

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

CONDENSED CONSOLIDATED INTERIM  
FINANCIAL INFORMATION FOR  
THE NINE MONTHS  
ENDED SEPTEMBER 30, 2023  
TOGETHER WITH THE REVIEW REPORT

SINIORA FOOD INDUSTRIES COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – JORDAN  
SEPTEMBER 30, 2023

TABLE OF CONTENTS

	<u>Page</u>
Review Report	1
Condensed Consolidated Interim Statement of Financial Position	2
Condensed Consolidated Interim Statement of Profit or Loss	3
Condensed Consolidated Interim Statement of Comprehensive Income	4
Condensed Consolidated Interim Statement of Changes in Owner's Equity	5
Condensed Consolidated Interim Statement of Cash Flows	6
Notes to the Condensed Consolidated Interim Financial Information	7 - 19

## **Review Report on the Condensed Consolidated Interim Financial Information**

AM/ 006655

The Chairman and Members of the Board of Directors  
Siniora Food Industries Company  
(A Public Shareholding Limited Company)  
Amman – Jordan

### **Introduction**

We have reviewed the accompanying condensed consolidated interim statement of financial position of Siniora Food Industries Company (A Public Shareholding Limited Company) The "Company" and its subsidiaries (together "The Group") as of September 30, 2023 and the related condensed consolidated interim statements of profit or loss, and other comprehensive income for the three months and nine months ended September 30, 2023, and the condensed consolidated interim statements of changes in owner's equity and cash flows for nine-months period then ended, and a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial information in accordance with International Accounting Standard (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed consolidated interim financial information based on our review.

### **Scope of Review**

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

### **Conclusion**

Based on our review, nothing has come to our attention that the accompanying condensed consolidated interim financial information of Siniora Food Industries Company are not prepared in all material aspects in accordance with International Accounting Standard No. (34) related to the Interim Financial Reporting.

### **Other Matter**

The accompanying condensed consolidated interim financial information are a translation of the statutory condensed consolidated interim financial information in the Arabic language to which reference should be made.

Amman - Jordan  
October 30, 2023

  
**Deloitte & Touche (M.E.) – Jordan**  
**Deloitte & Touche (M.E.)**  
ديلويت أند توش (الشرق الأوسط)  
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SINIORA FOOD INDUSTRIES COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN-JORDAN  
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

		September 30, 2023 (Reviewed not Audited)	December 31, 2022 (Audited)
	<u>ASSETS</u>		
Current Assets:		JD	JD
Cash on hand and at banks		5,210,784	3,136,630
Accounts receivable - net	5	27,054,630	24,621,047
Inventory – net	6	20,948,392	21,956,674
Due from related parties	14	103,757	1,024,647
Other debit balances	7	6,690,929	5,279,480
Total Current Assets		<u>60,008,492</u>	<u>56,018,478</u>
Non-Current Assets:			
Deferred tax assets		595,036	518,611
Intangible assets		17,485,557	17,251,841
Property and equipment – net	8	50,286,855	51,348,397
Right-of-use assets		2,245,483	2,368,020
Total Non-Current Assets		<u>70,612,931</u>	<u>71,486,869</u>
TOTAL ASSETS		<u>130,621,423</u>	<u>127,505,347</u>
	<u>LIABILITIES</u>		
Current Liabilities:			
Borrowed fund due within one year	10	33,410,826	26,962,832
Notes payable		1,108,981	1,227,857
Accounts payable		11,093,357	12,261,963
Due to related parties	14	846,875	150,922
Deposits and accrued expenses	9	8,553,972	7,315,198
Lease liabilities due within one year		873,669	838,942
Income tax provision	11	530,070	470,778
Total Current Liabilities		<u>56,417,750</u>	<u>49,228,492</u>
Non-Current Liabilities:			
Borrowed fund due within more than one year	10	23,881,904	27,519,491
Lease liabilities due within more than one year		1,151,036	1,330,607
Provision for end-of-service indemnity		4,179,818	4,026,558
Deferred tax liabilities		3,173,429	1,899,132
Total Non-Current Liabilities		<u>32,386,187</u>	<u>34,775,788</u>
TOTAL LIABILITIES		<u>88,803,937</u>	<u>84,004,280</u>
	<u>OWNERS' EQUITY</u>		
Paid-up capital	1	28,000,000	28,000,000
Statutory reserve		6,103,988	6,103,988
Retained earnings		10,185,676	13,712,082
Effect of the purchase of non-controlling interest shares		(2,463,786)	(2,463,786)
Foreign currencies translation		(7,591,044)	(6,136,331)
Actuarial (losses) gains arising from end of service indemnity		(13,313)	25,117
Profit for the period		4,267,450	-
TOTAL SHAREHOLDERS' EQUITY		<u>38,488,971</u>	<u>39,241,070</u>
Non-controlling interest	15	3,328,515	4,259,997
TOTAL OWNERS' EQUITY		<u>41,817,486</u>	<u>43,501,067</u>
TOTAL LIABILITIES AND OWNERS' EQUITY		<u>130,621,423</u>	<u>127,505,347</u>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED  
CONSOLIDATED INTERIM FINANCIAL INFORMATION AND SHOULD BE READ WITH THE  
ACCOMPANYING REVIEW REPORT.

**SINIORA FOOD INDUSTRIES COMPANY**  
**(A PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**AMMAN – JORDAN**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS**  
**(REVIEWED NOT AUDITED)**

		For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	Note	2023 (Reviewed)	2022 (Reviewed)	2023 (Reviewed)	2022 (Reviewed)
		JD	JD	JD	JD
Net Sales		40,241,604	33,092,867	108,599,002	98,557,544
Cost of sales		<u>(30,096,995)</u>	<u>(23,994,981)</u>	<u>(79,045,933)</u>	<u>(70,244,079)</u>
Gross Profit		10,144,609	9,097,886	29,553,069	28,313,465
<u>Less:</u> Selling and distribution expenses		(4,197,090)	(3,674,351)	(11,408,258)	(10,626,589)
General and administrative expenses		(2,885,489)	(2,657,019)	(8,021,937)	(8,054,529)
Financing expenses		(1,687,163)	(1,538,016)	(4,348,531)	(3,350,537)
Provision for end of service indemnity		(199,059)	(222,382)	(730,304)	(726,454)
Amortization of right of use		(226,445)	(81,911)	(567,292)	(378,044)
Provision for expected credit losses	5	(50,661)	(45,997)	(152,812)	(130,884)
Provision for slow-moving inventory	6	(33,420)	(40,479)	(99,866)	(126,558)
Provision for lawsuits and other commitments	9	(30,000)	188,748	(30,000)	(36,852)
Interest revenue and others - net		<u>101,426</u>	<u>16,337</u>	<u>157,457</u>	<u>317,926</u>
Profit for the Period before Taxes and Monetary Gains Arising from Hyperinflation		936,708	1,042,816	4,351,526	5,200,944
<u>Less:</u> Income tax expense	11	<u>(40,302)</u>	<u>(20,080)</u>	<u>(393,244)</u>	<u>(579,931)</u>
Profit for the Period before Monetary Gains Arising from Hyperinflation		896,406	1,022,736	3,958,282	4,621,013
Net Monetary Gain (Loss) Arising from Hyperinflation		<u>(62,064)</u>	<u>(70,281)</u>	<u>172,952</u>	<u>352,325</u>
Profit for the Period		<u>834,342</u>	<u>952,455</u>	<u>4,131,234</u>	<u>4,973,338</u>
Attributable to:					
Company's Shareholders		960,785	1,071,213	4,267,450	5,085,125
Non-Controlling Interest		<u>(126,443)</u>	<u>(118,758)</u>	<u>(136,216)</u>	<u>(111,787)</u>
		<u>834,342</u>	<u>952,455</u>	<u>4,131,234</u>	<u>4,973,338</u>
Earning Per Share for the Period (Company's Shareholders)	12	<u>0.03</u>	<u>0.03</u>	<u>0.15</u>	<u>0.18</u>

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SINIORA FOOD INDUSTRIES COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – JORDAN  
CONDENSED CONSOLIDATED INTERIM  
STATEMENT OF COMPREHENSIVE INCOME  
(REVIEWED NOT AUDITED)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2023 (Reviewed)	2022 (Reviewed)	2023 (Reviewed)	2022 (Reviewed)
	JD	JD	JD	JD
Profit for the period	834,342	952,455	4,131,234	4,973,338
<u>Other comprehensive income items which may be reclassified to profit or loss in the subsequent period</u>				
Foreign currencies translation differences	2,075,204	(861,290)	(1,569,604)	3,770,448
<u>Other comprehensive income items that will not be reclassified to profit or loss in the subsequent period</u>				
Actuarial (losses) gains - End of service indemnity	82,607	(443)	(45,211)	6,806
Total other comprehensive income items for the period after tax	2,157,811	(861,733)	(1,614,815)	3,777,254
Net Comprehensive Income for the Period	2,992,153	90,722	2,516,419	8,750,592
<u>Attributable to:</u>				
Company's shareholders	2,477,964	407,678	2,774,307	7,988,604
Non-controlling interest	514,189	(316,956)	(257,888)	761,988
	2,992,153	90,722	2,516,419	8,750,592

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SINIORA FOOD INDUSTRIES COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**(REVIEWED NOT AUDITED)**

	Paid-up Capital	Statutory Reserve	Retained Earnings	Effect of the Purchase of Non-controlling Interest Shares	Foreign Currency Translation Differences	Actuarial (Losses) Arising from End of Service Indemnity	Profit for the Period	Total Shareholders' Equity	Non- controlling Interest	Total Owners' Equity
	J.D.	J.D.	J.D.	J.D.	J.D.	J.D.	J.D.	J.D.	J.D.	J.D.
For the Nine Months Ended September 30, 2023										
Balance at the beginning of the period (Audited)	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
Profit for the period	-	-	-	-	-	-	4,267,450	4,267,450	(136,216)	4,131,234
Other comprehensive income for the period	-	-	-	-	(1,454,713)	(38,430)	-	(1,493,143)	(121,672)	(1,614,815)
Total comprehensive income for the period	-	-	-	-	(1,454,713)	(38,430)	4,267,450	2,774,307	(257,888)	2,516,419
Distributed dividends	-	-	(4,200,000)	-	-	-	-	(4,200,000)	-	(4,200,000)
Effect of change in non-controlling interest	-	-	673,594	-	-	-	-	673,594	(673,594)	-
Balance at the End of the Period (Reviewed)	28,000,000	6,103,988	10,185,676	(2,463,786)	(7,591,044)	(13,313)	4,267,450	38,488,971	3,328,515	41,817,486
For the Nine Months Ended September 30, 2022										
Balance at the beginning of the period (Audited)	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
Profit for the period	-	-	-	-	-	-	5,085,125	5,085,125	(111,787)	4,973,338
Other comprehensive income for the period	-	-	-	-	2,898,238	5,241	-	2,903,479	873,775	3,777,254
Total comprehensive income for the period	-	-	-	-	2,898,238	5,241	5,085,125	7,988,604	761,988	8,750,592
Distributed dividends	-	-	(4,760,000)	-	-	-	-	(4,760,000)	-	(4,760,000)
Balance at the End of the Period (Reviewed)	28,000,000	5,992,223	8,444,094	(2,463,786)	(6,766,958)	(508)	5,085,125	38,290,190	4,106,122	42,396,312

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**SINIORA FOOD INDUSTRIES COMPANY**  
**(A PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**AMMAN – JORDAN**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**

	Note	For the Nine Months Ended September 30,	
		2023	2022
		(Reviewed)	(Reviewed)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		JD	JD
Profit for the period before tax and monetary gains arising from hyperinflation		4,351,526	5,200,944
Adjustments:			
Depreciation of property and equipment	8	3,129,678	3,086,503
Amortization of right of use		567,292	378,044
Amortization of intangible assets		37,385	15,070
Provision for expected credit losses	5	152,812	130,884
Provision for end of service indemnity	6	730,304	726,454
Provision for slow-moving inventory		99,866	126,558
Provision for lawsuits and other commitments		30,000	36,852
(Gain) from sale of property and equipment	8	(72,521)	(4,190)
Financing expenses		4,348,531	3,350,537
(Gain) Losses of foreign currency differences		(2,532,883)	589,038
Cash Flows from Operations before Changes in Working Capital items		10,841,990	13,636,694
<b>Decrease (Increase) in Assets</b>			
Accounts receivable		(2,586,395)	(3,661,402)
Due from related parties		920,890	(947,111)
Inventory		908,416	(8,454,942)
Other debit balances		(1,411,449)	(1,755,277)
<b>Increase (Decrease) in Liabilities</b>			
Notes payable		(118,876)	260,403
Accounts payable		(1,168,606)	1,248,702
Due to related parties		695,953	373
Deposits and accrued expenses		1,208,774	10,445
Cash Flows from Operating Activities before Tax and Provision of End of Service Indemnity Paid		9,290,697	337,885
Income tax paid	11	(882,354)	(1,174,022)
Provision of end-of-service indemnity paid		(577,044)	(413,451)
Provision for lawsuits and other commitments paid		(30,000)	(620)
Net Cash Flows from (used in) Operating Activities		7,801,299	(1,250,208)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
(Purchase) of property and equipment	8	(2,712,024)	(7,740,191)
Proceeds from sale of property and equipment	8	174,130	77,742
(Purchase) of intangible assets		(4,652)	(25,385)
Net Cash Flows (used in) Investing Activities		(2,542,546)	(7,687,834)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Borrowed fund during the period	10	61,814,513	24,914,607
Loans installments paid during the period	10	(56,103,630)	(5,653,195)
(Paid) from financing expenses		(4,348,531)	(3,350,537)
Distributed dividends	18	(4,200,000)	(4,760,000)
Lease liabilities payments		(346,951)	(335,162)
Net Cash Flows (Used in) from Financing Activities		(3,184,599)	10,815,713
Net Increase in Cash		2,074,154	1,877,671
Cash on hand and at banks – beginning of the year		3,136,630	3,028,541
Cash on Hand and at Banks - End of the Period		5,210,784	4,906,212

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SINIORA FOOD INDUSTRIES COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – JORDAN  
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
(REVIEWED NOT AUDITED)

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 thousand. 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. 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.
- b. According to 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 converting 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 convert the Company's legal form. 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 the industrial activity in King Abdullah II Development Area / Sahab.
- d. The Company is 65.6% owned by Arab Palestinian Investment Company, which is considered the main shareholder of the Company as of September 30, 2023 and December 31, 2022.
- e. The Company'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 them.
- f. This condensed consolidated interim financial information was approved by the Board of Directors and authorized for issue on October 29, 2023.

2. Basis of Preparation of the Condensed Consolidated Interim Financial Information

The accompanying condensed consolidated interim financial information have been prepared in accordance with the International Accounting Standard No. (34) "Interim Financial Reporting".

The reporting currency of the condensed consolidated interim financial information is the Jordanian Dinar, which is the functional currency of the Company.

The consolidated financial information 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 condensed consolidated interim financial information do not include all notes and information presented in the annual financial statements which is prepared in accordance with the International Financial Reporting Standards and should be read with the Group's annual report for the year ended December 31, 2022. The results of the nine months ended September 30, 2023 do not indicate the expected results for the year ending December 31, 2023. Also, the Group did not deduct the legal reserves as stated in the Companies Law and the instructions issued on profit of the nine months ended September 30, 2023 which is usually performed at year end.

### Basis of Consolidation of the Condensed Interim Financial Information

The condensed consolidated interim financial information 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. Moreover, the revenue and expenses transactions and balances between the company and its subsidiaries are eliminated.

The financial statements of the subsidiary companies were prepared using the same accounting policies adopted by the Company. If the accounting policies adopted by the subsidiary are different from those used by the Company, the necessary adjustments to the financial statements of the subsidiary company are made to comply with the accounting policies used by the Company.

The Company owns the following subsidiaries as of September 30, 2023:

<b>Name of Company</b>	<b>Authorized Capital</b>	<b>Percentage of Ownership</b>	<b>Business Nature of the Company</b>	<b>Location</b>	<b>Acquisition / Inception Date</b>
Siniora Food Industries -Palestine	USD 5.2 million	100%	Manufacturing	Palestine	January 25, 2006
Siniora Food Holding Limited	AED 60 million	100%	Holding	United Arab Emirates	February 25, 2016
Tarakya for the Manufacture and Trade of Meat and Dairy Products *	TL 102 million	83.8%	Manufacturing	Turkey	March 1, 2021
Siniora Food Industries - Saudi Arabia**	SAR 20 million	100%	Manufacturing	Saudi Arabia	January 11, 2023

\* 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 authorities in the Republic of Turkey on January 11, 2023. The Company also, after the approval of the General Assembly on May 15, 2023, increased the company's paid-up capital to become 83.8% instead of 81% representing an increase of 2.8%, noting that the value of the increase, including the issue premium, was paid during July 2023, and the legal procedures were completed with the authorities in the Republic of Turkey on July 26, 2023.

\*\* 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 100% of the capital. Noting that the capital has not been paid yet as of the date of the interim condensed consolidated financial information, and the company has not started its operations yet.

Siniora Food Holding Limited company owns the following subsidiaries as of September 30, 2023 and December 31, 2022 directly or indirectly:

<b>Name of Company</b>	<b>Authorized Capital</b>	<b>Percentage of Ownership</b>	<b>Business Nature of the Company</b>	<b>Location</b>	<b>Acquisition / Inception Date</b>
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 results of operations of the subsidiary companies are consolidated into the condensed consolidated interim statement of profit or loss and comprehensive income from the effective date of acquisition, which is the date on which actual control over the subsidiary company is obtained. Moreover, the results of operations of the disposed subsidiaries are incorporated into the condensed consolidated statement of profit or loss and comprehensive income up to the effective date of disposal which is the date on which the Company losses control over the subsidiary companies.

### 3. Significant Accounting Policies

The accounting policies used in the preparation of the condensed consolidated interim financial information for the period ended on September 30, 2023 are consistent with those used in the preparation of the annual consolidated financial statement for the year ended December 31, 2022. However, the Group has adopted the following amendments and interpretations that applies for the first time starting January 1, 2023 and have not materially affected the amounts and disclosures in the condensed consolidated interim financial information for the period and prior years, which may have an impact on the accounting treatment of future transactions and arrangements:

#### 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.

#### 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.

#### 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.

#### 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.

#### 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.

#### 4. Significant Accounting Judgments and key Sources of Uncertainty Estimates and Risk Management

The preparation of the condensed consolidated interim financial information and application of the accounting policies require the Group management to make judgments, estimates, and assumptions that affect the amounts of financial assets and financial liabilities and to disclose the contingent liabilities. Moreover, these estimates and judgments affect revenue, expenses and provisions in general and the expected credit losses. In particular, the Group management requires judgments to be made to estimate the amounts and timing of future cash flows. These mentioned estimates are necessarily based on multiple hypotheses and factors with varying degrees of estimation and uncertainty. The actual results may differ from estimates due to the changes arising from the conditions and circumstances of those estimates in the future.

We believe that the estimates used in the preparation of these condensed consolidated interim financial information are reasonable and consistent with those used in the preparation of the consolidated financial statements for the year ended 2022.

#### 5. Accounts Receivable - Net

a. This item consists of the following:

	September 30, 2023 (Reviewed not Audited)	December 31, 2022 (Audited)
	JD	JD
Trade receivables	26,066,343	23,455,682
Cheques under collection maturing within 3 months	3,096,910	3,176,851
	29,163,253	26,632,533
<u>Less: Provision for expected credit losses</u>	<u>(2,108,623)</u>	<u>(2,011,486)</u>
Net Accounts Receivables	27,054,630	24,621,047

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

As of September 30, 2023	Receivables are past due					Total
	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	
	JD	JD	JD	JD	JD	JD
Total trade receivables	23,179,656	3,905,454	495,794	243,015	1,339,334	29,163,253
Expected credit loss	225,173	273,382	173,528	97,206	1,339,334	2,108,623
Expected credit loss rate	1%	7%	35%	40%	100%	8%

As of December 31, 2022	Receivables are past due					Total
	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	
	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%

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

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

For the nine-months period ended September 30, 2023 (Reviewed not Audited)			
	Stage 2	Stage 3	Total
	JD	JD	JD
Balance – Beginning of the period	715,261	1,296,225	2,011,486
Provision booked during the period	65,660	87,152	152,812
Foreign currencies translation	(11,632)	(44,043)	(55,675)
Balance – End of the Period	<u>769,289</u>	<u>1,339,334</u>	<u>2,108,623</u>

  

For the year ended December 31, 2022 (Audited)			
	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	<u>715,261</u>	<u>1,296,225</u>	<u>2,011,486</u>

**6. Inventory - Net**

- a. This item consists of the following:

	September 30, 2023 (Reviewed not Audited)	December 31, 2022 (Audited)
	JD	JD
Raw materials	11,332,760	12,825,785
Finished products	5,471,009	6,293,489
Detergents and uniforms	239,870	280,665
Spare parts	4,554,954	3,512,000
	<u>21,598,593</u>	<u>22,911,939</u>
<u>Less:</u> Provision for slow-moving items	<u>(1,277,287)</u>	<u>(1,187,072)</u>
	<u>20,321,306</u>	<u>21,724,867</u>
Goods in transit	627,086	231,807
	<u>20,948,392</u>	<u>21,956,674</u>

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

	For the Nine- Months Ended September 30, 2023 (Reviewed not Audited)	For the Year Ended December 31, 2022 (Audited)
	JD	JD
Balance - Beginning of the period / year	1,187,072	1,070,914
<u>Add:</u> Provision booked during the period / year	99,866	176,754
<u>Less:</u> Written off inventory during the period / year	<u>(9,651)</u>	<u>(60,596)</u>
Balance - End of the Period / Year	<u>1,277,287</u>	<u>1,187,072</u>

## 7. Other Debit Balances

This item consists of the following:

	September 30, 2023 (Reviewed not Audited)	December 31, 2022 (Audited)
	JD	JD
Advances to suppliers	3,297,414	1,858,318
Prepayments	1,278,554	1,391,662
Refundable deposits	337,908	310,224
Sales tax deposits related to foreign subsidiaries	1,565,135	1,496,037
Others	211,918	223,239
	<u>6,690,929</u>	<u>5,279,480</u>

## 8. Property and Equipment – Net

During the nine-month period ended September 30, 2023 the Group acquired property and equipment with a total cost of JD 2,712,024 which mainly covers project under constructions from Siniora Food Industries – Palestine with an amount of JD 769,858 (JD 7,740,191 acquired property and equipment during the nine-months period ended September 30, 2022).

Property and equipment at net book value of JD 101,609 were disposed by the Group resulting in a net gain of JD 72,521 during the nine-months ended September 30, 2023 (disposal of net book value with an amount of JD 73,552 during the nine-months ended September 30, 2022, resulting in a net gain amounted to JD 4,190 during the nine-months period ended September 30, 2022).

The value of depreciation on property and equipment at the Group level during the nine-months period ended September 30, 2023 amounted to JD 3,129,678 (JD 3,086,503 depreciation of property and equipment at the Group level during the nine-month period ending on September 30, 2022).

## 9. Deposits and Accrued Expenses

This item consists of the following:

	September 30, 2023 (Reviewed not Audited)	December 31, 2022 (Audited)
	JD	JD
Remunerations and accrued salaries	1,822,369	1,673,635
Sales tax deposits	795,126	701,306
Provision for lawsuits and other commitments *	314,737	284,737
Accrued customer's sales commissions	996,576	664,077
Accrued insurance expenses	567,466	529,328
Provision for paid leaves	730,822	694,024
Sales return provision	545,318	460,699
Accrued utilities and phone expenses	49,996	8,350
Professional fees	95,040	81,668
Social security deposits	273,542	206,360
Media and advertising	179,838	134,557
Accrued interest expenses	143,407	210,545
Advanced payment from customers	595,649	181,140
Accrued rent	-	115,800
Board of directors' remuneration	45,000	45,000
Board members transportation and representation of committees	135,000	187,500
Other	1,264,086	1,136,472
	<u>8,553,972</u>	<u>7,315,198</u>

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

	For the Nine- Months Ended September 30, 2023 (Reviewed not Audited)	For the Year Ended December 31, 2022 (Audited)
	JD	JD
Balance – Beginning of the period / year	284,737	261,880
<u>Add:</u> Expense during the period / year	30,000	130,012
<u>Less:</u> Paid during the period / year	-	(98,900)
<u>Less:</u> Foreign currencies translation	-	(8,255)
Balance – End of the Period / Year	<u>314,737</u>	<u>284,737</u>



#### 10. Borrowed Fund

This item consists of following:

	September 30, 2023 (Reviewed not Audited)	December 31, 2022 (Audited)
	JD	JD
Overdrafts	12,888,427	10,403,305
Revolving Loans	5,942,120	7,219,358
Bank Loans	38,462,185	36,859,660
	<u>57,292,732</u>	<u>54,482,323</u>
<u>Analysis of Borrowed Funds Maturity:</u>		
Due within one year	33,410,826	26,962,832
Due within more than one year and less than five years	23,881,904	27,519,491
	<u>57,292,732</u>	<u>54,482,323</u>
<u>Analysis of Borrowed Funds Interest</u>		
Fixed rate	19,327,367	18,023,221
Variable rate	37,965,365	36,459,102
	<u>57,292,732</u>	<u>54,482,323</u>

The movement on borrowed funds as follows:

	For the Nine- Months Ended September 30, 2023 (Reviewed not Audited)	For the Year Ended December 31, 2022 (Audited)
	JD	JD
Balance - Beginning of the period / year	54,482,323	40,200,025
Borrowed and paid funds – net	5,710,883	15,515,464
Foreign currency translation differences	<u>(2,900,472)</u>	<u>(1,233,166)</u>
Balance - End of the Period / Year	<u>57,292,732</u>	<u>54,482,323</u>

The interest rate on borrowed funds as follows:

	For the Nine Months Ended September 30, 2023 (Reviewed not Audited)	For the Year Ended December 31, 2022 (Audited)
	%	%
Overdrafts	From 6% To 39%	From 4.75% To 19%
Revolving loans	From 7% To 49%	From 4.54% To 31%
Bank loans	From 5.5% To 46%	From 3.02% To 26%

#### 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 in the amount of JD 10,713,368 and endorsement of the mortgaged machinery and equipment insurance policy in the amount of USD 22 million as guarantees against some of the loans above.

# 11. Income Tax

## a. Income Tax Provision

The movement on the income tax provision is as follows:

	September 30, 2023 (Reviewed not Audited)	December 31, 2022 (Audited)
	JD	JD
Balance - Beginning of the period / year	470,778	611,493
Income tax paid	(882,354)	(1,336,419)
Accrued income tax on profit for the period / year	941,646	1,181,525
Foreign currency translation	-	14,179
Balance – End of the Period / Year	530,070	470,778

## b. The income tax expense shown in the condensed consolidated interim statement of profit or loss represent the following:

	For the Nine Months Ended September 30,	
	2023 (Reviewed not Audited)	2022 (Reviewed not Audited)
	JD	JD
Accrued income tax for the period profit	941,646	1,048,521
Deferred tax assets for the period	(101,384)	(211,142)
Deferred tax liabilities for the period	(447,018)	(257,448)
	393,244	579,931

- Siniora Food Industries - Jordan has reached a final settlement for its income tax up to the end of the year 2018. The Company has submitted its tax return for the years of 2021 and 2022 and paid the declared tax. While a decision has not yet been issued by the Income and Sales Tax Department. In the opinion of the Company's managements and its tax advisor, the income tax provision booked in the condensed consolidated interim financial statements is sufficient to meet any future tax liabilities as at September 30, 2023. The Income and Sales Tax Department reviewed the tax returns for the years 2019 and 2020 where the Company's claim included tax differences amounted to JD 154,747 and JD 138,259 respectively, and national contribution differences amounted to JD 24,147 and JD 21,231 respectively. The Company appealed the decisions to the tax court, and in the opinion of the company's management and the legal consultant, it is expected that the case will be ruled in favor of the Company and there is no need to an additional provision for the tax claims.
- On February 9, 2012, Siniora Food Industries Company – Palestine (Subsidiary Company) 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 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 (Subsidiary Company) has reached a final settlement up to the end of the year 2020. The Company has submitted its tax return for the years 2021 and 2022 and paid the declared tax. While a decision has not yet been issued by the Income and Sales Tax Department. In the opinion of the Company's managements and its tax advisor, the income tax provision booked in the condensed consolidated interim 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 2022.
- Income tax was calculated for the nine months ended September 30, 2023 in accordance with the effective income tax law in Jordan and other locations, 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 period ended September 30, 2023.

## 12. Earnings per Share for the Period

This item consists of the following:

	For the Nine-Months Ended September 30,	
	2023 (Reviewed not Audited)	2022 (Reviewed not Audited)
	JD	JD
Profit for the period	4,267,450	5,085,125
Weighted average number of shares	28,000,000	28,000,000
Earnings per share / basic and diluted	0.15	0.18

## 13. Contingent Liabilities

- a. There are several lawsuits filed against Siniora Food Industries Company – Jordan as of September 30, 2023 equivalent to JD 225,543. In the opinion of the Company's legal advisor and its management, no obligations will arise from these lawsuits.
- 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 (which equal to JD 923 thousand). On March 15, 2022, a collection and payment request was issued by the Zakat, Tax, and Customs Authority in the Kingdom of Saudi Arabia, noting that the subsidiary company has the right to object within 30 days from the date of issuing the decision. On September 22, 2022, an objection was submitted, and the Authority issued a notice accepting the objection and acknowledging the re-examination of the customs data subject to the objection. On January 23, 2023, a collection and payment request were issued by the Zakat, Tax, and Customs Authority in the Kingdom of Saudi Arabia claiming additional customs on imports and VAT differences on the same products amounting to SAR 4.89 (which equivalent to JD 923 thousand). On February 6, 2023, an objection was submitted by the Company, the subsidiary company provided a guarantee which represents a bank guarantee equivalent to JD 923 thousand against 100% cash margin. On May 8, 2023, the objection submitted by the subsidiary company was accepted, and the imposed collection decision on them was canceled. In the opinion of the legal advisor, the cancellation of the collection decision and the acceptance of the objection affirm the validity of the reasons and technical and regulatory justifications stated in the objection letters, and in the opinion of the Group's management, no provision for the additional customs claim need to be booked for the period ended September 30, 2023, and 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 59,115 as at September 30, 2023. In the opinion of the Company's legal advisor and its management, no obligations will arise from these lawsuits. (JD 93,718 as at December 31, 2022).
- d. There are several lawsuits filed against Siniora Food Industries Company – Palestine as of September 30, 2023 equivalent to JD 46,580 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 120,755 as of 31 December 2022).
- e. The Parent Company had contingent liabilities represented in bank guarantees equivalent to JD 173,800 and bills of collection amounted to JD 454,065 as at September 30, 2023. (Bank guarantees amounted to JD 115,023 and bills of collections amounted to 236,093 and letter of credit equivalent 82,013 as at December 31, 2022).
- f. Siniora Food Industries Company – Palestine (subsidiary company) had contingent liabilities, represented in bank guarantees equivalent to JD 708,000 and letters of credit equivalent to JD 542,631 and bills of collection amounted to JD 37,488 as at September 30, 2023. (Bank guarantees equivalent to JD 584,285 in addition to bills of collection equivalent to JD 48,042).
- g. Tarakya Company for the Manufacture and Trade of Meat and Dairy Products (subsidiary company) had contingent liabilities, represented in bank guarantees equivalent to JD 975,150 as at September 30, 2023. (The Company had contingent liabilities as December 31, 2022 bank guarantees equivalent to JD 30,745).
- h. The Group had unutilized overdraft and revolving loans limits amounted to JD 11,442,527 as at September 30, 2023 (JD 14,733,356 as of December 31, 2022).
- i. As of September 30, 2023, the value of projects in progress amounted to JD 2,417,444 and the remaining cost of completion to complete the implementation of these projects is estimated to be amounted to JD 6,345,561 and is expected to be completed and to be ready for use by the Group during the year of 2023. (The estimated completion to complete the implementation of these projects to be amounted to JD 4,623,933 and is expected to be completed during the year of 2022).

#### 14. 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.

##### Condensed Consolidated Interim Statement of Financial Position:

	Relationship Status	September 30, 2023 (Reviewed not Audited)		December 31, 2022 (Audited)	
		Receivables	Payables	Receivables	Payables
		JD	JD	JD	JD
Unipal General Trading Company	Sister Company	-	684,547	914,951	-
Arab Palestinian Shopping Centers Company	Sister Company	-	-	757	-
Medical Supplies and Services Company	Sister Company	746	-	84	-
Palestinian Automobile Company	Sister Company	159	-	2,492	-
Employees receivables		102,852	-	106,363	-
SKY Advertising, Publication and Promotion Company	Sister Company	-	107,111	-	94,516
Arab Palestinian Investment Company	Holding Company	-	15,696	-	35,531
Arab Financial Leasing Company	Sister Company	-	39,521	-	20,875
Total		103,757	846,875	1,024,647	150,922

##### Condensed Consolidated Interim Statement of Profit or Loss

	Relationship	For the Nine Months Ended September 30,			
		2023 (Reviewed not Audited)		2022 (Reviewed not Audited)	
		Purchases	Sales	Purchases	Sales
	Status	JD	JD	JD	JD
Unipal General Trading Company	Sister Company	-	8,162,275	-	9,788,774
National Aluminum and Profile Company	Sister Company	-	756	-	723
SKY Advertising, Publication, and Promotion Company	Sister Company	204,644	-	302,863	-
Arab Palestinian Investment Company	Holding company	120,601	-	120,601	-
Arab Financial Leasing Company	Sister Company	52,121	-	51,069	-

- b. The salaries of executive management amounted to JD 952,791 for the nine-months ended September 30, 2023 (JD 907,420 as of September 30, 2022).

#### 15. Non-controlling interests

This item represents the non-controlling interests of net assets of Trakia Meat and Dairy Products Company (Subsidiary Company) amounted to 16.2%. (23% as of 31 December 2022).

## 16. Geographical Distribution Analysis

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

	Inside the Kingdom			Total	
				For the Nine-months	
				Ended September 30,	
	Inside the Kingdom Excluding Aqaba	Aqaba Branch	Outside the Kingdom	2023 (Reviewed not Audited)	2022 (Reviewed not Audited)
	JD	JD	JD	JD	JD
Net sales	27,555,730	1,058,233	79,985,039	108,599,002	98,557,544
Cost of sales	(18,215,832)	(737,432)	(60,092,669)	(79,045,933)	(70,244,079)
Gross Profit	9,339,898	320,801	19,892,370	29,553,069	28,313,465
Selling and distribution expenses				(11,408,258)	(10,626,589)
General and administrative expenses				(8,021,937)	(8,054,529)
Provision for end of service indemnity				(730,304)	(726,454)
Amortization of right of use				(567,292)	(378,044)
Provision for expected credit losses				(152,812)	(130,884)
Provision for slow-moving inventory				(99,866)	(126,558)
Provision for lawsuits and other commitments				(30,000)	(36,852)
Income from operations				8,542,600	8,233,555
Financing expenses				(4,348,531)	(3,350,537)
Other revenue – net				157,457	317,926
Profit for the Period before Tax and Monetary Gains Arising from Hyperinflation				4,351,526	5,200,944
Income tax for the period				(393,244)	(579,931)
Profit for the period before monetary gains arising from hyperinflation				3,958,282	4,621,013
Net monetary gain arising from hyperinflation				172,952	352,325
Profit for the Period				4,131,234	4,973,338

## 17. Fair Value Hierarchy

We believe that the carrying amount of financial assets and liabilities shown in the condensed consolidated interim financial information of the group approximate their fair value, due to the fact that its balances are due on short-term basis or the interest rates will be repriced during the year.

## 18. Distributed Dividends

The General Assembly approved in their ordinary meeting held on April 19, 2023 to distribute cash dividends by 15% of the Company's paid in capital which is equivalent to JD 4.2 million (The General Assembly approved in their ordinary meeting held on April 20, 2022 to distribute cash dividends by 17% of the Company's paid in capital which is equivalent to JD 4.76 million).