

The Arab Pesticides & Veterinary Drugs Mfg. Co.

Public Shareholding Company

Condensed Interim Consolidated Financial Statements (Unaudited)

31 March 2025

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

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Report on Review of Condensed Interim Consolidated Financial Statements

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

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of **The Arab Pesticides & Veterinary Drugs Mfg. Co. PLC**, comprising the interim consolidated statement of financial position as at 31 March 2025 and the related interim consolidated statement of profit or loss, interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the three-months period then ended and the notes about condensed interim consolidated financial statements. Management is responsible for the preparation and presentation of this condensed interim consolidated financial statement in accordance with International Accounting Standard number (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim consolidated financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statement is not prepared, in all material respects, in accordance with International Accounting Standard number (34) "Interim Financial Reporting".

30 April 2025
Amman - Jordan



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Ibrahim Hammoudeh
License No. (606)



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

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Assets		
Non - current assets		
Property, plant and equipment	8,524,748	8,669,432
Projects under construction	3,832,753	3,705,335
Investment in associate	536,163	630,346
Checks under collection – long term	48,993	-
Financial assets at fair value through other comprehensive income	237,090	237,090
Total non – current assets	<u>13,179,747</u>	<u>13,242,203</u>
Current assets		
Inventory	16,694,363	16,998,535
Other current assets	2,432,772	2,347,059
Accounts receivable	16,242,920	14,070,620
Checks under collection – short term	2,178,429	2,233,867
Cash and cash equivalents	8,137,948	8,203,010
Total current assets	<u>45,686,432</u>	<u>43,853,091</u>
Total assets	<u>58,866,179</u>	<u>57,095,294</u>
Equity and liabilities		
Equity		
Paid - in capital	16,500,000	16,500,000
Additional paid in capital	1,500,000	1,500,000
Statutory reserve	4,125,000	4,125,000
Voluntary reserve	2,118,949	2,118,949
Changes in foreign exchange rate	(3,077,081)	(3,095,919)
Retained earnings	17,026,754	15,373,503
Total Shareholder's Equity	<u>38,193,622</u>	<u>36,521,533</u>
Non-controlling interest	8,693,223	8,727,356
Total equity	<u>46,886,845</u>	<u>45,248,889</u>
Liabilities		
Non - current liabilities		
Credit facilities – long term	2,911,882	2,786,182
Notes payable – long term	52,830	76,070
Provision for end of services indemnity	453,574	522,272
Total non - current liabilities	<u>3,418,286</u>	<u>3,384,524</u>
Current liabilities		
Credit facilities – short term	2,873,389	3,183,843
Notes payable – short term	902,961	1,170,849
Postdated checks – short term	146,074	144,151
Accounts payable	3,291,216	2,190,235
Other current liabilities	1,347,408	1,772,803
Total current liabilities	<u>8,561,048</u>	<u>8,461,881</u>
Total liabilities	<u>11,979,334</u>	<u>11,846,405</u>
Total equity and liabilities	<u>58,866,179</u>	<u>57,095,294</u>

“The accompanying notes from (1) to (5) are an integral part of these condensed interim consolidated financial statements and read with review report”

The Arab Pesticides & Veterinary Drugs Mfg. Co.
Public Shareholding Company
Interim Consolidated Statement of Profit or Loss
For the three months ended at 31 March 2025

(In Jordanian Dinar)

	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Net sales	9,056,794	8,169,336
Cost of sales	(5,872,660)	(5,203,235)
Gross profit	3,184,134	2,966,101
Share of profit from the associate company	31,155	68,811
Selling and distribution expenses	(367,832)	(273,509)
Administrative expenses	(516,027)	(528,897)
Financing cost	(90,885)	(78,162)
Other income	103,976	48,967
Provision for expected credit loss	(100,000)	(100,000)
Provision for slow moving and expired inventories	(50,000)	(100,000)
Profit for the period before tax	2,194,521	2,003,311
Income and National Contribution tax for the period	(177,828)	(131,579)
Profit for the period	2,016,693	1,871,732
Attributable to:		
Shareholders of the Company	1,653,251	1,438,351
Non-controlling interest	363,442	433,381
	2,016,693	1,871,732
 Basic and diluted earnings per share attributable to the shareholders of the company	 0.100	 0.087

“The accompanying notes from (1) to (5) are an integral part of these condensed interim consolidated financial statements and read with review report”

The Arab Pesticides & Veterinary Drugs Mfg. Co.
Public Shareholding Company
Interim Consolidated Statement of Comprehensive Income
For the three months ended at 31 March 2025

(In Jordanian Dinar)

	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Profit for the period	2,016,693	1,871,732
Other comprehensive income items:		
Changes in foreign exchange rate	18,838	(86,451)
Total comprehensive income for the period	2,035,531	1,785,281
Attributable to:		
Shareholders of the Company	1,672,089	1,351,900
Non-controlling interest	363,442	433,381
	2,035,531	1,785,281

“The accompanying notes from (1) to (5) are an integral part of these condensed interim consolidated financial statements and read with review report”

The Arab Pesticides & Veterinary Drugs Mfg. Co.
Public Shareholding Company
Interim Consolidated Statement of Changes in Equity for the three months ended at 31 March 2025 (Unaudited)
(In Jordanian Dinar)

	Paid - in Capital	Additional paid in capital	Reserves		Changes in Foreign Currency Exchange Rate	Retained Earnings	Total shareholder's Equity	Non- Controlling Interest	Total Equity
			Statutory	Voluntary					
Balance at 1 January 2025	16,500,000	1,500,000	4,125,000	2,118,949	(3,095,919)	15,373,503	36,521,533	8,727,356	45,248,889
Non- controlling interest dividends	-	-	-	-	-	-	-	(397,575)	(397,575)
Total comprehensive income for the period	-	-	-	-	18,838	1,653,251	1,672,089	363,442	2,035,531
Balance at 31 March 2025	<u>16,500,000</u>	<u>1,500,000</u>	<u>4,125,000</u>	<u>2,118,949</u>	<u>(3,077,081)</u>	<u>17,026,754</u>	<u>38,193,622</u>	<u>8,693,223</u>	<u>46,886,845</u>
Balance at 1 January 2024	16,500,000	1,500,000	4,125,000	2,118,949	(3,009,469)	11,323,311	32,557,791	7,440,116	39,997,907
Total comprehensive income for the period	-	-	-	-	(86,451)	1,438,351	1,351,900	433,381	1,785,281
Balance at 31 March 2024	<u>16,500,000</u>	<u>1,500,000</u>	<u>4,125,000</u>	<u>2,118,949</u>	<u>(3,095,920)</u>	<u>12,761,662</u>	<u>33,909,691</u>	<u>7,873,497</u>	<u>41,783,188</u>

“The accompanying notes from (1) to (5) are an integral part of these condensed interim consolidated financial statements and read with review report”

The Arab Pesticides & Veterinary Drugs Mfg. Co.
Public Shareholding Company
Interim Consolidated Statement of Cash Flows
For the three months ended at 31 March 2025

(In Jordanian Dinar)

	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Operating activities		
Profit for the period before tax	2,194,521	2,003,311
Depreciation	140,072	124,328
Share of profit from the associate company	(31,155)	(68,811)
Provision for expected credit losses	100,000	100,000
Provision for slow moving and expired inventories	50,000	100,000
Changes in working capital		
Checks under collection	6,445	31,133
Accounts receivable	(2,272,300)	(638,218)
Inventories	254,172	405,582
Other current assets	(85,713)	51,439
Postdated checks	1,923	430,092
Accounts payable	1,100,981	(423,167)
Other current liabilities and provision for end of service	(254,677)	(108,578)
Income tax paid	(379,568)	(27,260)
Net cash flows from operating activities	824,701	1,979,851
Investing activities		
Property, plant and equipment	4,612	(179,931)
Dividends received from associate investment	106,500	106,500
Project under construction	(127,418)	(363,396)
Net cash flows used in investing activities	(16,306)	(436,827)
Financing activities		
Notes payable	(291,128)	(240,179)
Bank facilities	(184,754)	(78,192)
Non-controlling interest dividends	(397,575)	-
Net cash flows used in financing activities	(873,457)	(318,371)
Net changes in cash and cash equivalents	(65,062)	1,224,653
Cash and cash equivalents, beginning of year	8,203,010	4,481,081
Cash and cash equivalents, end of period	8,137,948	5,705,734

"The accompanying notes from (1) to (5) are an integral part of these condensed interim consolidated financial statements and read with review report"

The Arab Pesticides & Veterinary Drugs Mfg. Co.
Public Shareholding Company
Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
31 March 2025

(In Jordanian Dinar)

1 . General

The Arab Pesticides & Veterinary Drugs Mfg. Co. was established as a limited liability Company on 17 October 1991 and on 31/7/2005 the company's changed its form to a public shareholding company, and the Company is registered in the Hashemite Kingdom of Jordan under number (366), with the main objective of manufacturing of pesticides and veterinary medicines.

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

The interim consolidated financial statements have been approved for issue by the Company's Board of Directors on 29 April 2025.

2 . Summary of Significant Accounting Policies

Basis of Preparation

The condensed interim consolidated financial statements of the Company have been prepared in accordance with International Accounting Standard number (34) "Interim Financial Reporting". They do not include all of the information required in annual financial statements in accordance with IFRSs, and should be read in conjunction with the consolidated financial statements of the Company for the year ended 31 December 2024.

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

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

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

Principles of Consolidation

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

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

The results of operations of the subsidiaries are included in the interim consolidated statement of comprehensive income from the acquisition date which is the date on which control over subsidiary is transferred to the Company. The results of operation of the disposed subsidiary are included in the interim consolidated statement of comprehensive income to the disposal date which is the date on which the Company loses control over the subsidiary.

The following subsidiaries have been consolidated:

Company	Registration country	Ownership	Capital	Activity
Endmaj Chemical and Specialized Medical Industries Company	Jordan	100%	50,000	Manufacturing
Delta Sudia for Chemical Industries Company	KSA	55%	9,500,000	Manufacturing

Use of Estimates

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

Management believes that the estimates are reasonable and are as follows:

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

3 . Income Tax

- The Company has settled its tax liabilities with the Income Tax Department up to the year ended 2019.
- The income tax return for the year 2020 was reviewed by the Income Tax Department, but the Department has not yet issued its final decision.
- The income tax returns for the years 2021, 2022, 2023 and 2024 has been filed with the Income Tax Department, but the Department has not reviewed the Company's records till the date of this report.
- The Income and National Contribution tax provision for three months ended at 31 March 2025 was calculated in accordance with the Income Tax Law.

4 . Dividends

The General Assembly has resolved in its ordinary meeting held in 20 April 2025 to distribute (11%) cash dividends to shareholders.

5 . Fair Value of Financial instruments

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

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

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

31 March 2025	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	-	-	237,090	237,090

31 December 2024	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	-	-	237,090	237,090

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