits held at call with banks and short-term deposits with the original maturity of three months or less.

### **Payables and Accruals**

Accounts payable and accrued expenses are recognized when goods are received and services are rendered.

### **Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at the consolidated financial statements date and are adjusted based on recent available information.

### **Offsetting**

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and the Company intends to either settle them on a net basis, or to realize the asset and settle the liability simultaneously.

### **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

### **Revenue Recognition**

Revenues from sale of goods are recognized when control transferred to the buyer, while revenues from rendering services are recognized over time and according to percentage of completion. In all cases, it is necessary that the amount of revenue can be measured reliably.

Dividends are recognized when it's declared by the General Assembly of the investee company.

Other revenues are recognized on the accrual basis.

### **Short-term-leases and leases of low-value assets**

The company applies the short-term lease recognition exemption to some of its short-term leases (I.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

### **Foreign Currency**

Assets and liabilities denominated in foreign currencies are translated to Jordanian Dinar using the prevailing exchange rates at year end. Foreign currency transactions during the year are recorded using exchange rates that were in effect at the dates of the transactions. Foreign exchange gains or losses are reflected in the consolidated statement of profit or loss.

### **Income tax**

Income tax expenses are accounted for on the basis of taxable income. Taxable income differs from income declared in the consolidated financial statements because the latter includes non-taxable revenues or disallowed taxable expenses in the current year but deductible in subsequent years, accumulated losses acceptable by the tax law, and items not accepted for tax purposes or subject to tax.

Taxes are calculated on the basis of the tax rates according to the prevailing laws, regulations, and instructions of the countries where the Company operates.

### 3 . Property, plant and equipment

	Lands	Buildings	Machines & Equipment	Transportation Fleet	Others	Total
<b>Cost</b>						
Balance at 1/1/2025	1,574,091	6,062,530	7,140,215	1,672,622	2,410,535	18,859,993
Additions	-	151,569	529,783	60,372	70,551	812,275
Disposals	-	-	-	(110,500)	-	(110,500)
Balance at 31/12/2025	1,574,091	6,214,099	7,669,998	1,622,494	2,481,086	19,561,768
<b>Accumulated depreciation</b>						
Balance at 1/1/2025	-	2,453,241	5,428,053	895,989	1,413,278	10,190,561
Depreciation	-	133,660	267,224	109,730	97,517	608,131
Disposals	-	-	-	(110,500)	-	(110,500)
Balance at 31/12/2025	-	2,586,901	5,695,277	895,219	1,510,795	10,688,192
<b>Net book value at 31/12/2025</b>	<b>1,574,091</b>	<b>3,627,198</b>	<b>1,974,721</b>	<b>727,275</b>	<b>970,291</b>	<b>8,873,576</b>
<b>Cost</b>						
Balance at 1/1/2024	1,526,727	6,009,412	6,553,665	1,321,018	1,981,052	17,391,874
Additions	47,364	53,118	651,535	393,804	429,483	1,575,304
Disposals	-	-	(64,985)	(42,200)	-	(107,185)
Balance at 31/12/2024	1,574,091	6,062,530	7,140,215	1,672,622	2,410,535	18,859,993
<b>Accumulated depreciation</b>						
Balance at 1/1/2024	-	2,318,493	5,297,290	841,313	1,304,108	9,761,204
Depreciation	-	134,748	195,748	96,876	109,170	536,542
Disposals	-	-	(64,985)	(42,200)	-	(107,185)
Balance at 31/12/2024	-	2,453,241	5,428,053	895,989	1,413,278	10,190,561
<b>Net book value at 31/12/2024</b>	<b>1,574,091</b>	<b>3,609,289</b>	<b>1,712,162</b>	<b>776,633</b>	<b>997,257</b>	<b>8,669,432</b>

- The Company purchased land from the Jordan Industrial Estates Company during the year 2022 at amount of JOD (602,940). The purchase agreement states that the value of the land will be paid by paying a first payment of 30% of the value of the land and the rest by post-dated checks that extend until year 2025. Ownership will be transferred to the Company upon completing the payments. However, the transfer of ownership procedures was not completed until the end of the year 2025.
- Some of the Company's lands are mortgaged against bank facilities granted to the Company.

### 4 . Project under construction

This item represents the cost of establishing a Veterinary Vaccine Factory, the expected cost to complete this project is approximately JOD (400) thousand, and it is expected to be finished during 2026.

### 5 . Investment in associate

The following table summarizes the movements over the Company's investments in associate Company:

Company	Beginning Balance	Cash Dividends	Share from results	Foreign Exchange	Ending Balance	Market Value
Syrian Arabian Company for Pesticides and Veterinary LLC	630,346	(106,500)	255,525	(54,704)	724,667	Not listed

The following table summarizes key financial information of the associate:

Company	Activity	Country	Ownership	Assets	Liabilities	Revenues
Syrian Arabian Company for Pesticides and Veterinary LLC	Manufacturing	Syria	44.44%	2,020,718	390,216	1,987,687

**6 . Financial assets at fair value through other comprehensive income**

	2025	2024
Investment in unlisted company	<u>266,029</u>	<u>237,090</u>

This item represents the cost of the Company's (9.6%) investment in (Delta Investment Company LLC – Jordan) capital. During 2025, The Company increased its capital by an amount of JOD (300,000). The amount of the increase in the value of the assets above represents the Company's share of the increase.

**7 . Inventories**

	2025	2024
Raw materials and packaging materials	13,530,932	12,818,800
Finished goods	4,893,411	4,592,081
Work in progress	367,905	291,529
Provision for slow moving and expired inventories	<u>(753,875)</u>	<u>(703,875)</u>
	<u>18,038,373</u>	<u>16,998,535</u>

The movements on the provision for slow moving and expired inventories items are as follows:

	2025	2024
Balance at beginning of the year	703,875	605,225
Additions	50,000	100,000
Write-off expired inventories during the year	<u>-</u>	<u>(1,350)</u>
	<u>753,875</u>	<u>703,875</u>

**8 . Other current assets**

	2025	2024
Letters of credit	1,626,445	5,909
Advance payments on investments	1,625,684	1,309,609
Employees receivables	471,401	476,965
Prepaid expenses	445,648	447,844
Guarantees deposits	55,714	78,025
Refundable deposits	11,337	11,337
Income tax withholdings	9,752	9,652
Sales tax withholdings	4,349	4,720
Miscellaneous	<u>4,316</u>	<u>2,998</u>
	<u>4,254,646</u>	<u>2,347,059</u>



**9 . Accounts receivable**

	2025	2024
Accounts receivables	18,492,490	16,861,280
Provision for expected credit loss	(3,000,807)	(2,790,660)
	<b>15,491,683</b>	<b>14,070,620</b>

Movement on the provision for expected credit loss is as follows:

	2025	2024
Balance at beginning of the year	2,790,660	2,502,166
Additions	220,000	442,500
Bad debts	(9,853)	(154,006)
	<b>3,000,807</b>	<b>2,790,660</b>

The age of receivables past due but not impaired is as follows:

	2025	2024
Receivables past due for less than one year	15,401,590	13,850,002
Receivables past due for more than one year	90,093	220,618
	<b>15,491,683</b>	<b>14,070,620</b>

Management believes that all past due but not impaired receivables are collectable in full.

**10 . Cash and cash equivalents**

	2025	2024
Cash and checks on hand	18,791	40,508
Current bank accounts	2,520,795	2,327,927
Bank deposits	4,398,008	5,834,575
	<b>6,937,594</b>	<b>8,203,010</b>

Time deposits mature within a period of one to three months, annual interest rates on the deposits ranged between (4.5% - 5%).

The Company didn't record any expected credit losses related to the above bank deposits balances, as the calculated financial impact is immaterial.

## 11 . Equity

### **Paid - in capital**

The authorized, subscribed and paid in capital is JOD (16.5) million divided equally into (16.5) million shares with par value of JOD (1) for each share as at 31 December 2025 and 2024.

### **Additional paid in capital**

The additional paid - in capital is JOD (1.5) million as at 31 December 2025 and 2024, which resulted from issuing some of the Company's shares with a price above the par value amounted to JOD (1).

### **Statutory reserve**

The accumulated amounts in this account represent 10% of the Company's net income before income tax until it reaches 25% of Company's capital according to the Companies Law. This statutory reserve is not available for distribution to shareholders.

### **Voluntary reserve**

The accumulated amounts in this account represent cumulative appropriations not exceeding 20% of net income before income tax. This reserve is available for distribution to shareholders.

### **Non - controlling interest**

This presents the non - controlling interest of the Company from the subsidiary's shareholders equity, and the non - controlling interest is presented as a separate account into the consolidated statements of financial position, consolidated statements of profit or loss and consolidated statements of other comprehensive income.

### **Dividends**

- The Board of Directors will propose to the General Assembly in its meeting which will be held in 2026, to distribute (10%) cash dividends of the Company's capital of JOD (16.5) million. It will also propose increasing the Company's capital from JOD (16.5) million/shares to JOD (25) million/shares through the distribution of bonus shares of JOD (3.5) million to the shareholders, and a private placement to the Company's shareholders of JOD (5) million at a price of JOD (1) per share without a premium.
- The General Assembly has resolved in its ordinary meeting held in 2025 to distribute (11%) cash dividends to shareholders.

## 12 . Notes payables

	2025	2024
Murabaha financing from Islamic banks	<u>1,112,186</u>	<u>1,246,919</u>

The above financing is granted to the Company against checks under collection and mortgage of some lands.

### 13 . Credit Facilities

Credit Type	Currency	Interest Rate	Maturity date	Credit Limit	Outstanding Balance	
					Short Term	Long Term
Central Bank Loan	JOD	2.685%	2026-2030	3,000,000	336,456	1,642,497
Central Bank Loan	JOD	3.25%	2026-2027	2,000,000	571,440	428,483
Central Bank Loan	JOD	3.25%	2026-2029	788,000	315,204	472,796
Central Bank Loan	JOD	3%	2026	1,000,000	55,531	-
Commercial Loan	JOD	7%	2026	1,800,000	1,525,000	-
Overdraft	JOD	7.75%	2026	600,000	542,812	-
Overdraft	JOD	8.25%	2026	1,000,000	447,843	-
					<b>3,794,286</b>	<b>2,543,776</b>

The above facilities are granted to the Company against mortgage of some lands.

### 14 . Other liabilities

	2025	2024
Accrued expenses	420,629	276,318
Provision for Income and National Contribution tax (Note 20)	346,998	522,614
Amounts due to shareholders	201,393	169,754
Provision for agents and salesmen commissions	138,981	231,272
Provision for executive management bonus	121,500	115,425
Provision for employees' bonus	86,382	83,862
Sales tax withholdings	55,782	184,617
Board of Directors' remunerations	42,750	42,750
Employees payables	6,873	7,167
Miscellaneous	116,407	139,024
	<b>1,537,695</b>	<b>1,772,803</b>

### 15 . Segment reporting

The Company carries out operational activity of manufacturing agricultural pesticides and veterinary medicines and sells its products inside and outside the Hashemite Kingdom of Jordan as follows:

	2025	2024
Local Sales	6,396,241	6,569,728
Foreign Sales	29,485,758	29,138,718
	<b>35,881,999</b>	<b>35,708,446</b>

### 16 . Cost of sales

	2025	2024
Raw material and packaging materials beginning balance	12,818,800	11,196,316
Purchases during the year	19,482,009	21,237,239
Raw material and packaging materials ending balance (Note 7)	(13,530,932)	(12,818,800)
<b>Raw material and packaging materials used in production</b>	<b>18,769,877</b>	<b>19,614,755</b>
Work in progress inventory beginning balance	291,529	526,597
Manufacturing expenses (Note 17)	5,128,168	4,468,457
Work in progress inventory ending balance (Note 7)	(367,905)	(291,529)
<b>Manufacturing cost</b>	<b>23,821,669</b>	<b>24,318,280</b>
Finished goods inventory beginning balance	4,592,081	3,994,165
Finished goods inventory ending balance (Note 7)	(4,893,411)	(4,592,081)
<b>Cost of sales</b>	<b>23,520,339</b>	<b>23,720,364</b>

**17 . Manufacturing expenses**

	2025	2024
Salaries, wages and other benefits	2,254,158	1,902,869
Social security	169,454	148,602
Depreciation (note 3)	556,582	477,744
Maintenance and spare parts	485,008	451,588
Transportation	460,072	325,762
Insurance	252,419	232,926
Lab expenses	186,245	192,239
Rents	182,057	143,156
Fuel	168,918	162,915
Utilities	138,237	133,230
Governmental expenses	56,659	138,353
Employees' provident fund	30,662	27,057
Cleaning	27,803	17,767
Safety expenses	27,741	21,534
Hospitality	18,152	306
Goods disposal expense	6,555	4,560
Miscellaneous	107,446	87,849
	<b>5,128,168</b>	<b>4,468,457</b>

**18 . Selling and distribution expenses**

	2025	2024
Salaries, wages and other benefits	576,718	446,340
Social security	21,517	20,903
Sales commissions	351,228	272,077
Registration and legalization fees	198,194	205,914
Transportation fleet expenses	110,379	111,273
Showrooms	106,616	116,689
Rents	53,605	63,632
Marketing, advertisement and free samples	38,716	56,325
Shipping expenses	38,359	34,123
Travel and transportation	22,749	17,641
Telecommunications	19,872	16,540
Depreciation (note 3)	17,835	29,291
Employees' provident fund	4,591	5,640
Tender's fees	2,814	2,752
Material transfers	2,557	10,674
Bank interests and commissions	29	15
Miscellaneous	69,839	58,530
	<b>1,635,618</b>	<b>1,468,359</b>

**19 . Administrative expenses**

	2025	2024
Salaries, wages and other benefits	1,456,385	1,337,704
Social security	136,448	127,700
End of services indemnity	119,409	127,950
Rents	97,072	66,395
Travel and transportation	85,485	65,436
Registration and Governmental fees	82,619	93,152
Professional fees	55,562	108,013
Board of Directors transportation	54,000	54,000
Telecommunications	49,736	46,903
Stationary	38,589	42,380
Depreciation (note 3)	33,714	29,507
Hospitality	32,656	32,829
Vehicles expenses	21,083	36,521
Insurance	20,139	18,565
Employees' provident fund	18,459	17,147
Maintenance	12,765	7,566
Utilities	9,422	5,156
Companies Controller fees	600	1,200
Miscellaneous	115,505	102,683
	<b>2,439,648</b>	<b>2,320,807</b>

**20 . Income tax status**

The movement on provision for the income tax provision during the year is as follows:

	2025	2024
Balance at beginning of the year	522,614	318,266
Income and National Contribution tax expense for the year	661,512	521,307
Income tax paid	(837,128)	(316,959)
<b>Balance at end of the year (Note 14)</b>	<b>346,998</b>	<b>522,614</b>

Income and National Contribution tax expense for the year in the consolidated statement of profit or loss consists of the following:

	2025	2024
Income tax expense for the year	615,449	480,343
National Contribution tax for the year	46,063	40,964
	<b>661,512</b>	<b>521,307</b>

- The Company has settled its tax liabilities with the Income Tax Department up to the year ended 2018.
- The income tax return for the year 2019 was reviewed by the Income Tax Department, but the income tax department has not yet issued its final decision.
- The income tax returns for the years 2020, 2021, 2022, 2023 and 2024 has been filed with the Income Tax Department, but the Department has not reviewed the Company's records till the date of this report.
- The Income and National Contribution tax provision for the year 2025 was calculated in accordance with the Income Tax Law.

**21 . Basic and diluted earnings per share**

	2025	2024
Profit for the year attributed to shareholders	6,038,514	5,700,192
Weighted average number of shares	16,500,000	16,500,000
	<b>0.366</b>	<b>0.345</b>

**22 . Executive management salaries and remunerations**

The remuneration of executive management during the years 2025 and 2024 amounted to JOD (408,527) and JOD (391,264) respectively.

**23 . Contingent liabilities**

As at the consolidated financial statements date, the Company was contingently liable against the followings:

	2025
Letters of credits	5,155,570
Bank guarantees	120,778

**24 . Fair Value of Financial instruments**

Financial instruments comprise of financial assets and financial liabilities. Financial assets of the Company include cash and cash equivalents, checks under collection, and account receivables. Financial liabilities of the Company include notes payable, accounts payable, bank facilities and postdated checks.

The fair values of the financial assets and liabilities are not materially different from their carrying values as most of these items are either short-term in nature or re-priced frequently.

Financial assets and financial liabilities measured at fair value in the consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

2025	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	-	-	266,029	<b>266,029</b>
2024	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	-	-	237,090	<b>237,090</b>

Financial assets included in level 3 are stated at cost less impairment charges, as the fair value of these assets cannot be measured reliably due to the lack of available active markets for identical assets.

## 25 . Financial Risk Management

### Credit risk

Credit risks are those risks resulting from the default of counterparties to the financial instrument to repay their commitment to the Company. The Company limits its credit risk by only dealing with reputable banks and by setting credit limits for individual customers and monitoring outstanding receivables. The maximum exposure to credit risk is represented by the carrying value of each financial asset.

The balance of the Company's most significant customer represents amount of JOD (2,663,406) from the total accounts receivable balance as at 31 December 2025, compared to JOD (1,245,452) as at 31 December 2024.

### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its net financial obligation. In this respect, the Company's management diversified its funding sources, and managed assets and liabilities taking into consideration liquidity and keeping adequate balances of cash, and cash equivalents.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the consolidated statement of financial position date to the contractual maturity date.

2025	Less than one year	More than one year	Total
Credit facilities	3,794,286	2,543,776	6,338,062
Notes payable	1,088,420	23,766	1,112,186
Provision for end of services indemnity	-	568,761	568,761
Postdated checks	159,628	-	159,628
Accounts payable	1,832,409	-	1,832,409
Other current liabilities	1,537,695	-	1,537,695
	<b>8,412,438</b>	<b>3,136,303</b>	<b>11,548,741</b>
2024	Less than one year	More than one year	Total
Credit facilities	3,183,843	2,786,182	5,970,025
Notes payable	1,170,849	76,070	1,246,919
Provision for end of services indemnity	-	522,272	522,272
Postdated checks	144,151	-	144,151
Accounts payable	2,190,235	-	2,190,235
Other current liabilities	1,772,803	-	1,772,803
	<b>8,461,881</b>	<b>3,384,524</b>	<b>11,846,405</b>

### Interest rate risk

Interest rate risk is the risk that changes in interest rates will affect the Company's income or the value of its holdings of financial instruments. As most of the Company's financial instruments have fixed interest rates and carried at amortized cost, the sensitivity of the Company's results or equity to movements in interest rates is not considered significant.

**Currency risk**

- The management considers that the Company is not exposed to significant currency risk. The majority of their transactions and balances are in Jordanian Dinar, Saudi Riyal or US Dollar. As the Jordanian Dinar is pegged to the Saudi Riyal and US Dollar, balances in Saudi Riyal and US Dollar are not considered to represent significant currency risk and the Company's results or equity to movements in exchange rates is not considered significant.
- As a result of its investment and transactions in Syrian Pounds through its affiliate company, the Company is exposed to foreign exchange risk arising from fluctuations in exchange rates.

**26 . Capital Management**

The Company manages its capital structure with the objective of safeguarding the entity's ability to continue as a going concern and providing an adequate return to shareholders and by keeping a balance between debt and shareholders' equity.

The table below shows the debt to equity ratio:

	2025	2024
Total Debt	7,450,248	7,216,944
Total Equity	49,723,913	45,248,889
<b>Debt to Equity ratio</b>	<b>15%</b>	<b>16%</b>