

Middle East Pharmaceutical and Chemical Industries and Medical Appliances Company
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Consolidated Interim Condensed Financial Statements
and Review Report
for the six months ended June 30, 2025

Middle East Pharmaceutical and Chemical Industries and Medical Appliances Company
Public Shareholding Company
Amman – The Hashemite Kingdom of Jordan

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Report on review of consolidated interim condensed financial information

To Messrs. Shareholders
Middle East Pharmaceutical and Chemical Industries
And Medical Appliances Company
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Introduction

We have reviewed the consolidated interim condensed statement of financial position of Middle East Pharmaceutical and Chemical Industries and Medical Appliances Company and it's Subsidiary (Public Shareholding Company), as at June 30, 2025, and the related consolidated interim condensed statements of comprehensive income, changes in equity and cash flows for the six months period then ended. Management is responsible for the preparation and fair presentation of this consolidated interim condensed financial information in accordance with International Financial Reporting Standard no. (34) "Interim Financial Reporting". Our responsibility is to express a conclusion about this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagement no. (2410) "Review of interim financial information performed by the independent auditor of the entity". A review of consolidated interim condensed financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim condensed financial information is not prepared, in all material respects, in accordance with International Financial Reporting Standard no. (34) "Interim Financial Reporting".

عضو منتدى الشركات الكبرى في
الاتحاد الدولي للمحاسبين (نيويورك)



MEMBER OF THE

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Report on review of consolidated interim condensed financial information for the six months ended June 30, 2025

Significant doubt to continue as a going concern

We would like to refer to note (5) of the consolidated financial statements where the accumulated losses for the company amounted to JD 7,943,724 as at the date of consolidated financial position representing 127% of the company's capital, also note that the company's current liabilities exceeded its current assets by an amount of JD 4,003,129 in addition to the existence of accrued liabilities that were not paid to date. These matters cast significant doubt on the company ability to continue as a going concern which requires it to comply with article no.(266) of the company's law, and its continuation depends on providing sufficient funds to meet its obligations and the success of its operations in the future.

To address the accumulated losses, the company's management has restructured both the export and local markets and signed agency agreements, which in turn will positively reflect on the company's results, sales, and profits in the upcoming period. These measures will also provide the company with cash flows that will help reduce the loss ratio and ensure the continuity of its operations.

Emphasis of matter

We would like to refer to the existence of restrains on the company's land and building and company's means of transportation, in addition to a restrain on the company as shown in the capital certificate issued by the Ministry of Industry and Trade – Company's Control Department.



Talal Abu-Ghazaleh & Co. International

Mohammad Al-Azraq
(License # 1000)

Amman July 31, 2025

Middle East Pharmaceutical and Chemical Industries and Medical Appliances Company
Public Shareholding Company
Amman – The Hashemite Kingdom of Jordan

Consolidated interim condensed statement of financial position as at June 30, 2025
- (Reviewed and unaudited)

| | | June 30 , 2025 | December 31, 2024 |
|--|-------|--------------------------|-------------------|
| | Notes | (Reviewed and unaudited) | Audited |
| | | JD | JD |
| ASSETS | | | |
| Non-current Assets | | | |
| Property, plant and equipment | 3 | 4,789,488 | 4,926,164 |
| Intangible assets | | 7,717 | 10,290 |
| Total Non-Current Assets | | 4,797,205 | 4,936,454 |
| Current Assets | | | |
| Inventory | | 2,074,826 | 2,095,900 |
| Due from related parties | | 52,806 | - |
| Other debit balances | | 277,666 | 469,098 |
| Trade receivables | 4 | 67,958 | 359,661 |
| Cash and cash equivalents | | 778 | 21,785 |
| Total Current Assets | | 2,474,034 | 2,946,444 |
| TOTAL ASSETS | | 7,271,239 | 7,882,898 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Capital | | 6,250,583 | 6,250,583 |
| Foreign currency translation differences | | 159,691 | 147,483 |
| Accumulated losses | 5 | (7,943,724) | (7,136,862) |
| Deficit in Equity | | (1,533,450) | (738,796) |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Shareholder's payable | | 725,349 | 724,677 |
| Loans - non-current portion | 6 | 1,602,177 | 1,234,592 |
| Total Non Current Liabilities | | 2,327,526 | 1,959,269 |
| Current Liabilities | | | |
| Other credit balances | | 4,302,858 | 4,144,963 |
| Trade payables | | 1,175,353 | 808,361 |
| Due to related parties | | 125,286 | 100,785 |
| Deferred checks - current portion | | 34,428 | 96,070 |
| Loans - current portion | 6 | 742,279 | 1,354,167 |
| Banks overdraft | | 96,959 | 158,079 |
| Total Current Liabilities | | 6,477,163 | 6,662,425 |
| Total Liabilities | | 8,804,689 | 8,621,694 |
| TOTAL EQUITY AND LIABILITIES | | 7,271,239 | 7,882,898 |

The accompanying notes constitute an integral part of these financial statements

Middle East Pharmaceutical and Chemical Industries and Medical Appliances Company
Public Shareholding Company
Amman – The Hashemite Kingdom of Jordan

Consolidated interim condensed statement of comprehensive income for the six months ended
June 30, 2025 - (Reviewed and unaudited)

| | For the six months ended on | | For the three months ended on | |
|-----------------------------------|-----------------------------|---------------|-------------------------------|---------------|
| | June 30, 2025 | June 30, 2024 | June 30, 2025 | June 30, 2024 |
| | JD | JD | JD | JD |
| Sales | 340,585 | 1,756,498 | 193,099 | 816,839 |
| Cost of sales | (563,010) | (1,286,008) | (330,720) | (659,523) |
| Gross (loss) profit | (222,425) | 470,490 | (137,621) | 157,316 |
| Other revenues, net | 53,312 | 402 | 304 | 360 |
| Selling and marketing expenses | (173,135) | (401,379) | (89,138) | (212,885) |
| Administrative expenses | (272,794) | (342,585) | (130,150) | (190,731) |
| Finance cost | (191,820) | (82,270) | (102,205) | (70,009) |
| Loss | (806,862) | (355,342) | (458,810) | (315,949) |
| Other comprehensive income | | | | |
| Translation differences | 12,208 | 9,475 | (311) | 10,690 |
| Total comprehensive income | (794,654) | (345,867) | (459,121) | (305,259) |
| Weighted average number of shares | 6,250,583 | 1,250,583 | | |
| Loss per share | JD (-/129) | JD (-/284) | | |

The accompanying notes constitute an integral part of these financial statements

Middle East Pharmaceutical and Chemical Industries and Medical Appliances Company
Public Shareholding Company
Amman – The Hashemite Kingdom of Jordan

Consolidated interim condensed statement of changes in equity for the six months ended June 30, 2025 - (Reviewed and unaudited)

| | Capital | | Foreign currency translation differences | | Accumulated losses | | Deficit | |
|---|-----------|--|--|--|--------------------|--|-------------|--|
| | JD | | JD | | JD | | JD | |
| For the six months ended June 30, 2025 | | | | | | | | |
| Balance as at January 1, 2025 | 6,250,583 | | 147,483 | | (7,136,862) | | (738,796) | |
| Comprehensive income | - | | 12,208 | | (806,862) | | (794,654) | |
| Balance as at June 30, 2025 | 6,250,583 | | 159,691 | | (7,943,724) | | (1,533,450) | |
| For the six months ended June 30, 2024 | | | | | | | | |
| Balance as at January 1, 2024 | 1,250,583 | | 144,474 | | (5,629,075) | | (4,234,018) | |
| Comprehensive income | - | | 9,475 | | (355,342) | | (345,867) | |
| Balance as at June 30, 2024 | 1,250,583 | | 153,949 | | (5,984,417) | | (4,579,885) | |

The accompanying notes constitute an integral part of these financial statements

Middle East Pharmaceutical and Chemical Industries and Medical Appliances Company
Public Shareholding Company
Amman – The Hashemite Kingdom of Jordan

Consolidated interim condensed statement of cash flows for the six months ended June 30, 2025
- (Reviewed and unaudited)

| | June 30, 2025 | June 30, 2024 |
|---|-------------------|-------------------|
| | JD | JD |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss | (806,862) | (355,342) |
| Adjustments for : | | |
| Depreciation and amortization | 186,749 | 234,643 |
| Gain on sale of property, plant and equipment | (53,000) | - |
| Change in operating assets and liabilities: | | |
| Inventory | 21,075 | 259,286 |
| Other debit balances | 191,432 | 117,336 |
| Trade receivables | 291,703 | (238,081) |
| Due from related parties | (52,806) | - |
| Other credit balances | 157,895 | 124,725 |
| Trade payables | 366,992 | (113,558) |
| Net cash from operating activities | <u>303,178</u> | <u>29,009</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of property and equipment | (47,501) | (20,417) |
| Proceeds from sale of property, plant and equipment | 53,000 | - |
| Net cash from investing activities | <u>5,499</u> | <u>(20,417)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Shareholder's payable | 672 | 109,999 |
| Deferred checks | (61,642) | (108,284) |
| Loans | (244,303) | 40,744 |
| Bank overdraft | (61,120) | 5,932 |
| Due to related parties | 24,501 | (146,321) |
| Net cash from financing activities | <u>(341,892)</u> | <u>(97,930)</u> |
| Net change in cash and cash equivalents | (33,215) | (89,338) |
| Cash and cash equivalents - beginning of period | 21,785 | 80,351 |
| Foreign currency translation differences | 12,208 | 9,475 |
| Cash and cash equivalents - end of period | <u><u>778</u></u> | <u><u>488</u></u> |

The accompanying notes constitute an integral part of these financial statements

Middle East Pharmaceutical and Chemical Industries and Medical Appliances Company
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Notes to the consolidated interim condensed financial information

1. Legal status and activity

- Middle East Pharmaceutical and Chemical Industries and Medical Appliances Co. was established on October 25, 1993 and registered as a public shareholding company with the Ministry of Industry and Trade under the number (231).
- The main Company's activities are as follows:
 - Medical and laboratory testing equipment and solutions
 - Human medication liquid manufacturing
 - Human medication pills manufacturing
 - Human medication anal Suppositories manufacturing
 - Veterinarian antibiotics manufacturing
 - Veterinarian antibacterial manufacturing
 - Veterinarian vitamins manufacturing
 - Gelatin capsules manufacturing
 - Human medication tablets manufacturing
- The Middle East Pharmaceutical- Algeria was established as a limited liability company under the number 607/2008 on October 11, 2008.
- The financial statements were approved by the Company's board of directors in its session held on July 30, 2025.
- There is a restraint on the company's registration bond due to the existence of executive lawsuits held against the company.

2. Financial statements preparation framework and significant accounting policies

- The interim condensed consolidated financial information for the company were prepared according to the International Accounting Standard (34) "Interim Financial Reporting".
- Accounting policies used in preparing the interim condensed consolidated financial statement are consistent with those policies used in preparing the financial statements for the year ended December 31, 2024.

Notes to the consolidated interim condensed financial information for the six months ended June 30, 2025

3. Property, plant and equipment

| June 30, 2024 | Land (*) | Building (*) | | Transportation vehicles (*) | | Solar energy system | | Communication systems and programs | | Machines and equipment | | Electrical equipment | | Furnitures | | Transportation vehicles (*) | | Artesian well | | Total |
|-----------------------------|----------|--------------|-----------|-----------------------------|---------|---------------------|---------|------------------------------------|-----------|------------------------|------------|----------------------|----|------------|----|-----------------------------|----|---------------|----|-------|
| | JD | JD | JD | JD | JD | JD | JD | JD | JD | JD | JD | JD | JD | JD | JD | JD | JD | JD | JD | |
| Cost | | | | | | | | | | | | | | | | | | | | |
| Beginning of period balance | 200,606 | 6,958,171 | 5,925,101 | 529,020 | 316,752 | 3,556,670 | 425,147 | 393,747 | 409,086 | 50,785 | 18,765,085 | | | | | | | | | |
| Additions | - | - | 850 | - | 32,592 | 13,108 | 668 | 283 | - | - | 47,501 | | | | | | | | | |
| Disposals | - | - | - | - | - | - | - | - | (309,687) | - | (309,687) | | | | | | | | | |
| End of period balance | 200,606 | 6,958,171 | 5,925,951 | 529,020 | 349,344 | 3,569,778 | 425,815 | 394,030 | 99,399 | 50,785 | 18,502,899 | | | | | | | | | |
| Accumulated depreciation | | | | | | | | | | | | | | | | | | | | |
| Beginning of period balance | - | 3,547,077 | 5,179,020 | 52,837 | 281,298 | 3,536,176 | 410,552 | 381,292 | 399,885 | 50,784 | 13,838,921 | | | | | | | | | |
| Depreciation | - | 69,774 | 81,606 | 13,225 | 3,816 | 12,424 | 904 | 1,277 | 1,150 | - | 184,176 | | | | | | | | | |
| Disposals | - | - | - | - | - | - | - | - | (309,686) | - | (309,686) | | | | | | | | | |
| End of period balance | - | 3,616,851 | 5,260,626 | 66,062 | 285,114 | 3,548,600 | 411,456 | 382,569 | 91,349 | 50,784 | 13,713,411 | | | | | | | | | |
| Net | 200,606 | 3,341,320 | 665,325 | 462,958 | 64,230 | 21,178 | 14,359 | 11,461 | 8,050 | 1 | 4,789,488 | | | | | | | | | |
| December 31, 2023 | | | | | | | | | | | | | | | | | | | | |
| Cost | | | | | | | | | | | | | | | | | | | | |
| Beginning of year balance | 200,606 | 6,947,671 | 5,925,101 | 529,020 | 316,752 | 3,542,982 | 423,983 | 393,169 | 397,586 | 50,785 | 18,727,655 | | | | | | | | | |
| Additions | - | 10,500 | - | - | - | 13,688 | 1,164 | 578 | 11,500 | - | 37,430 | | | | | | | | | |
| End of year balance | 200,606 | 6,958,171 | 5,925,101 | 529,020 | 316,752 | 3,556,670 | 425,147 | 393,747 | 409,086 | 50,785 | 18,765,085 | | | | | | | | | |
| Accumulated depreciation | | | | | | | | | | | | | | | | | | | | |
| Beginning of year balance | - | 3,407,657 | 4,931,060 | 26,386 | 276,273 | 3,500,050 | 406,947 | 377,774 | 397,585 | 50,784 | 13,374,516 | | | | | | | | | |
| Depreciation | - | 139,420 | 247,960 | 26,451 | 5,025 | 36,126 | 3,605 | 3,518 | 2,300 | - | 464,405 | | | | | | | | | |
| End of year balance | - | 3,547,077 | 5,179,020 | 52,837 | 281,298 | 3,536,176 | 410,552 | 381,292 | 399,885 | 50,784 | 13,838,921 | | | | | | | | | |
| Net | 200,606 | 3,411,094 | 746,081 | 476,183 | 35,454 | 20,494 | 14,595 | 12,455 | 9,201 | 1 | 4,926,164 | | | | | | | | | |

(*) Land, building, and means of transportation mentioned above are reserved for judicial reservations. Note that the company did not license its vehicles from 2016 and 2017 until the date of the financial statements

Notes to the consolidated interim condensed financial information for the six months ended June 30, 2025

4. Trade receivables

| | June 30, 2025 | December 31, 2024 |
|--|---------------|-------------------|
| | JD | JD |
| Trade receivables (*) | 1,797,306 | 1,877,586 |
| Checks on hand | - | 211,423 |
| Deduct: Expected credit losses allowance | (1,729,348) | (1,729,348) |
| Net | 67,958 | 359,661 |

(*) Below is the aging:

| | June 30, 2025 | December 31, 2024 |
|--------------------------|---------------|-------------------|
| | JD | JD |
| 1 - 30 days | - | 149,430 |
| 181 - 361 days and above | 1,797,306 | 1,728,156 |
| Total | 1,797,306 | 1,877,586 |

5. Accumulated Losses

The company's accumulated losses amounted to JD 7,843,724 as at the date of consolidated financial position representing 127% of the company's capital, also note that the company's current liabilities exceeded its current assets by an amount of JD 4,003,129 which might effects the company's ability to continue and requires it to comply with article no.(266) of the company's law.

To address the accumulated losses, the company's management has restructured both the export and local markets and signed agency agreements, which in turn will positively reflect on the company's results, sales, and profits in the upcoming period. These measures will also provide the company with cash flows that will help reduce the loss ratio and ensure the continuity of its operations.

6. Loans

| Bank Name | Loan objective | Loan period | Garantees | June 30, 2025 | | December 31, 2024 | |
|------------------------|--|---|--|---------------|-------------|-------------------|-----------|
| | | | | Current | Non-current | Total | Total |
| | | | | JD | JD | JD | JD |
| Jordan Commercial Bank | To finance working capital and settle obligations on the company | The loan is repaid through 60 monthly installments inclusive of interest | - First-degree mortgage - The company pledges to assign the insurance policy covering its assets to the bank for a minimum amount of 2,500,000 Jordanian Dinars, and agrees to renew it upon expiration for the duration | 141,958 | 1,219,759 | 1,361,717 | 1,485,167 |
| Jordan Commercial Bank | This facility is exclusively used to finance 95% of the company's purchases (domestic / international) through invoices, transfers, shipping documents, or credits (sight and deferred up to 180 | Each financing transaction made through this loan must be settled within a maximum period of 9 months from the date of financing. | - First-degree mortgage - The company pledges to assign the insurance policy covering its assets to the bank for a minimum amount of 2,500,000 Jordanian Dinars, and agrees to renew it upon expiration for the duration of the facilities. | 430,786 | 177,418 | 608,204 | 874,914 |
| Jordan Commercial Bank | Discounted bills | | - First-degree mortgage - The company pledges to assign the insurance policy covering its assets to the bank for a minimum amount of 2,500,000 Jordanian Dinars, and agrees to renew it upon expiration for the duration of the facilities. | 169,535 | 205,000 | 374,535 | 228,718 |
| Total | | | | 742,279 | 1,602,177 | 2,344,456 | 2,588,799 |

7. Subsidiary

The interim condensed consolidated financial statements include the subsidiary's financial statements for the six months ended June 30, 2025 as follows:

| Company name | Legal status | Paid-in Capital | Ownership | Total assets | Total liabilities | Accumulated losses |
|---|--------------|-----------------|-----------|--------------|-------------------|--------------------|
| | | JD | % | JD | JD | JD |
| Middle East Pharmaceutical & Chemical Industries Co-Algeria | LLC | 4,884 | 100 | 68,835 | 725,516 | 593,958 |

8. The potential effects of economic fluctuations

As a result of the current global conflict, where the entity has taken into account any possible impact of current economic fluctuations in the inputs of future macroeconomic factors when determining the severity and probability of economic scenarios to determine expected credit losses.