SINIORA FOOD INDUSTRIES COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
TOGETHER WITH INDEPENDENT
AUDITOR'S REPORT

SINIORA FOOD INDUSTRIES COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
DECEMBER 31, 2022

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Independent Auditor's Report

AM/ 006655

To the Shareholders of
Siniora Food Industries Company
(A Public Shareholding Limited Company)
Amman – Jordan

Audit Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Siniora Food Industries Company (A Public Shareholding Limited Company) and its subsidiaries (together "the Group") which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and the 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 financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants together with the other ethical requirements that are relevant to our audit of the Group's consolidated financial statements in Jordan, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters, in our professional judgment, are the most significant matters 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 fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

A description was provided on how to examine each of the matters referred to below in the audit procedures:

Key audit matter	How our audit addressed the key audit matter
Impairment of goodwill and trademarks As at December 31, 2022, the carrying amount of goodwill and trademarks was approximately JD 15.2 million, which is 12% of the total assets. The trademarks are deemed to have indefinite useful lives. In accordance with IAS 36 Impairment of Assets, the Group is required to test goodwill acquired in a business combination and intangible assets with indefinite useful lives for impairment at least annually irrespective of whether there is any indication of impairment An impairment is recognized in the consolidated statement of profit or loss when the recoverable amount is less than the net carrying amount, as described in note (2) to the consolidated financial statements. The determination of the recoverable amount is mainly based on discounted future cash flows. We considered the impairment of goodwill and trademarks to be a key audit matter, given the method for determining the recoverable amount and the significance of the aggregate amount in the Group's consolidated financial statements. In addition, the recoverable amounts are based on the use of important assumptions, estimates or assessments made by management, in particular future cash flow projections, the estimate of the discount rates and long-term growth rates.	We familiarized ourselves with the process implemented by the Group to determine the recoverable amount of goodwill and trademarks allocated to Cash-Generating Units (CGU). Our work consisted of: • Evaluating the design and implementation of controls over the Group's testing of goodwill and trademarks for impairment; • Assessing the principles and methods used for determining the recoverable amounts of the CGU to which the goodwill and trademarks are allocated and assessing that the methods used are in accordance with IFRSs; • Reconciling the net carrying amount of the goodwill and trademarks allocated to the CGU tested with the Group's accounting records; • Engaged our internal valuation specialist to assess the discount rate applied by benchmarking against independent data; • Substantiating by interviews with management the key assumptions on which budget estimates underlying the cash flows used in the valuation models are based. For this purpose, we also compared the estimates of cash flow projections of previous periods with actual corresponding results, to assess the pertinence and reliability of the process for making forecasts; • Substantiating the results of sensitivity analyses carried out by management by comparing them to those realized by us; • Verifying the arithmetical accuracy of the valuations used by the Group. • We also assessed the disclosures in the consolidated financial statements, relating to this matter, against the requirements of IFRSs.

Key audit matter	How our audit addressed the key audit matter
Hyperinflation accounting of Turkish subsidiary As disclosed in note (2) to the consolidated financial statements, the economy of the Republic of Turkey was deemed a hyperinflationary economy in accordance with the requirements of IAS 29 Financial Reporting in Hyperinflationary Economies ("IAS 29"). The Group performed the hyperinflation calculations which included utilizing the consumer price indexes as a key input into the calculations. The financial results of Tarakya Company for the Manufacture and Trade of Meat and Dairy Products, (a subsidiary) located in the Republic of Turkey, are translated to the Group's reporting currency, using the official exchange rate published by the Central Bank of the Republic of Turkey as at December 31, 2022. The loss on the monetary position is calculated as the difference resulting from the restatement of net non-monetary assets, equity and items in the statement of profit or loss and other comprehensive income ("OCI"), and the adjustment of index linked assets and liabilities. The application of IAS (21) The Effects of Changes in Foreign Exchange Rates ("IAS 21") in conjunction with the application of IAS 29 resulted in a net monetary gain of JD 496 thousand, being which was recognized in consolidated profit or loss for the year and JD 8.8 million in other comprehensive income. The application of the requirements of IFRSs relative to hyperinflation and the assessment of the applicable exchange rate were areas that required significant auditor attention. Given the significance of the quantitative impact, the complexities associated with hyperinflationary accounting and the extent of audit effort required, the application of hyperinflation accounting for the Group's operations located in the Republic of Turkey and the related disclosures were deemed to be a Key Audit Matter.	We familiarized ourselves with the process implemented by the Group to apply IAS 29. Our work consisted of: • We obtained an understanding of the process implemented by the Group to determine the hyperinflation adjustments and disclosures. • We assessed the controls over this area to determine if they had been designed and implemented appropriately. • We utilized our internal IFRS accounting specialists to conclude on the appropriate application of IAS 21 and IAS 29. • We assessed the inputs into the hyperinflation calculations with specific emphasis on the consumer price indices used by agreeing them to independent sources. • We reperformed the mathematical accuracy of the hyperinflation adjustments. • We determined if the exchange rates used to translate the results of Tarakya Company for the Manufacture and Trade of Meat and Dairy Products financial statement were determined in accordance with the requirements of IFRSs. • We assessed the disclosure in the consolidated financial statements relating to this area against the requirements of IFRSs.

Other Information
Management is responsible for other information. Other information consists of information provided in the annual report other than the consolidated financial statements and the related auditor's report. We expect that the annual report will be provided to us at a later date of this report. Our opinion on the consolidated financial statements does not include other information and we do not express any type of assertion or conclusion about it.

Regarding the audit of the consolidated financial statements, it is our responsibility to read the above mentioned information when it becomes available to us, assessing whether the other information is not materially consistent with the consolidated financial statements or information obtained through our audit or that other information includes material misstatement.

Responsibilities of Management and Those Charged with Governance in the Preparation of 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 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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 ISA's, we exercise professional judgement 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 expressing an opinion on effectiveness of 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 evidenced obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Group 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 and 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's 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguard procedures.

From the matters communicated with those charged with governance, we determine those matters of most significance in the audit of the financial statements of the current year, and are therefore, the key audit matters. We describe these matters in our auditor's report unless law and regulations preclude 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 Group maintains proper accounting records duly organized and in line with the accompanying consolidated financial statements. We recommend that the General Assembly of Shareholders approve these consolidated financial statements.

Deloitte & Touche

Amman – Jordan
March 29, 2023

Deloitte & Touche (M.E) - Jordan

Deloitte & Touche (M.E.)
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SINIORA FOOD INDUSTRIES COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN-JORDAN
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Note	December 31, 2022	December 31, 2021
		JD	JD
Current Assets:			
Cash on hand and at banks	5	3,136,630	3,028,541
Accounts receivable - net	6	24,621,047	19,997,744
Inventory – net	7	21,956,674	15,723,829
Due from related parties	24	1,024,647	983,304
Other debit balances	8	5,279,480	3,023,695
Total Current Assets		56,018,478	42,757,113
Non-Current Assets:			
Deferred tax assets	21/d	518,611	400,656
Intangible assets	9	17,251,841	13,397,450
Property and equipment – net	10	51,348,397	43,261,665
Right-of-use assets	11/a	2,368,020	922,802
Total Non-Current Assets		71,486,869	57,982,573
TOTAL ASSETS		127,505,347	100,739,686
LIABILITIES			
Current Liabilities:			
Borrowed fund due within one year	12	26,962,832	16,032,746
Notes payable		1,227,857	1,599,043
Accounts payable		12,261,963	8,346,915
Due to related parties	24	150,922	269,425
Deposits and accrued expenses	13	7,315,198	6,488,139
Lease liabilities due within one year	11/b	838,942	488,922
Income tax provision	21/a	470,778	611,493
Total Current Liabilities		49,228,492	33,836,683
Non-Current Liabilities:			
Borrowed fund due within more than one year	12	27,519,419	24,167,279
Lease liabilities due within more than one year	11/b	1,330,607	678,367
Provision for end-of-service indemnity	14	4,026,558	3,651,637
Deferred tax liabilities		1,899,132	-
Total Non-Current liabilities		34,775,788	28,497,283
Total liabilities		84,004,280	62,333,966
OWNERS' EQUITY			
Paid-up capital	15/a	28,000,000	28,000,000
Statutory reserve	15/b	6,103,988	5,992,223
Retained earnings	15/c	13,712,082	13,204,094
Effect of the purchase of non-controlling interest shares	15/d	(2,463,786)	(2,463,786)
Foreign currencies translation differences	15/e	(6,136,331)	(9,665,196)
Actuarial gains (losses) arising from the end of service indemnity		25,117	(5,749)
TOTAL SHAREHOLERS' EQUITY		39,241,070	35,061,586
Non-controlling interest	15/f	4,259,997	3,344,134
TOTAL OWNERS' EQUITY		43,501,067	38,405,720
TOTAL LIABILITIES AND OWNERS' EQUITY		127,505,347	100,739,686

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.

SINIORA FOOD INDUSTRIES COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN-JORDAN
CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	For the Year Ended December 31, 2022	2021
		JD	JD
Net sales		133,628,440	108,569,961
Cost of sales	16	(96,438,175)	(74,955,095)
Gross Profit		37,190,265	33,614,866
Selling and distribution expenses	17	(14,288,769)	(12,120,494)
General and administrative expenses	18	(11,122,826)	(9,547,013)
Financing expenses	19	(5,093,126)	(2,591,840)
(Provision) for end-of-service indemnity	14	(818,921)	(486,608)
(Provision) for expected credit loss	6	(148,047)	(142,292)
(Provision) for slow-moving inventory	7/b	(176,754)	(106,969)
(Provision) / Released from lawsuits and other commitments	13	(130,012)	167,157
Other revenue - net	20	82,748	489,483
Profit for the year before taxes and monetary gain from hyperinflation		5,494,558	9,276,290
Income tax expense	21/b	(765,392)	(1,244,931)
Profit for the year before monetary gain from hyperinflation		4,729,166	8,031,359
Net monetary gain from hyperinflation		495,573	
Profit for the Year		5,224,739	8,031,359
Attributable to:			
Company's shareholder		5,379,753	7,818,636
Non- Controlling Interest		(155,014)	212,723
		5,224,739	8,031,359
Earning Per Share for the Year (Company's shareholders)	22	0.19	0.28

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SINIORA FOOD INDUSTRIES COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN-JORDAN
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the Year Ended December 31,	
	2022	2021
	JD	JD
Profit for the year	5,224,739	8,031,359
Other comprehensive income items which may be reclassified to profit or loss in the subsequent period		
Foreign currencies translation differences	4,590,522	(12,552,201)
Other comprehensive income items that will not be reclassified to profit or loss in the subsequent period		
Actuarial gain (losses) arising from the end of service indemnity	40,086	(7,466)
Total other comprehensive income / (loss) items for the Year	4,630,608	(12,559,667)
Total comprehensive income / (loss) for the Year	9,855,347	(4,528,308)
Attributable to:		
Company's shareholders	8,939,484	(1,852,309)
Non-controlling interest	915,863	(2,675,999)
	9,855,347	(4,528,308)

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.

SINIORA FOOD INDUSTRIES COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN-JORDAN
CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

	Note	Paid-up Capital	Statutory Reserve	Retained Earnings	Effect of the Purchase of Non-controlling Interest Shares	Foreign Currency Translation Differences	Actuarial gain (losses) arising from the end of service Indemnity	Total Shareholders' Equity	Non-controlling Interest	Total Owners' Equity
For the Year Ended December 31, 2022		JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year		28,000,000	5,992,222	13,204,094	(2,463,786)	(9,665,196)	(5,749)	35,061,586	3,344,134	38,405,720
Profit for the year		-	-	5,379,753	-	-	-	5,379,753	(155,014)	5,224,739
Other comprehensive income for the year		-	-	-	-	3,528,865	30,866	3,559,731	1,070,877	4,630,608
Total comprehensive income for the year		-	-	5,379,753	-	3,528,865	30,866	8,939,484	915,863	9,855,347
Transferred to statutory reserve	15/b	-	111,765	(111,765)	-	-	-	-	-	-
Distributed dividends	15/c	-	-	(4,760,000)	-	-	-	(4,760,000)	-	(4,760,000)
Balance at the End of the Year		28,000,000	6,103,988	13,712,082	(2,463,786)	(6,136,331)	25,117	39,241,070	4,259,997	43,501,067
For the Year Ended December 31, 2021										
Balance at the beginning of the year		27,000,000	5,254,021	11,173,660	(2,463,786)	-	-	40,963,895	-	40,963,895
Profit for the year		-	-	7,818,636	-	-	-	7,818,636	212,723	8,031,359
Other comprehensive (loss) for the year		-	-	-	-	(9,665,196)	(5,749)	(9,670,945)	(2,888,722)	(12,559,667)
Total comprehensive (loss) for the year		-	-	7,818,636	-	(9,665,196)	(5,749)	(1,852,309)	(2,675,999)	(4,528,308)
Transferred to statutory reserve	15/b	-	738,202	(738,202)	-	-	-	-	-	-
Increase in paid up capital	15/a	1,000,000	-	(1,000,000)	-	-	-	-	-	-
Non-controlling interest from purchasing subsidiary company		-	-	-	-	-	-	-	6,020,133	6,020,133
Distributed dividends	15/c	-	-	(4,050,000)	-	-	-	(4,050,000)	-	(4,050,000)
Balance at the End of the Year		28,000,000	5,992,223	13,204,094	(2,463,786)	(9,665,196)	(5,749)	35,061,586	3,344,134	38,405,720

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.

SINIORA FOOD INDUSTRIES COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN-JORDAN
CONSOLIDATED STATEMENT OF CASH FLOW

	Note	For the Year Ended December 31, 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		JD	JD
Profit for the year before income tax and net monetary gains from hyperinflation		5,990,131	9,276,290
Adjustments:			
Depreciation of property and equipment	10	4,205,755	3,940,247
Depreciation of right of use assets	11/a	806,167	428,496
Amortization of intangible assets	9/d	130,551	97,257
Provision for expected credit loss	6	148,047	142,292
Provision for end-of-service indemnity	14	818,921	486,608
Provision for slow-moving inventory	7/b	176,754	106,969
Provision (released) for lawsuits and other commitments	13	130,012	(167,157)
(Gain) from the sale of property and equipment	20	67,676	(72,521)
Financing expenses	19	5,093,126	2,591,840
Monetary gain as a result of hyperinflation		(4,95,573)	-
Foreign currency differences		(429,315)	(3,430,596)
Cash flow from Operating Activities before Changes in Working Capital		16,642,252	13,399,725
Decrease (increase) in assets			
Accounts receivable		(4,771,350)	895,605
Due from related parties		(41,343)	(454,757)
Inventory		(6,409,599)	(467,147)
Other debit balances		(1,613,604)	(755,761)
Increase (decrease) in liabilities			
Notes payable		(371,186)	710,582
Accounts payable		3,915,048	(3,737,601)
Due to related parties		(118,503)	240,769
Deposits and accrued expenses		54,866	(346,666)
Net Cash Flows from Operating Activities before Income Tax and Employees End-of-Service Indemnity Paid		7,286,581	9,484,749
Income tax paid	21	(1,336,419)	(1,345,755)
Provision for end-of-service indemnity paid	14	(268,636)	(336,462)
Provision for lawsuits and other commitments paid	13	(98,900)	(166,549)
Net Cash Flows from Operating Activities		5,582,626	7,635,983
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Purchase) of property and equipment	10	(10,413,573)	(8,476,385)
(Payments) to purchase subsidiary	1/f	-	(16,217,032)
Proceeds from the sale of property and equipment		162,416	132,285
(Purchase) of intangible assets	9/d	(95,374)	(21,708)
Net Cash (used in) Investing Activities		(10,346,531)	(24,582,840)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowed fund – net	12	15,515,464	24,689,001
Financing expenses paid		(5,093,126)	(2,591,840)
Dividends paid	15/c	(4,760,000)	(4,050,000)
Lease liabilities paid	11/b	(790,344)	(536,137)
Non -controlling interest share from increase the paid-up capital		-	1,136,712
Net Cash flow from Financing Activities		4,871,994	18,647,736
Net Increase in Cash		108,089	1,700,879
Cash on hand and at banks - beginning of the year		3,028,541	1,327,662
Cash on Hand and at Banks - End of the Year	5	3,136,630	3,028,541
Non-Cash transactions			
Increase in paid-up capital through retained earnings	1	-	1,000,000

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.

1. General

a. Siniora Food Industries Company was established and registered at the Ministry of Industry and Trade as a limited liability Company under No. (2890) on July 27, 1992 with an authorized and paid-up capital of JD 400,000. The Company's paid-up capital has been increased several times, the last increase was in the extraordinary meeting held on April 21, 2021, whereby the General Assembly decided to approve the increase of the Company's capital by JD 1 million / share to become JD 28 million / share. The Company has completed the legal procedures related to the capital increase with the regulatory authorities on June 20, 2021.

b. Following the Ministry of Industry and Trade Letter No, msh/2/2890/32377 dated November 11, 2008, which includes the approval of the Minister of Industry and Trade on transforming the legal form of Siniora Food Industries Company from a limited liability company to a public shareholding limited company, the General Assembly approved in its ordinary meeting dated February 4, 2009, the procedures followed to transform the Company's legal form from a limited liability company to a public shareholding limited company, moreover, the Company has been registered as a public shareholding limited company in the Public Shareholding Companies Register under number (459) on January 8, 2009.

c. The Company was registered under Number 07/6315110301 to practice industrial activity on the king Abdullah ll / Sahab.

d. The Company is 65.6% owned by Arab Palestinian Investment Company, which is considered the main shareholder of the Company.

e. The Group's main objectives are producing, selling and buying meat and its byproducts; importing and exporting the necessary raw materials; and producing food products and trading in them.

f. The consolidated financial statements were approved by the Board of Directors on March 26, 2023.

g. The company owns the following subsidiaries as of December 31, 2022:

Name of Company	Paid-up Capital	Percentage of Ownership	Industry of the Company	Location	Acquisition / Inception Date
Siniora Food Industries - Palestine	USD 5.2 million	100%	Industrial	Palestine	January 25, 2006
Siniora Food Holding Limited	AED 60 million	100%	Holding	United Arab Emirates	February 25, 2016
Tarakya Company for the Manufacture and Trade of Meat and Dairy Products	TL 71.4 million	77%	Industrial	Turkey	March 1, 2021

- As of December 31, 2022, and 2021, Siniora Food Holding Limited owns the following subsidiary companies:

Name of Company	Paid-up Capital	Percentage of Ownership	Industry of the Company	Location	Acquisition / Inception Date
Saudi Siniora Trading	SAR 10 million	100%	Trading	Saudi Arabia	August 17, 2009
Diamond Meat Processing	AED 300 thousand	100%	Manufacturing	United Arab Emirates	April 5, 2016
Siniora Gulf General Trading	AED 1 million	100%	Trading	United Arab Emirates	August 6, 2014

The following most significant financial information for the subsidiary companies for the years 2022 and 2021:

Name of Company	December 31, 2022 Total Assets	December 31, 2022 Total Liabilities	For the Year 2022 Total Revenues	For the Year 2022 Total Expenses
	JD	JD	JD	JD
Siniora Food Industries - Palestine	26,164,696	31,831,295	27,961,947	24,409,625
Siniora Food Holding Limited	28,757,927	13,140,069	28,772,038	27,129,246
Trakya Company for the Manufacture and Trade of Meat and Dairy Products	37,218,593	18,696,868	36,925,579	37,599,555

Name of Company	December 31, 2021 Total Assets	December 31, 2021 Total Liabilities	For the Year 2021 Total Revenues	For the Year 2021 Total Expenses
	JD	JD	JD	JD
Siniora Food Industries - Palestine	37,026,140	31,437,742	26,193,733	22,330,746
Siniora Food Holding Limited	22,910,065	8,931,389	23,313,897	21,703,877
Tarakya Company for the Manufacture and Trade of Meat and Dairy Products	14,465,112	9,343,383	27,494,325	26,354,546

2. Significant Accounting Policies

Basis of Preparation of the Consolidated Financial Statements

The consolidated financial statements have been prepared in accordance with the standards issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC).

The consolidated financial statements are prepared in accordance with the historical cost principle for measurement adjusted for the effect of inflation where the entities operate in hyperinflationary economies.

The consolidated financial statements of the Group are presented in Jordanian Dinar, which is also its functional currency.

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those applied in the year ended December 31, 2021 except for the effect of adopting the new and modified standards which are effective for the annual period beginning on or after January 1, 2021 stated in notes (3-A) that have no material effect on the consolidated financial statements except the effect of applying International Accounting Standard (29) "Financial Reporting in hyperinflationary economies" due to exist of hyperinflation in the Republic of Turkey and as follows:

Classification of Turkey as a hyperinflationary economy

From April 1, 2022, the Turkish economy has been considered hyperinflationary based on the criteria established by International Accounting Standard 29, *'Financial Reporting in Hyperinflationary Economies'* ('IAS 29'). This designation is determined following an assessment of a series of qualitative and quantitative circumstances, including the presence of accumulative inflation rate of more than 100% over the previous three years.

IAS 29 requires that financial information are stated in terms of the measuring unit current at the statement of financial position date which requires restatement of non-monetary assets and liabilities to reflect the changes in the general purchasing power of the Turkish Lira. The restatements were calculated using the consumer price index in the local currency of the reporting entity before converting it to the presentation currency of the Group's financial statements.

As of December 31, 2022 the three-years cumulative index was 156% based on the Turkish Consumer Price Index (the "Consumer Price Index"). The Consumer Price Index at the beginning of the reporting period was 687 and closed at 1,128, resulting in an increase of 64%.

The following are summarized for the basic principles in relation to the applying in the consolidated financial statements:

- Adjustment of the historical carrying values of non-monetary assets and liabilities and the various items of equity from their date of acquisition or inclusion in the consolidated statement of financial position to the end of the reporting period to reflect the changes in purchasing power of the currency caused by inflation, according to the indices published by the Turkish Statistical Institute. The cumulative impact for previous years amounting to approximately JD 8.8 million has been reflected in equity through other comprehensive income. The Group comparative amounts are not restated since its presented in a stable currency.

- Monetary assets and liabilities, which are carried at amounts current at the date of statement of financial position, are not restated because they are already expressed in terms of the monetary unit current at the date of statement of financial position.

- Non-monetary assets and liabilities, which are not carried at amounts current at the date of statement of financial position, and components of shareholders' equity are restated by applying the relevant conversion factors from the date of the transaction.

- All items in the statement of profit or loss are restated by applying the average conversion factors during the year except for those amounts deriving from non-monetary items, which are calculated based on the restated values of the related items.

- The effect of application indices on the Group's net monetary position is included in the consolidated statement of profit or loss as monetary gain or loss.

Hyperinflation adjustments considered as a temporary tax difference, accordingly, deferred tax liabilities were calculated on these differences and recorded around JD 1.9 million shown within non-current liabilities.

<u>Basis of Consolidation</u>

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company:

- Has the power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affects its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in consolidated income statement from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Company's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the Company and its subsidiaries are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group’s interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group’s interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Company loses control of a subsidiary, the gain or loss on disposal recognised in income statement is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Company had directly disposed of the related assets or liabilities of the subsidiary. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

Financial Reporting in Hyperinflationary Economies

The financial statements of subsidiaries whose functional currencies are the currencies of hyperinflationary economies are adjusted in terms of the measuring unit current at the end of the reporting period.

In the first period of application, the adjustments determined at the beginning of the period are recognized directly in equity as an adjustment to opening retained earnings. In subsequent periods, the prior period adjustments related to components of owners' equity and differences arising on translation of comparative amounts are accounted for in other comprehensive income.

Items in the consolidated statement of financial position not already expressed in terms of the measuring unit current at the end of the reporting period, such as non-monetary items carried at cost or cost less depreciation, are restated by applying a general price index. The restated cost, or cost less depreciation, of each item is determined by applying to its historical cost and accumulated depreciation the change in a general price index from the date of acquisition to the end of the reporting period. An impairment loss is recognized in profit or loss if the restated amount of a non-monetary item exceeds its estimated recoverable amount.

At the beginning of the first period of application, the components of owners' equity, except retained earnings, are restated by applying a general price index from the dates the components were contributed or otherwise arose. Restated retained earnings are derived from all other amounts in the restated consolidated statement of financial position.

At the end of the first period and in subsequent periods, all components of owners' equity are restated by applying a general price index from the beginning of the period or the date of contribution, if later.

All items recognized in the statement of profit or loss are restated by applying the change in the general price index from the dates when the items of income and expenses were initially earned or incurred.

Gains or losses on the net monetary position are recognized in profit or loss.

All items in the consolidated statement of cash flows are expressed in terms of the general price index at the end of the reporting period.

Property and Equipment

Property and equipment are stated at cost after deducting the accumulated depreciation or any impairment loss. And the cost includes all the direct costs which are related to the ownership of the assets.

Property and equipment are depreciated (except for land), using the straight-line method at annual rates ranging from 2% to 25%.

When the expected recoverable amount of any property and equipment is less than its net book value, the net book value is reduced to the expected recoverable amount, and the impairment loss is taken to the consolidated statement of profit or loss.

Property and equipment's useful lives are reviewed at the end of each year and if the expected useful life differs from the previous estimate, the difference is recorded in subsequent years as a change in accounting estimates.

Property and equipment are disposed of when there are no expected future benefits from its use or its disposal.

Property and equipment in hyper inflationary economies are restated by applying the change in the general price indices from the date of acquisition to the current reporting date. Depreciation on these assets are based on the restated amounts.

Intangible Assets

Goodwill

Goodwill is booked at cost, and represents the excess amount paid to acquire or purchase on investment in a subsidiary over the Company's share of the fair value of the net assets of the subsidiary at the acquisition date, Goodwill resulting from the investment in a subsidiary is booked as a separate item within intangible assets, and reduced subsequently for any impairment loss.

Goodwill is distributed among cash generating unit(s) for the purpose of impairment test.

The value of goodwill is reviewed on the date of the consolidated financial statements, Goodwill value is reduced when there is evidence that it is impaired or the recoverable value of the cash generating unit(s) is less than the book value of the cash generating unit(s), The decline in value is booked as an impairment loss and charged to the consolidated statement of profit or loss.

Other Intangible Assets

Intangible assets purchased in an acquisition are stated at fair value at the date of acquisition. Other intangible assets purchased other than through acquisition are recorded at cost.

Intangible assets are to be classified on the basis of either definite or indefinite useful life, Intangible assets with definite useful lives are amortized over their useful lives and charged to the consolidated statement of profit or loss, Intangible assets with indefinite lives are reviewed for impairment as of the consolidated financial statements date, and impairment loss is charged to the consolidated statement of profit or loss.

No capitalization of intangible assets resulting from the Company's operations is made, they are charged to the consolidated statement of profit or loss in the year incurred.

Any indications of impairment in the value of intangible assets as of the consolidated financial statements date are reviewed. Furthermore, the estimated useful lives of the impaired intangible assets are reassessed, and any adjustments are made in the subsequent periods.

Intangible assets are amortized over their expected production life by 20% to 35% annual percentages.

Intangible assets in hyper inflationary economies are restated by applying the change in the general price indices from the date of acquisition to the current reporting date. Amortization on these assets are based on the restated amounts.

Project Under Constructions
Projects under construction are stated at cost, including the value of the works under completion, the expenses of the units, the borrowing cost and the bank interest related to it and are related to the direct costs that are deferred until the completion of the project or the capitalization on the final receipt date.

Inventory
Finished goods and work in process are stated at cost (using the first – in, first - out method) or net realizable value, whichever is lower after deducting the provision for expired and slow-moving items, cost includes raw materials cost, direct labor and other manufacturing overheads. Net realizable value represents the estimated selling price less all estimated completion costs and costs to be incurred in marketing, selling and distribution.

Spare parts are valued at cost (using the first-in, first-out method) or net realizable value, whichever is lower. Spare parts are recognized in the consolidated statement of profit or loss when used.

A provision recorded against the slow-moving and damaged inventory, so that the inventory is stated at cost or net realizable value, whichever is lower according to the IFRSs.

Foreign Currencies
For the purpose of the consolidated financial statements, the results and financial position of each group company are expressed in the functional currency of the Company, and the presentation currency for the consolidated financial statements.

The individual financial statements of each group company are presented in the currency of the primary economic environment in which it operates (its functional currency). In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in consolidated statement of profit or loss in the period in which they arise except for:

- Exchange differences on transactions entered into to hedge certain foreign currency risks; and
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to consolidated statement of profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in the consolidated OCI and accumulated in a separate component of equity.

On the disposal of a foreign operation (i.e. a disposal of the Company's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest become a financial asset), all of the exchange differences accumulated in a separate component of equity in respect of that operation attributable to the owners of the Company are reclassified to consolidated statement of profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interest and are not recognized in consolidated statement of profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to consolidated statement of profit or loss.

Revenue Recognition
The Company recognizes revenue mainly from sale of goods (Cold Cuts, Frozen and Cans).

Revenue is measured based on the consideration to which the company expects to be entitled (net after returns and discounts) in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control of a product or service to a customer, being when the goods have been shipped to the specific location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when onselling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

If customers have a right of return. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. At the same time, the Company has a right to recover the product when customers exercise their right of return so consequently recognises a right to returned goods asset and a corresponding adjustment to cost of sales. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of returns over previous years.

For certain customers, the goods are sold with discounts retroactively on the basis of 12 months of total sales. Revenue of these sales is recognized based on the price specified in the contract less estimated discounts. The Group uses its accumulated historical experience to estimate discounts and the revenue is recognized to the extent that it is probable that there will be no material reversal. Liabilities for discounts on payments to customers are recovered in respect of sales made during the year.

The Group account for consideration payable to a customer (listing fee and promotional expenses) which occur in conjunction with purchase of goods from the Company as a reduction of the transaction, unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the Company.

Interest Income and Expenses
Interest income and expense for all financial instruments are recognized in the statement of profit or loss using the effective interest method. The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The interest income/ interest expense is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (at the amortised cost of the financial asset before adjusting for any expected credit loss allowance), or to the amortised cost of financial liabilities. For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (the gross carrying amount less the allowance for expected credit losses (ECLs)). For financial assets originated or purchased credit-impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset.

Financial Instrument

Financial assets and financial liabilities are recognized in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial Assets

Financial assets are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (except for financial assets at fair value through statement of profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows;

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit–impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in consolidated statement of profit or loss.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (ECL) on trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Provision for expected credit loss

The Group has adopted the simplified approach to recognize expected credit losses over the life of its receivables as permitted by IFRS 9. Accordingly, non-impaired trade receivables that do not contain a significant financing component have been classified as part of stage 2 with the recognition of expected credit losses over their lifetime.

A provision for the expected credit loss should be recognized over the life of the financial instrument if the credit risk on that financial instrument increases substantially since the initial recognition and the expected credit loss is an expected weighted estimate of the present value of the credit loss. This value is measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the expectation of several future economic scenarios, discounted at the effective interest rate of the asset.

The Group assesses whether there is objective evidence of impairment on an individual basis for each asset of individual value and collectively for other assets that are not individually significant.

Provisions for loss of credit losses are presented as a reduction of the total carrying amount of financial assets at amortized cost.

Write off

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over 24 months past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in consolidated statement of profit or loss.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in consolidated statement of profit or loss.

Classification as debt or equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities
All financial liabilities are measured subsequently at amortised cost using the effective interest method or at fair value through consolidated statement of profit or loss.

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

Trade and other payables classified as financial liabilities are initially measured at fair value, net of transaction costs and subsequently measured at amortised cost using the effective interest method. Interest expenses are recognised based on effective interest rate.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised consolidated statement of profit or loss.

Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Employees' Benefits

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Other long term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Income tax

Income tax expenses represent accrued taxes and deferred taxes.

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

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

Deferred taxes are taxes expected to be paid or recovered as a result of the temporary timing differences between the value of assets or liabilities in the consolidated financial statements and the value on the basis of which taxable income is calculated, Moreover, deferred taxes are calculated based on the liability method in the consolidated statement of financial position according to the tax rates expected to be applied upon the settlement of the tax liability or realization of the deferred tax assets.

Deferred tax assets and liabilities are reviewed as of the date of the consolidated financial statements, and reduced in case no benefit is expected to arise therefrom, partially or totally.

Fair Value Measurement

Fair value is defined as the a price at which an asset is to be sold or paid to convert any of the liabilities in a structured transaction between the market participants on the measurement date, irrespective of whether the price can be realized directly or whether it is estimated using another valuation technique. When estimating the fair value of an asset or liability, the Company takes into consideration when determining the price of any asset or liability whether market participants are required to take these factors into account at the measurement date. The fair value of the measurement and / or disclosure purposes in these financial statements is determined on the same basis, except for measurement measures that are similar to fair value procedures and are not fair value such as fair value as used in IAS 36.

In addition, fair value measurements are classified for the purposes of financial reporting to level (1) or (2) or (3) based on the extent to which the inputs are clear to fair value measurements and the importance of inputs to the full fair value measurements, which are identified as follows:

Input Level (1)	inputs derived from quoted (unadjusted) prices of identical assets or liabilities in active markets that the enterprise can obtain on the measurement date;
Input level (2)	inputs derived from data other than quoted prices used at level 1 and observable for assets or liabilities, either directly or indirectly; and;
Input level (3)	are inputs to assets or liabilities that are not based on quoted market prices.

Leases

The Group as lessee

The Group assesses whether contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The lease liability is presented as a separate line item in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revise discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use of assets are presented as a separate line in consolidated the statement of financial position.

The Group applies IAS (36) to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the 'Property, plant and equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other expenses' in the consolidated statement of profit or loss.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS (15) to allocate consideration under the contract to each component.

Impairment of Non-Financial Assets

At the reporting date, the Group assesses whether there is evidence that the asset has been impaired. If any evidence exists, or when an impairment test is required, the Group assesses the recoverable amount of the asset. The recoverable amount of the asset is the fair value of the asset or cash-generating unit less cost of sales and value in use whichever is higher and is determined for the individual asset, unless the asset does not generate substantially independent internal cash flows from those arising from other assets or assets of the Group. Where the carrying amount of the asset or cash-generating unit exceeds the recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. In assessing the fair value used, future cash flows are discounted to their present fair value using a pre-tax discount rate that reflects current market assessments of the time value of funds and the risks specific to the asset. In determining fair value less cost of sales, recent transactions in the market are taken into consideration if available. If such transactions can not be identified, the appropriate valuation model is used.

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 intends to either settle them on a net basis or to realize the asset and settle the liability simultaneously.

3. Adoption of new and revised Standards

a. New and amended IFRS Standards that are effective for the current year

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2022, have been adopted in these consolidated financial statements for the Group. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

Amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Annual Improvements to IFRS Standards 2018-2020

The annual improvements include amendments to four standards:

Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16 (a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16 (a).

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements.

IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

b. New and Revised Standards in issue but not yet effective

At the date of authorization of these consolidated financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

New and revised IFRSs	Effective date
IFRS 17 Insurance Contracts (including the June 2020 amendments to IFRS 17) IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees. In June 2020, the Board issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after January 1, 2023. At the same time, the Board issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after January 1, 2023. In December 2021, the IASB issued Initial Application of IFRS 17 and IFRS 9—Comparative Information (Amendment to IFRS 17) to address implementation challenges that were identified after IFRS 17 was published. The amendment addresses challenges in the presentation of comparative information. For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.	**The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.**
Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.	**The effective date is yet to be set. Earlier application is permitted.**

New and revised IFRSs	Effective date
Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or noncurrent is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.	**The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted.**
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.	**January 1, 2023, with earlier application permitted and are applied prospectively.** **The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.**
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications: • A change in accounting estimate that results from new information or new developments is not the correction of an error • The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors The IASB added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The IASB has deleted one example (Example 3) as it could cause confusion in light of the amendments.	**January 1, 2023, with earlier application permitted**

New and revised IFRSs	Effective date
Amendments to IAS 12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease. Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12. The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises: • A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with: - Right-of-use assets and lease liabilities - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset • The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.	**January 1, 2023, with earlier application permitted**

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the consolidated financial statements of the Group in the period of initial application.

4. Significant Accounting Judgments and Key Sources of Uncertainty

The preparation of the consolidated financial statements and the adoption of accounting policies requires the management to make judgments, estimates and assumptions that affect the amounts of financial assets and financial liabilities and the disclosure of contingent liabilities. These estimates and judgments also affect revenues, expenses and provisions in general and expected credit losses. In particular, the Group's management is required to make judgments to estimate the amounts and timing of future cash flows. These mentioned estimates are based on multiple hypotheses and factors with varying degrees of estimation and uncertainty. Actual results may differ from estimates as a result of changes in these conditions and circumstances in the future.

Judgments, estimates and assumptions are reviewed periodically. The effect of the change in estimates is recognized in the financial period in which the change has occurred and only if the change affects the same financial period. Moreover, the effect of the change in estimates is recognized in the financial period in which the change has occurred and in future periods in case the change affects the financial period and future financial periods.

The Group management believes that its estimates in the consolidated financial statements are reasonable. The key estimates used by management in applying the Company's accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Useful life of tangible assets and intangible assets
The management periodically re-estimates the useful life of tangible assets and intangible assets for the purpose of calculating the annual depreciation and amortization based on the general condition of those assets and estimated future useful lives. The impairment loss is recognized in the consolidated statement of profit or loss for the year.

Impairment of intangible assets with infinite life
Management is required to use significant judgments and estimates to determining whether intangible assets with infinite life is impaired through estimation of the value in use of the cash-generating units to which has been allocated. The value in use calculation requires the Group's Management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Details of the estimates used to assess the impairment of goodwill are disclosed in Note 9.

Income tax
The fiscal year is charged its related income tax expense in accordance with the regulations, laws and accounting standards. The deferred taxes and income tax provision are calculated and recognized.

Lawsuit and other commitments provision
A provision is booked to meet any potential litigation obligations based on the legal study prepared by the Group's legal counsel that identifies potential risks in the future and periodically reviews the study.

Assets and liabilities presented at cost
Management reviews the assets and liabilities at cost periodically for the purpose of estimating any impairment in value, any impairment loss is recognized in the consolidated statement of profit or loss for the year.

Fair value measurement and valuation procedures
When estimating the fair value of financial assets and financial liabilities, the Group uses available observable market data. In case of the absence of level 1 inputs, the Company conducts evaluations using appropriate valuation models to determine the fair value of financial instruments.

End-of-Service Indemnity
Provision for end-of-service indemnity is booked for any legal or contractual obligations for the employees' services according to the current and previous services in accordance with internal polices of Group.

Provision for slow moving items
Provision is allocated for slow moving inventories based on the principles and assumptions approved by the group’s management to estimates the provision to be established in accordance with International Financial Reporting Standards.

Calculation of provision for expected credit losses
The management is required to use important judgments and estimates to estimate the amounts and timing of future cash flows and to estimate the risk of significant increase in credit risk for financial assets after the initial recognition and future measurements information for expected credit losses.

The expected credit loss is measured as an allowance equivalent to the expected credit loss over the life of the asset.

Determining the number and relative weight of forward looking scenarios for each type of products / market and the identification of future information relevant to each scenario
When measuring the expected credit loss, the Company uses reasonable and reliable future information based on the assumptions of the future movement of the various economic factors and how these economic factors affect each other.

Probability of default
The probability of default is a key input in measuring the expected credit loss. The probability of default is considered an estimate of the probability of default over a given period of time, which includes the calculation of historical data, assumptions and expectations relating to future circumstances.

Loss given default
Loss given default is an estimate of the loss arising from default. It is based on the difference between the contractual cash flows due and those that the financer expects to collect, taking into account cash flows from collaterals and credit adjustments.

Revenue recognition
The Group's management uses significant estimates and assumptions to determine the amount and timing of revenue recognition under IFRS 15, "Revenue from contracts with customers".

Provision for sales returns and discount
The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of returns over previous years.

The Group uses its accumulated historical experience to estimate discounts and the revenue is recognized to the extent that it is probable that there will be no material reversal. Liabilities for discounts on payments to customers are recovered in respect of sales made during the year.

Extension and termination options in lease contracts
Extension and termination options are included in a number of leases. These terms are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable both by the Group and the respective lessor.

Determining the lease term
In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee

Discounting of lease payments
The lease payments are discounted (if any) using the Group's incremental borrowing rate ("IBR"). Management has applied judgments and estimates to determine the IBR at the commencement of lease.

Hyperinflation
The Group exercises significant judgement in determining the onset of hyperinflation in countries in which it operates and whether the functional currency of its subsidiaries, associates or joint venture is the currency of a hyperinflationary economy.

Various characteristics of the economic environment of each country are taken into account. These characteristics include, but are not limited to, whether:

- The general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency;
- Prices are quoted in a relatively stable foreign currency;
- Sales or purchase prices take expected losses of purchasing power during a short credit period into account;
- Interest rates, wages and prices are linked to a price index; and
- The cumulative inflation rate over three years is approaching, or exceeds, 100%.

Management exercises judgement as to when a restatement of the financial statements of a Group entity becomes necessary.

5. Cash on Hand and at Banks

This item consists of the following:

	December 31,	
	2022	2021
	JD	JD
Cash on hand	78,613	47,302
Current accounts at banks	2,444,045	1,483,793
Terms deposits account *	613,972	1,497,446
	3,163,630	3,028,541

* These deposits mature every 3 months and is renewable and the interest rate is 14.9% during the year 2022 (18.3% during the year 2021).

6. Accounts Receivable - Net

a. This item consists of the following:

	December 31,	
	2022	2021
	JD	JD
Trade receivables	23,455,682	19,705,316
Short-term cheques are due within 3 months	3,176,851	2,226,978
	26,632,533	21,932,294
Less: Provision for expected credit loss	(2,011,486)	(1,934,550)
Accounts Receivables - Net	24,621,047	19,997,744

The average credit period ranges from 30 to 90 days. No interest charged on the outstanding trade receivable balances.

The Group has adopted the simplified approach as permitted by IFRS 9. The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses ("ECL"). The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the consolidated financial statements date.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, for example when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

The table below illustrates the determination of the risk of trade receivables based on the provision's matrix:

As of December 31, 2022		Receivables are past due				
	Current receivables (not past due) *	Less than 90 days	From 91 days to 180 days	From 181 days to 365 days	More than 365 days	Total
	JD	JD	JD	JD	JD	JD
Total trade receivables	20,452,498	4,382,576	152,099	349,135	1,296,225	26,632,533
Expected credit loss	204,345	318,027	53,235	139,654	1,296,225	2,011,486
Expected credit loss rate	1%	7%	35%	40%	100%	8%

As of December 31, 2021		Receivables are past due				
	Current receivables (not past due) *	Less than 90 days	From 91 days to 180 days	From 181 days to 365 days	More than 365 days	Total
	JD	JD	JD	JD	JD	JD
Total trade receivables	14,706,084	5,212,855	635,048	418,121	960,186	21,932,294
Expected credit loss	115,725	469,124	222,267	167,248	960,186	1,934,550
Expected credit loss rate	%1	%9	%35	%40	%100	%9

* Current receivables include short-term checks due within 3 months.

b. The movement on the expected credit loss during the year is as follows:

	For the year ended December 31, 2022		
	Stage 2	Stage 3	Total
	JD	JD	JD
Balance – beginning of the year	974,364	960,186	1,934,550
Provision booked during the year	(245,524)	393,571	148,047
Foreign currencies translation	(13,579)	(57,532)	(71,111)
Balance – End of the Year	715,261	1,296,225	2,011,486

	For the year ended December 31, 2021		
	Stage 2	Stage 3	Total
	JD	JD	JD
Balance – beginning of the year	496,190	1,053,890	1,550,080
Increase in provision due to acquisition of a subsidiary	412,667	23,716	436,383
Provision booked during the year	124,190	18,102	142,292
Foreign currencies translation	(58,683)	(135,522)	(194,205)
Balance – End of the Year	974,364	960,186	1,934,550

7. Inventory - Net

a. This item consists of the following:

	December 31,	
	2022	2021
	JD	JD
Raw materials	12,825,785	8,992,977
Finished products	6,293,489	4,446,468
Detergents and uniforms	280,665	770,976
Spare parts	3,512,000	2,300,019
	22,911,939	16,510,440
Less: Provision for slow-moving items	(1,187,072)	(1070,914)
	21,724,867	15,439,526
Goods in transit	231,807	284,303
	21,956,674	15,723,829

b. The movement on the provision for slow-moving items during the year is as follows:

	2022	2021
	JD	JD
Balance - beginning of the year	1,070,914	963,945
Add: Provision booked during the year	176,754	111,120
Less: Inventory write – off	(60,596)	(4,151)
Balance - End of the Year	1,187,072	1,070,914

8. Other Debit Balances

This item consists of the following:

	December 31,	
	2022	2021
	JD	JD
Advances to suppliers	1,858,318	1,392,569
Prepayments	1,391,662	1,274,658
Refundable deposits	310,224	193,214
Sales tax deposits related to foreign subsidiaries	1,496,037	-
Others	223,239	163,254
	5,279,480	3,023,695

9. Intangible Assets

This item consists of the following:

For the year ended December 31, 2022	Goodwill	Trademark	Customer relations	Software and programs	Total
	JD	JD	JD	JD	JD
Cost					
Balance - beginning of the year	4,758,620	7,294,345	1,351,394	266,150	13,670,509
Additions	-	-	-	95,374	95,374
Foreign currencies translation*	30,203	3,143,113	747,394	-	3,920,710
Balance - End of the Year	4,788,823	10,437,458	2,098,788	361,524	17,686,593
Accumulated Amortization					
Balance - beginning of the year	-	-	56,308	216,751	273,059
Additions	-	-	104,939	25,612	130,551
Foreign currencies translation*	-	-	31,142	-	31,142
Balance - End of the Year	-	-	192,389	242,363	434,752
Net book value as December 31, 2022	4,788,823	10,437,458	1,906,399	119,161	17,251,841

For the year ended December 31, 2021	Goodwill	Trademark	Customer relations	Software and programs	Total
	JD	JD	JD	JD	JD
Cost					
Balance - beginning of the year	4,704,101	1,611,147	-	244,442	6,559,599
Additions due to acquisition	101,612	10,574,586	2,514,506	-	13,190,704
Additions	-	-	-	21,708	21,708
Foreign currencies translation	(47,002)	(4,891,388)	(1,163,112)	-	(6,101,502)
Balance - End of the Year	4,758,620	7,294,345	1,351,394	266,150	13,670,509
Accumulated Amortization					
Balance - beginning of the year	-	-	-	200,863	200,863
Additions	-	-	81,369	15,888	97,257
Foreign currencies translation	-	-	(25,061)	-	(25,061)
Balance - End of the Year	-	-	56,308	216,751	273,059
Net book value as December 31, 2021	4,758,620	7,294,345	1,295,086	49,399	13,397,450

* Exchange adjustments include the effect of hyperinflationary restatement of intangible assets value in Tarakya Company for the Manufacture and Trade of Meat and Dairy Products based on the respective changes in the price index.

a. Goodwill resulted from the acquisition of shares at a value that exceeds the fair value of some of the subsidiaries as follows:

	December 31, 2022	December 31, 2021
	JD	JD
Siniora Food Industries - Palestine	311,530	311,530
Diamond Meat Processing	4,392,480	4,392,480
Tarakya Company for the Manufacture and Trade of Meat and Dairy Products	84,813	54,610
	4,788,823	4,758,620

b. The trademarks as at December 31, 2022 represents represent the value of the trademarks purchased from Distinguished food for Siniora Food Industries Company - Jordan, with an amount of JD 1,611,147, In addition to trademarks resulting from allocating the purchase price of Tarakya Company for the Manufacture and Trade of Meat and Dairy Products with an amount of JD 10,574,586 (the present value is JD 10,473,458 after deducting the effect of foreign currency translation as of December 31, 2022)

c. The impairment in the value of goodwill and trademarks was tested at the end of 2022 and 2021, and the Group's management concluded that there was no impairment in its value. The most important assumptions followed by the Group's management when preparing the impairment loss were as follows:

	As of December 31, 2022		
	Weighted Average Cost of Capital	Expected growth rate during next five years	Terminal growth rate
Goodwill from the acquisition of Siniora Palestine.	%13.7	%5	%2
Goodwill from the acquisition of Al Masa for Meat Production.	%11.2	%5	%2
Goodwill and trademark from the acquisition of Tarakya Company for the Manufacture and Trade of Meat and Dairy Products	%22.8	%9	%6
The trademark (Unium)	%11.6	%2	%2

	As of December 31, 2021		
	Weighted Average Cost of Capital	Expected growth rate during next five years	Terminal growth rate
Goodwill from the acquisition of Siniora Palestine.	11.6%	5%	2%
Goodwill from the acquisition of Al Masa for Meat Production.	11.2%	5%	2%
Goodwill and trademark from the acquisition of Tarakya Company for the Manufacture and Trade of Meat and Dairy Products	12.3%	25%	10%
The trademark (Unium)	11.6%	2%	2%

d. Customer relations resulted by allocating the purchase price of Tarakya Company for the Manufacture and Trade of Meat and Dairy Products and amortized over a period of 20 years from the date of acquisition March 1,2021.

10. Property and Equipment

This item consists of the following:

For the year ended December 31, 2022	Land	Buildings and Constructions	Furniture and Fixtures	Vehicles	Machinery and Equipment	Tools and Equipment	Project Under Constructions**	Total
Cost:	JD	JD	JD	JD	JD	JD	JD	JD
Balance - beginning of the year	7,891,189	20,731,635	3,804,597	4,984,460	33,149,141	1,390,299	4,623,933	76,575,254
Additions	-	41,362	300,045	387,936	1,907,440	161,689	7,615,101	10,413,573
Disposals	-	-	(16,188)	(75,693)	(139,346)	(41,661)	(57,267)	(330,155)
Transfers	-	4,243,402	28,712	162,320	3,754,856	74,750	(8,264,040)	-
Foreign currencies translation *	849,987	192,802	116,888	182,545	1,480,697	141,063	(84,658)	2,879,324
Balance - End of the Year	8,741,176	25,209,201	4,2434,054	5,641,568	40,152,788	1,726,140	3,833,069	89,537,996
Accumulated Depreciation:								
Balance - beginning of the year	-	8,607,085	2,043,680	3,105,036	18,812,151	745,637	-	33,313,589
Deprecation for the year	-	864,916	552,557	491,332	2,083,964	212,986	-	4,205,755
Disposal	-	-	(15,514)	(58,523)	(120,191)	(41,187)	-	(235,415)
Foreign currencies translation	-	50,270	69,680	86,517	606,555	92,648	-	905,670
Balance - End of the Year	-	9,522,271	2,650,403	3,624,362	21,382,479	1,010,084	-	38,189,599
Net Book Value as of December 31, 2022	8,741,176	15,686,930	1,583,651	2,017,206	18,770,309	716,056	3,833,069	51,348,397
For the year ended December 31, 2021								
Cost:								
Balance - beginning of the year	6,455,727	20,021,010	2,665,672	4,277,486	29,514,284	1,208,959	1,082,154	65,225,292
Additions due to acquisition	2,673,270	838,420	301,270	366,110	5,058,882	16,407	18,221	9,272,580
Additions	-	163,721	375,184	606,533	1,176,187	223,869	5,930,891	8,476,385
Disposals	-	(4,203)	(351,978)	(87,217)	(1,282,999)	(21,086)	-	(1,747,483)
Transfers	-	124,759	1,075,300	87,094	1,032,166	68,214	(2,387,533)	-
Foreign currencies translation	(1,237,808)	(412,072)	(260,851)	(265,546)	(2,349,379)	(106,064)	(19,800)	(4,651,520)
Balance - End of the Year	7,891,189	20,731,635	3,804,597	4,984,460	33,149,141	1,390,299	4,623,933	76,575,254
Accumulated Depreciation:								
Balance - beginning of the year	-	7,747,811	1,883,790	2,611,986	17,048,316	779,345	-	30,071,248
Additions through acquisition	-	90,008	270,791	141,676	1,568,167	15,158	-	2,085,800
Deprecation for the year	-	835,708	303,914	498,339	2,161,536	140,750	-	3,940,247
Disposals	-	(3,238)	(347,951)	(72,408)	(1,243,276)	(20,846)	-	(1,687,719)
Foreign currencies translation	-	(63,204)	(66,864)	(74,557)	(722,592)	(168,770)	-	(1,095,987
Balance - End of the Year	-	8,607,085	2,043,680	3,105,036	18,812,151	745,637	-	33,313,589
Net Book Value as of December 31, 2021	7,891,189	12,124,550	1,760,917	1,879,424	14,336,990	644,662	4,623,933	43,261,665

* Exchange adjustments include the effect of hyperinflationary restatement of property and equipment value in Tarakya Company for the Manufacture and Trade of Meat and Dairy Products based on the respective price index.

** This item represents amounts that were paid for machines, equipment and projects as at the end of the year and are not ready for use as at the date of the consolidated financial statements. The value of the contractual obligations related to these projects has been disclosed in note (23).

- Fully depreciated property and equipment amounted to JD 16,315,953 as of December 31, 2022 (13,168,665 as of December 31, 2021)

11. Lease contract

a. Right of use assets

The Company leases several assets including properties and cars. The average lease term is 5 years. The movement for right-of-use assets during 2022 and 2021 as follows:

	For the year ended December 31, 2022		
	Properties	Cars	Total
	JD	JD	JD
Beginning balance	614,267	308,535	922,802
Add: Contracts added during the year	997,427	1,175,727	2,173,154
Less: Depreciation for the year	(446,970)	(359,197)	(806,167)
Less: Cancelled contracts during the year	-	(54,677)	(54,677)
Foreign currencies translation	83,949	48,959	132,908
Ending balance	1,248,673	1,119,347	2,368,020

	For the year ended December 31, 2021		
	Properties	Cars	Total
	JD	JD	JD
Beginning balance	639,418	162,055	801,473
Increase due to acquisition of a subsidiary company	187,411	122,767	310,178
Add: Contracts added during the year	284,257	228,868	513,125
Less: Depreciation for the year	(324,413)	(104,083)	(428,496)
Less: Cancelled contracts during the year	(82,941)	-	(82,941)
Foreign currencies translation	(89,465)	(101,072)	(190,537)
Ending balance	614,267	308,535	922,802

b. Lease obligations

The movement for lease obligations during the 2022 and 2021 were as follows:

	For the year ended December 31, 2022		
	Properties	Cars	Total
	JD	JD	JD
Beginning balance	839,009	328,280	1,167,289
Add: Additions during the year	958,901	1,077,576	2,036,477
Interest during the year	81,418	77,300	158,718
Less: paid during the year	(385,269)	(405,075)	(790,344)
Less: Cancelled contracts during the year	-	(31,850)	(31,850)
Foreign currencies translation	(366,666)	(4,075)	(370,741)
Ending balance	1,127,393	1,042,156	2,169,549

	For the year ended December 31, 2021		
	Properties	Cars	Total
	JD	JD	JD
Beginning balance	598,910	155,177	754,087
Increase due to acquisition of a subsidiary company	750,803	79,819	830,622
Add: Additions during the year	299,354	263,204	562,558
Interest during the year	56,494	15,716	72,210
Less: paid during the year	(445,560)	(90,577)	(536,137)
Less: Cancelled contracts during the year	(36,822)	-	(36,822)
Foreign currencies translation	(384,170)	(95,059)	(479,229)
Ending balance	839,009	328,280	1,167,289

The following is an analysis of the maturity of lease obligations as at December 31, 2022 and 2021:

	For the year ended December 31, 2022		
	Properties	Cars	Total
	JD	JD	JD
Less than one year	388,762	450,180	838,942
From one to five years	703,229	591,976	1,295,205
More than five years	35,402	-	35,402
Ending balance	1,127,393	1,042,156	2,169,549

	For the year ended December 31, 2021		
	Properties	Cars	Total
	JD	JD	JD
Less than one year	393,607	95,315	488,922
From one to five years	551,654	77,917	629,571
More than five years	48,796	-	48,796
Ending balance	994,057	173,232	1,167,289

c. The following are the amounts recorded in the consolidated profit or loss statement:

	For the year ended December 31, 2022		
	Properties	Cars	Total
	JD	JD	JD
Depreciation for the year	446,970	359,197	806,167
Interest for the year	81,417	77,301	158,718
Total	528,387	436,498	964,885

	For the year ended December 31, 2021		
	Properties	Cars	Total
	JD	JD	JD
Depreciation for the year	324,413	104,083	428,496
Interest for the year	56,494	15,716	72,210
Total	380,907	119,799	500,706

12. Borrowed Fund

This item consists of following:

	December 31	
	2022	2021
	JD	JD
Overdraft	10,403,305	6,126,936
Revolving Loans	7,219,358	3,254,397
Bank Loans	36,859,660	30,818,692
	54,482,323	40,200,025
Analysis of Borrowed Funds Maturity:		
Due Within one year	26,962,832	16,032,746
Due within more than one year and less than five years	27,519,491	24,167,279
	54,482,323	40,200,025
Analysis of Borrowed Funds Interest:		
Fixed rate	18,023,221	12,088,406
Variable rate	36,459,102	28,111,619
	54,482,323	40,200,025

The movement on borrowed funds during the years 2022 and 2021 as follows:

	For the year ended December 31,	
	2022	2021
	JD	JD
Balance - beginning of the year	40,200,025	11,216,383
Additions due to the acquisition of a subsidiary company	-	6,054,632
Borrowed funds – net	15,515,464	24,689,001
Foreign currency translation differences	(1,233,166)	(1,759,991)
Balance - End of the Year	54,482,323	40,200,025

The interest rate on borrowed funds during the years 2022 and 2021 as follows:

	For the year ended December 31	
	2022	2021
	%	%
Overdraft	From 4.75% To 19%	From 4.75% To 19%
Revolving loans	From 4.54% To 31%	From 3.18% To 27%
Bank loans	From 3.02% To 26%	From 2.17% To 16%

Collateral for borrowed funds:

The Company provide first-degree mortgage by the amount of JD 12,111,480 and possessory mortgage on machinery and equipment by the amount of JD 10,713,368 and endorsement of the mortgaged machinery and equipment insurance policy by the amount of JD 22 million as guarantees against some of the loans above.

13. Deposits and Accrued Expenses

This item consists of the following:

	December 31, 2022	December 31, 2021
	JD	JD
Remunerations and accrued salaries	1,673,635	1,626,819
Sales tax deposits	701,306	647,191
Provision for lawsuits and other commitments *	284,737	261,880
Accrued customer's sales commissions	664,077	355,192
Accrued insurance expenses	529,328	418,862
Provision for paid leaves	694,024	580,048
Sales return provision	460,699	398,985
Credit cards	241,161	130,394
Accrued utilities and phone expenses	8,350	5,087
Professional fees	81,668	137,704
Social security deposits	206,360	120,252
Media and advertising	134,557	166,209
Accrued interest expenses	210,545	371,505
Advanced payment from customers	181,140	158,985
Accrued rent	115,800	57,900
Board of directors' remuneration	45,000	45,000
Board members transportation and representation of committees	187,500	170,500
Other	895,311	835,526
	7,315,198	6,488,139

* This item includes a provision booked by the Company against contingent liabilities that may arise, the movement on this provision during the year was as follows:

	2022	2021
	JD	JD
Provision Balance – beginning of the year	261,880	564,255
Add: Increase in provision due to acquisition of a subsidiary	-	56,817
Add: Provision (Released from provision) during the year	130,012	(167,157)
Less: Paid during the year	(98,900)	(166,549)
Less: Foreign currencies translation	(8,255)	(25,486)
Balance – End of the Year	284,737	261,880

14. Provision for Employees End-of-Service Indemnity

The provision for employee end-of service indemnity balance relates to subsidiary companies, the movement on this provision is as follows:

	2022	2021
	JD	JD
Balance - Beginning of the year	3,651,637	2,987,130
Add: Increase in provision due to acquisition of a Subsidiary company	-	590,830
Add: Additions during the year	818,921	486,608
Less: Paid from the provision	(268,636)	(336,462)
Foreign currency translation	(334,699)	(93,768)
Actuarial loss	159,335	17,299
Balance – End of the Year	4,026,558	3,651,637

15. Paid-up Capital and Reserves

a. Paid-up Capital

The authorized and paid-up capital amounted to JD 28 million distributed over 28 million shares, with a nominal value of one JD per share. The General Assembly approved on April 21, 2021 to increase the paid-up capital from JD 27 million to JD 28 million which equal JD 1 million through transferring the amount from retained earnings and distributed as free shares to shareholders based on their share percentages of the paid-up capital.

b. Statutory Reserve

This item represents the accumulated amounts transferred from the annual net income before tax at a rate of 10% during the year and prior years in Jordan in accordance with the Jordanian Companies Law. This reserve cannot be distributed to shareholders.

c. Retained Earnings

The Generals Assembly approved in its ordinary meeting held on April 20, 2022 to distribute cash dividends by 17% from Company paid in capital amounting to JD 4,760,000 (The General Assembly approved in its ordinary meeting held on April 21, 2021 to distribute cash dividend by 15% from Company's paid in capital amounted to JD 4,050,000. The General Assembly also approved increasing the company's capital from 27 million dinars to 28 million dinars, by one million dinars through transferring the amount from retained earnings and distributed as free shares to shareholders based on their share percentages of the paid-up capital).

Retained earnings include an amount of JD 518,611 that is restricted against deferred tax assets as on December 31, 2022, which cannot be utilized through capitalization or distribution unless actually realized, (JD 400,656 as of December 31, 2021).

d. The impact of the purchase of the non-controlling interest

On April 30, 2018, Siniora Food Holding Limited has signed an agreement to purchase the shares of the partner in Diamond Meat Processing Company for the amount of JD 3,752,466. The Company has completed the ownership transfer procedures with the legal authorities during the second half of the year 2018. The value of the agreement exceeds the carrying amount of the net non-controlling interest at the date of acquisition by JD 2,463,786. This amount has been booked within the shareholder's equity under "effect of the purchase of non-controlling interest shares".

e. Foreign Currency Translation Differences

This item represents the Company's share of differences resulting from translated and consolidated the financial statements of subsidiary company (Tarakya Company for the Manufacture and Trade of Meat and Dairy Products).

f. Non-controlling interests

This item represents the non-controlling interests of net assets of Trakia Meat and Dairy Products Company (subsidiary company) amounted to 23%.

16. Cost of Sales

This item consists of the following:

	Note	2022	2021
		JD	JD
Finished goods - Beginning of the year	7	4,446,468	3,831,190
Finished goods due to acquisition of a Subsidiary company		-	1,912,432
Cost of production *		98,285,196	73,657,941
Cost of Good Available for Sale		102,731,664	79,401,563
Less: Finished goods - End of the year	7	(6,293,489)	(4,446,468)
Cost of Sales		96,438,175	74,955,095

* Cost of production represents the following:

	Note	2022	2021
		JD	JD
Raw materials - Beginning of the year	7	8,992,977	6,348,974
Raw material due to acquisition of a subsidiary company		-	1,217,424
Purchases of raw materials and finished inventory during the year		80,131,906	56,763,409
Raw Materials Available for Production		89,124,883	64,329,807
Less: Raw materials - End of the year	7	(12,825,785)	(8,992,977)
Raw Materials Used in Production		76,299,098	55,336,830
Salaries, wages and other employee benefits		8,019,581	7,019,870
Social security		512,629	438,663
Transportation		200,983	189,578
Training		79,351	15,957
Health insurance		450,701	460,450
		9,263,245	8,124,518
Indirect Industrial Expenses:			
Depreciation of property and equipment		3,135,082	2,911,847
Utilities		3,537,859	2,531,662
Maintenance		2,259,282	1,693,815
Storage and transportation of production supplies		985,013	711,297
Rents		900,611	590,354
Insurance expense		327,599	211,084
Tools, uniform and cleaning		342,959	320,727
Damaged goods		156,861	182,828
Staff meals		133,252	98,588
Laboratory tests		209,698	154,143
Security expenses		105,831	104,915
Research and development		23,567	9,769
Others		605,239	675,564
		12,722,853	10,196,593
Cost of Production		98,285,196	73,657,941

17. Selling and Distribution Expenses

This item consists of the following:

	2022	2021
	JD	JD
Salaries, wages, allowances and benefits	4,759,572	4,058,752
Vehicle expenses	2,512,457	1,843,997
Sales commission	1,740,423	1,587,472
Marketing expenses	2,301,829	1,782,420
Depreciation of property and equipment	640,987	650,139
Depreciation of right of use assets	254,185	41,407
Exports and tenders expenses	350,027	463,526
Social security	259,710	239,631
Insurance	319,722	289,162
Rent	84,927	65,043
Travel and accommodation expenses	375,735	501,093
Communications	109,537	79,053
Maintenance	44,836	47,461
Training	32,311	28,555
Utilities	164,241	114,314
Stationery	16,450	8,580
Others	321,820	319,889
	14,288,769	12,120,494

18. General and Administrative Expenses

This item consists of the following:

	2022	2021
	JD	JD
Salaries, wages, allowances and benefits	5,401,211	4,949,781
Professional fees	807,740	1,114,632
Depreciation of property and equipment	429,686	378,261
Insurance	256,811	222,096
Travel, accommodation, and transport	297,364	196,949
Utilities	341,467	252,252
APIC expenses *	160,801	160,801
Maintenance	299,041	263,911
Communications	165,635	170,380
Social security	121,635	110,127
Donations	359,322	250,733
Memberships, subscriptions and licenses	233,084	154,495
Vehicle expenses	184,152	135,015
Amortization of intangible assets	130,551	97,257
Depreciation of right of use assets	817,935	387,089
Printing, stationery and computer accessories	100,756	62,921
Trademark registration	55,159	85,384
Rent	83,910	64,921
Training	32,102	21,700
Hospitality	84,907	60,860
Bank charges	171,680	117,259
Expenses for mortgaging land as collateral for bank loans	103,608	-
Others	484,269	311,889
	11,122,826	9,547,013

* This item represents the expenses paid by Siniora Food Industries Company – Palestine (a subsidiary company) to Arab Palestinian Investment Company (the Holding Company) for managerial services rendered by the Holding Company.

19. Financing Expenses

This item consists of the following:

	2022	2021
	JD	JD
Interest expense on borrowed funds	4,934,408	2,519,630
Interest expense on leasing	158,718	72,210
	5,093,126	2,591,840

20. Other Revenue and Expenses – Net

This item consists of the following:

	2022	2021
	JD	JD
(Losses) gain from foreign currency translations	(10,307)	4,450
Gain from the sale of property and equipment	21,195	72,521
Board of Directors' remunerations	(45,000)	(45,000)
Board members transportation and representation of committees	(187,500)	(170,500)
Interest revenue from term deposits	204,853	301,037
Supply price difference	-	231,144
Rent revenue	-	47,296
Other – Net	99,508	48,535
	82,749	489,483

21. Income Tax

a. Income Tax Provision

The movement on the income tax provision is as follows:

	2022	2021
	JD	JD
Balance - Beginning of the year	611,493	606,634
Increase in provision due to acquisition of a subsidiary	-	65,405
Income tax paid	(1,336,419)	(1,345,755)
Accrued income tax on current year's profit	1,181,525	1,265,742
Foreign currency translation	14,179	19,467
Balance – End of the Year	470,778	611,493

b. The income tax expense in the consolidated statement of profit or loss consists of the following:

	2022	2021
	JD	JD
Income tax expense for the year	1,181,525	1,265,742
Deferred tax assets for the year	(108,911)	(20,811)
Deferred tax liabilities for the year	(307,222)	-
	765,392	1,244,931

c. Tax Status

Siniora Food Industries Company – Jordan has reached a final settlement up to the end of the year 2018. The income tax report for 2019 and 2020 and 2021 has been submitted and paid and has not yet been audited. In the opinion of the Company's management and its tax advisor, the income tax provision booked in the financial statements is sufficient to meet any future tax liabilities.

- On February 9, 2012, Siniora Food Industries Company - Palestine obtained from Palestine Investment Promotion Agency a full exemption from income tax for five years from January 1, 2010 to December 31, 2014, in addition to a nominal exemption of 50% of income tax for 12 years starting from January 1, 2015 to December 31, 2029 in which the company will pay taxes at a rate of 7.5%.

  Siniora Food Industries Company - Palestine (a subsidiary company) has reached a final settlement up to the end of the year 2020. The income tax report for 2020 and 2021 has been submitted and has not yet been audited. In the opinion of the Company's management and its tax advisor, the income tax provision booked in the financial statements is sufficient to meet any future tax liabilities.

- Siniora Food Holding Limited and its subsidiaries are not subject to income tax due to the fact that there is no income tax in the countries in which they operate.

- Tarakya for manufacture and Trade of Meat and Dairy Products (Subsidiary Company) has reached a final settlement up to the end of the year 2021.

- Income tax was calculated for the year ended December 31, 2022 in accordance with the effective income tax law, and in the opinion of the management and the tax consultant of the Company, the provision allocated is sufficient to meet any tax obligations and there is no need to an additional provision for the year ended December 31, 2022.

d. Deferred tax assets

This item consists of the following:

Included Items	For the Year Ended December 31, 2022					December 31,	
	Balance-Beginning of the Year	Released Amounts	Additional Amounts	Foreign currency translation	Balance-End of the Year	2022	2021
						Deferred Tax	
Assets	JD	JD	JD	JD	JD	JD	JD
Provision for expected credit losses	1,571,297	(157,600)	162,266	(69,083)	1,506,880	118,129	131,483
Provision for slow-moving inventory	989,963	-	113,592	-	1,103,555	66,213	59,397
Provision for end-of-service indemnity	2,581,424	(231,048)	732,564	(16,771)	3,066,169	334,269	209,776
	5,142,684	(388,648)	1,008,422	(85,854)	5,676,604	518,611	400,656

The movement on the deferred tax assets account is as follows:

	2022	2021
	JD	JD
Balance- Beginning of the year	400,656	287,687
Increase due to acquisition of subsidiary company	-	157,086
Additions	118,249	130,765
Released	(9,338)	(109,954)
Foreign currency translation	9,044	(64,928)
Balance- End of the Year	518,611	400,656

22. Earnings per Share for the Company's Shareholders

This item consists of the following:

	2022	2021
	JD	JD
Profit for the year	5,190,788	7,818,636
Weighted average number of shares *	28,000,000	28,000,000
Earnings per share for the year relating to the Company's shareholders / basic and diluted	0.19	0,28

* Weighted average has recalculated of shares number for the share portion from the prior period profit for the Company's shareholders on the basis of the number of authorized and paid-up capital shares for the period ended December 31, 2022, as the increase in paid-up capital was from distributing free shares in accordance with the requirements of IAS (33).

23. Contingent Liabilities

a. There are several lawsuits filed against Siniora Food Industries Company – Palestine equivalent to JD 120,755 as of December 31, 2022 to cancel the Company's claims against others and/or labor claims. In the opinion of the Company's legal advisor and its management, no obligations will arise from these lawsuits. (JD 125,350 as of December 31, 2021).

b. During the year 2021, the Siniora Food Industries Company – Kingdom of Saudi Arabia (subsidiary company) was subject to an audit by Zakat, Tax and Customs Authority in Kingdom of Saudi Arabia in respect of its customs information. The Authority has issued its final audit report claiming additional customs on imports and VAT differences amounting to SAR 4.89 million and SAR 0.25 million, respectively. (Which equal to JD 923 thousand and JD 47 thousand respectively). As at December 31, 2021, on March 15, 2022 a collection and payment order was issued by the Zakat, Tax, and Customs Authority in the Kingdom of Saudi Arabia with an amount of SAR 4.89 million (equivalent to JD 923 thousand), noting that the subsidiary company has the right to object within 30 days from the date of issuing the decision and in the event of the objection, the subsidiary company have to provide a cash or bank guarantee. On April 10, 2022, an objection was submitted with guarantee which represents a bank guarantee. On June 22, 2022, the Authority issued a notice accepting the objection and acknowledging the re-examination of the customs data subject to the objection. In the opinion of the legal advisor and the tax consultant and the Group's management, it is reasonably possible to issue a decision in favor of the Company to collection decision in the future and in the opinion of the Company's management, this matter does not affect the Company's position. Accordingly, no provision for the additional customs claim was booked for the year ended December 31, 2022, and the year ended December 31, 2021. The Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia issued a decision to release the guarantee amount due to end of it specific purpose.

   Subsequent to the date of the consolidated financial statements, a collection and payment order was issued on January 23, 2023 by the Zakat, Tax, and Customs Authority in the Kingdom of Saudi Arabia customs on imports and VAT differences for the same inventory with an amount of SAR 4.89 million (equivalent to JD 923 thousand), the company has filed an objection against the decision on February 6, 2023 and in the opinion of the company's legal advisor and tax consultant and its management, it is reasonably possible to issue a decision in favor of the company in the collection decision objection and accordingly no provision for additional customs claim was provided for the year ended December 31, 2022

c. There are several lawsuits filed against Tarakya Company for the Manufacture and Trade of Meat and Dairy Products (subsidiary Company) equivalent to JD 93,718 as at December 31, 2022 In the opinion of the Company's legal advisor and its management, no obligations will arise from these lawsuits. (JD 152,443 as of December 31, 2021)

d. The Parent Company had contingent liabilities represented in bank guarantees equivalent to JD 115,023 and bills of collection equivalent to JD 236,093 and letter of credits equivalent to 82,013 as of December 31, 2022. (Bank guarantees equivalent to JD 118,175 and guaranteed bank withdrawals equivalent to JD 383,641, unguaranteed bank withdrawals equivalent to JD 445,108, bills of collections equivalent to 729,183 and letter of credit equivalent 86,563 as at December 31, 2021).

e. Siniora Food Industries Company – Palestine (subsidiary company) had contingent liabilities represented in bank guarantees equivalent to JD 584,285 and bills of collection equivalent to JD 48,042 as at December 31, 2022. (The Company had contingent liabilities represented in bank guarantees equivalent to JD 432,205 in addition to bills of collection equivalent to JD 109,965 as at December 31, 2021).

f. Tarakya Company for the Manufacture and Trade of Meat and Dairy Products (subsidiary company) had contingent liabilities represented in bank guarantees equivalent to JD 30,745 as at December 31, 2022. (The Company had contingent liabilities represented in bank guarantees equivalent to JD 882,812 as at December 31, 2021).

g. The Group had unutilized overdraft and revolving loans limits amounted to JD 14,733,356 as at December 31, 2022 (The unutilized overdraft and revolving loans ceiling was JD 13,743,165 as December 31, 2021).

h. The value of projects in progress amounted to JD 4,623,933 as at December 31, 2022 and the remaining cost of completion to complete the implementation of these projects is estimated to be amounted to JD 585,373 and is expected to be completed and to be ready for use by the Group during the first half of 2023. (The estimated completion to complete the implementation of these projects to be amounted to JD 4,649,282 and is expected to be completed during the year of 2022).

24. Balances and Transactions with Related Parties

The Company enters into transactions with companies that fall within the definition of a related party as stated in International Accounting Standard No. 24: "Related Party Disclosures". Related parties consist of companies under common ownership and/or joint management and control and key management personnel. Transactions with these related parties were made on substantially the same terms that prevailed at the same time for similar transactions with customers and third parties. Balances and transactions between the Company and its subsidiaries, which are related parties, are eliminated on consolidation and are not disclosed in this note.

	December 31, 2022		December 31, 2021	
	Receivables	Payables	Receivables	Payables
Consolidated Statement of Financial Position	JD	JD	JD	JD
Unipal General Trading Company *	914,951	-	875,453	-
National Aluminum and Profile Company	757	-	-	-
Medical Supplies and Services Company *	84	-	-	-
Palestinian Automobile Company *	2,492	-	-	-
Employees receivables	106,363	-	107,851	-
SKY Advertising, Publication and Promotion Company *	-	94,516	-	25,540
Arab Palestinian Investment Company **	-	35,531	-	111,564
Arab financial leasing Company *	-	20,875	-	6,391
Al Jihan General Trading *	-	-	-	125,930
Total	1,024,647	150,922	983,304	269,425

The above balances represent trade receivables and payables which bear no interest and have no repayment schedules.

	2022		2021	
	Purchases	Sales	Purchases	Sales
Consolidated Statement of profit or loss	JD	JD	JD	JD
Unipal General Trading Company *	-	12,099,830	-	5,576,198
Arab Palestinian Shopping Centers Company *	-	723	-	-
SKY Advertising, Publication, and Promotion Company*	378,271	-	112,209	-
Arab Palestinian Investment Company **	160,801	-	160,801	-
Arab Financial Leasing Company *	69,085	-	67,071	-
Al Jihan General Trading *	16,504	-	39,388	-

* A Company owned by the holding company.

** Holding Company.

The salaries of executive management amounted to JD 2,008,937 for the year 2022 (JD 1,746,686 for the year 2021).

25. Risk Management

The Group is exposed to various financial risks related to its operations, moreover, operating risks are inherent in business activities. As such, management endeavors to strike a proper balance between risks and rewards and works to mitigate the risks probable adverse effects on the Group's financial performance. The most significant risks faced by the Group are credit risks resulting from credit sales, liquidity risks, market risks, and geographic risks. Moreover, the Group's Board of Directors is responsible for setting up the framework for monitoring and managing these risks, accordingly, the Board of Directors together with executive management periodically follow up on the various risks to monitor and manage the financial risks related to the Group 's operations and activities through preparing and issuing internal reports on risk management, thus analyzing the risks to which the Group is exposed.

Capital Risk Management

The Group manages its capital to ensure its ability to continue as a going concern and to maximize the return to stakeholders through achieving an optimal balance between equity and debts. Moreover, the Group has a strategy to maintain a reasonable debt-to-equity ratio.

Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy to support and guarantee the Group's position of late payment through proper documentation by possessing necessary documents, as appropriate, with the assistance of its legal advisor. Moreover, the Group monitors its credit risk through analysis of the debtors’ level of solvency to mitigate the risk of financial loss from defaults, as well as checking that the total accumulated credit related to certain parties is approved by management. Review and approval of the credit limits are performed regularly.

The book value of the financial assets recorded in the Group’s financial statements net after discounting the impairment losses represent the maximum risks to which the Group could be exposed.

The Group has a concentration in credit risk, where the trade receivables of ten customers amounted to 76% of the total trade receivables as of December 31, 2022, and the group has a concentration in sales, where sales to ten customers amounted to 61% of the total sales for the year 2022. (The trade receivables of ten customers amounted to 74% of the total trade receivables as of December 31, 2021, and the group has a concentration in sales, where sales to ten customers amounted to 68% of the total sales for the year 2021).

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet its commitments. The Group mitigates liquidity risk by maintaining reserves and by continuously monitoring actual cash inflows as well as matching the maturities of current assets with current liabilities as follows:

	December 31,	
	2022	2021
	JD	JD
Current Assets	56,018,478	42,757,113
Less : Current Liabilities	49,228,492	33,836,683
Excess in Working Capital	6,789,986	8,920,430

The Group manages liquidity risk through diversifying its sources of finance, managing assets and liabilities and monitoring their maturities, securing a suitable source of finance at the proper time to match the liabilities and payment of operational and investment expenses.

Risk Concentration in Geographical Segments

All of the Group's operations are conducted inside the Kingdom and represent its local operations. Moreover, the Group does not perform any work outside of Jordan. However, the subsidiary companies operate in the countries where they have been founded. As for Siniora Food Industries Company - Palestine (a subsidiary company), the instability of the political and economic situation in the region increases the operating risk and may negatively affect the Company's performance.

The following is information on the Group's activities inside and outside the Kingdom:

	Inside the Kingdom	Outside the Kingdom	Total 2022	Total 2021
	JD	JD	JD	JD
Net sales	37,970,678	95,657,762	133,628,440	108,569,961
Cost of sales	(25,764,492)	(70,673,683)	(96,438,175)	(74,955,095)
Gross Profit	12,206,186	24,984,079	37,190,265	33,614,866
Selling and distribution expenses			(14,288,769)	(12,120,494)
General and administrative expenses			(11,122,826)	(9,547,013)
Provision for end-of-service indemnity			(818,921)	(486,608)
Provision for doubtful debts			(148,047)	(142,292)
Provision for slow-moving inventory			(176,754)	(106,969)
(Provision) recoveries of lawsuit and other commitment provision			(130,012)	167,157
Financing expenses			(5,093,126)	(2,591,840)
Other revenue – net			82,748	489,483
Net gain from hyperinflation			495,573	-
Income tax expenses			(765,392)	(1,244,931)
Profit for the Year			5,224,739	8,031,359

Segmental Information

The Group operates in one operational sector which is canning, packing, distribution, and trading frozen meat, all information related to this report / operational sector is shown in the statement of financial position statement profit or loss and the disclosures in the consolidated financial statements.

Foreign Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Jordanian Dinar is the Group 's functional currency, and the Group also monitors foreign currency positions continually and follows certain strategies to mitigate the effects of these risks.

The following is the concentration of assets and liabilities as of December 31, 2022 and 2021 according to the currency type:

	December 31, 2022 / Jordanian Dinar							
Assets:	JD	USD	EUR	SAR	AED	TL	Other Currencies	Total
Cash on hand and at banks	444,662	152,971	1,773	373,617	756,774	725,064	681,769	3,136,630
Accounts receivable – net	3,758,681	657,888	-	3,671,882	5,258,497	10,524,791	749,308	24,621,047
Inventory – net	7,908,082	-	-	1,387,436	3,809,736	4,329,339	4,522,081	21,956,674
Due from related parties	551,547	52,432	-	-	-	53,322	367,346	1,024,647
Other debit balances	1,497,018	144,789	179,159	164,069	1,281,324	1,725,144	287,977	5,279,480
Deferred tax assets	151,070	204,698	-	-	-	162,843	-	518,611
Intangible assets	1,634,667	-	-	63,841	4,429,516	11,123,817	-	17,251,841
Property and equipment – net	25,389,391	10,113,643	-	1,953,752	4,888,331	7,683,362	1,319,918	51,348,397
Right of use assets	209,793	314,754	-	719,091	-	1,124,382	-	2,368,020
	41,544,911	11,641,175	180,932	8,333,688	20,424,178	37,452,064	7,928,399	127,505,347
Liabilities								
Borrowed funds	30,809,894	13,916,421	-	-	170,976	9,585,032	-	54,482,323
Notes payable	208,789	355,368	-	-	-	-	663,700	1,227,857
Accounts payable	2,423,995	2,053,085	425,581	-	1,072,152	4,961,840	1,325,310	12,261,963
Due to related parties	-	128,480	-	-	-	-	22,442	150,922
Deposits and accrued expenses	2,652,252	831,302	-	980,793	1,974,314	490,848	385,689	7,315,198
Lease liability	221,523	259,514	-	724,895	-	963,617	-	2,169,549
Income tax provision	376,077	-	-	94,701	-	-	-	470,778
Provision for employees end- of-service indemnity	-	-	-	320,591	617,991	401,960	2,686,016	4,026,558
Deferred tax liabilities	-	-	-	-	-	1,899,132	-	1,899,132
	36,692,530	17,544,170	425,581	2,120,980	3,835,433	18,302,429	5,083,157	84,004,280
Net Position	4,852,381	(5,902,995)	(244,649)	6,212,708	16,588,745	19,149,635	2,845,242	43,501,067

	December 31, 2021 / Jordanian Dinar							
Assets:	JD	USD	EUR	SAR	AED	TL	Other Currencies	Total
Cash on hand and at banks	330,112	340,897	1,655	288,941	52,160	1,666,932	347,844	3,028,541
Accounts receivable – net	3,905,679	278,242	-	3,055,838	5,075,153	7,311,363	371,469	19,997,744
Inventory – net	5,487,444	388,552	-	669,198	2,860,329	3,045,422	3,272,884	15,723,829
Due from related parties	323,205	-	-	-	-	43,958	616,141	983,304
Other debit balances	814,527	740,123	58,173	96,455	572,359	302,192	439,866	3,023,695
Deferred tax assets	53,596	278,020	-	-	-	69,040	-	400,656
Intangible assets	1,663,546	303,469	-	-	4,397,541	7,032,894	-	13,397,450
Property and equipment – net	18,350,112	14,538,487	-	1,724,776	4,135,773	4,388,387	124,130	43,261,665
Right of use assets	-	-	-	65,381	-	265,899	591,522	922,802
	30,928,221	16,867,790	59,828	5,900,589	17,093,315	24,126,087	5,763,856	100,739,686
Liabilities								
Borrowed funds	21,864,105	8,225,369	-	-	1,028,928	4,596,187	1,163,249	40,200,025
Notes payable	121,452	142,004	-	-	-	-	1,335,587	1,599,043
Accounts payable	1,411,971	1,860,309	686,012	108,522	1,054,321	2,488,205	737,575	8,346,915
Due to related parties	125,930	-	-	-	-	-	143,495	269,425
Deposits and accrued expenses	1,973,629	815,662	-	1,203,435	1,527,978	391,380	576,055	6,488,139
Lease liability	285,442	356,276	-	71,166	-	281,359	173,046	1,167,289
Income tax provision	473,779	-	-	96,999	-	23,834	16,881	611,493
Provision for employees end-of-service indemnity	39,112	-	-	280,435	565,782	265,236	2,501,072	3,651,637
	26,295,420	14,721,807	686,012	1,760,557	4,177,009	8,046,201	6,646,960	62,333,966
Net Position	4,632,801	2,145,983	(626,184)	4,140,032	12,916,306	16,079,886	(883,104)	38,405,720

Interest Rate Risk

The sensitivity analysis for the accounts exposed to interest rate risk according to currency is as follows:

Sensitivity Analysis for the year 2022		Sensitivity Analysis for the year 2021	
Effect of the Increase in Interest rate by 1% on the Statement of profit or loss	Effect of the Decrease in interest rate by 1% on the Statement of profit	Effect of the Increase in Interest Rate by 1% on the Statement of profit or loss	Effect of the Decrease in Interest Rate by 1% on the Statement of profit or loss
JD	JD	JD	JD
(544,823)	544,823	(402,000)	402,000

Foreign Currency Risk

The sensitivity analysis for the year 2022 is as follows:

Currency	Effect of the Increase in the exchange Rate by 5% on the Statement of profit or loss	Effect of the Decrease in the exchange Rate by 5% on the Statement of profit or loss
	JD	JD
EURO – EUR	(12,232)	12,232
Turkish Lira - TL	957,482	(957,482)
Other currencies	142,262	(142,262)

The sensitivity analysis for the year 2021 is as follows:

Currency	Effect of the Increase in the exchange Rate by 5% on the Statement of profit or loss	Effect of the Decrease in the exchange Rate by 5% on the Statement of profit or loss
	JD	JD
EURO – EUR	(31,309)	31,309
Turkish Lira - TL	803,994	(803,994)
Other currencies	44,155	(44,155)

Regarding the risk of fluctuations in currency exchange rates which applies to payments in US Dollar, the Group 's management believes that the foreign currency risk is immaterial due to the fact that the Jordanian Dinar is pegged to the US. Dollar.

26. Fair Value Hierarchy

The fair value of financial assets and financial liabilities of the Group (non-specific fair value on an ongoing basis):

We believe that the carrying value of financial assets and financial liabilities in the consolidated financial statements of the Group approximates their fair value, as the Group's management believes that the carrying value is approximated their fair value, due to either their short-term maturity or repricing of interest rates during the year.

27. Proposed Dividends

The Board of Directors recommended in their meeting held on March 26, 2023 to the General Assembly to distribute cash dividends by 15% of the Company paid-up capital which is equivalent to JD 4,200,000.

28. Subsequent Event

a. Subsequent to the date of the consolidated financial statements, on January 11, 2023 Siniora Food Industries Company - Jordan registered Siniora Food Industries Company (a subsidiary) in the Kingdom of Saudi Arabia with an authorized Paid-Up capital of 20 million Saudi riyals, where the company's ownership percentage is 75% of the Paid-Up capital.

b. Subsequent to the date of the consolidated financial statements, the Company's Board of Directors decided in its meeting held on February 20, 2023 to increase in the Company's capital by 4.7 million shares with a nominal value of one JD per share, in addition to premium issuance, by allocating the increase to one or more strategic shareholders (non-public offer) provided that the price of the issued share, including the nominal value and the premium issuance, shall not be less than 90% of the market price of the share as of the fifteenth day from the date of the Securities Commission's approval of the capital increase. In the event that the procedures for allocating the increase to one or more strategic partners have not been completed, it has been agreed to cover the increase through the general offer to the company's shareholders, provided that all necessary decisions and approvals are obtained in accordance with the law. The General Assembly approved on March 13, 2023 the decision of the Board of Directors.

c. Subsequent to the date of the consolidated financial statements, the General Assembly of Tarakya Company for the Manufacture and Trade of Meat and Dairy Products (subsidiary Company) approved, in its meeting held on December 28, 2022, to increase the paid-up capital of the company through Siniora Food Industries Company, the company's share becomes 81% instead of 77% representing an increase by 4%. Noting that the value of the increase, including the issuance premium, was paid during January 2023, and the legal procedures were completed with the eligible authorities in the Republic of Turkey on February 23, 2023.