



JORDAN PHOSPHATE MINES COMPANY P.L.C



20
22

ANNUAL REPORT

Growth Built on Values



His Hashemite Majesty
King Abdullah II bin Al-Hussein
may God bless and protect him



His Royal Highness Prince
Al Hussein bin Abdullah II
Crown Prince



Jordan Phosphate Mines Company P.L.C

Headquarters Address: 7 Al-Sharif Al-Radi Street, Shmeisani Amman

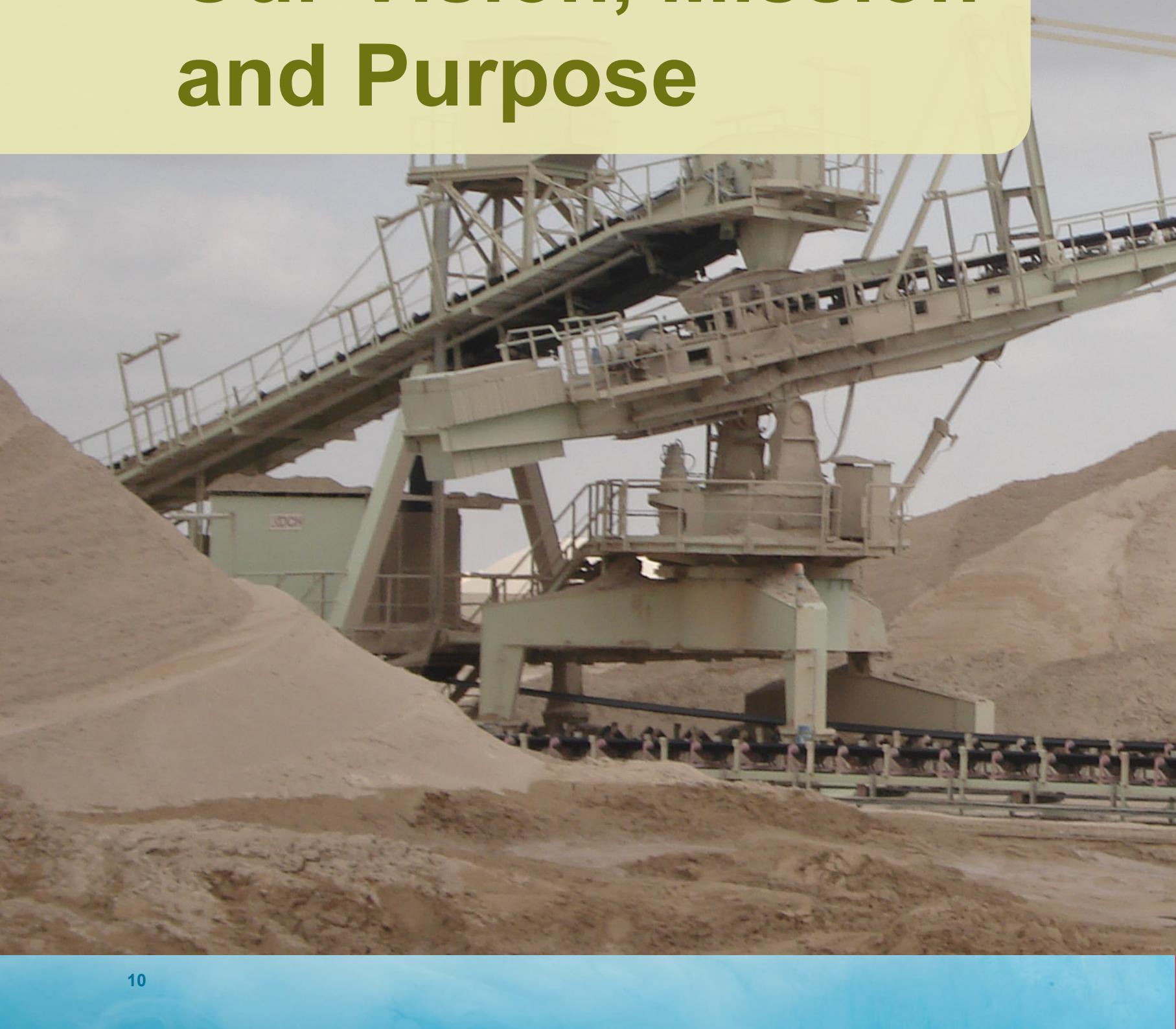
P.O.Box (30) Amman 11118

The Hashemite Kingdom of Jordan

The Sixty Ninth Annual Report of the Board of Directors
and The Consolidated Financial Statements for the year 2022

www.jpmc.com.jo

Our Vision, Mission and Purpose



Our Vision:

Pioneerism, excellence, and sustainability in the sector of mining and phosphate fertilizers including top quality standards and environmental conservation.

Our Mission:

JPMC implements exploration and mining works of phosphate and develops innovated products with high quality and competitive worldwide by employing modern technology; training and qualifying its human resources with an eye on all aspects of sustainable development of environment and community via its operations.

Our Purpose:

Transforming Rock Phosphate to Sustainable Plantation and Life.



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The Board of Directors



Representatives of Private Sector:

H.E Dr. Mohammad Thneibat Chairman of the Board of Directors
Dr. Eng. Abdelfattah AbuHassan Member

Representatives of Government Investments Management Company:

Mr. Salem Al Qudah Vice-Chairman as of 23rd February 2022
Mr. Mohammad Kreishan Member

Representatives of Social Security Corporation:

Eng. Sami Smeirat Member as of 16th January 2022
Dr. Adel Al-Sharkas Vice-Chairman until 16th January 2022

Representatives of INDIAN POTASH LIMITED:

Dr. U.S. Awasthi Member
Dr. P.S. Gahlaut Member

Representative of Kisan International Trading FZE:

Mr. Manish Gupta Member

Representative of Kuwait Investment Authority:

Eng. Mohammad Al-Munaifi Member

Chief Executive Officer:

Eng. Abdel Wahab AlRowwad

Auditors:

Messrs. ERNST & YOUNG

Letter to the Shareholders...



In the name of God, the Most Gracious, the Most Merciful
Ladies and Gentlemen Shareholders of Jordan Phosphate Mines Company
May the peace, mercy and blessings of God be upon you,

I am delighted to meet you on this blessed day of Ramadan at the Sixty Ninth annual ordinary general assembly meeting of Jordan Phosphate Mines Company PLC to present to you the results of the Company works, activities and consolidated financial statements as at 31 December 2022.

These works and activities represent a success story that is recorded in the history of Jordan Phosphate Mines Company since its establishment until this very day. As a result of the reform process of the Company by taking effective procedures to restructure the company, fixing most of the distortions, establishing rules for expenses control and persist on applying them, reducing mining, production and sales costs by rates ranging between 25% - 50% of previous costs, spending on the Company's capital enterprises, carrying out with sustainable maintenance of the Company's plants and production units in their different sites, in addition to implementing an equal job replacement policy, all of this is in compliance with a mapped plan based on the clarity of the goal and the implementation of evaluation, monitoring and accountability mechanism.

This reform process led to positioning the Company among the most leading international companies in the field of mining and fertilizers industry by terms of its capability to increase production capacity, improve its quality and sales quantity, multiply its international destinations, and work to establish productive industries that support the phosphate mining industry as well as phosphate fertilizers such as the Washing and Flotation Plant and Aluminum Fluoride Plant in Eshidiya.

Furthermore, communication with international and local companies such as a Poultry feed plant and Phosphoric Acid plant to produce a purified Phosphoric Acid, in order to establish other manufacturing industries which enhances the Company's position globally, meets the need of the local and global market, strengthens the Company's financial position for many years to come into the future so that it limits the impact of global prices fluctuations and prevents recurring financial crises which the Company went through before in 2018 which almost could hit it.

Dear Shareholders- Ladies and Gentlemen

We all realize that the continuity of success and progress is achieved by developing practicable strategic plans. From this point, the Company has set its plan for the years 2022-2027. As the plan included the establishment of new manufacturing industries with local and international partnerships that are total cost is expected to reach USD 1.6 billion noting that the plan is presented extensively in this annual report. If the plan succeeds, it will be the backbone of the Company and for the national economy as well, in addition to providing great job opportunities.

In order for the Company to implement its expansion plans and establish manufacturing industries with global partnerships, the Board of Directors provided a recommendation to the General Assembly to dividend about 35% of the net profits for this year and the rest of the profits were transferred to retained earnings bringing its balance to JD 1.171 billion. Also, an amount of JD 803 million was cash allocated in the fund and deposits in banks with profit rates of up to 6.5% were allocated as this was done in order to distribute cash profits and to finance expansion works and new projects within the Company's future strategic plan.

Dear Shareholders,

During 2022, the Company has achieved unprecedented profits which amounted to, after income tax and before the provision of employees' bonus, an amount of JD 734.825 million with an increase of approximately 113% compared to 2021 profits. The share of profits for 2022 amounted to JD 8.672 compared to JD 4.06 per share in 2021.

Moreover, the Company achieved a qualitative increase in the quantities sold, amounting to 1.1 million tons of phosphate which represents an increase of 11.3% compared to the quantities sold during 2021.

This led to significant increase in operational profits exceeding one billion JD with an increase of 51% compared to 2021. As an indicator of continuation in following the approach of raising the efficiency of control and raising the efficiency of controlling operating expenses as well, the ratio of cost of sales to sales dropped during 2022 to 21% compared to 2021, despite the significant increase in raw materials price that exceeded 30%.

With regards to strengthening the Company's financial position, the Company's assets witnessed an increase during 2022 by 39% compared to 2021 which means that at the end of 2022, the Company's assets exceeded an amount of JD 2 billion.

The Company's equity rights grew as well at an unprecedented rate of 60% during 2022 compared to 2021 bringing the total of equity rights to JD 1.484 billion as at the end of 2022.

With respect to the Company's contribution towards boosting the overarching changes of the national economy and supporting the economic growth of the country; The Group and its associate companies have achieved export sales of nearly USD 3 billion as this amount forms a remarkable contribution to narrowing the deficit gap in both the Balance of Trade and the Balance of Payments and therefore strengthening the local currency.

In relation to the Company's role in supporting the treasury revenues and the state's general budget, the Company's direct contribution to supporting public revenues amounted to roughly JD 347 million mainly including income tax on the year's profits, mining revenues, customs, sales tax on external payments, in addition to the Company's indirect contribution and support to public revenues and the revenues of public institutions amounting to JD 328 million, the main of which is the share of Government-owned companies in the profits of the current year (JD 188 million), and the share of the Social Security Corporation (JD 121 million), bringing direct and indirect support to the treasury and revenues of Public institutions to nearly JD 675 million.

Dear Shareholders,

The company's financial and operational performance indicators demonstrated a breakthrough in performance during the last five years (2018-2022), as this was reflected in reinforcing the company's revenue strength, the remarkable growth in equity, and the strengthening of its financial and competitive position globally. During the last five years, equity increased from JD 596 million for 2018 to reach JD 1.484 billion by the end of 2022, representing an increase equivalent to JD 888 million, with a growth rate of 248%.

As for the quantum leap of profitability and revenue strength, the net profits achieved by the Company in the past five years (2018-2022) amounted to JD 1.167 billion exceeding the total net profits reached by the Company since its establishment in 1953 until 2017 as its total profits amounted to JD 888 million in 65 years. This means the net profits achieved by the Company in the past five years have increased by JD 279 million, or 31% over the Company's total profits in 65 years.

Certainly, this achievement is mirrored in the extent of the Company's contribution to supporting the national economy, supporting public revenues, and distributing nearly five hundred million dinars as dividends to shareholders during the past five years.

Dear Shareholders- Ladies and Gentlemen

Jordan Phosphate Mines Company considers social responsibility a national duty as it was keen to expand its community initiatives with a special focus in the locations in where the company is present including but not limited to strengthening the capabilities of municipalities, building partnerships with civil society, academic society and development funds, supporting the agricultural sector and productive projects, supporting the medical sector and sports clubs, in addition to providing scholarships to a number of Bedouins in the South, and continuing to support all that is related to raising the standard of living and combating poverty and unemployment.

The volume of support for the years (2018-2022) amounted to about JD 57 million, of which JD 14 million was committed by the Company to be spent in 2022.

Similarly, the Company was keen to ensure that the financial results it achieved reflected positively on the conditions of its employees as a production bonus was provided to Jordan Phosphate Mines Company employees besides its associate and subsidiaries companies for 2022 as it amounted to approximately twenty million Jordanian Dinars. Not to mention providing other benefits from the savings fund continuously such as the housing loans at zero interest, end-of-service compensation benefits, health insurance for workers, retirees and their families according to the bylaws set for this purpose, in addition to developing the efficiency of workers and enhance their performance.

To conclude, I would like to extend my gratitude and thanks to Jordan Phosphate Mines Company shareholders, the investors who believe in the Company's ability and the Jordanian economy. No doubt, my thanks are also extended to the Company's employees for their efforts that lead to these successes. Of course, I express my thanks to the Jordanian General Labor Union of Workers in Mines and Mining; for their cooperating with the company.

I would also like to thank my colleague members of the Board of Directors for their kind efforts, and the executive management that worked diligently and effectively to implement the plans set up for the Company to bring this economic structure to what it has reached under the leadership of His Majesty King Abdullah II May Allah protect him and help him and bless his good deeds.

May peace, mercy and blessings of God be upon you.



Chairman of the Board
Dr. Mohammad Thneibat

Report of the Board of Directors





Dear Shareholders,

In compliance with the provisions of Article (171) of the Law of Companies No. (22) for 1997 and its amendments, in fulfillment of the disclosure requirement for exporting companies, accounting standards, audit standards for 2004 and their amendments, and in line with the provisions of Article (62) of Articles of Association, the Board of Directors of Jordan Phosphate Mines Company P.L.C. submits to you this sixty ninth annual report including a brief on the Company operations and its deliverables during the fiscal year ending at 31.12.2022. The report reveals business results of the Company and its financial position statements including consolidated financial statements, consolidated income statement, consolidated comprehensive income statement, consolidated statement of changes in equity, and consolidated statement of cash flows as approved by the Board of Directors on 12th of March 2023.

Following is a presentation of the Company's activities in 2022:

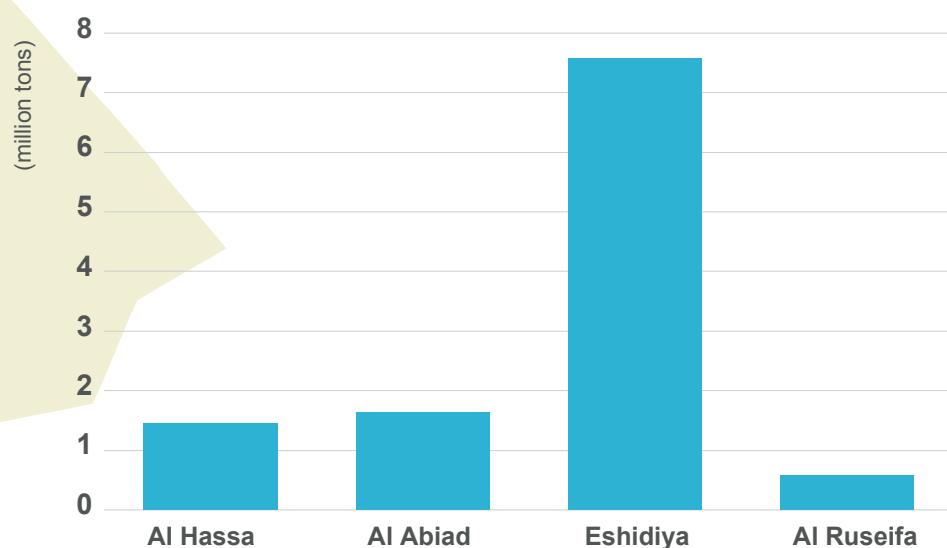
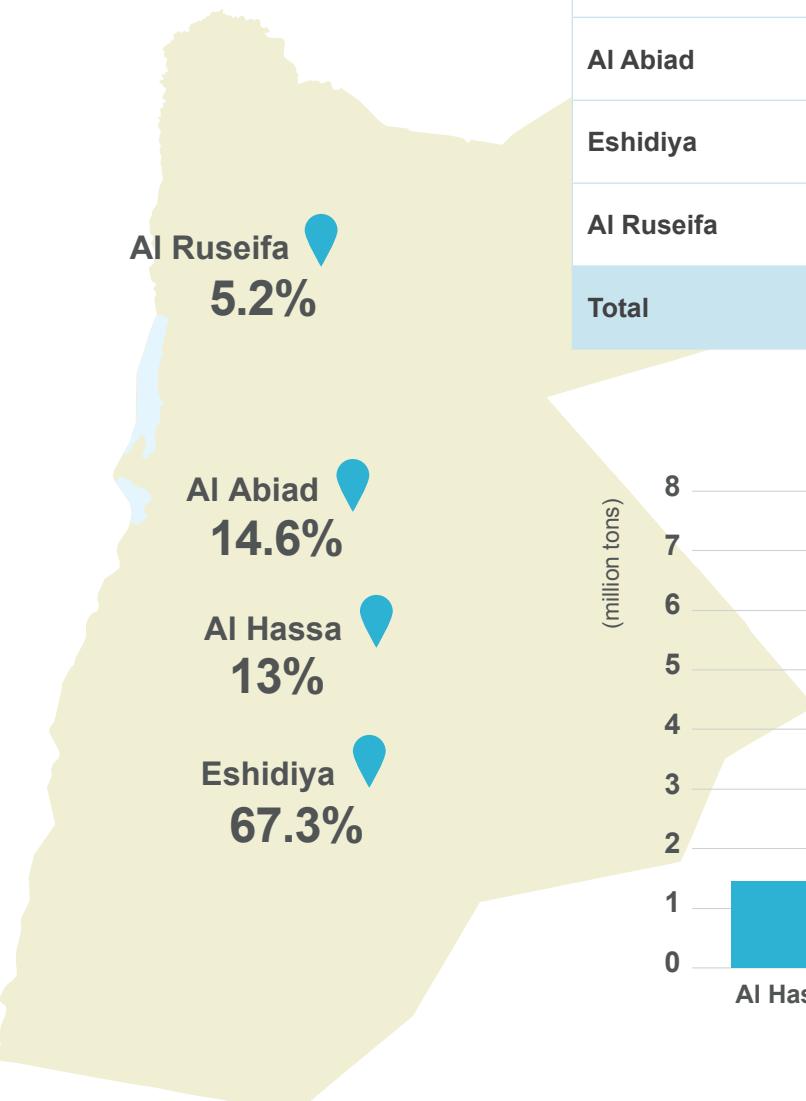
Production:

A. Phosphate:

Ready dry phosphate produced in 2022 from all the Company's mines and the contractors working on the Company's mines of all grades accounted for (11,257,794) tons vis-à-vis (10,015,243 tons in 2021) which represents an increase of 12.41% compared to 2021.

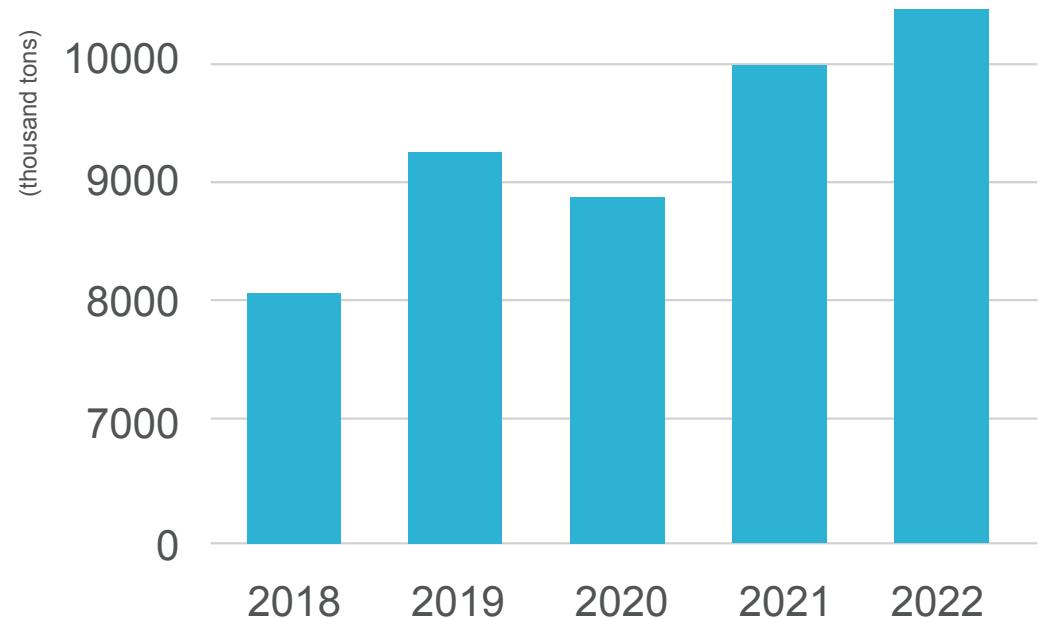
Quantities of Dry Phosphate Produced in 2022 distributed as follows:

Mine	Quantity in Tons	Production Percentage
Al Hassa	1,461,494	12.982%
Al Abiad	1,643,020	14.594%
Eshidiya	7,572,430	67.264%
Al Ruseifa	580,850	5.160%
Total	11,257,794	100%



Quantities of Dry Phosphate Produced from the Company Mines for 2018-2022:
(thousand tons)

Mine	2022	2021	2020	2019	2018
Al Hassa	1,462	874	1,146	1,007	799
Al Abiad	1,643	1,444	1,443	1,604	1,204
Eshidiya	7,572	7,043	5,934	6,005	5,777
Al Ruseifa	581	654	415	607	243
Total	11,258	10,015	8,938	9,223	8,023



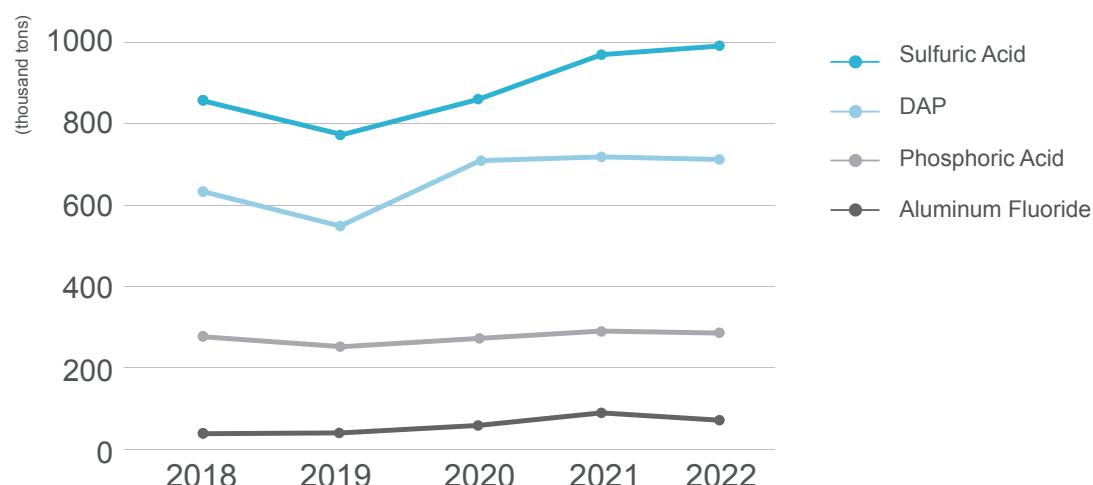
B. Products of Fertilizers at the Industrial Complex:

Quantities of Phosphate Fertilizers Produced at the Industrial Complex in Aqaba were as follows in 2022:

Product	Quantity/Ton
DAP	708,315
Phosphoric Acid	291,300
Sulfuric Acid	983,193
Aluminum Fluoride	11,355

Quantities Produced at the Industrial Complex in Aqaba for 2018-2022:

Product	2022	2021	2020	2019	2018	(thousand tons)
DAP	708	728	707	550	632	
Phosphoric Acid	291	293	282	252	281	
Sulfuric Acid	983	968	863	780	856	
Aluminum Fluoride	11	12	10	6	6	



Exploration:

In 2022, the Exploration Department pursued mining rights in the company's mines as twenty-two mining rights were obtained in Eshidiya Mine, of which twenty previous mining rights were renewed and two new mining rights were obtained. While for Al Abiad Mine, two previous mining rights were renewed and two new mining rights were obtained as well as renewing two previous mining rights and obtaining a new mining right in Al Hassa Mine, and pursuing the technical studies submitted to the Energy & Minerals Regulatory Commission and other procedures to complete obtaining other new mining rights.

In 2022, Exploration Department works were oriented on strengthening the geological reserve for Jordan Phosphate Mines Company by exploring more new ores in all mines as follows:

- Al Abiad Mine:** wells were drilled along 42 ore extensions, and the amount of geological reserves hasn't been determined until drilling operations are completed.
- Al Hassa Mine:** wells were drilled along the 38-south ore extensions, and a lens was identified with a geological reserve estimated at 400,000 cubic meters.
- Eshidiya Mine:** wells were drilled in the northern region for the upper ore zone and geological reserves were not determined until drilling operations were completed.

The geological reserves (proved, possible, and potential) until the end of 2022 in all mines reached as follows:

Mine	Proved	Possible	Potential	Total
Al Abiad	4,976	-	10,000	14,976
Al Hassa	9,495	10,000	-	19,495
Eshidiya	241,006	-	50,000	291,006
Total	255,477	10,000	60,000	325,477

Transport:

In 2022, quantities of phosphate transported from the Company Mines by truck vehicles reached (10,871,232) tons (compared to 9,863,685 tons in 2021) distributed as follows:

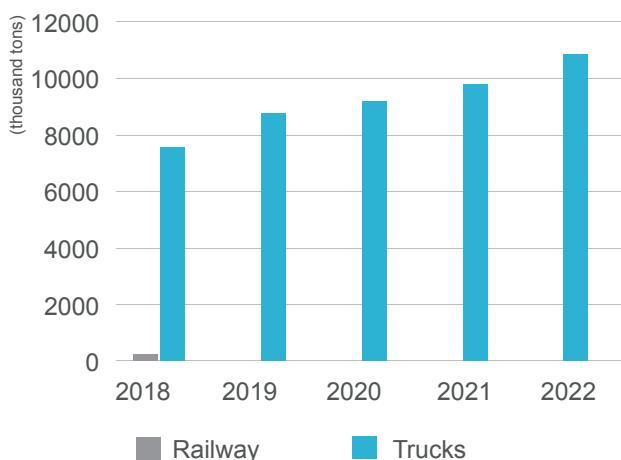
(tons)

Mine	Exportation	Industrial Complex	Eshidiya Mine	Local Market	Nippon-Jordan Fertilizer Company (NJFC)	Indo-Jordan Chemicals Company (IJC)	Jordanian Indian Fertilizer Company (JIFCO)	Total	Contribution Rate (%)
Eshidiya	3,435,284	991,883	-	540	-	1,260,921	1,764,001	7,452,629	69
Al Hassa	1,377,389	48,299	-	-	-	-	-	1,245,688	13
Al Abiad	1,552,733	12,326	-	-	-	-	-	1,565,059	14
Al Ruseifa	349,629	-	65,433	790	12,004	-	-	427,856	4
Total	6,715,035	1,052,508	65,433	1,330	12,004	1,260,921	1,764,001	10,871,232	100

Quantities of Transported and Unloaded Phosphate from Mines as per of transport vehicles for 2018 - 2022:

(thousand tons)

Transport Means	2022	2021	2020	2019	2018
Railway	-	-	-	-	275
Trucks	10,871	9,864	9,124	8,625	7,744
Total	10,871	9,864	9,124	8,625	8,019



Marketing and Sales:

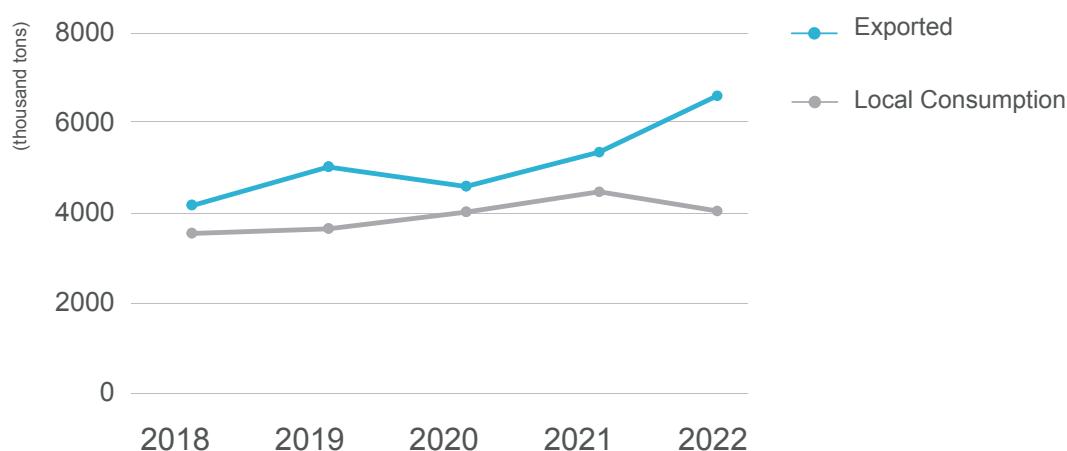
Marketing:

The company was able to achieve 113.41% of the marketing plan for 2022 which means achieving a new record number of phosphate sales as the company was able to sale a quantity of 10,774 million tons of phosphate compared to (9,682 million tons of phosphate in 2021) with an increased percentage of 11.27% compared to 2021. Even as the quantities of fertilizers sold during 2022 amounted to 724 thousand tons which means achieving the marketing plan for 2022 with an increasing percentage of 3.46%. However, the storage capacity in each of the phosphate port and the industrial complex in Aqaba is still one of the determinants the company encounters. During 2022, the company was able to achieve the highest sales value of its products exceeding US 2,068 billion dollars.

Sales:

First: Sales of Phosphate Ores for the period 2018-2022:

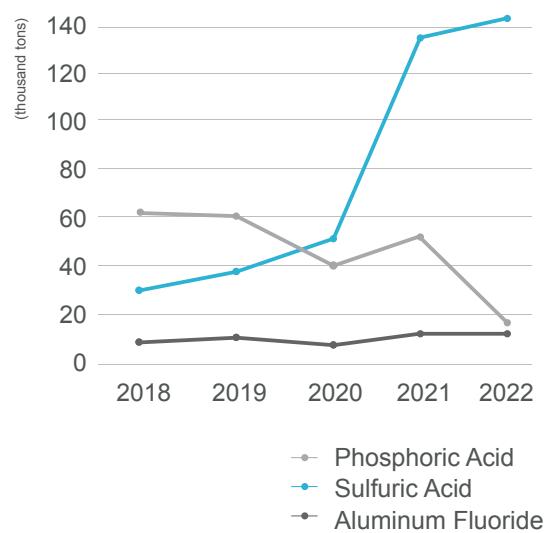
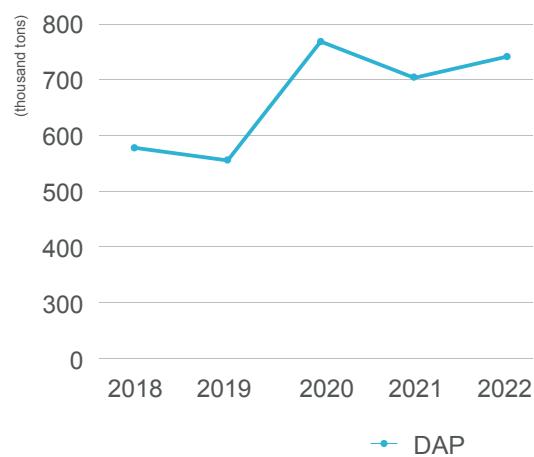
Year	2022	2021	2020	2019	2018	(thousand tons)
Exported	6,687	5,296	4,518	5,070	4,163	
Local Consumption	4,087	4,386	4,034	3,961	3,900	
Total	10,774	9,682	8,552	9,031	8,063	



Second: Sales of Chemical Fertilizers from the Industrial Complex Products for 2018-2022:

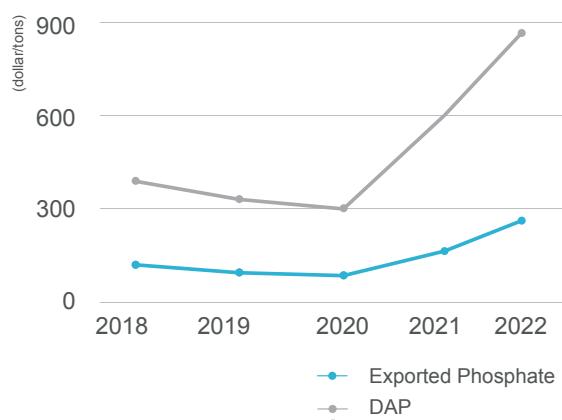
(thousand ton)

Product	2022	2021	2020	2019	2018
(DAP)	724	700	778	563	583
Phosphoric Acid	11	52	40	60	61
Sulfuric Acid	142	135	48	38	30
Aluminum Fluoride	8	9	7	11	8



Third: Average Selling Prices FOB in Aqaba in USD:

Product	2022	2021	2020	2019	2018	(dollar/ton)
Exported Phosphate	163,67	105,25	75,26	76,41	88,59	
DAP	892	603	323	344	411	



Associate Companies

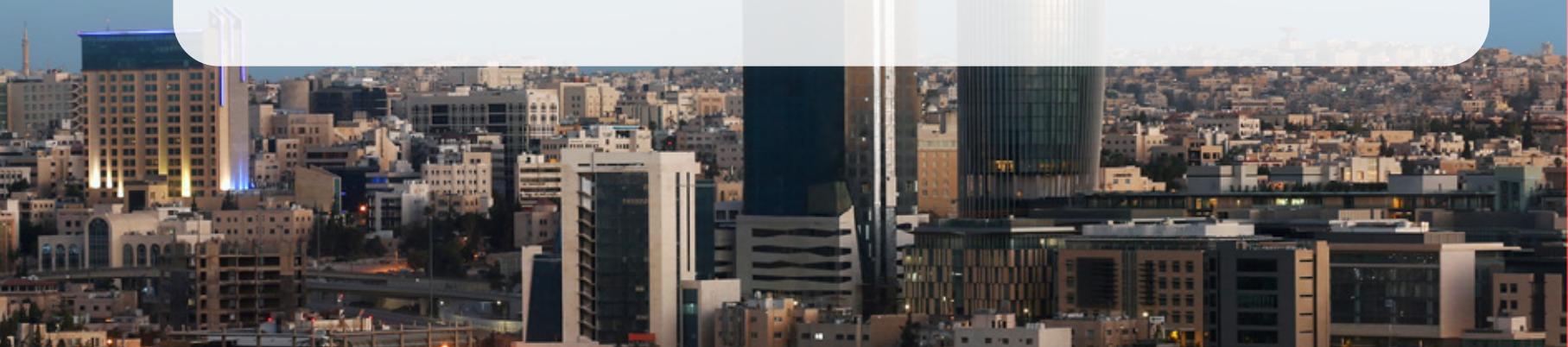
A. Jordan-India Fertilizer Company (JIFCO):

In 2008, the Jordan-India Fertilizer Company (JIFCO) was established in Jordan in order to produce phosphoric acid in Eshidiya in partnership with the Indian Farmers Fertilizer Cooperative Limited (IFFCO). JPMC owns 48% of JIFCO capital which is USD 524,5 million. The Company consumes about 1,8 million tons of phosphate per year.

JIFCO

B. Jordan Abyad Fertilizers and Chemicals Company (JAFCO):

In 2007, JAFCO was established in Al Abiad for the purpose of producing fertilizers and chemicals. It was established in partnership with JAFCO-Bahrain, the Arab Mining Company, and Venture Capital Bank. The contribution of JPMC is JD 51,1 million representing 27.4% of JAFCO capital which is JD 51,1 million. JAFCO has been discontinued since 2020.



C. PT Petro Jordan Abadi:

In 2010, PT Petro Jordan Abadi was established in Indonesia in partnership with Petrokimia Gresek for the purpose of producing phosphoric acid consuming about 800 thousand tons of phosphate from JPMC per year. The contribution of JPMC accounts for 50% of its capital which is USD 62 million. This capital, however, was increased to USD 134,8 million.



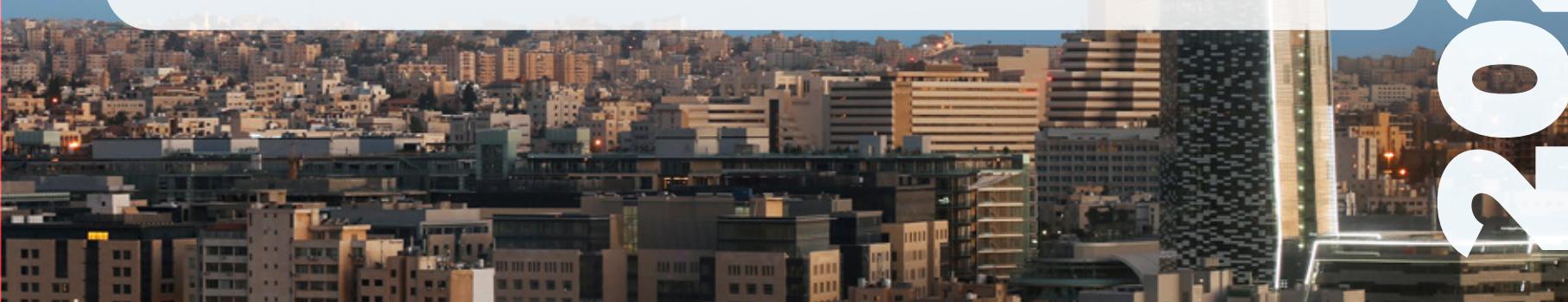
D. Manajim Mining Development Company:

In 2007, Manajim Mining Development Company was established in Jordan in a partnership with the Jordan Economic Development and Trading Co. (COMEDAT) with a capital of one million Jordanian Dinars with JPMC contributing by 46% to it.



E. Jordan Industrial Ports Company (JIPC):

JIPC was established in 2009 for the purpose of managing and operating Aqaba Industrial Port with 50/50 contributions by JPMC and Arab Potash Company. The company's capital amounted to a total of JD 140 million on 31/12/2022, in which JPMC contributed 50% of the capital value of the company. The final delivery of the project took place in February 2022.



Subsidiaries Companies



A. Indo-Jordan Chemicals Company (IJC):

In 1992, this Limited Liability Company was established with a capital of USD 63,4 million. It produces phosphoric acid at a production capacity of 224 thousand tons of (P_2O_5) per year and it is totally owned by JPMC. The company upgraded the production capacity to reach 240 thousand tons of (P_2O_5) per year.



In 2022, the Indo-Jordan Chemicals Company produced (308,002) tons of phosphoric acid (P_2O_5) compared to (301,681) tons in 2021. In 2022, it sold (301,968) tons of (P_2O_5) compared to (303,714) tons in 2021.

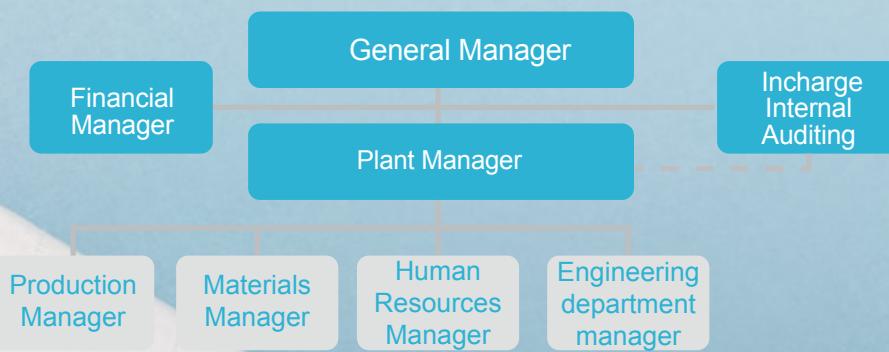
Manpower:

As the end of 2022, the Indo-Jordan Chemicals Company had (311) employees classified as following according to their specializations:

Title	Post Graduate	Diploma	High School/ Lower Grade	Total
Engineer	48	-	-	48
Technician	48	108	54	210
Admin Staff	15	5	13	34
Accountant	10	0	0	9
Intermediate Technician	0	0	3	3
Driver	0	1	6	7
Total	121	114	76	311

Address: AlSharif AlRadi Street, Building (7), Shmeisani-Amman, P.O.Box (17028) Amman 11195 Jordan.

The Organizational Structure:



B. AL-Ro'ya Transportation Company:

Al-Ro'ya Transportation Company is a limited liability company that was established in 2010 with a paid capital of JD (100,000) and it is totally owned by JPMC.



During 2022, Al-Ro'ya Transportation Company transported 40,000 tons of phosphate and sulfur in its vehicles.

Manpower:

As at the end of 2022, AL-Ro'ya Transportation Company had (16) employees classified as following according to their specializations:

Title	Post Graduate	Diploma	High School/ Lower Grade	Total
Admin Staff	1	-	-	1
Intermediate Technician	-	-	4	4
Driver	-	-	11	11
Total	1	-	15	16

Address: Amman – Telephone 5686293, Fax: 5686294

The Organizational Structure:



C. Nippon-Jordan Fertilizer Company (NJFC):

It is a Limited Liability Company established in 1992 with a capital of USD (24) million. It produces compound fertilizers and Diammonium Phosphate (DAP) with a production capacity of 300 thousand tons per year. The share of JPMC in the capital of (NJFC) is 80%.



The quantities of chemical fertilizers (DAP, NPK, MAP & NPS) produced in 2022 reached (244,400) tons, compared to (327,080) tons in 2021. However, the company sold off (DAP, NPK, MAP & NPS) in 2022 (231,493) tons, compared to (348,732) tons in 2021.

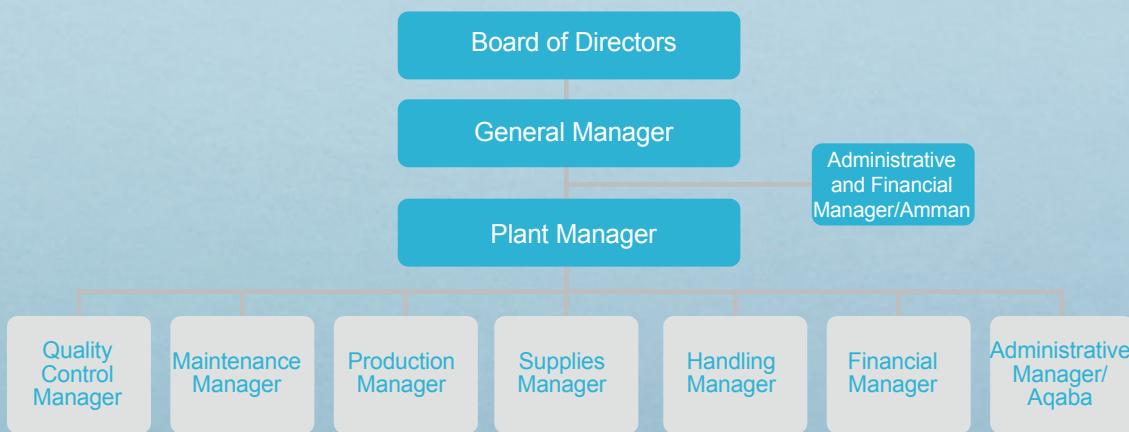
Manpower:

As at the end of 2022, (NJFC) had (106) employees classified as follows according to their specializations:

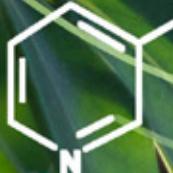
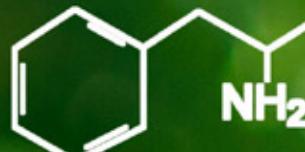
Title	Post Graduate	Diploma	High School/ Lower Grade	Total
Engineer	17	-	-	17
Technician	11	31	15	57
Admin Staff	6	1	4	11
Accountant	4	-	0	4
Intermediate Technician	0	-	13	13
Driver	0	-	4	4
Total	38	32	36	106

Address: Issam Al-Ajlouni St., Building No. 59, Shmeisani, Amman, Next to Marriot Hotel, P.O.Box: 926861 Amman 11190 Jordan.

The Organizational Structure:



Research, Quality and Environment



Jordan Phosphate Mines Company is considered as one of the companies that has advanced and wide capabilities to conduct research and scientific studies to develop the production process and conduct research that serves the national community.

Furthermore, the Company pays great attention to the importance of applying international standards related to environmental, occupational health and safety regulations. The industrial complex in Aqaba has obtained ISO Certificate in Environmental Management System No. ISO: 140001 2015, Occupational Health and Safety Management System Accreditation Certificate NO. ISO: 45001 2018, in addition to ISO certificate in the Quality Management System No. ISO: 9001 2015 issued by (Lloyd's Register Quality Assurance).

During 2022, Jordan Phosphate Mines Company converted the production process into monitoring by digital control system (DCS). As well as with its own cadres and in cooperation with the Aqaba Special Economic Zone Authority (ASEZA), transferred the accumulation of phosphate fertilizer industry waste (Phosphogypsum), which had accumulated over 30 years. Which poses a challenge to industrial companies. Of which this challenge was transformed into a unique pioneering project, and it made the Gypsum Mountain a green environmental park that contributes to improving the factors and readings of the surrounding environment. Also, in the implementation of the project, the Company relied on echo-friendly and recycled materials. In addition to the use of the water treatment for irrigation. The first phase included planting a total of 10,000 forest and fruit trees on an area of 20,000 square meters, and an amount of one million JD was allocated for this purpose.

Strategic Plans



A. Environmental Projects:

1. Construction of aluminum fluoride production plant with a production capacity of 25 thousand tons per year, for the use of FSA, produced by IJC and JIFCO, in partnership between JPMC and the Indian Alufluoride Limited Company, at an estimated cost of about USD 30 million. The company has been registered and is expected to start production from this project during the last quarter of 2024.
2. Phosphate wastewater treatment project in Eshidiya Mines with the local Engicon firm to treat and recycle 9000 cubic meters per day on (BOT) basis. The project is expected to be completed by the end of 2024. The estimated cost of the project is about USD 10 million and solar energy will be used in this project.
3. Phosphate flotation project with the Ideal Development Company designed by the American Company Jacop with a production capacity of (2) million tons per year, by exploitation of the rejected stored phosphate on (BOT) basis. The civil construction works of the project have started and it is expected to be completed by the end of the third quarter of 2024 and the project cost is estimated at around USD 85 million.
4. The greening of the Gypsum Mountain in the Industrial Complex in Aqaba started with the staff of Jordan Phosphate Mines Company and with a joint study between Jordan Phosphate Mines Company and Aqaba Special Economic Zone (ASEZA) as an ideal solution to dispose of this environmental impact in line with the vision of (ASEZA) to explore recreational sites and green spaces to shape a qualitative addition to tourism in Aqaba. With the efforts of Aqaba Special Economic Zone, FAO organization joined this project in order to green the entire Gypsum Mountain on scientific bases based on specialized research. The project is expected to be accomplished within the next three years. Additionally, an amount of one million JD has been allocated for this purpose.
5. The company has started technical studies to convert the ammonia tanks in the Industrial Complex in Aqaba into (Double Wall and Double Integrity). The design and implementation work for the tanks is expected to take about 18 months from the date of completion of the current work by Dar Al-Handasah Company. Its estimated cost is around USD 15 million. Currently, the Water Dome is being designed for existing ammonia tanks and on the highest safety standards to deal with emergencies.

B. Industrial Projects:

1. In cooperation with the Belgian Company Prayon, designs are being prepared for the expansion of the Industrial Complex in Aqaba in order to increase the production capacity of the Phosphoric Acid Plant from 300 thousand tons of P_2O_5 to 500 thousand tons of P_2O_5 per year, at an estimated cost of nearly USD 100 million. This project is expected to be completed within 24 months from the date of signing the agreement.
2. Prayon Comapny started conducting experiments on the Jordanian acid in its laboratories in Belgium for a project of producing pure Phosphoric Acid with the Sukhtian Group, with a production capacity of 25 thousand tons per year. The estimated cost of the project is approximately USD 80 million.

C. Projects In Study:

1. Yellow Phosphorus production project using phosphate ores and in partnership with one of the Indian companies specialized in this field. However, the energy cost is considered as the major challenge in the implementation of this project.
2. A project to produce (NPK) fertilizer in partnership with the Indonesian Petrokimia Gresik (PKG) Company, with a production capacity of 300 thousand tons per year and the estimated cost of the project is around USD 120 million.
3. A project to produce TSP, SSP, MKP and Technical MAP, in partnership between Jordan Phosphate Mines Company PLC. And the Arab Potash Company. In this regard, memorandums of understanding were signed between the two companies and technical committees were formed from both parties to study these projects.
4. A phosphoric acid production project in Aqaba in partnership with the Indian Company, Deepak, with a production capacity of 300 thousand tons per year, using low-quality phosphate ore. The initial value of this project is USD 400 million.
5. A phosphoric acid production project an Eshidiya in partnership with the Turkish Company, Transpet, with a production capacity of 224 thousand tons per year, using the Jordanian low-quality phosphate and the value of the project is estimated at USD 250 million.
6. Green Park Project will be built on a 300 hectares' area for producing phosphate fertilizers, in partnership with the competent global authorities. Jordan Phosphate Mines Company will provide the infrastructure for these projects encouraging the investment in this region.

7. Construction of an animal feed production plant using phosphoric acid produced in Jordan Phosphate Mines Company with Sinokrot Group, at an estimated cost of USD 40 million.

D. Logistics Projects:

1. Construction of phosphate storage warehouses in Aqaba with an additional capacity of 500 thousand tons meeting the increased demands for phosphate and establishing sufficient stocks in emergency cases. The cost of the project is approximately USD 80 million.
2. Expansion of the phosphate port in order to fulfill the increasing demand for phosphate ore, at an estimated cost of USD 30 million.
3. Desalination of seawater to meet the industrial water needs of Jordan Phosphate Mines Company's factories, at an estimated capacity of 4 million cubic meters per year. Currently, negotiations with the British Company, Solar Water are taking place and on (BOT) basis.

E. Production and Marketing Plans for 2023:

1. The JPMC plans for 2023 aim at producing 10,8 million tons of phosphate and 700 thousand tons of (DAP).
2. The above plans aim to sell 10,5 million tons of phosphate (6,050 million for exportation and 4,450 million to be supplied to associate and subsidiary companies in Jordan as well as to the Industrial Complex in Aqaba). The plans target 700 thousand tons of (DAP) to be sold in addition to securing the needs of associate and subsidiary companies of phosphoric acid and sulfuric acid.
3. As per the prevailing prices on the date of budget preparation and the stability of other variables, the Company is expected to realize an estimated net profit of JD 349 million.

Manpower and Services Delivered to Them



As at 31.12.2022, there were (2,290) employees at service in the company classified as follows according to their academic specializations and job sites:

Degrees by Site and Gender		Engineers	Admin Staff - University Degree	Technical Staff - University Degree	Admin Staff - Intermediate Diploma	Technical Staff - Intermediate Diploma	Admin Staff - High School\Lower Grade	Technical Staff - High School\Lower Grade	Total
Management		26	104	8	8	1	35	13	195
Male	14	69	5	5	1	29	12	135	
Female	12	35	3	3	0	6	1	60	
Al Hassa Mine		26	13	10	6	15	27	185	282
Male	25	13	9	5	15	22	184	273	
Female	1	0	1	1	0	5	1	9	
Al Abiad Mine		26	11	9	4	25	21	156	252
Male	26	11	9	4	25	21	156	252	
Eshidiya Mine		54	26	46	11	81	162	383	763
Male	54	26	46	11	81	162	383	763	
Industrial Complex		92	26	21	15	180	38	294	666
Male	88	20	19	13	179	30	294	643	
Female	4	6	2	2	1	8	0	23	
Research and Quality Unit		5	10	1	2	6	2	8	34
Male	2	10	1	2	5	2	8	30	
Female	3	0	0	0	1	0	0	4	
Phosphate Export Port		14	9	1	7	23	13	31	98
Male	12	8	1	7	23	13	31	95	
Female	2	1	0	0	0	0	0	3	
Total		243	199	96	53	331	298	1,070	2,290
Total Male	221	221	175	90	47	329	279	1,068	2,191
Total Female	22	22	42	6	6	2	19	2	99

Housing Loans:

The company grants its employees housing loans within the conditions and ceilings of the housing and fund system to the employees of the company, for one time only and without interest. Total loans to employees of the Company since the establishment of the fund till the end of 2022 totaled JD (47,787,684) with (2,232) employees on all sites of the Company benefiting from these loans. The loan is (200) times the basic salary with a ceiling of JD (40,000). Beneficiaries of such loans in 2022 were (91) employees with a total cost of about JD (3,618,100).



Training and Development:

During 2022, the company enrolled its employees in training programs to improve their efficiency and develop their skills to gain knowledge. Where (1,494) employees have participated in a number of administration, accounting, and technical courses, in addition to conferences and seminars as the details of the courses are shown in the table below.

Sessions held in the company in 2022:

	Courses Category	Total of Sessions Held	Training Hours	Number of Participants
1	Administration and Accounting Courses	35	605	514
2	Technical Courses	36	553	550
3	Other Conferences and Seminars	34	445	430
	Total	105	1,603	1,494



Additionally, in 2022, the company trained (65) male and female students from various universities and community colleges for field training for their graduation purposes. Since 2019, the Company has enrolled (207) trainees, including (54) engineers from various disciplines, to train them in the different company sites in compliance to the agreement sealed with the Jordanian Engineers Association. Also, training contracts were signed with (153) trainees holding a bachelor's degree and intermediate diploma to train them in all company's sites for the purpose of practical training for them in their field of specialization.



Medical and Health Services

The company continues to provide distinguished yet comprehensive healthcare and medical services in accordance with the best levels and medical standards for company employees and their families as well. As it includes more than (12) thousand beneficiaries and their families via the clinics of the Medical Services Department on the several sites of the company. In addition, the company has accredited a medical network with distinguished specialties in order to add to its list of doctors accredited all over the Kingdom. Noting that all the prices are approved by the concerned medical authorities according to the wages list agreed by the Ministry of Health, Medical Associations, Dental Associations, and the Laboratories Association.

Since 2015, the Company computerized the medical services with an (On-Line) access to most medical entities. This has helped build up an information system revealing the medical history of each beneficiary in order to avoid repetitive medical treatments and procedures in the same period of time. The Company has been always keen on providing the best medical services to employees and their families and to its retirees.

The Company also provides health insurance services for its retirees whether because of old-age or early retirement upon a bylaw applied for this purpose years ago. Each year, the Company contributes with 50% of the amount of costs incurred from implementing this bylaw.

1. Health Insurance for Company Employees and their Families:

The health insurance costs for employees and their families were as follows for the period 2018-2022:

(Thousand Dinars)

Item	2022	2021	2020	2019	2018
A. Costs of Treatment of Employees of the Company	1,683	1,543	1,622	2,483	2,688
B. Costs of Medical Treatment of the Employees' of the Company Families	1,910	2,009	1,995	3,160	2,999
Grand Total (A+B)	3,593	3,552	3,617	5,643	5,687

2. Post-Retirement health insurance:

The post-retirement health insurance costs were as follows for the period 2018-2022:

(Thousand Dinars)

Item	2022	2021	2020	2019	2018
Expenditures of the Post-retirement health insurance (Retirees, their spouses and children)	6,430	7,752	6,770	7,173	7,285
Number of Beneficiaries	7,424	7,354	6,922	6,736	6,428

Data Related to the Disclosure Regulations Issued by the Board of Commissioners of the Jordan Securities Commission

Following are some information related to the disclosure regulations:

A. An Outlook:

- Jordan Phosphate Mines Company was founded in 1949 and transformed into a public shareholding company in 1953. It is registered under No. (16) at the Companies' Controller. Its purposes include phosphate prospecting, mining and marketing as well as manufacturing fertilizers and participation in establishing industries as relevant. The chemical fertilizers are produced at the Industrial Complex in Aqaba. Phosphate is mainly extracted from Eshidiya, Al Abiad and Al Hassa mines.
- JPMC obtained the right to mine phosphate on the several sites of production all over the Kingdom including the mines of Al Hassa, Al Abiad, Al Rusaifa, and Eshidiya. These rights are issued upon official resolutions issued by the Authority of Natural Resources according to the Law of the Natural Resource Affairs Regulation No. (12) for 1968 (Mining Rights 1 & 2 in Al Hassa and Eshidiya); The mining leasehold contract for Al Rusaifa Mine signed with the Government of the Hashemite Kingdom of Jordan/the Ministry of National Economy at that date. The Council Ministers resolved on 13.11.2001 to renew the contract of the mining right in Al Hassa and Al Abiad Mines for another twenty years.
- Upon a resolution by the Council of Ministers in its meeting of 1.7.2019, JPMC obtained new prospecting licenses in compliance with the Law of Natural Resources No. (19) for the year 2018.
- On 17.4.2013, the Council of Ministers endorsed a bylaw amending the Bylaw of Phosphate Mining Proceeds for 2013 and that would enter into force starting 7.3.2013. This amended bylaw imposes mining fees (proceeds) of 5% on phosphate out of the total sales of JPMC or an amount of JD (1,420) per ton (which is higher) whether exported

from the Kingdom or sold inside it or even consumed by JPMC. These proceeds must be paid on a monthly basis during the month following the date they were incurred on.

- On 12.7.2012, the Council of Ministers endorsed an amended bylaw of the Bylaw of Quarries and Mining Fees for 2012. Accordingly, the annual fees for the mining right granted would become JD 500 Km2 or any part thereof. The regulation was published in the official Gazette.
- The Industrial Complex in Aqaba obtained the ISO Certificate in the Environmental Management System No. ISO:140001 2015; the Accreditation Certificate of Occupation Health and Safety Management System No. ISO:45001 2018; and the ISO of Quality Management System ISO:9001 2015 issued by (Lloyd's Register Quality Assurance).
- JPMC obtained the award from the European Society for Quality Research (ESQR) for the best practices in 2022 in Brussels/Belgium.
- Jordan Phosphate Mines Company was registered as a registered company licensed to practice economic/industrial activities at Aqaba Special Economic Zone (ASEZA) in 2001 under No. (1101031410). As such, the Industrial Complex enjoys the benefits and exemptions provided for in ASEZA Law.
- Jordan Phosphate Mines Company was registered again at the Income and Sales Tax Department under No. 49918 as from 1.1.2001.
- Neither JPMC nor any of its associate or subsidiary companies enjoys governmental protection or prerogatives for any of its products.

B. Auditors' Fees:

The fees of the External Auditor of the Group Messrs Ernst & Young for 2022:

(Jordanian Dinar)

Company/Item	Annual Fees	Sales Tax 16%	Total
Jordan Phosphate Mines Company	100,000	16,000	116,000
Indo-Jordanian Chemicals Company	17,000	-	000,71
Nippon-Jordan Fertilizer Company	7,000	-	000,7
Al - Ro'ya Transportation Company	3,450	552	4,002

C. Statement of Major Customers of the Company Sales for 2022:

Country	Phosphate Sales		Fertilizers Sales		Ratio of Raw Material Trading (%)
	Ratio of Total Exports (%)	Ratio of Total Sales (%)	Ratio of Total Exports (%)	Ratio of Total Sales (%)	
India	75.5	48.7	30.56	28.57	-
Bangladesh	0.7	0.4	19.28	18.02	-
United States of America	-	-	57.3	35.29	-
Iraq	-	-	18.40	17.20	-
Indonesia	16.9	10.9	-	-	-
Brazil	5.2	3.3	6.24	5.84	-
Sudan	-	-	1.92	1.79	-
Associate Companies, Subsidiaries and the Local Market	-	35.5	-	6.52	100.00

D. Statement of the Company's Activities As Per the Geographical Locations and Capital Investment Volume in each for the Year 2022:

(Thousand JD)

Site	Activity / Process	Capital Investment Volume
Al Rusaifa Mine	Re-screening of Stock	4,521,807
Al Hassa Mine	Production of Regular Washed Phosphate	64,382,052
Al Abiad Mine	Production of Regular Washed Phosphate	30,838,953
Eshidiya Mine	Production of Regular Washed and Floated Phosphate	297,084,978
Industrial Complex / Aqaba	Production of Sulfuric Acid Phosphoric Acid, DAP Fertilizers, and Aluminum Fluoride	330,815,263
Other Sites		13,627,474
Total		741,270,527

E. Statement of the Major Contractors and Suppliers of Local Purchases of the Company for 2022:

(Thousand JD)

Item	Amount	Ratio of Total Purchases
Contractors of Phosphate Excavations	154,148	41%
Contractors of Transport	84,235	23%
Electricity Companies	15,339	4%
The Water Authority, Aqaba Water Company and Miyahuna Company	10,829	3%
Jordan Petroleum Refinery	4,630	1%

F. Shareholdings of Members of the Board of Directors, Senior Management Staff or their Relatives in Capital of the Company and the Companies it controls in 2022 and 2021:

Name of the Member	Nationality	Shares	
		2022	2021
Members of the Board of the Directors:			
H.E. Dr. Mohammad Thneibat\ Chairman of the Board	Jordanian	70,000	70,000
H.E. Dr. Eng. AbdelFattah Abu Hassan\ Member of the BOD	Jordanian	5,628	5,628

Other than the above, Chairman and Members of the BOD, the Senior Management Staff, and their Relatives do not hold shares in the company capital and the controlled companies in 2022 - 2021.

G. Contracts, Projects, and Obligations, Concluded by the Company with Subsidiary, Sister, and Associate Companies or with the Chairman of the BOD, Members of the BOD, the CEO, or Any Other Employee, and their Relatives:

Jordan Phosphate Mines Company does not have any contracts, projects or obligations with the Chairman of the BOD, members of the BOD, the CEO or any other employee in the Company or their relatives.

As for subsidiaries and associate companies, the contracts and commitments with them are as follows:

- A contract to supply phosphate to the Indo-Jordan Chemicals Company (IJC) L.L.C, - a subsidiary company.
- A contract to supply phosphate to Jordan-India Fertilizer Company (JIFCO) L.L.C, - an associate company.
- A contract to supply phosphate to PT Petro Jordan Abadi - a joint venture company.

- A contract to supply phosphoric and sulfuric acid and ammonia to the Nippon-Jordan Fertilizer Company (NJFC) L.L.C, a subsidiary company.
- A contract to transport phosphate through Al-Ro'ya Transportation Company L.L.C, - a subsidiary company.
- The use of handling services at the industrial port in Aqaba through the Jordan industrial ports Company (JIPC) - an affiliate company.

H. The Company Contribution to the Local Community Development and Service:

Proceeding from Jordan Phosphate Mines Company's realization of the social responsibility entrusted to it in the development of local communities geographically located in its productive areas, the Company moved towards applying and embodying the principles of Sustainable Development, where a solid strategy and action plan based on a participatory methodology was developed to eradicate poverty and unemployment by leveraging the utilization of available resources and especially the non-renewable ones. In addition to innovating techniques aimed mainly at achieving the highest productivity rate, stimulating the role of local communities, developing the social and local reality through implementing a package of projects at all levels including social, cultural, economic, and environmental. By this, the Company has succeeded in conveying the concept of social responsibility to the phase of the national duty.

The Company has rehabilitated and developed past mining areas in Al Russeifa City for the purposes of improving the surrounding environment and utilizing it in a way that serves the community and the people of Al Russeifa City as well. The project cost amounted to nearly JD 33 million and the project is about to be accomplished and will be ready for handover during the first half of 2023.

The Company has been able, through its joint ventures and other activities, to create direct and indirect job opportunities. Within the framework of the Company's contribution to development projects and community service, the Board of Directors agreed to contribute to the Specialized Emergency Center in Aqaba and conduct other projects at the expense of the Company, such as establishing emergency centers and civil ambulances in Eshidiya and Al Aqaba.

I. Donations:

The donations made by Jordan Phosphate Mines Company in 2022 amounted to JD (41) million as a contribution to the development of the local community and support for various activities. The following table shows the donations details and for whom paid:

(Jordanian Dinar)

Item	Amount
The Royal High Initiatives	1,802,000
Medical Sector	4,052,500
Constructing a Road to Serve the Transportation Service in the South	3,000,000
Public Institutions	1,504,680
Universities, Schools, and Scientific Institutes	1,277,867
The General Jordanian Trade Union of Workers in Mining and Metal Industries	656,000
Municipalities and Governorates	485,250
The Greater Ma'an Municipality projects	400,000
Charity Packages	200,000
Sports Activities	199,500
Charities	184,200
Religious and Culture Activities	115,300
Crown Prince Foundation	75,000
Food Bank	30,000
Poverty Pockets	1,650
Total	13,983,947

Donations Paid by the Company in the 2018 - 2022:

(Thousand JD)

2022	2021	2020	2019	2018
14,000	2,045	6,469	972	349

J. Members of the Board of Directors:

Representatives of Private Sector:

- H.E Dr. Mohammad Thneibat/Chairman of the Board

Currently serves as the Chairman of the Board of Trustees of Al Hussein bin Talal University.

He Previously held several official positions, most recently as Deputy Prime Minister for Services and Minister of Education – and the Chairman of the Board of Trustees of the University of Science & Technology

Dr. Thneibat is a Professor possessing the following academic degrees:

Ph.D. in Administrative Sciences Master of Political Science

Master of Administrative Sciences Bachelor's degree in Economics & Administrative Sciences

Date of Election: June 3rd, 2020

Date of Birth: January 1st, 1950

- Dr. Eng. Abdelfattah AbuHassan:

Ph.D. in Science of Mining Engineering

Consultant in Mining Engineering

Previously he held the post of: Board of Directors member at the Jordan Phosphate Mines Company for several terms, Advisor to the Executive Investment Committee at Jordan Phosphate Mines Company and Acting General Manager at Jordan Phosphate Mines Company.

Date of Election: June 3rd, 2020

Date of Birth: January 1st, 1942

Representatives of Government Investments Management Company:

- Mr. Salem Al Qudah / Vice-Chairman as of 23.2.2022:

B.A. in Business Administration

Current position: Assistant of Secretary General for Financial Affairs/ Ministry of Finance

Date of Appointment: June 3rd, 2020

Date of Birth: September 7th, 1961

- H.E. Mr. Mohammad Kreishan:

B.Sc. in Law

Licensed Lawyer

Previously: Occupied multiple senior public positions including: Member of the 25th Senate, General prosecutor and Judge at first and appeal courts.

Date of Appointment: June 3rd, 2020

Date of Birth: December 12th, 1951

Representative of Social Security Corporation:

- Dr. Adel Al-Sharkas\ Vice-Chairman of the Board of Directors Until 16.1.2022:

Ph.D. in Financial Economics, MA in Economics\ Statistics, BSS in Applied Statistics

Current position: Governor of the Central Bank of Jordan as of 5.January.2022

Date of Appointment: June 3rd, 2020

Date of Birth: July 10th, 1966

BOD Membership end date: January 16th, 2022

- Eng. Sami Smeirat:

MBA, MSc Communications, BSc Electrical Engineering

Current Position: Enterprise Business Unit CEO/ Vice President of Orange Jordan

Date of Appointment: January 16th, 2022

Date of Birth: April 13th, 1971

Representative of INDIAN POTASH LIMITED:

- Dr. U.S. Awasthi:

Ph.D. in Chemical Engineering

Current Position: Managing Director of Indian Farmers Fertilizer Cooperative limited (IFFCO)

Date of Appointment: June 3rd, 2020

Date of Birth: July 12th, 1945

- Dr. P.S. Gahlaut:

Ph.D. in Business Management, B.Sc. in Chemistry

Current Position: Managing Director of Indian Potash Limited (IPL)

Date of Appointment: June 3rd, 2020

Date of Birth: July 27th, 1947

Representative of Kisan International Trading FZE:**- Mr. Manish Gupta:**

Bachelor of Technology - Civil Engineering,

Diploma in Management - Development, Marketing, Bachelor of Laws (LLB) - Taxation, Commercial Laws.

Current Position: Director, Strategy and Joint Ventures, Indian Farmers' Fertilizer Cooperative Ltd (IFFCO)

Date of Appointment: June 3rd, 2020

Date of Birth: April 20th, 1967

Representative of Kuwait Investment Authority:**- Eng. Mohammad Al-Munaifi:**

B.Sc. in Industrial Engineering

Current position: Director of the Department of development and institutions\ Kuwait Investment Authority

Date of Appointment: June 3rd, 2020

Date of Birth: July 17th, 1959

K. Remuneration Amount Paid to the Chairman and Members of the Board of Directors in 2022:

(Jordanian Dinar)

Board of Director Member	Position	Salaries (*)	Transport Remuneration	The Remuneration for attending meetings of the BOD committees	Annual Remuneration for the Year 2021	Travel Per Diem	Other Remunerations(*)
Representatives of Private Sector:							
H.E. Dr. Mohammad Thneibat	Chairman of the BOD	200,000	33,000	33,000	5,000	25,350	250,000
Dr. Eng. Abdelfattah AbuHassan	Member		33,000	33,000	5,000	3,600	-
Representatives of Government Investments Management Company(1):							
Mr. Salem Al Qudah	Vice Chairman of the BOD as of 23.2.2022					11,700	
H.E. Mr. Mohammad Kreishan	Member					6,000	
Representative Social Security Corporation(2):				33,000	33,000	5,000	
Eng. Sami Smeirat	Member as of 16/1/2022						
Dr. Adel Al-Sharkas	Vice-Chairman of the BOD until 16.1.2022						
Representatives of INDIAN POTASH LIMITED:							
Dr. U.S. Awasthi	Member		33,000	33,000	5,000	5,400	
Dr. P.S. Gahlaut	Member		33,000	33,000	5,000	4,200	
Representative of Kisan International Trading FZE:							
Mr. Manish Gupta	Member		33,000	33,000	5,000	24,600	
Representative of Kuwait Investment Authority(3):							
Eng. Mohammad Al-Munaif	Member					13,800	

Chairman and Members of the Board of Directors don't benefit from the unpaid housing and vehicles.

(*) Income Tax was paid by the Company.

(1) All amounts paid to the Ministry of Finance at the Central Bank of Jordan.

(2) All amounts paid to the Social Security Corporation.

(3) All amounts paid to the Kuwait Investment Authority except the Travel Perdiem paid to the board member.

L.1. Senior Management Staff Information:

Name	Job	Nationality	Date of Appointment	Date of Job	Specialization	Academic Degree
Eng. Abdel Wahab AlRowwad	CEO	Jordanian	18.11.2019	18.11.2019	Chemical Engineering	B.Sc.

L.2. Executive Management Staff Information:

Name	Job	Nationality	Date of Appointment	Date of Job	Specialization	Academic
Ms. Sana Qarain	Assistant CEO/ Secretary of the BOD Director of Finance until 11.1.2023	Jordanian	21.7.1984	4.10.2022	Accounting	M.Sc.
Geologist Mohammad Abu Hazeem	Director of Mining and Mines as of 1.3.2022	Jordanian	5.6.1995	1.1.2017	Geology	B.Sc.
Dr. Fadwa Shabsough	Director of HR Account Manager of Saving Fund	Jordanian	19.3.1997	14/12/2020 6/10/2008	Business Administration	Ph.D.
Mr. Omar Badran	Director of Finance Financial Consultant until 11.1.2023	Jordanian	17.7.2022	12/1/2023 17/7/2022	Accounting	B.Sc. / CPA
Eng. Rima AbdulHaleem	Acting Director of Supply & Procurement	Jordanian	16.8.1998	1/4/2019	Chemical Engineering Engineering Management Project	M.Sc.
Eng. Abdelaziz Al Arakzeh	Manager of Industrial Complex	Jordanian		1.9.2019	Chemical Engineering	B.Sc.
Eng. Mahmoud Al-Jaradin	Manager of Mines Manager of Eshidiya Mine	Jordanian	22.6.1998	15/4/2020 14/1/2020	Mining Engineering	B.Sc.
Lieutenant General Dr. Moein Al-Habashneh	Medical Consultant/ Manager of Medical Services	Jordanian	1.12.2021	1/12/2021	Medicine and Surgery Pediatrics	M.Sc.
Dr. Eng. Mohammad Megdady	Manager of the Research and Business Development Unit as of 20.9.2022	Jordanian	Seconded from the IJC-Indo-Jordan Chemicals Co. Ltd	20/9/2022	Chemical Engineering Chemical Engineering & Business Administration Business Administration	B.Sc. M.Sc. Ph.D.
Dr. Muhammad Huwaiti	Manager of the Research and Business Development Unit until 20.9.2022	Jordanian	20.9.2020	20/9/2020	Geology	Ph.D.

L.3. Our Executive Management

Eng. Abdel Wahab AlRowwad

Position: Chief Executive Officer (CEO)

Date of Birth: 1/9/1963

Date of Appointment: 18/11/2019

Academic Degree	B.Sc. in Chemical Engineering from the University of Jordan, 1986.
Past Experiences	<ul style="list-style-type: none"> Chairman of the Board of Directors Jordan Industrial Ports Company (JIPC), Ltd. as of 14/11/2019 and until 31/10/2021 General Manager of Indo-Jordan Chemicals Company (IJC), LLC. from 2017 to 2019 Director of the factories of Indo-Jordan Chemicals Company (IJC), LLC. from 2012 to 2017 Director of Safety and Environment for (IJC) LLC. and Deputy Director of Indo-Jordan Chemicals Company (IJC) LLC. factories from 1995 to 2011 Engineer of Public Safety and Environment in the Industrial Complex of Jordan Phosphate Mines Company (JPMC) from 1989 to 1995
Positions/ Memberships	<ul style="list-style-type: none"> Head of the Administrative Board of JPMC Employees Provident Fund as of 18/11/2019 Member of the BOD of Nippon-Jordan Fertilizer Company (NJFC) as of 15/7/2021 to date Vice-chairman of the BOD of Jordan Industrial Ports Company (JIPC), Ltd. as of 1/11/2021 to date Member of the Supervision Committee of the works of Indo-Jordan Chemicals Company (IJC), LLC. and its issues as of 8/1/2020 General Manager of Nippon-Jordan Fertilizer Company (NJFC) as of 20/12/2020 up to date Representative of JPMC in Manajim Mining Development Company as of 18/11/2019 up to date
Board Committees	<ul style="list-style-type: none"> Member of the Tender Committee Member of the Committee of Raw Material Procurement Member of the Production and Marketing Committee Member of the Investment Committee
Executive Committees	Member of the Company's Products Marketing Committee
Past Positions/ Memberships Outside the Company	<ul style="list-style-type: none"> Member of the Board of Trustees of Al Hussein bin Talal University/ Ma'an Member of the BOD of the Arab Fertilizer Association and Representative of the Jordanian companies in the Association Representative of Mining Sector in Jordan Chamber of Industry

Ms. Sana Ahmad Qarain

Position: Assistant CEO/ Secretary of the BOD

Date of Birth: 4/10/1962

Date of Appointment: 21/7/1984

Academic Degree	<ul style="list-style-type: none"> • M.Sc. in Accounting from the Arab Academy for Management, Banking and Financial Sciences in 2005 • B.Sc in Accounting from Beirut Arab University in 1990
Past Experiences	<ul style="list-style-type: none"> • Director of Finance from 11/5/2007 to 11/1/2023 • Accounts Manager (2002 - 11/5/2007) • Head of Sales Accounting and Joint Ventures (1995-2002) • Sana worked at Bank of Jordan, Customer Accounts Department, from September 1981 to March 1984
Positions/ Memberships	<ul style="list-style-type: none"> • General Manager of Al-Ro'ya Transportation Company as of 11/2019 • Member of the Executive Committee for Purchasing in Nippon-Jordan Fertilizer Company (NJFC) starting from 2017
Board Committees	<ul style="list-style-type: none"> • Member of the Committee of Raw Material Procurement • Member of the Production and Marketing Committee
Executive Committees	<ul style="list-style-type: none"> • Chairman and co-member of some executive committees composed according to the Company's decisions • Member of the BOD of Aqaba Railway from February 2018 until its acquisition by the Aqaba Special Economic Zone (ASEZA) • Member of the BOD of the Jordanian International Chartering Company (JICC) from 2019 until company's liquidation on 10/2/2020 • Member of the BOD of the Jordan Industrial Ports Company, from September 2014 to June 2017 • Member of the BOD and member of the Audit Committee of the Indo-Jordan Chemicals Company (IJC) from October 2011 to July 2015 • Member of the BOD and Member of the Audit Committee for Arab Company for Electrical Industries (AEI) from February 2011 until January 2015 • Member of the BOD of Jordanian Indian Fertilizer Company (JIFCO) from June 2012 to January 2014
Past Positions/ Memberships Outside the Company	

Geologist Mohammad Abu Hazeem

Position: Director of Mining and Mines

Date of Birth: 29/10/1970

Date of Appointment: 5/6/1995

Academic Degree	B.Sc. in Geology and Mining from the University of Jordan, 1988
Past Experiences	<ul style="list-style-type: none"> • A trained geologist in Eshidiya Mine in JPMC from June 1993 to June 1995 • A shift engineer in the Department of Mining and Electric Dredgers at Eshidiya Mine in JPMC from June 1995 to September 1999 • Geologist in the Department of Exploration and Mining at Eshidiya Mine in JPMC from September 1999 to March 2001 • Head of the Geological Studies Department in the Exploration Department of the General Management in JPMC from March 2001 to May 2007 • Assistant Director of the Exploration Department for Studies in the General Management of JPMC from May 2007 to January 2015 • Director of the Exploration Department in the General Management of JPMC from January 2015 to May 2017 • Assistant Chief Operating Officer in the General Management of JPMC from May 2017 to April 2019
Positions/ Memberships	-
Board Committees	-
Executive Committees	-
Past Positions/ Memberships Outside the Company	<ul style="list-style-type: none"> • Worked at the Ministry of Public Works/ Laboratories and Quality Department from January 1993 to June 1993 • Member of the BOD of Travco Group from 2015 to 2021

Dr. Fadwa Shabsough

Position: Director of Human Resources/ Account Manager of Saving Fund

Date of Birth: 16/9/1970

Date of Appointment: 19/3/1997

Academic Degree	<ul style="list-style-type: none"> • Ph.D. in Business Administration • B.Sc. in Banking and Financial Sciences
Past Experiences	<ul style="list-style-type: none"> • King Hussein Medical Center in 1993 • Arab Jordan Investment Bank (AJIB) from 1994 to 1995 • Head of Account Saving Fund at JPMC since 2007 • Account Manager of Saving Fund since 2008 • Financial Audit Manager for AL-Ro'ya Transportation Company
Positions/ Memberships	<ul style="list-style-type: none"> • Member of the BOD of Jordan Investment & Southern Development Co.
Board Committees	<ul style="list-style-type: none"> • Secretary of the Nominations and Compensations Committee as of 14/12/2020 • Secretary of the Central Human Resources Committee • Secretary of the Administrative Board of the JPMC Saving Fund
Executive Committees	<ul style="list-style-type: none"> • Member of the Central Human Resources Committee • Member of the Central Health Insurance Committee of JPMC employees
Past Positions/ Memberships Outside the Company	<ul style="list-style-type: none"> • Member of the BOD of AL-Ro'ya Transportation Company • Secretary of the BOD of AL-Ro'ya Transportation Company

Omar Farouq Badran

Position: Director of Finance as of 11/1/2023

Date of Birth: 23/2/1967

Date of Appointment: 17/7/2022

Academic Degree	B.Sc. in Accounting, the University of Jordan, 1989
Past Experiences	<ul style="list-style-type: none"> Chief Financial Officer for a number of public, private and holding companies in Saudi Arabia, the United Arab Emirates and Jordan More than 27 years of experience in several fields including financial services and investments, partnership between the public and private sectors, financing large projects, strategic planning and business development, increasing the added value of companies, asset management, financial consulting, restructuring and evaluation, real estate development, and mining and industrial companies CPA Chartered Accountant from the United States
Positions/ Memberships	-
Board Committees	-
Executive Committees	-
Past Positions/ Memberships Outside the Company	-

Eng. Rima AbdulHaleem

Position: Acting Director of Supply & Procurement

Date of Birth: 25/10/1972

Date of Appointment: 16/8/1998

Academic Degree	<ul style="list-style-type: none"> • M.Sc. in Engineering Management Project from the University of Jordan, 2016 • B.Sc. in Chemical Engineering from the University of Jordan, 1996
Past Experiences	<ul style="list-style-type: none"> • Director of Supply and Warehouses, and Director of Raw Materials Procurement from February 2014 to April 2019 • Assistant Director of Supply - Supply and Procurement Department from July 2009 until February 2014 • Head of Logistics Planning Department - Supply and Procurement Department from December 2006 until July 2009 • Head of Raw Materials Procurement Department - Supply and Procurement Department from 1999 until 2006 • Head of Quality Assurance Department from 1997 to 1999
Positions/ Memberships	<ul style="list-style-type: none"> • Chairman of the Committee of Coding in JPMC
Board Committees	<ul style="list-style-type: none"> • Member and Secretary of the Tender Committee • Member and Secretary of the Committee of Raw Materials Procurement
Executive Committees	<ul style="list-style-type: none"> • Member of the Central Human Resources Committee • Member of the Sub-Tender Committee
Past Positions/ Memberships Outside the Company	<ul style="list-style-type: none"> • Member of the Jordan Engineers Association • Former Member of APICS • Member of the BOD of Travertine Company PLC. (TravCo) as of 1/2/2021

Eng. Abdelaziz Al Arakzeh**Position:** Manager of Industrial Complex**Date of Birth:** 8/1/1961**Date of Appointment:** 1/9/2019

Academic Degree	B.Sc. in Chemical Engineering from the University of Split/Yugoslavia, 1987
Past Experiences	<ul style="list-style-type: none"> Armed Forces Officer from 1987 to 1989 Engineer at Jordan Petroleum Refinery from 1989 to 1990 Worked at the Industrial Complex of JPMC from 1990 to 1996 Worked at Indo-Jordan Chemicals Company (IJC), LLC. from 1996 to 2009 Worked at Litwin Italian Company from 2009 to 2010 Worked at Saudi Maaden Phosphate Company from 2011 to 2019
Positions/ Memberships	<ul style="list-style-type: none"> Member of the Jordan Engineers Association Member of the BOD of Jordan Industrial Ports Company (JIPC) as of 31/10/2019
Board Committees	-
Executive Committees	-
Past Positions/ Memberships Outside the Company	-

Eng. Mahmoud Al-Jaradin**Position:** Manager of Mines / Manager of Eshidiya Mine**Date of Birth:** 1/6/1977**Date of Appointment:** 22/6/1998

Academic Degree	B.Sc. in Mining Engineering from Al-Balqa Applied University, 2003
Past Experiences	<ul style="list-style-type: none"> Mining Engineer at JPMC in 2004 Assistant Director of Surveying at JPMC in 2008 Acting Director of Mining at JPMC in 2014 Acting Director of Al Abiad Mine at JPMC in 2017 Director of Al Hassa and Al Abiad Mines at JPMC as of 1/1/2020
Positions/ Memberships	<ul style="list-style-type: none"> Member of the Supervision Committee of the works of Indo-Jordan Chemicals Company (IJC), LLC and its issues as of 8/1/2020
Board Committees	-
Executive Committees	<ul style="list-style-type: none"> Member of the Human Resources Committee Member of the Sub-Tender Committee
Past Positions/ Memberships Outside the Company	-

Lieutenant General Dr. Moein Al-Habashneh

Position: Medical Consultant/ Manager of Medical Services

Date of Birth: 30/7/1955

Date of Appointment: 1/12/2021

Academic Degree	<ul style="list-style-type: none"> • M.Sc. in Pediatrics - University of Dublin/ Ireland • B.Sc. in Medicine and Surgery
Past Experiences	<ul style="list-style-type: none"> • Medical Advisor/Director of Medical Services • Former General Manager of Jordanian Royal Medical Services • Head of the Arab Regional Group for Military Medicine • Chairman of the Committee of Royal Medical Services Computerization • Deputy Director General of the Royal Medical Services • Assistant Director General of the Royal MedicL Services for Medical Affairs • Director of Queen Rania Al Abdullah Hospital for Children • Head of Children's Department - Royal Medical Services Directorate • Director of Medicine, Southern Region • Director of Prince Ali Bin Al-Hussein Military Hospital
Positions/ Memberships	<ul style="list-style-type: none"> • Jordan Medical Association • Jordan Pediatric Society • American Academy of Family Physicians Association • Health Care Accreditation Council (HCAC)
Board Committees	-
Executive Committees	<ul style="list-style-type: none"> • Chairman of the Committee of Post-Retirement Health Insurance Fund Management
Past Positions/ Memberships Outside the Company	-

Dr. Eng. Mohammad Megdady

Position: Manager of the Research and Business Development Unit

Date of Birth: 28/3/1979

Date of Appointment: 20/9/2022

Academic Degree	<ul style="list-style-type: none"> • Ph.D. in Business Administration/ Charisma University/ USA (2019-2022) • MBA from Western International University/ Arizona/ USA (2008-2011) • M.Sc. in Chemical Engineering from Jordan University of Science and Technology (2002-2005) • B.Sc. in Chemical Engineering from Jordan University of Science and Technology (1997-2002)
Past Experiences	<ul style="list-style-type: none"> • Operations Production Engineer (Shifts Engineer) at Jordan Petroleum Refinery (2002-2004) • Assistant Lecturer in the Department of Chemical Engineering at Jordan University of Science and Technology (2002-2005) • Operations and Production Engineer at Indo-Jordan Chemicals Company (IJC), LLC/ Ma'an (2005-2007) • Operations and Production Engineer (Senior Plant Engineer) at Indo-Jordan Chemicals Company (IJC), LLC/ Ma'an (2012-2017) • Director of (Engineering and Technical Services): Plants Designing and Improvement Department, Process Engineering Group, Quality Control Laboratory, Inspection Department, Safety Department, Training Department (2017-2022) • Representative of Management: ISO:9001, ISO:14001, ISO:45001
Positions/ Memberships	<ul style="list-style-type: none"> • Member of Jordan Engineers Association • Member of the Committee of Professional Evaluation and Certification Board (PECB) • Lead Auditor, ISO:9001
Board Committees	-
Executive Committees	-
Past Positions/ Memberships Outside the Company	<ul style="list-style-type: none"> • Member of the Preparatory Committee of Second Jordanian International Chemical Process Safety Conference

Dr. Muhammad Huwaiti

Position: Manager of the Research and Business Development until 20/9/2022

Date of Birth: 24/11/1965

Date of Appointment: 20/9/2020

Academic Degree	<ul style="list-style-type: none"> • Ph.D. in Civil Engineering - Industrial Wastewater Treatment from Universiti Sains Malaysia (USM) (2019-2021) • Ph.D. in Environmental Engineering from University of Berlin, 2000
Past Experiences	<ul style="list-style-type: none"> • Director of Exploration at JPMC Mines from November 2001 until February 2007 • Director of Marketing and Sales Department at JPMC from March 2000 to November 2001 • Manager of the Research and Business Development at JPMC from October 1996 to March 2000 • Worked at Al Abiad Mine of JPMC from September 1988 to September 1996
Positions/ Memberships	<ul style="list-style-type: none"> • Associate Professor in the Department of Environmental Engineering at Al Hussein bin Talal University from 11/2/2007 to date • International Atomic Energy Agency from 2009 to date
Board Committees	-
Executive Committees	-
Past Positions/ Memberships Outside the Company	<ul style="list-style-type: none"> • King Saud University/ Saudi from 18/1/2014 to 12/6/2016

M.1. Salaries and Travel Assignments Paid to the Senior Management in 2022:

(Jordanian Dinar)

Name	Job	Net Salaries after Tax	Per Diems of Official Assignments
Eng. Abdel Wahab Al Rowwad (*)	CEO	177,550	14,204

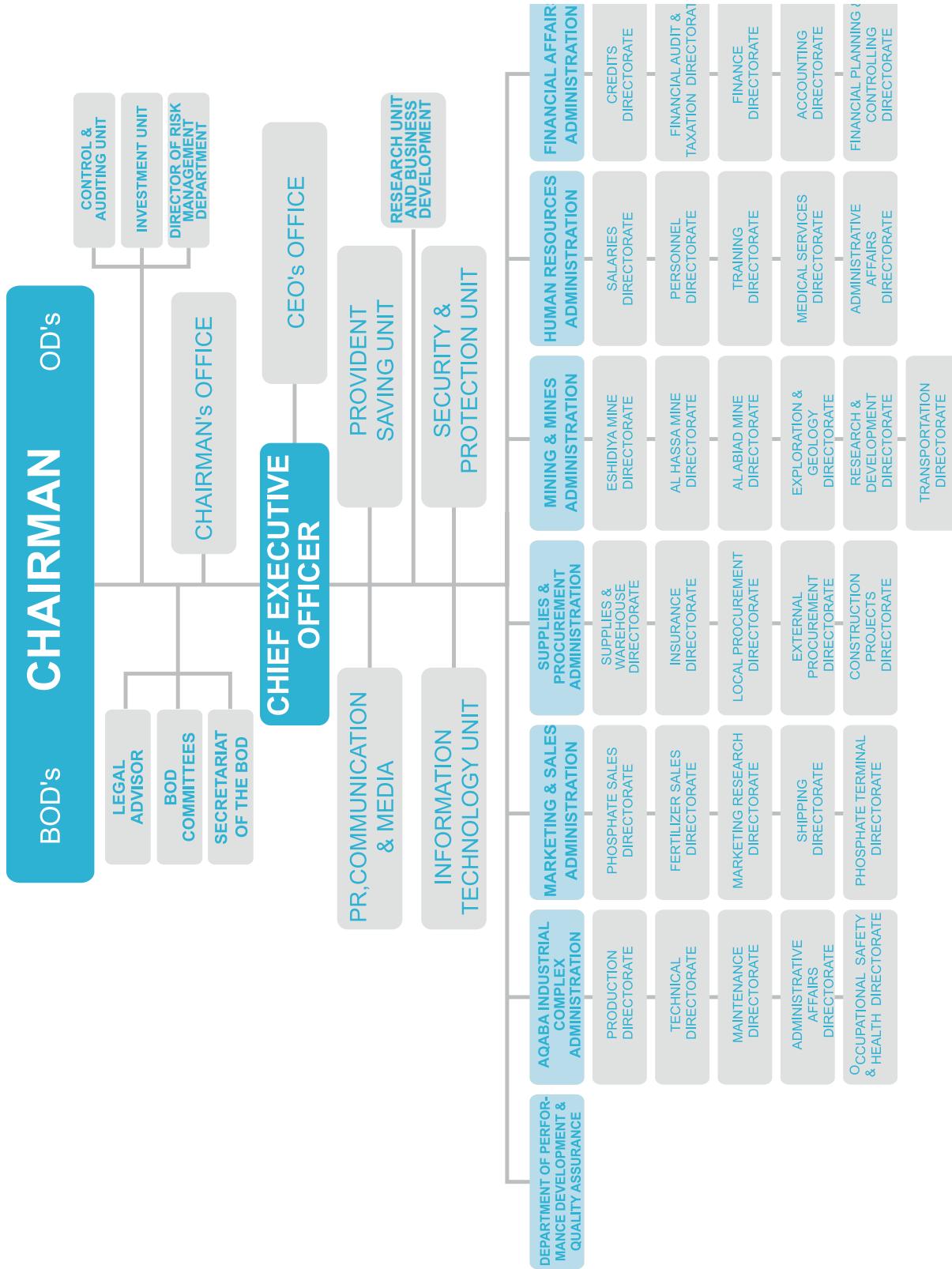
(*) Uses the Company's car.

M.2. Salaries and Travel Assignments Paid to the Executive Management staff in 2022:

(Jordanian Dinar)

Name	Job	Salaries	Per Diems of Official Assignments
Ms. Sana Qarain	Assistant CEO from 4.10.2022 / Secretary of the BOD Director of Finance until 11.1.2023	65,856	2,025
Geologist Mohammad Abu Hazeem	Director of Mining and Mines as of 1.3.2022	49,925	4,856
Dr. Fadwa Shabsough	Director of HR\ Account Manager of Saving Fund	58,007	2,025
Mr. Omar Badran	Director of Finance as of 12.1.2023 Financial Consultant as of 17.7.2022 and until 11.1.2023	35,671	-
Eng. Rima AbdulHaleem	Acting Director of Supply & Procurement	49,335	-
Eng. Abdelaziz Al Arakze	Manager of Industrial Complex	48,140	-
Eng. Mahmoud Al-Jaradin	Manager of Mines/ Manager of Eshidiya Mine	48,319	-
Lieutenant General Dr. Moein Al-Habashneh	Medical Consultant/ Manager of Medical Services	48,000	-
Dr. Eng. Mohammad Megdady	Manager of the Research and Business Development Unit as of 20.9.2022	13,608	-
Dr. Muhammad Huwaiti	Manager of the Research and Business Development Unit as of 20.9.2022	34,723	2,025

The Organizational Structure of the Company



The Financial Position as at 31.12.2022:



1. Capital of the Company (82,5 million shares/Dinar):

The authorized subscribed and paid up capital of the Company is 82,5 million shares with a nominal value of one Dinar per share distributed as per the following table:

Shareholders and their Shareholding Percentage

Shareholder	2022		2021	
	No. of Shares	Shareholding Percentage%	No. of Shares	Shareholding Percentage%
Indian Potash Limited	22,588,500	27,380	22,588,500	27,380
Government Investments Management Company	21,165,569	25,655	21,165,569	25,655
Social Security Corporation	13,647,007	16,542	13,634,798	16,527
Kisan International Trading FZE	7,936,500	9,620	7,936,500	9,620
Government of Kuwait	7,700,000	9,333	7,700,000	9,333
Other Shareholders	9,462,424	11,470	9,474,633	11,485
TOTAL	82,500,000	100,000	82,500,000	100,000

2. Assets and Equipment (JD 870,789 million at cost value and JD 231,823 million after subtracting accumulated depreciation):

The value of assets and equipment accounted for JD 870,789 million (against JD 853,779 million in 2021) marking an increase of JD 17,010 million compared to 2021. Machines and equipment, buildings and constructions, water and electric power networks, vehicles and spare parts have been added for JD 21,016 million. These newly possessed assets were via (purchasing fixed assets for JD 8,277 million and capitalizing projects in progress into fixed assets for JD 12,739 million). However, machines and equipment, spare parts, vehicles, buildings and constructions, furniture and office equipment for JD 4,006 million were excluded.

3. Receivable Accounts before Subtracting Provision for Doubtful Debts (JD 152,333 million):

The balance of receivable accounts reached JD 152,333 million and the balance of such accounts reached JD 28,160 million after subtracting JD 124,17 million being the provision for doubtful debts. The accounts resulting from the phosphate industry activity reached JD 80,151 million and accounts resulting from the fertilizer industry activity reached JD 30,429 million whereas the accounts resulting from subsidiaries' activities reached JD 13,593 million.

The following table shows details of the receivable accounts:

Item	As at 31 December	
	2022	2021
	Amount/ Dinar	Amount/ Dinar
Trading Accounts	83,909,199	142,910,396
Accounts of Associate Companies	47,896,083	68,900,848
Other Receivable Accounts	20,527,460	16,369,611
Total	152,332,742	228,180,855
Minus: Provision for expected credit losses	(28,159,373)	(22,590,000)
Receivable accounts after the provision	124,173,369	205,590,855

A. Receivable Accounts of Sales of Finished Products (JD 83,909 million):

Sales of finished products receivables amounted to JD 83,909 million (against JD 142,910 million in 2021) out of which JD 42,917 million are receivable accounts of phosphate sales; JD 28,207 million are receivable accounts of manufactured fertilizers and JD 12,785 million are receivable accounts of subsidiary companies, which will be collected on maturity dates during 2023.

B. Receivable Accounts of Associate Companies (JD 47,896 million):

The Receivable Accounts of Associate Companies reached JD 47,896 million (compared to JD 68,901 million in 2021), out of which JD 12,884 million are the receivable accounts of JIFCO; JD 0,021 million of Jordan industrial ports; JD 5,076 million of Jordan Abyad Fertilizer and Chemicals Company (JAFCO); JD 22,785 million of PT Petro Jordan Abadi

Indonesia; and JD 7,130 million of Manajim mining development. The Company accounted for expected credit losses for associate companies of JD 14,322 million in compliance with the International Accounting Standard No. (9).

4. Stock (JD 126,825 million):

As at 31 December 2022, the stock totaled JD (126,825) million (JD 98,212 million as at 31 December 2021) as follows:

Details	As at 31 December	
	2022	2021
A. Stock of Finished Products	Amount/Dinar	Amount/Dinar
Stock of Finished Phosphate Products	6,815,594	4,026,717
Stock of Finished Fertilizer Products	20,167,363	17,776,350
Stock of Finished Products of Subsidiaries	21,925,093	19,417,030
Total Stock of Finished Products	48,908,050	41,220,097
B. Stock of work in progress	Amount/Dinar	Amount/Dinar
Stock of work in progress Phosphate Products	6,336.616	3,221.365
Stock of work in progress Fertilizer Products	3,323.845	1,988.488
Stock of work in progress Subsidiaries Products	1,217.325	1,582.084
Total Stock of work in progress Products	10,877.786	6,791.937
C. Raw Materials	67,039,987	50,200,169
Grand Total (A+B+C)	126,825,823	98,212,203

5. Credit Loans (JD 47,449 million):

The balance of credit loans totaled JD (47,449) million and they were shown in the balance sheet on the basis of long-term loans for JD (34,975) million and short-term loans maturing in 2022 for JD (12,474) million. Herewith, It is worth mentioning here that the Group repaid JD (20,433) million for the loans given to the Company during 2022 where JD (18,432) million are installments of loans and JD (2,001) million are interests due for those installments.

6. Salaries\ Wages\ and their Benefits for the Group Employees (JD 106,990 million):

Salaries, wages and benefits given to the employees of the Group in 2022 reached JD 106,990 million (against JD 90,243 million in 2021). Details are shown in the below table:

A. Salaries\ Bonuses\ Wages\ given to Employees of the Company During 2022 reached JD 82,066 million comapred to (JD 74,497 million) in 2021 and details are shown in the below table:

Statement	Amount/Dinar	
	2022	2021
Salaries and Allowances	44,740,943	45,438,302
Year's Production Bonuses	15,000,000	6,000,000
Other Bonuses	1,446,749	1,117,884
Total of (A)	61,187,692	52,556,186

B. Benefits Provided to Employees of the Company for 2022 - 2021:

Item	Amount/Dinar	
	2022	2021
Provident Fund	1,739,968	1,860,730
Social Security	6,398,659	6,061,899
Expenses of Employees' Medical Treatment	1,682,526	1,617,824
Coverage of health insurance Expenses for the Families of Employees	1,909,663	2,008,765
Subsidy of Food Males	246,751	477,063
Expenses of Paid End of Service Compensation	2,220,930	2,059,603
Death and Compensation Fund for 2015	6,480,234	7,655,614
The Current Amount of End of Service Compensation	200,000	200,000
Total of (B)	20,878,731	21,941,498
Total of (A+B)	82,066,423	74,497,684

C. Salaries\ Wages\ and Benefits (JD 24,921) million Paid to Employees of Subsidiary Companies for 2022-2021:

Item	Amount/Dinar	
	2022	2021
Salaries and Allowances	24,921,201	15,745,424

7. Financial Situation for 2022 Compared to 2021:

- Net Consolidated Sales reached JD 1,748,265 million (JD 914,092 million sales of phosphate and JD 453,002 million sales of fertilizers in addition to JD 355,074 million sales of subsidiary companies and JD 26,097 million trading with raw materials) in 2022 compared to JD 1,077,779 million (JD 500,125 million sales of phosphate and JD 295,357 million sales of fertilizers in addition to JD 269,979 million sales of subsidiary companies and JD 12,318 million trading with raw materials) during 2021.
- Consolidated Expenses reached JD 804,337 million (JD 220,463 million for the phosphate unit; JD 339,167 million for the fertilizers' unit; JD 221,092 million for subsidiary companies; and JD 23,615 million for cost of trading with raw materials) in 2022 vis-à-vis JD 639,589 million (JD 213,168 million for the phosphate unit; JD 230,609 million for the fertilizers unit; JD 190,545 million for subsidiary companies; and JD 5,267 million for cost of trading with raw materials) in 2021.
- The Income Tax Expense reached JD 226,783 million in 2022 against (JD 101,827 million) in 2021.
- Net Accumulated profits reached JD 717,145 million in 2022 against (JD 336,363 million) in 2021.
- Total Equity reached JD 1,484,482 million in 2022 against (JD 928,598 million in 2021) with an increase of about 59,9% compared to 2021.

8. Some Financial Information and Indicators:

A. Details of the most significant Financial Indicators for 2018-2022:

(Thousand Dinars)

Details	2022	2021	2020	2019	2018
Net Revenues of Sales	1,748,265	1,077,779	607,385	640,793	674,439
Total Expenses	(1,031,120)	(741,416)	(579,312)	(620,203)	(713,390)
Net Accumulated Profits (Losses)	717,145	336,363	28,073	20,590	(47,544)
Interests of Loans	2,318	2,296	3,802	6,143	6,947
Net Fixed Assets	231,823	225,626	218,984	222,921	234,843
Current Assets	1,222,763	661,676	331,606	330,194	379,313
Total Assets	2,071,836	1,505,176	1,144,196	1,173,205	1,146,786
Net Equity	1,484,482	928,598	609,576	595,270	596,164
Long Term Credit Loans	34,975	42,539	52,959	63,776	82,161
Current Liabilities	391,736	344,501	291,636	320,937	336,651
Debt Ratio	3:97	7:93	11:89	14:86	16:84
Debt Service Ratio\ Once	46,20	27,46	1,63	2,6	2,15
Current Ratio\ Once	3,026	1,921	1,12	1,03	1,12
Net Profit (Loss) per Share\ Dinar	8,672	4,060	0,352	265	0,573
Closing Price per Share\ Dinar	35,7	17,94	3,51	2,77	2,84

B. Profits (Losses) Realized, Distributed Dividends, Net Shareholders' Equity, and Prices of Financial Securities Issued for 2018-2022:

(Thousand Dinars)

Year	Net Accumulated Profits (Losses)	Net Equity	Profits	Prices of Issued Securities	
				Year	Shares (Dinar/Share)
2022	717,145	1,484,482	*247,500	2022	35,7
2021	336,363	928,598	165,000	2021	17,94
2020	28,073	609,576	16,5	2020	3,51
2019	20,590	595,270	8,250	2019	2,77
2018	47,544	596,164	16,500	2018	2,84

* and distribution of bonus shares of 200% of the company's nominal capital, amounting to JD 82,500 million.

C. Dealings with the Treasury and Public Institutions in 2022 and 2021:

1. Company Payments

(Thousand Dinars)

Item	Year	
	2022	2021
Ministry of Finance:		
Mining Revenues	104,236	30,785
Customs Duties	5,900	1,238
Revenue Stamp Fees	125	6
Dividends Distributed for the year 2021 - 2020	69,813	6,962
Department of Land and Survey	8,309	2,511
Tax on Income and Overseas Payments & Sales	149,401	22,325
Income Tax on Employees' Salaries	1,815	1,574
The Company's and Employees' Contribution to Social Security	9,909	9,498
Aqaba Development Company	2,909	2,419
Public Security Directorate/In lieu of Security Guards for the Production Sites	1,364	421
Economic and Social Corporation of Military Retirees/ Security Guards	1,671	1,257
General Directorate of Gendarmerie	1,815	1,701
Water Authority	10,823	12,536
Electricity Companies	15,364	14,842
Aqaba Special Economic Zone (Port Operation Services)	522	231
Regulatory Commission of Energy and Minerals Sector	161	27
Total	383,840	108,333

2. Subsidiary Companies Payments

(Thousand Dinars)

Year	
2021	2022
7,144	21,972

D. Brief Data on the Position of the Company for 2018-2022:

Year	Total Assets (thousand Dinar)	Nominal Capital (thousand Dinars)	Total Equity (thousand Dinars)	Net Profits (Losses) (Thousand Dinars)	Production (thousand tons)			Sales (thousand tons)			Distributed Dividends (%)	Staff as at 31 December
					Phosphate	DAP	Phosphoric Acid	Phosphate	DAP	Phosphoric Acid		
2022	2,071,837	82,500	1,484,482	717,145	10,947	708	599	10,700	724	313	*300	2290
2021	1,505,176	82,500	928,598	336,363	10,015	728	594	9,682	700	356	200	2153
2020	1,144,196	82,500	609,576	28,073	8,938	707	532	8,552	778	306	20	2307
2019	1,173,205	82,500	595,270	20,590	9,223	550	511	9,031	563	308	10	2411
2018	1,146,786	82,500	596,164	47,544	8,023	632	519	8,063	583	295	20	2570

*Bonus shares of 200% of the Company's nominal capital, amounting to JD 82,500 million.

E. The Risks to Which the Company is Exposed to:

In 2022, the Company suffered from a deep fluctuation in the global prices of raw materials involved in the production of chemical fertilizers in the Industrial Complex in Aqaba, as its impact was as an increase on chemical fertilizers production costs and the storage is still limited for the final products of the company in Aqaba Port and the Industrial Complex which restricts the Company's competitiveness ability.

F. Associates Companies:

F/1- In January 2022, the cases were settled with Al-Own Advanced for Contracting Co and Arkan for Contracting Construction and Mining Works L.t.d. . In line with the conciliation and settlement contract, all claims from the three parties were dropped and the amounts related to the normal activities were settled. Also, it was agreed to terminate the partnership contract with Al-Own Advanced for Contracting Co.

F/2- Subject to the decision issued by the General Assembly in its extraordinary meeting held on 16/11/2022, it was agreed to sell its share in the capital of Arkan for Contracting Construction and Mining Works L.t.d. for an amount of JD 5,2 million, provided that Jordan Phosphate Mines Company is not responsible and doesn't bear any financial or legal consequences or responsibilities regardless to its reason, source, type, size, name, or nature without limitation. Jordan Phosphate Mines Company reserves its right to any expenditures, expenses, or funds disbursed from Arkan for Contracting and Construction Company and it doesn't have any direct or indirect relationship to its business or financial rights that may be accrued to Arkan for Contracting and Construction Company to third parties. Then, it returns to the benefit of Jordan Phosphate Mines Company after the audit process is completed from any official authority.

Otherwise, there are no operations of a non-recurrent and material nature that do not fall into the major activity of the Company during the fiscal year 2022.

G. Governmental Protection or Prerogatives that the Company or any of its Products Enjoy and Patents Description:

The Jordan Phosphate Mines Company, its associate and subsidiary companies doesn't enjoy any governmental safeguard; It is not covered by any prerogatives but it has licenses of mining rights that are renewed upon approval of the Ministry of Energy and Mineral Resources. The Company doesn't possess any patents that were not disclosed in the past.

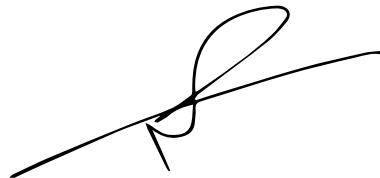
H. Acknowledgment by the Board of Directors:

H/1- The BOD of JPMC acknowledges their full responsibility for the preparation of the consolidated financial statements enclosed herein and approved by the BOD on 12 March 2023, and the availability of an effective control system at the Company.

H/2- The BOD of JPMC acknowledges, to the best of their knowledge and belief, that there are no other substantial issues that can affect the continuity of the Company in the fiscal year 2023.



Chairman of the BOD
Dr. Mohammad Thneibat



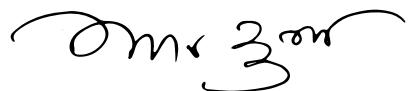
Mr. Salem Al Qudah
Vice-chairman of the BOD



Dr. U.S. Awasthi
Member



Dr. P.S. Gahlaut
Member



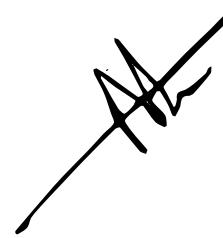
Mr. Manish Gupta
Member



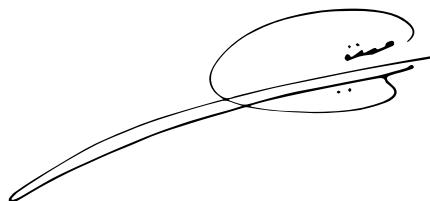
Dr. Eng. AbdelFattah AbuHassan
Member



Advocate Mohammad Kreishan
Member



Engineer Sami Smeirat
Member



Eng. Mohammad Al-Munaifi
Member

H/3- Chairman of the BOD of JPMC, the CEO, the Assistant CEO and Director of Finance all acknowledge that the information and data in this annual report for 2022 are real, precise and complete.



Chairman of the BOD
Dr. Mohammad Thneibat



Eng. Abdel Wahab
AlRowwad
CEO



Sana Qarain
Assistant CEO



Omar Badran
Director of Finance

2022

Governance Report

Implementing the regulations for enlisted public shareholding companies' governance for 2017 and issued in compliance with the provision of Articles (12/n) and (118/b) of the Law of Financial Securities No. (18) for 2017 and approved upon a resolution by the Council of Commissioners of the Financial Securities Commission No. (146/2017) on 22.5.2017 as these regulations have become mandatory and applicable as from the date of being approved by the Council of Commissioners of the Financial Securities Commission according to the best practice.

Introduction

Under the emerging economic developments worldwide, the need has risen for good governance in many developed and developing economies during the few past decades after the economic collapses and financial crises in several countries.

Based on its mission and in recognition of its role in enhancing the national economy of Jordan, JPMC considers good governance as a key to good management that effectively contributes to achieving strategic objectives and enhancing the level of confidence and assurance for shareholders. It connotes the ability of the Company to control risks that face the Company. Corporate governance is a major issue for all public shareholding companies at present, especially that the financial crises that the international economy has suffered have turned the corporate governance a priority. The laws and regulations of governance worldwide are focused on controlling the use of administrative powers in a manner that abuses the rights of shareholders. Good governance urges the BOD to perform and enhance internal control as well as monitoring the implementation of strategies and identifying the management and powers for shareholders, the BOD, the Executive Management, and stakeholders as transparency and disclosure are imperatives under good governance.

1- The BOD Composition:

The Company is managed by a nine-member BOD representing shareholders of the Company in compliance with the Articles of Association of the Company and valid bylaws and regulations. The BOD members are elected via a general assembly vote. The BOD represents all shareholders and practices professional due diligence in managing the Company. The BOD operates in compliance with integrity and transparency requirements in order to achieve the Company's interests, goals and objectives. All members of the BOD are qualified with academic degrees and well experienced with administrative and financial issues and the industry as well as being familiar with the rights and duties of a board of directors.

2- Tasks and Responsibilities of the BOD:

The BOD of JPMC is committed to the governance criteria of the public shareholding companies according to the best practices including strategy, policy, plan and procedure making to the best interest of the Company and achievement of its goals as well as maximizing the shareholders' rights and service of the local community. The Company adopts the policy of disclosure and transparency of the Company and monitors its implementation in compliance with the requirements of supervisory agencies and valid legislation.

- **Governance Liaison Officer:**

As the appointment of a governance liaison officer falls within the scope of work and responsibility of the BOD, Ms. Sana Qarain\ Secretary of the Board was appointed as the Corporate Governance Liaison Officer.

- **Meetings of the BOD:**

The BOD convenes in compliance with the Law of Companies which requires the BOD to hold at least (6) Annual report meetings per year. The BOD issues resolutions by absolute majority of the present members. If the votes are equal, that of the meeting chairman will be preponderant. In 2022, the BOD held (7) meetings.

- **Secretary to the BOD:**

Secretary to the BOD records the minutes of meetings held by the BOD in a special register with serial numbering and lists the present members as well as any reservations they express.

- **Company's Investor Relations Unit:**

The Investor Relations Unit was established in compliance with the Listing Securities Directives and adopting the rules of investors relations management and it was appointed to the Assistant CEO, naming a first replacement for him as Director of Finance and a second replacement as Manager of the Research and Business Development Unit. Whereas the Company was included in the ASE 20 record number sample and it is obligated to establish the unit during the first quarter of 2023. The unit is tasked with the following:

- A. Representing the Company in front of the investors and representing the investors within the Company (Two-way Communication).
- B. Introducing Company activities, financial performance and strategic directions to the shareholders and investors.
- C. Building and maintaining positive connections and relations between the Company's BOD and Executive Management on one hand, and current and potential investors, shareholders and all interested parties on the other hand.
- D. Maintaining continuous communication with financial analysts, media representatives and investors via different communication tools such as the Company' website, social media sites, press releases and meetings coordination.
- E. Following up on the investor relations window on the Company's website and ensuring it is updated on a regular basis.

Accordingly, a window for investor relations was created on the Company's website including most importantly the following:

- News and press releases.
- Information about the company's share price as for closing price, opening price, highest and lowest price during the year, stock historical prices and some financial ratios.
- A brief about the BOD and Executive Management.
- Information related to dividends distributed to shareholders and the mechanism for receiving them.
- Financial Statement and Annual Reports.

3- Names of the BOD Members and Description (Executive\Non-executive; Independent or not):

A. The following table details the current and resigned members of the BOD in 2022:

Members	Shareholder	Position	Independence	Membership
H.E. Dr. Mohammad Thneibat	Representative of Private Sector	Chairman of the BOD	Independent	Executive
Mr. Salem Al Qudah	Representative of Government Investments Management Company	Vice Chairman of the BOD as of 23.2.2022	Not Independent	Non-Executive
Dr. Adel Al-Sharkas	Representative of Social Security Corporation	Vice-chairman of the BOD until 16.1.2022	Not Independent	Non-Executive
Dr. U.S. Awasthi	Representative of INDIAN POTASH LIMITED	Member	Not Independent	Non-Executive
Dr. P.S. Gahlaut	Representative of INDIAN POTASH LIMITED	Member	Not Independent	Non-Executive
Mr. Manish Gupta	Representative of Kisan International Trading FZE	Member	Not Independent	Non-Executive
Dr. Eng. AbdelFattah AbuHassan	Representative of Private Sector	Member	Independent	Non-Executive
H.E. Advocate Mohammad Kreishan	Representative of Government Investments Management Company	Member	Not Independent	Non-Executive
Eng. Sami Smeirat	Representative of Social Security Corporation	Member as of 16.1.2022	Not Independent	Non-Executive
Eng. Mohammad Al-Munaifi	Representative of Kuwait Investment Authority	Member	Not Independent	Non-Executive

Chairman of the BoD can not occupy any other executive position in the Company and none of his relatives can be the CEO (Director General) of the Company.

B. Number of meetings held by JPMC BOD in 2022 and the members who attended:

Name	Number and Date of Meeting							Grand Total	
	No. (1) 23/2	No. (2) 6/3	No. (3) 20/4	No. (4) 30/6	No. (5) 29/8	No. (6) 17/10	No. (7) 17/12	Present	Absent upon Excuse
H.E. Dr. Mohammad Thneibat	P	P	P	P	P	P	P	7	-
Mr. Salem Al Qudah	P	P	P	P	P	P	P	7	-
Dr. U.S. Awasthi	P	P	P	P	P	P	P	7	-
Dr. P.S. Gahlaut	P	P	P	P	P	P	P	7	-
Mr. Manish Gupta	P	P	P	P	P	P	P	7	-
Dr. Eng. AbdelFattah AbuHassan	P	P	P	P	P	P	P	7	-
H.E. Advocate Mohammad Kreishan	P	P	P	P	P	P	P	7	-
Eng. Sami Smeirat	P	P	P	P	P	P	P	7	-
Eng. Mohammad Al-Munaif	P	P	A	P	P	P	P	6	1

P= Present A= Absent

C. Percentage of Presence of Members of the BOD Meetings in 2022:

Members of the BOD	Position	Presence at the BOD Meetings during the Membership Period	Percentage of Presence
H.E. Dr. Mohammad Thneibat	Chairman of the BOD	7/7	100%
Mr. Salem Al Qudah	Vice-Chairman of the BOD	7/7	100%
Dr. U.S. Awasthi	Member	7/7	100%
Dr. P.S. Gahlaut	Member	7/7	100%
Mr. Manish Gupta	Member	7/7	100%
Dr. Eng. AbdelFattah AbuHassan	Member	7/7	100%
H.E. Advocate Mohammad Kreishan	Member	7/7	100%
Eng. Sami Smeirat	Member	7/7	100%
Eng. Mohammad Al-Munaifi	Member	6/7	85,7%

4- Memberships of BOD members in BOD of Public Shareholding Companies:

- H.E. Dr. Mohammad Thneibat\ Chairman of the Board and Member in:
Jordan Petroleum Refinery.
- Eng. Sami Smeirat/ Member as of 16.1.2022 and Member in:
Cairo Amman Bank.

Otherwise, none of the current members of the BOD of JPMC is a member of other public shareholding companies or a shareholder in another public Company.

5- Executive positions and Names of those occupying them:

Name	Job
H.E. Dr. Mohammad Thneibat	Chairman of the Board
Eng. Abdel Wahab AlRowwad	CEO
Ms. Sana Qarain	Assistant CEO as of 4.10.2022/ Secretary of the BOD Director of Finance until 11.1.2023
Geologist Mohammad Abu Hazeem	Director of Mining and Mines as of 1.3.2022
Dr. Fadwa Shabsough	Director of HR/ Account Manager Saving Fund
Mr. Omar Badran	Director of Finance as of 12.1.2023 Finance Consultant as of 17.7.2022 and until 11.1.2023
Eng. Rima Abdul Halim	Acting Director of Supply & Procurement
Eng. Abdelaziz Al Arakzeh	Manager of Industrial Complex
Eng. Mahmoud Al-Jaradin	Manager of Mines/ Manager of Eshidiya Mine
Lieutenant General Dr. Moein Al-Habashneh	Medical Consultant/ Manager of Medical Services as of 1.12.2021
Dr. Eng. Mohammad Megdady	Manager of the Research and Business Development Unit as of 20.9.2022
Dr. Muhammad Huwaiti	Manager of the Research and Business Development until 20.9.2022

6- Committees under the BOD:

A. The Audit Committee:

A/1- Members of the Audit Committee:

On 23.2.2022, the Audit Committee was recomposed as follows:

-Eng. Sami Smeirat\ Head of the Committee

MBA, M.Sc. in Communications, B.Sc. in Electrical Engineering.

Current Position: Enterprise Business Unit CEO/ Vice President of Orange Jordan.

-Mr. Salem Al Qudah\ Vice-Head of the Committee

B.Sc. in Business Administration; Assistant of Secretary General for Financial Affairs\ Ministry of Finance.

-Dr. Eng. AbdelFattah AbuHassan\ Member

Ph.D. In Mines and Mining Engineering/ Consultant of Mines and Mining Engineering. Used to be a BOD member at JPMC for several terms; Advisor to the Executive Committee for Investment\ JPMC, Acting Director General \JPMC.

-Mr. Manish Gupta\ Member

B.Sc. in Technology- Civil Engineering, Post-graduate Diploma in Administration\Development and Marketing; B.A. in Law\ Taxes and Commercial Law, Mr. Gupta is the Director of Strategic Planning and Joint Ventures\IFFCO.

Audit Committee Composition before 23.2.2022:

-Dr. Adel Al-Sharkas\ Vice chairman of the board\ Head of the Committee until 16.1.2022

-Mr. Salem Al Qudah\ Vice-Head of the Committee

-Dr. Eng. AbdelFattah AbuHassan\ Member

-Mr. Manish Gupta\ Member

A/2- The following table shows Presence and Absence of the Audit Committee Members in 2022:

Meeting No.	Date	Eng. Sami Smeirat/ Head of the Committee	Mr. Salem Al Qudah/ Vice-Head of Committee	Dr. Eng. AbdulFattah AbuHassan\ Member	Mr. Manish Gupta\ Member
1/2022	1.3.2022	P	P	P	P
2/2022	28.4.2022	P	P	P	A
3/2022	28.7.2022	P	P	P	P
4/2022	30.10.2022	P	P	P	P

P= Present A= Absent

A/3- The Audit Committee Held Four Meetings with the External Auditor during 2022.

A/4- Tasks of the Audit Committee:

The Audit Committee Supervises the accounting, control, and audit operations in the Company including:

- Discuss issues related to nominating the external auditor and ensure his fulfillment of terms and conditions provided for and that there is nothing to affect his independence.
- Discussing all issues related to the external auditor work including his notes, suggestions, and reservations; and follow up the extent to which the Management of the Company response thereto and submit recommendations as relevant to the BOD.
- Follow up compliance of the Company with the application of provisions and valid legislation as well as requirements of supervisory agencies.
- Consider periodical reports prior to submitting them to the BOD and provide recommendations as relevant.

- Considering the audit plan of the external auditor and ensure that the Company provides all facilities necessary for the auditor in order to perform his work.
- Considering and evaluating internal control and audit procedures.
- Reviewing evaluation by the external auditor of the internal control and audit procedures.
- Review reports of internal control and audit and recommend to the BOD with regard to this function and set policies and strategies including enhancement of internal control of the Company.
- Devising mechanisms needed to ensure that the Company provides adequate (sufficient) number of human resources qualified to assume the function of internal control so that they can be trained and rewarded as relevant.
- Considering and evaluating any additional tasks beyond the audit scope that the external auditor does including provision of administrative and technical advice. It must be ensured that such tasks do not jeopardize his independence. Then, recommendations must be submitted to the BOD for decision.

Following are other items that the Audit Committee is authorized with:

1. Request the presence of the external auditor if the Committee considers that certain issues related to the Company's business need to be discussed with him.
2. Recommend to the BOD to nominate the external auditor to be elected by the General Assembly.
3. Recommend to the BOD to appoint the internal auditor of the Company.

B. The Nominations and Compensations Committee:

B/1- Members of the Nominations and Compensations Committee:

On 23.2.2022, the Nominations and Compensations Committee was recomposed as follows:

- H.E. Dr. Mohammad Thneibat\ Chairman of the Board\ Head of the Committee
- Mr. Salem Al Qudah\ Vice-chairman of the Board\ Vice-head of the Committee
- Dr. P.S. Gahlaut\ Member
- Dr. Eng. AbdelFattah AbuHassan\ Member
- Eng. Mohammad Al-Munaifi\ Member

The composition of the Nominations and Compensation Committee before 23.2.2022:

- H.E. Dr. Mohammad Thneibat\ Chairman of the Board\ Head of the Committee
- Dr. Adel Al-Sharkas\ Vice-chairman of the Board \ Vice-head of the Committee until 16.1.2022
- Dr. P.S. Gahlaut\ Member
- Dr. Eng. AbdelFattah AbuHassan\ Member
- Eng. Mohammad Al-Munaifi\ Member

B/2- The following table shows Presence and Absence of the Nominations and Compensations Committee Members in 2022:

Meeting No.	Date	H.E. Dr. Mohammad Thneibat\ Chairman of the Board\ Head of the Committee	Mr. Salem Al Qudah\ Vice-chairman of the Board\ Vice-head of the Committee	Dr. P.S. Gahlaut\ Member	Dr. Eng. AbdelFattah AbuHassan\ Member	Eng. Mohammad Al-Munaifi\ Member
1/2022	21.9.2022	P	P	P	P	P
2/2022	26.10.2022	P	P	P	P	A

P= Present A= Absent

B/3- Tasks of the Nominations and Compensations Committee:

- The Committee drafts and reviews policies related to compensations (bonuses), benefits, incentives and salaries in the Company.
- The Committee identifies the Company needs for competencies at the level of senior executive management and employees and their selection criteria.
- Devising the policy of succession plan (staff replacement) and policies related to human resources in the Company and reviewing the same on a regular basis.

C. The Risk Management Committee:

C/1- Members of the Risk Management Committee:

The Compensation of the Risk Management Committee of Members of the board:

- | | |
|--|-------------------------------------|
| - H.E. Dr. Mohammad Thneibat\ Chairman of the Board\ Head of the Committee | - Dr. P.S. Gahlaut |
| - Mr. Salem Al Qudah\ Vice-chairman of the BOD | - Mr. Manish Gupta |
| - Dr. Adel Al-Sharkas until 16.1.2022 | - Dr. Eng. AbdelFattah AbuHassan |
| - Dr. U.S. Awasthi | - H.E. Advocate Mohammad Kreishan |
| | - Eng. Sami Smeirat as of 16.1.2022 |
| | - Eng. Mohammad Al-Munaifi |

C/2- The following table shows Presence and Absence of Risks Management Committee Members in 2022:

Meeting No.	Date	H.E. Dr. Mohammad Thneibat\ Chairman of the Board\ Head of the Committee	Mr. Salem Al Qudah\ Vice-chairman of the Board	Dr. U.S. Awasthi	Dr. P.S. Gahlaut	Mr. Manish Gupta	Dr. Eng. Abdel Fattah Abu Hassan	Advocate Mohammad Kreishan	Eng. Sami Smeirat	Eng. Mohammad Al-Munaifi
1/2022	27.11.2022	P	P	A	P	A	P	P	P	P

P= Present A= Absent

C/3- Tasks of the Risk Management Committee:

Responsibilities of the Risk Management Committee comprise of monitoring and assessing all types of risks that the Company might be exposed to; These risks have been identified and reviewed with all departments in the Company. The Committee drafts, as well, the risk management policy at the Company and regularly reviews it. Written operational procedures are drafted to regulate operations of the Committee and identify its commitments. The Committee submits its recommendations to the BOD.

D. The Governance Committee:

D/1- Members of the Governance Committee:

On 23.2.2022, the Governance Committee was recomposed as follows:

- H.E. Dr. Mohammad Thneibat\ Chairman of the Board\ Head of the Committee
- Eng. Sami Smeirat\ Vice-head of the Committee
- Dr. P.S. Gahlaut\ Member
- Dr. Eng. AbdelFattah AbuHassan\ Member
- Eng. Mohammad Al-Munaifi\ Member

The composition of the Governance Committee before 23.2.2022:

- H.E. Dr. Mohammad Thneibat\ Chairman of the Board\ Head of the Committee
- Dr. Adel Al-Sharkas\ Vice-chairman of the Board\ Vice-Head of the Committee until 16.1.2022
- Dr. P.S. Gahlaut\ Member
- Dr. Eng. AbdelFattah AbuHassan\ Member
- Eng. Mohammad Al-Munaifi\ Member

D/2- The following table shows Presence and Absence of the Members in 2022:

Meeting No.	Date	H.E. Dr. Mohammad Thneibat\ Chairman of the Board\ Head of the Committee	Eng. Sami Smeirat\ Vice-head of the Committee	Dr. P.S. Gahlaut\ Member	Dr. Eng. AbdelFattah AbuHassan\ Member	Eng. Mohammad Al-Munaifi\ Member
1/2022	30.3.2022	P	P	P	P	A

P= Present A= Absent

D/3- Tasks of the Governance Committee:

The Governance Committee is tasked with the following:

1. Draft written procedures of operation to implement the provisions of Corporate Governance Regulations and review them regularly as well as annually evaluating compliance therewith in the Company.
2. The Governance Committee is responsible for ensuring compliance of the Company with the Corporate Governance Regulations.
3. Draft the Governance Report of the Company and incorporate it in the annual report.
4. Monitor operations of the BOD and committees under it and their fulfillment of governance regulations.
5. The Governance Committee considers any feedback from the Securities Commission with regard to implementation of governance principles in the Company.
6. The Governance Committee considers proposals from shareholders who hold at least 5% of the Company capital and submit the same to the BOD.

7- Based on JPMC BOD decisions, other committees were formed to resolve on the Company's affairs and according to the powers granted to it:

- The Tender Committee.
- The Committee of Raw Materials Procurement.
- The Production and Marketing Committee.
- The Investment Committee.
- The donation and local community support Committee.

8- The External Auditor:

In its meeting held on 26.4.2022, the General Assembly of Shareholders agreed to reassign Messrs Ernst & Young as the Company's auditors for 2022. Mr. Bishr Ibrahim Baker, License No. (592), and agreed to authorize the BOD to determine their fees.

The Company took the appropriate measures into consideration to ensure the following:

- The Company's external auditors, Messrs Ernst & Young, are accredited auditors and are registered with Financial Securities Commission in the auditor's register approved for their registration in the register of auditors qualified to audit the accounts of entities subject to the Financial Securities Commission's control and supervision with License No. (592).
- The auditor is not a shareholder, founder or member in the BOD of the Company and doesn't have any partnership with any member of the BOD or any of his employees.
- The external auditor doesn't perform any additional task for the benefit of the Company, such as providing administrative or technical advice, unless prior approval of the BOD based on the recommendations of the Audit Committee of the Company.
- The auditor enjoys complete independence in compliance with International Standards on Auditing.
- The auditor performs his work in complete objectivity and impartiality and without the intervention of the BOD or the Executive Management.
- The external auditor performs tasks assigned to him under the valid legislation, including:
 1. Performing the tasks assigned to him in complete independence, objectivity, and impartiality.
 2. Monitoring the Company's works and auditing its accounts in compliance with the international standards.
 3. Assessing the Company's administrative and financial systems and internal control systems and forming an opinion regarding their effectiveness, in addition to ensuring their appropriateness for the smooth running of the Company's works and the preservation of their funds.

4. Attending the ordinary and extraordinary meeting of the General Assembly and addressing the questions and inquiries of the Company's shareholders in terms of the financial statements and final accounts during the meeting.
5. Verifying the Company's ownership, assets, and legal obligations accrued by the Company.
6. Forming their opinion on the fairness of the Company's financial statements and requests for amendments if something is affecting their fairness.
7. Ensures that the Company organizes its account and financial statements in compliance with International Financial Reporting Standards (IFRS).
8. Reporting any violation of the valid legislation or any administrative concerns that shape a negative impact on the Company's situation to the competent authorities.

9- Stakeholders' Rights and Shareholders' General Rights:

Shareholders of Jordan Phosphate Mines Company enjoy distinguished services provided by the Shareholders Department in the Company as the department maintains records' of shareholders' ownership in additions to changes and restrictions occur to them which allows shareholders to, for any reason, view their recording regarding their contribution, view all information and documents related to the Company according to the valid legislation. The shareholder gets the disclosed information and the Company's shareholders participate in voting on the decisions of the Company's General Assembly in person or by proxy. The Company shows shareholders the minutes of meetings held by the General Assembly of the Company according to the law, which are published on the Company's website and the Financial Securities Commission website as well. Shareholders of Jordan Phosphate Mines Company shall receive their annual profits within forty-five days from the issuance date of the General Assembly's decision to distribute them in cash via a local bank and by a bank transfer or cash from the bank.

Through its official website, the Company provides a special window for shareholders to view the announcements concerning them in addition to the financial and non-financial disclosures. The Company welcomes any suggestions or complaints from shareholders via its website in order to be studied and make the appropriate decision in this regard.

10- Related Party Transactions:

Jordan Phosphate Mines Company P.L.C is committed to provisions of the relevant valid legislation applied in the Company and relevant to related party transactions. Related party transactions are disclosed in compliance with the International Financial Reporting Standards (IFRS) and included in the Company's financial statements.

Chairman of the Board
Dr. Mohammad Thneibat





INDEPENDENT AUDITOR'S REPORT

**To the Shareholders of Jordan Phosphate Mines Company – Public Shareholding Company
Amman - Jordan**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Jordan Phosphate Mines Company – Public Shareholding Company** (the “Company”) and its Subsidiaries (together the “Group”), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. 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. For each matter below, our description of how our audit addressed the matter provided in that context.

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.

1. Revenue recognition Refer to note 22 on the consolidated financial statements for revenues related disclosures	
Key audit matter	How the key audit matter was addressed in the audit
<p>The Group focuses on revenue as one of its main performance measures, and given the importance of the amounts and the geographical diversity of the Group's operations and the ease with which these revenues are exposed to the risks of overstatement in value and fraud, we consider the revenue recognition as a key audit matter.</p> <p>Revenues are recognized when the Group satisfy the performance obligations in accordance with the contracts signed with customers when the goods are sold to customers and the invoice is issued, which usually occurred at a specific point in time.</p>	<p>The audit procedures included an assessment of the Group's accounting policies for revenue recognition in accordance with the International Financial Reporting Standards. We also tested the Group's internal controls around revenue recognition and key controls within the revenue cycle.</p> <p>We have tested the accuracy of revenue recognition by selecting a sample of sales invoices and match them with contracts and selling prices agreed upon.</p> <p>We have tested a sample of revenues journal entries recorded during the year based on predetermined standards.</p> <p>We have selected a sample of revenues before and after year-end to ensure proper recording in the proper period.</p> <p>We have also performed detailed revenue analysis using financial and non-financial information.</p>

2. Provisions for employees' benefits Refer to note 16 on the consolidated financial statements for employees' benefits provision related disclosures	
Key audit matter The Group has different employee benefit plans such as defined contribution plans whereas the Group's financial obligations are limited to the Company's share of contribution or defined benefit plans "Death and Compensation fund". The measurement of the Death and Compensation fund provision is considered a key audit matter because the balance as of 31 December 2022 amounting to JD 95,165 thousand is material to the consolidated financial statements. Furthermore, measuring the defined benefit obligations plans liability using the projected unit credit method requires used certain assumptions related to the present value of future expected payments and the actuarial assumptions related to the resignation rates, salary increase rates and discount rates. Whereas the calculation of the defined benefit obligations plans liability is performed in accordance with actuarial studies as required by International Accounting Standards (IAS 19) "Employees benefits".	How the key audit matter was addressed in the audit The audit procedures included an assessment of the accounting policies followed by the Group to recognize liabilities. Moreover, we involved our valuation experts to assist us in evaluating the assumptions and methodologies used by the actuarial expert, specifically those related to discount rates, resignation rates, salary increase rates and mortality rates. Nevertheless, we have assessed the extent of the independence and the qualification of the actuarial expert. We tested the accuracy of the assumptions and information used in the calculation of the employees' benefits liabilities by taking a sample of employees' contracts and payroll slips. We evaluated the sufficiency of disclosures made by the Group regarding assumptions used in the measurement of these liabilities in accordance with International Accounting Standards (IAS 19).

Other information included in the Group's 2022 annual report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the 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 ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Group maintains proper books of accounting which are in agreement with the consolidated financial statements.

The partner in charge of the audit resulting in this auditor's report was Bishr Ibrahim Baker; license number 592.

Amman – Jordan
27 March 2023

ERNST & YOUNG
Amman - Jordan

JORDAN PHOSPHATE MINES COMPANY PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022
(In Thousands of Jordanian Dinars)

	Notes	2022	2021
ASSETS			
Non-current assets			
Property, plant, and equipment	3A	231,823	225,626
Projects in progress	4	10,144	16,074
Investments in associates and joint ventures	5	365,127	333,793
Intangible assets	6	128,812	130,148
Deferred tax assets	21	38,890	39,138
Employees' housing loans	7	5,346	4,852
Financial Assets at fair value through other comprehensive income	8	385	385
Long term loans receivable	9	6,442	6,442
Long term accounts receivable	11	2,521	22,481
Long term other current assets	12	6,560	6,560
Right-of-use assets	3B	53,023	58,001
		<u>849,073</u>	<u>843,500</u>
Current assets			
Inventories, spare parts and supplies	10	197,654	164,115
Short term accounts receivable	11	121,652	183,110
Other short term current assets	12	100,185	53,044
Short term loans receivables	9	-	5,555
Financial assets at fair value through profit or loss		434	369
Cash on hand and at banks	13	<u>802,838</u>	<u>246,554</u>
		<u>1,222,763</u>	<u>652,747</u>
TOTAL ASSETS		<u>2,071,836</u>	<u>1,496,247</u>
Equity and Liabilities			
Equity			
Paid-in-capital	14	82,500	82,500
Statutory reserve	14	75,000	75,000
Voluntary reserve	14	75,000	75,000
Special reserve	14	75,000	75,000
Fair value reserve		(276)	(276)
Acquisition of non – controlling interest reserve	38	924	924
Retained earnings		<u>1,170,542</u>	<u>616,484</u>
Equity attributable to Company's shareholders		<u>1,478,690</u>	<u>924,632</u>
Non – controlling interests	37	<u>5,792</u>	<u>3,966</u>
Total Equity		<u>1,484,482</u>	<u>928,598</u>
Non-current liabilities			
Long-term loans	15	34,975	42,539
Provisions for employees' benefits	16	55,864	82,448
Assets deferral provision	6	18,128	17,449
Other long-term credit provisions	35	32,500	32,500
Long-term lease liabilities	3B	54,151	57,141
		<u>195,618</u>	<u>232,077</u>
Current liabilities			
Accounts payable	17	79,936	120,726
Accrued expenses	18	48,790	33,135
Other current liabilities	19	40,614	27,821
Due to banks	20	433	2,460
Current portion of long-term loans	15	12,474	23,342
Income tax provision	21	157,404	85,838
Short-term lease liabilities	3B	7,220	7,272
Provisions for employees' benefits	16	44,865	34,978
		<u>391,736</u>	<u>335,572</u>
Total Liabilities		<u>587,354</u>	<u>567,649</u>
TOTAL EQUITY AND LIABILITIES		<u>2,071,836</u>	<u>1,496,247</u>

The attached notes from 1 to 44 form an integral part of these consolidated financial statements

JORDAN PHOSPHATE MINES COMPANY PLC
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022
(In Thousands of Jordanian Dinars)

	<u>Notes</u>	<u>2022</u>	<u>2021</u>
Net sales	22	1,748,265	1,077,779
Cost of sales	22	(676,795)	(530,931)
Gross profit	22	1,071,470	546,848
Selling and marketing expenses	23	(6,320)	(6,710)
New phosphate port terminal expenses	34	(14,155)	(13,227)
Aqaba port fees		(5,135)	(4,944)
Transportation expenses		(78,573)	(60,309)
Administrative expenses	24	(26,747)	(22,951)
Russiefah mine expenses	25	(1,265)	(1,256)
Mining fees costs	26	(49,215)	(28,182)
Provision for slow-moving spare parts	10	(914)	(1,320)
Other provisions	16	(1,779)	(274)
Provision for expected credit losses	9,11,35	(4,912)	(6,520)
Provision for impairment of investment in associate	5	(12,352)	-
Other income, net	27	9,641	5,521
Foreign currency exchange differences		3,043	589
Operating profit		882,787	407,265
Finance costs	28	(8,438)	(10,339)
Finance income	29	10,455	2,056
Group's share of profit from associates and joint ventures	5	76,784	46,773
Board of directors bonus		(45)	(45)
Gain from revaluation of financial assets at fair value through profit or loss		65	157
Profit before income tax and production bonus		961,608	445,867
Income tax expense	21	(226,783)	(101,827)
Profit after income tax and before production bonus		734,825	344,040
Production Bonus	33	(17,680)	(7,677)
Profit for the Year		717,145	336,363
Profit Attributable to:			
Equity holders		715,406	334,921
Non – controlling interests		1,739	1,442
		717,145	336,363
		<u>JD/Fils</u>	<u>JD/Fils</u>
Basic and diluted profit per share attributable to the equity holders	30	8/672	4/060

The attached notes from 1 to 44 form an integral part of these consolidated financial statements

JORDAN PHOSPHATE MINES COMPANY PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022
(In Thousands of Jordanian Dinars)

	Notes	2022	2021
Profit for the year		717,145	336,363
Add: Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)			
Changes in fair value of financial assets at fair value through other comprehensive income	8	-	(2)
Actuarial gain resulted from revaluation of defined benefit obligation plan	16	3,739	109
Total comprehensive income for the year		720,884	336,470
Total comprehensive income attributable to:			
Equity holders		719,058	335,028
Non – controlling interests	37	1,826	1,442
Total comprehensive income for the year		720,884	336,470

The attached notes from 1 to 44 form an integral part of these consolidated financial statements

JORDAN PHOSPHATE MINES COMPANY PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022
(In Thousands of Jordanian Dinars)

	Reserves				Retained earnings				Non - controlling interest	Total equity
	Paid-in capital	Statutory	Voluntary	Special	Fair value reserve	Acquisition of non - controlling interest reserve	Unrealized*	Realized**		
For the year ended 31 December 2022										
Balance at 1 January 2022	82,500	75,000	75,000	75,000	(276)	924	26,140	590,344	3,966	928,598
Profit for the year	-	-	-	-	-	-	65	715,341	1,739	717,145
Other comprehensive income items	-	-	-	-	-	-	-	3,652	87	3,739
Total comprehensive income	-	-	-	-	-	-	65	718,993	1,826	720,884
Dividends payments (Note 42)	-	-	-	-	-	-	-	(165,000)	-	(165,000)
Balance at 31 December 2022	82,500	75,000	75,000	75,000	(276)	924	26,205	1,144,337	5,792	1,484,482
For the year ended 31 December 2021										
Balance at 1 January 2021	82,500	75,000	75,000	75,000	(274)	-	25,983	271,971	4,396	609,576
Profit for the year	-	-	-	-	-	-	157	334,764	1,442	336,363
Other comprehensive income items	-	-	-	-	(2)	-	-	109	-	107
Total comprehensive income	-	-	-	-	(2)	-	-	-	-	-
Acquisition of non - controlling interest (Note 38)	-	-	-	-	-	924	-	-	(1,872)	(948)
Dividends payments (Note 42)	-	-	-	-	-	-	-	(16,500)	-	(16,500)
Balance at 31 December 2021	82,500	75,000	75,000	75,000	(276)	924	26,140	590,344	3,966	928,598

* An amount of JD 26,205 thousand is restricted and represents the unrealized gain from the revaluation of investment and acquisition of Indo-Jordan Chemical Co. and Nippon Jordan Fertilizer Co. during 2010 and 2011.

** Included in retained earnings an amount of JD 39,192 thousands which are restricted. It includes JD 38,890 thousands which represents deferred tax assets, an amount of JD 276 thousands restricted against the negative balance of fair value reserve for financial assets at fair value through other comprehensive income, and an amount of JD 26 thousands is restricted against the accumulated positive balance of fair value for financial assets at fair value through profit or loss as of 31 December 2022.

The attached notes from 1 to 44 form an integral part of these consolidated financial statements

JORDAN PHOSPHATE MINES COMPANY PLC
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022
(In Thousands of Jordanian Dinars)

	<u>Notes</u>	2022	2021
<u>OPERATING ACTIVITIES</u>			
Profit for the year before income tax and after production bonus		943,928	438,190
Adjustments for:			
Depreciation	3A	12,214	11,889
Depreciation of right of use assets	3B	4,978	4,995
Amortization of new phosphate port terminal	6	6,361	6,361
Amortization of natural gas station and pipeline	6	655	-
Provisions for employees' benefits	16	9,651	17,819
Finance costs	28	8,438	10,339
Finance income	29	(10,455)	(2,056)
Mining fees costs	26	51,619	30,416
Group's share of profit from associates and joint ventures	5	(76,784)	(46,773)
Group's share of gain on sale and liquidation of investments in associates, net	5	(2,819)	-
Provision for impairment of investments in associates	5	12,352	-
Provision for slow-moving spare parts and supplies	10	914	1,320
Provision for expected credit losses	9,11,35	4,912	6,520
Other non-cash items		8,097	2,053
Working capital changes:			
Accounts receivable		70,538	(89,923)
Employees' housing loans		(1,063)	(1,539)
Other current assets		2,859	(9,692)
Inventories, spare parts and supplies		(34,453)	(35,840)
Accounts payable		(40,790)	58,718
Accrued expenses		17,954	(10,669)
Other current liabilities		13,868	1,565
Provisions for employees' benefits paid	16	(21,748)	(15,458)
Mining fees paid		(104,236)	(30,785)
Income tax paid	21	(162,805)	(23,745)
Net cash flows from operating activities		<u>714,185</u>	<u>323,705</u>
<u>INVESTING ACTIVITIES</u>			
Property, plant and equipment and projects in progress		(20,901)	(21,062)
Short term deposits matures within 3 months and 1 year	13	(333,803)	-
Proceeds from sale and liquidation of investments in associates	5	5,465	-
Acquisition of non – controlling interest	38	-	(948)
Investment in associates and joint ventures		(33)	-
Dividends received		34,785	11,120
Loans receivables		5,062	-
Interest received		10,455	2,056
Net cash flows used in investing activities		<u>(298,970)</u>	<u>(8,834)</u>
<u>FINANCING ACTIVITIES</u>			
Proceeds from loans		-	2,124
Repayments of loans		(18,432)	(14,174)
Dividends paid		(163,175)	(16,529)
Lease liabilities payments	3B	(6,340)	(3,849)
Finance costs paid		(2,760)	(4,848)
Net cash flows used in financing activities		<u>(190,707)</u>	<u>(37,276)</u>
Net increase in cash and cash equivalents		<u>224,508</u>	<u>277,595</u>
Cash and cash equivalents at 1 January		<u>244,094</u>	<u>(33,501)</u>
Cash and cash equivalents at 31 December	13	<u>468,602</u>	<u>244,094</u>

The attached notes from 1 to 44 form an integral part of these consolidated financial statements

JORDAN PHOSPHATE MINES COMPANY PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2022

(1) GENERAL

Jordan Phosphate Mines Company was established in 1949 and became a Public Shareholding Company in 1953. The Company's objectives are to mine and market phosphate rock, produce fertilizers and invest in the establishment of related industries. The fertilizers production unit is located in the Industrial Complex in Aqaba. The phosphate rock is extracted, to a large extent, from the mines of Al-Abiad, Al-Hasa, and Shidiya. In respect of the mining rights granted to the Company, it is subject to annual mining rights fees of JD 500 / squared Kilo meter or any part of squared Kilo meter per mined area payable to the Natural Resources Authorities. The Company produces chemical fertilizers and related by-products through its subsidiaries that are listed in (Note 2-2).

The head office of the Company is located in Shmeisani, Amman - Jordan.

The Consolidated financial statements were authorized for issuance by the Board of Directors in their meeting held on 12 March 2023 and they are subject to the approval of the Company's General Assembly.

Investors with significant influence on the Group:

Indian Potash Limited, Government Investments Management Company (Jordan), Jordanian Social Security Corporation, Kisan International Trading and Government of Kuwait own 27.4%, 25.7%, 16.5% 9.6%, and 9.3% of the Company's capital, respectively.

(2) BASIS OF PREPARATION AND ACCOUNTING POLICIES

(2-1) BASIS OF PREPARATION

The consolidated financial statements have been prepared on a historical cost basis, except for the financial assets at fair value through profit and loss and financial assets at fair value through other comprehensive income which have been measured at fair value as of the date of the consolidated financial statements.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS).

The consolidated financial statements are presented in Jordanian Dinars and all values are rounded to the nearest thousand except when otherwise indicated.

JORDAN PHOSPHATE MINES COMPANY PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2022

(2-2) BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of Jordan Phosphate Mines Company ("The Company") and the following subsidiaries as of 31 December 2022:

Company name	Nature of activity	Ownership	Country
Indo-Jordan Chemicals Company Limited	Phosphoric Acid and other chemicals production	100%	Jordan
Ro'ya for Transportation Company Limited	Transportation services	100%	Jordan
Nippon Jordan Fertilizers Company Limited*	Fertilizers and chemicals production	80%	Jordan

The control exists when the Group has the rights to variable returns from its involvement with the subsidiaries, and has the ability to affect those returns. Control over the subsidiaries is exercised when the following factors exist:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

When the Group owns less than a majority of the voting rights in an investee, in this case, the Group considers all factors and circumstances to determine whether it has control over the investee, which include the following:

- Contractual agreements with shareholders that have voting rights in the investee.
- Rights resulting from other contractual arrangements.
- The Group's current and future voting rights in the investee.

The Group reassesses its control over the investee when circumstances and factors exist that lead to the change in one or more of the three factors listed above.

Subsidiaries are fully consolidated from the date on which the Group gains control and continues to do so until the date when such control ceases. The subsidiaries revenues and expenses are consolidated in the consolidated statement of comprehensive income from the date the Group gains control over the subsidiaries until that control ceases.

Profits, losses, and all other comprehensive income items are attributed to the shareholders' equity of the parent company, and to non-controlling interest, even if this leads to a deficit balance. If need arises, the subsidiaries' financial statements are adjusted accordingly to comply with the Group's accounting policies. All intra-group assets, liabilities, equity, revenues, expenses, gains and losses resulting from intra-group transactions and dividends are eliminated in full.

JORDAN PHOSPHATE MINES COMPANY PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2022

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interest
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in the statement of profit or loss and other comprehensive income
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate.

(2-3) NEW IFRS AND AMENDMENTS APPLIED FOR FIRST TIME DURING THE YEAR

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022:

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

These amendments had no significant impact on the consolidated financial statements of the Group.

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

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no significant impact on the consolidated financial statements of the Group.

JORDAN PHOSPHATE MINES COMPANY PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2022

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments had no significant impact on the consolidated financial statements of the Group.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no significant impact on the consolidated financial statements of the Group.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

These amendments had no significant impact on the consolidated financial statements of the Group.

IAS 41 Agriculture – Taxation in fair value measurements

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued amendment to IAS 41 Agriculture. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the consolidated financial statements of the Group.

JORDAN PHOSPHATE MINES COMPANY PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2022

(2-4) USE OF ESTIMATES

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required. 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.

Useful life of properties, plant and equipment

The Group's management estimates the useful life for property, plant and equipment for the purpose of calculating depreciation by depending on the expected useful life of these assets. Management reviews the remaining book value and useful life annually. Future depreciation expense is adjusted if management believes that the remaining useful life of the assets differs from previous estimations.

Impairment of goodwill

The Group's management performs an annual impairment test for the goodwill resulted from the purchase of the fertilizers unit at the date of the consolidated financial statements. Goodwill is impaired if there are indications of impairment, i.e. if the estimated recoverable amount for the fertilizers unit is less than the book value. Impairment is recorded in the consolidated statement of income.

The fair value of recoverable amounts for the fertilizers unit is valued using the discounted value of future cash flows. All assumptions used in the goodwill impairment calculation are indicated in (Note 6).

Provision for slow moving spare parts

The Group's management performs an annual study which categorizes all spare parts by age groups. Based on the results of the study, a provision is taken against spare parts which have surpassed, at the date of the Group's financial statements, a certain age from the date of purchase.

Expected credit losses

For all debt instruments, the Group has applied the standard's simplified approach and has calculated ECL based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Income tax provision

The Group calculates tax expense for the year based on reasonable estimates, for possible consequences of audit by the Income and Sales tax department. The amount of tax provision is based on various factors, such as experience of previous tax audits. Additionally, the Group engages an independent tax specialist to review the tax provision calculations.

Deferred tax assets are recognized for all deductible temporary differences such as unused tax expenses and losses to the extent that it is probable that taxable profit will be available against which the loses can be utilized. Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits. Details of income tax provision and deferred tax are disclosed in (Note 21).

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Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew.

That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The Group included the renewal period as part of the lease term for leases of plant and machinery due to the significance of these assets to its operations. These leases have a short non-cancellable period and there will be a significant negative effect on production if a replacement is not readily available.

Death and compensation fund provision

Death and compensation fund provision is measured using the Projected Unit Credit Method that is calculated by an actuarial. All actuarial assumptions are disclosed in (Note 16).

(2-5) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property, plant and equipment

A) Property plant and equipment recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis using the following depreciation rates, (land is not depreciated):

Type of property, plant and equipment	Depreciation rate %
Buildings and constructions	2
Roads and yards	4
Machinery and equipment	3
Water and electricity networks	2-3
Furniture and office equipment	9
Medical and lab equipment	10
Communication equipment	12
Computers	12
Vehicles	7
Spare parts reserves	3
Software and programs	20

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

Book value of property and equipment's are being reviewed regarding the decreasing the value when the events or changing in circumstances indicate that the book value cannot be recovered. When the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount, and the impairment is recorded in the consolidated statement of income.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the consolidated statement of income when the asset is derecognised.

B) Major maintenance and repairs

Expenditure on major maintenance refits or repairs comprises the cost of replacement assets or parts of assets and overhaul costs. Where an asset, or part of an asset, that was separately depreciated and is now written off is replaced, and it is probable that future economic benefits associated with the item will flow to the Group through an extended life, the expenditure is capitalised. Where part of the asset was not separately considered as a component and therefore not depreciated separately, the replacement value is used to estimate the carrying amount of the replaced asset(s) which is immediately written off. All other day-to-day maintenance and repairs costs are expensed as incurred.

Projects in progress

Projects in progress are stated at cost, and include the cost of construction, equipment and other direct costs and it is not depreciated until it is available for use.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

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The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to some of its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (USD 5,000 annually). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The consolidated statement of income reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income of those investees is presented as part of the Group's consolidated statement of other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

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The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of income and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the consolidated statement of income.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated statement of income.

Intangible assets

- **New phosphate port terminal**

This item represents the license to use and operate the new phosphate port terminal for a period of 26 years, after that the port will be handed over to Aqaba Development Corporation.

- **Natural gas station and pipeline**

This item represents the license to use and operate the new gas station and pipeline until 2033, after that the station will be handed over to the Government of the Hashemite Kingdom of Jordan.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Intangible assets are amortized over the period in which they are expected to be available for use by the Group using straight line method and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization expense on intangible assets is recognized in the consolidation statement of income.

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Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquirer's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised in either profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

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Asset deferral cost

The Group recognizes and measures asset deferral provision for movable assets as a consequence of the use of the new phosphate port terminal during the operating period in accordance with IAS 37, using the best estimate of the expenditures required to settle the present obligation at the consolidated statement of financial position date.

Financial assets at fair value through other comprehensive income

These are financial assets limited to equity instruments and the management intends to retain those assets in the long term.

These financial assets are initially recognized at fair value plus attributable transaction costs and subsequently measured at fair value. The change in fair value of those assets is presented in the consolidated statement of comprehensive income within owners' equity, including the change in fair value resulting from the foreign exchange differences of non-monetary assets. In case those assets - or part of them - were sold, the resultant gain or loss is recorded in the consolidated comprehensive income statement within owners' equity and the fair value reserve for the sold assets is directly transferred to the retained profit or loss and not through the consolidated statement of income.

- Those financial assets are not subject to impairment testing.
- Dividend's income is recorded in the consolidated income statement.
- It is not permitted to reclassify assets to or from this category except in certain circumstances determined in the IFRS 9.

Debit financial assets

Debit financial assets are initially recognized at fair value, debit financial assets are subsequently measured at amortized cost using the effective interest method.

Inventories and spare parts

Inventories are valued at the lower of cost or net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Raw materials	- Purchase cost using the weighted average cost method.
Finished goods and work in process	- Cost of direct materials, labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs, using the weighted average cost method.
Spare parts and supplies	- Cost using the weighted average cost method.

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Accounts receivable

Accounts receivable are stated at original invoice amount less any provision for any uncollectible amounts or expected credit loss. The Group applies a simplified approach in calculating ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment in accordance with IFRS (9).

Financial assets at fair value through profit and loss

Financial assets which are purchased with the aim of resale in the near future in order to generate profit from the short-term market prices fluctuation or the trading profit margins.

Financial instruments at fair value through profit or loss are initially measured at fair value, transaction costs are recorded in the income statement at the date of transaction. Subsequently, these assets are revalued at fair value. Gains or losses arising on subsequent measurement of these financial assets including the change in fair value arising from non-monetary assets in foreign currencies are recognized in the income statement. When these assets or portion of these assets are sold, the gain or loss arising is recorded in the consolidated statement of income.

Dividend and interest income are recorded in the consolidated statement of income.

It is not permitted to reclassify assets to or from this category except in certain circumstances determined in the International Financial Reporting Standards.

Cash and cash equivalents

Cash and cash equivalent in the consolidated statement of financial position comprise cash at banks and at hand and short term deposits with an original maturity of three months or less. If original maturity of deposits exceeds three months, they are classified as short-term investments. For the purpose of the consolidated statement of cash flow, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Long term loans

All loans and borrowings are initially recognized at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method.

Loans interests are expensed in the period they occur including the grace period (if any). However, interest on loans granted for the purpose of financing projects in progress, is capitalized as a part of the project cost.

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Employees' benefits

The Group grants its employees schemes for early retirement and end of service compensations according to the following plans:

1. Defined benefits plans

The Group has the following defined benefits plans:

- End of service bonus compensation.
- Death and compensation fund.

The plans liability is determined actuarial expert. The obligation provision and pension costs are determined using the projected unit credit method. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

Past service costs are recognized in profit or loss on the earlier of the date of plan amendment or the date that the company recognizes related costs . Actuarial gains or losses are recognized in accumulated loses through OCI in the period in which they occur. Gain or loss is realized from amendment or payment of the benefits when it occurs. The end of service obligation is measured at the present value of estimated future cash flows using a discount rate that is similar to the interest rate on government bonds.

2. Defined contribution plans

The Group computes its share from contributions to the defined contribution plans that is being provided to the plan's fund, which is financially and managerially independent from the Group, bank account in form of cash payments. Once the Group pays its share of contributions it will have no further liability toward the plan. Contributions are recognized as expense in the consolidated statement of income.

Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) arising from a past event and the costs to settle the obligation are both probable and able to be reliably measured.

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Revenue and expense recognition

Revenues are recorded in accordance with the five-steps model of the International financial Reporting Standard (15), which includes identifying the contract and the price and determining the performance obligation in the contract and recognizing revenue based on the performance of the obligation, where revenue is recognized when the goods are sold to customers and the invoice is issued, which usually takes place at a specific point in time.

Other revenues are recognized on an accrual basis.

Expenses are recognized on an accrual basis.

Mining Fees

Mining fees paid in respect of phosphate rock used by the Fertilizers Unit are charged to cost of sales. Other mining fees on exported and locally sold phosphate are shown as a separate item in the consolidated statement of income.

Leases

Leases are classified as operating leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessor. Operating lease payments are recognized as an expense on a straight-line basis.

Income tax

Income tax expense represents current year income tax and deferred income tax.

Accrued tax expenses are calculated based on taxable income, which may be different from accounting income as it may include tax-exempt income, non-deductible expenses in the current year that are deductible in subsequent years, tax-accepted accumulated losses or tax-deductible items.

Current income tax is calculated based on the tax rates and laws that are applicable at the consolidated statement of financial position date and according to IAS 12.

Deferred income taxation is provided using the liability method on all temporary differences at the consolidated financial statement date. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on laws that have been enacted at the financial position date. The carrying values of deferred income tax assets are reviewed at each consolidated statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

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Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the consolidated statement of financial position date, based on the rates declared by the Central Bank of Jordan.

Fair value

The Group evaluates its financial instruments such as financial assets at fair value through other comprehensive income at the date of the financial statements. Also, the fair value of financial instruments is disclosed in (Note 39).

The fair value of the financial instruments is included at the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value is measured based on the assumption that the sale or purchase transaction of financial assets is facilitated through an active market for financial assets and liabilities respectively. In case there is no active market, a market best fit for financial assets and liabilities is used instead. The Group needs to acquire opportunities to access the active market or the best fit market.

The Group measures the fair value of financial assets and liabilities using the pricing assumptions used by market participants to price financial assets and liabilities, assuming that market participants behave according to their economic interests.

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A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate and commensurate with the circumstances, and provides sufficient information for fair value measurement. Also, it illustrates clearly the use of inputs that are directly observable, and minimizes the use of inputs that are not directly observed.

The Group uses the following valuation methods and alternatives in measuring and recording the fair value of financial instruments.

All assets and liabilities for which fair value is measured or disclosed in the financial statements or have been written off are categories within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have accrued between levels in the hierarchy by reassessing categorization (based on the lowest level input that significant to the fair value measurement as a whole) at the end of each reporting period.

For the disclosure of fair value, the Group classifies assets and liabilities based on their nature, their risk, and the level of fair value measurement.

Segment reporting

For the purpose of reporting to management and the decision makers in the Group, a business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments.

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Current Versus non-current Classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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(3A) PROPERTY, PLANT AND EQUIPMENT

	Buildings and constructions	Roads & Yards	Machinery & equipment	Water & electricity networks	Furniture & office equipment	Medical equipment	Communication equipment	Computers	Vehicles	Spare parts reserves	Software and programs	Total
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
Cost:												
At 1 January 2022	3,503	133,754	25,361	500,518	91,840	6,409	1,073	1,358	3,886	14,251	69,913	1,913
Additions	-	1,073	69	908	-	494	113	7	136	84	5,393	-
Transfers from projects												8,277
In progress (Note 4)	-	5,978	-	2,657	2,516	1,398	-	-	-	190	-	-
Disposals	-	(2,644)	(13)	(746)	(177)	(224)	(47)	(10)	(56)	(56)	(39)	(4,006)
At 31 December 2022	3,503	138,161	25,417	503,337	94,179	8,077	1,139	1,355	3,966	14,475	75,267	1,913
Accumulated Depreciation:												
At 1 January 2022	-	99,745	23,575	397,628	43,892	5,113	963	1,320	3,535	13,429	36,941	1,912
Depreciation for the year	-	2,420	275	5,842	1,404	260	24	9	94	217	1,669	-
Disposals	-	(314)	(13)	(746)	(48)	(29)	(35)	(10)	(56)	(56)	-	(1,401)
At 31 December 2022	-	101,851	23,837	402,724	45,248	5,344	952	1,319	3,573	13,596	38,610	1,912
Net book value												
At 31 December 2022	3,503	36,310	1,580	100,613	48,831	2,733	187	36	393	879	36,857	1

The value of fully depreciated property, plant and equipment is JD 577,352 thousand as at 31 December 2022.

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	Land	Buildings and constructions	Roads & yards	Machinery & equipment	Water & electricity networks	Furniture & office equipment	Medical equipment	Communication equipment	Computers	Vehicles	Spare parts reserves	Software and programs	Total
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
2021													
Cost:													
At 1 January 2021	3,503	133,671	25,361	495,335	83,548	6,271	1,065	1,354	3,803	14,133	65,388	1,913	835,345
Additions	-	1	-	190	8,292	195	8	4	93	118	4,618	-	13,519
Transfers from projects in progress (Note 4)	-	82	-	5,011	-	5	-	-	-	-	47	-	5,145
Disposals	-	-	-	(18)	-	(62)	-	-	(10)	-	(140)	-	(230)
At 31 December 2021	3,503	133,754	25,361	500,518	91,840	6,409	1,073	1,358	3,886	14,251	69,913	1,913	833,779
Accumulated Depreciation:													
At 1 January 2021	-	97,326	23,281	391,993	42,701	4,878	942	1,310	3,449	13,184	35,475	1,912	616,361
Depreciation for the year	-	2,419	294	5,728	1,291	277	21	10	96	245	1,508	-	11,889
Disposals	-	-	-	(3)	-	(42)	-	-	(10)	-	(42)	-	(97)
At 31 December 2021	-	99,745	23,575	397,628	43,992	5,113	963	1,320	3,535	13,429	36,941	1,912	628,153
Net book value													
At 31 December 2021	3,503	34,009	1,786	102,890	47,848	1,296	110	38	351	822	32,972	1	225,626

The value of fully depreciated property, plant and equipment is JD 573,506 thousand as at 31 December 2021.

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Depreciation included in the consolidated statement of income is allocated as follows:

	2022	2021
	JD ('000)	JD ('000)
Cost of sales	11,765	11,466
Administrative expenses	385	356
Selling and marketing expenses	54	50
Russiefah mine expenses	6	7
Others	4	10
	<hr/>	<hr/>
	12,214	11,889
	<hr/>	<hr/>

(3B) LEASES

The Group has lease contracts for various lands owned by the Government of Jordan, used in its operations. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

The Group also has some short term leases. The Group applies the 'short-term lease' recognition exemptions for this lease.

The lease obligation was computed based on average discount rate of 6.5%.

Set out below are the carrying amounts of right-of-use assets and lease liabilities recognised as of 31 December:

	Right-of-use assets	Lease liabilities*
	JD ('000)	JD ('000)
At 1 January 2022	58,001	64,413
Depreciation	(4,978)	-
Finance costs	-	4,113
Transfers to credit balances	-	(815)
Payments	-	(6,340)
At 31 December 2022	<hr/>	<hr/>
	53,023	61,371

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	Right-of-use assets JD ('000)	Lease liabilities * JD ('000)
At 1 January 2021	62,540	66,696
Additions	456	487
Depreciation	(4,995)	-
Finance costs	-	4,391
Transfer to credit balances	-	(3,312)
Payments	-	(3,849)
At 31 December 2021	58,001	64,413

* Lease liabilities details as at 31 December 2022 and 2021 are as follows:

2022			2021		
Short-term	Long-term	Total	Short-term	Long-term	Total
JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
7,220	54,151	61,371	7,272	57,141	64,413

(4) PROJECTS IN PROGRESS

Movement on the projects in progress is as follows:

	Balance at 1		Transferred to		Transferred		Balance at 31 December 2022 JD ('000)	
	January 2022		property plant & equipment		to Intangible assets			
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)		
Aqaba Industrial Complex Projects	5,762	4,394	(4,434)	(5,680)	(14)	28		
Shidiya Mine Projects	1,153	2,454	(2,684)	-	(119)	804		
Indo-Jordan Chemicals Company Projects	7,903	5,559	(4,381)	-	(1)	9,080		
Head Office, Hasa & Abyad mines	558	7	(559)	-	(1)	5		
Nippon Jordan Fertilizers Company Projects	698	210	(681)	-	-	227		
	16,074	12,624	(12,739)	(5,680)	(135)	10,144		

The estimated cost to complete the projects in progress as of 31 December 2022 amounted to JD 2,383 thousand for Jordan Phosphate Mines Company and the expected completion of these projects is by the end of 2024. The estimated cost to complete the projects in progress amounted to JD 1,064 thousand for Indo-Jordan Chemicals related projects as of 31 December 2022 and the expected completion of these projects is during 2023. The estimated cost to complete the projects in progress amounted to JD 2,135 thousand for Nippon Jordan Fertilizers related projects as of 31 December 2022 and the expected completion of these projects is during 2023.

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(5) INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The below schedule summarizes the Group's investment in associates and joint ventures:

	2022 JD ('000)	2021 JD ('000)
Investment in associates (A)	262,871	239,846
Joint ventures (B)	102,256	93,947
	<u>365,127</u>	<u>333,793</u>

A. INVESTMENTS IN ASSOCIATES:

The below schedule summarizes financial information for the Group's investment in associates:

	Country of incorporation	Nature of activity	Ownership %	2022	2021
				JD ('000)	JD ('000)
Manajim for Mining Development Company "Manajim"*	Jordan	Mining services	46	-	12,352
Jordan India Fertilizer Company "JIFCO"	Jordan	Phosphoric acid production	48	262,838	221,806
Arkan Company for Constructions "Arkan"**	Jordan	Mining contracting	46	-	5,358
Kaltim Jordan Abdi Company***	Indonesia	Phosphoric acid production	40	-	330
Jordan Renewable Aluminum Fluoride Manufacturing Company****	Jordan	Aluminum fluoride production	33	<u>33</u>	<u>-</u>
				<u>262,871</u>	<u>239,846</u>

* During 2022, The Company recorded a provision for impairment in investment against its investment in Manajim for Mining Development Company with an amount JD 12,352 thousand.

** During 2022, the Group sold its share in Arkan Company for Constructions for JD 5,200 thousand which resulted in a gain of JD 2,884 thousand.

*** During 2022, Kaltim Jordan Abdi Company was liquidated, and accordingly, the investment was disposed and recognizing a loss of JD 65 thousand, after collecting amount of JD 265 thousand in cash as a result of the liquidation.

**** During 2022, The Group Invested in Jordan Renewable Aluminum Fluoride Manufacturing Company which has completed its registration procedures in Company Control Department in Jordan during December 2022.

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Movements on the investment in associates were as follows:

	2022	2021
	JD ('000)	JD ('000)
At 1 January	239,846	197,274
The Group's share of current year profit	66,546	45,667
Dividends received from Jordan Indian Fertilizers Company	(26,736)	-
Adjustment related to Manajim for Mining Development	-	(1,380)
Provision for Impairment of investment in Manajim for Mining Development	(12,352)	-
Disposals of Group's share of JIFCO income related to transactions between the Group and associate	(1,820)	(1,715)
Sale and liquidation of investments in associates	(2,646)	-
Investment in Jordan Renewable Company for Aluminum Fluoride	33	-
At 31 December	<u>262,871</u>	<u>239,846</u>

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The below schedules summarize financial information for the Group's investment in associates:

	2022			Jordan	
	Manajim for Mining Development JD ('000)	Jordan India Fertilizers Company JD ('000)	Arkan Company for Construction* JD ('000)	Renewable Company for Aluminum Fluoride JD ('000)	Total JD ('000)
Group's share in net equity:					
Current assets	92,113	193,737	-	-	285,850
Non-current assets	17,812	441,976	-	-	459,788
Current liabilities	(68,059)	(42,309)	-	-	(110,348)
Non-current liabilities	-	(38,390)	-	-	(38,390)
Net equity	41,886	555,014	-	-	597,000
Percentage of ownership	46%	48%	-	-	33%
Group's share in net equity	19,268	266,407	-	-	33
Elimination of Group's share of association related to transaction between the Group and associate	-	(3,569)	-	-	285,708
Adjustments	(6,916)	-	-	-	(6,916)
Provision for impairment of investment	(12,352)	-	-	-	(12,352)
Net investment as at 31 December	-	262,838	-	-	33
Group's share from associate's revenues and profits:					
Revenues	-	512,413	5,252	-	517,665
Cost of sales	-	(281,180)	(6,381)	-	(287,561)
Administrative, selling and distribution expenses	-	(86,214)	(5,485)	-	(91,699)
Other revenues	-	-	-	-	-
Group share of prior year income**	-	(44)	-	-	(44)
Profit (loss) for the year before income tax	-	144,975	(6,614)	-	138,361
Income tax expense	-	-	-	-	-
Profit (loss) for the year	-	144,975	(6,614)	-	138,361
Percentage of ownership	46%	48%	46%	33%	-
Group's share from current year income	-	69,588	(3,042)	-	66,546
Elimination of Group's share of associate's income related to transactions between the Group and associates	-	-	-	-	-
Group's share of associates' profit (loss)	-	69,588	(3,042)	-	66,546

* This item represents the Group's share of Arkan Company for Construction's losses up to the date of sale the Group's share in the investment.

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	2021				
	Manajim for Mining Development	Jordan India Fertilizers Company	Arkan Company for Construction	Kaltim Jordan Abdi Company	Total
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
Group's share in net equity:					
Current assets	92,113	90,136	1,426	890	184,565
Non-current assets	17,812	458,206	17,371	-	493,389
Current liabilities	(68,039)	(67,651)	(2,261)	(65)	(138,016)
Non-current liabilities	-	(14,952)	(359)	-	(15,311)
Net equity	41,886	465,739	16,177	825	524,627
Percentage of ownership	46%	48%	46%	40%	330
Group's share in net equity	19,268	223,555	7,441	330	250,594
Elimination of Group's share of associate's related to transaction between the Group and associate	-	(1,749)	-	-	(1,749)
Adjustments	-	(6,916)	(2,083)	-	(8,999)
Net investment as at 31 December	12,352	221,806	5,358	330	239,846
Group's share from associate's revenues and profits:					
Revenues	-	369,945	10,733	-	380,678
Cost of sales	-	(178,583)	(10,157)	-	(188,740)
Administrative, selling and distribution expenses	-	(89,340)	(2,101)	(48)	(91,489)
Other revenues	-	-	8	-	8
Group share of prior year income**	-	1,463	(7,000)	(173)	(5,710)
Profit (loss) for the year before income tax	-	103,485	(8,517)	(221)	94,747
Income tax expense	-	-	-	-	-
Profit (loss) for the year	-	103,485	(8,517)	(221)	94,747
Percentage of ownership	46%	48%	46%	40%	45,667
Group's share from current year income	-	49,673	(3,918)	(88)	45,667
Elimination of Group's share of associate's income related to transactions between the Group and associates	-	-	-	-	-
Group's share of associates' profit (loss)	-	49,673	(3,918)	(88)	45,667

** Prior year adjustments represent loss or profit differences between draft financial statements and issued audited financial statements of the affiliate companies.

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B. JOINT VENTURES:

The below schedule presents the Group's investment in joint ventures:

	Country of		Ownership %	2022 JD ('000)	2021 JD ('000)
	incorporation	Nature of activity			
Indonesian project – Petro Jordan Abadi Company	Indonesia	Phosphoric Acid production	50	26,500	19,062
Jordan Industrial Ports Company	Jordan	Shipping services	50	75,756	74,885
				<u>102,256</u>	<u>93,947</u>

The movement on the investment in joint ventures is as follows:

	2022 JD ('000)	2021 JD ('000)
Balance at 1 January	93,947	94,990
Group's share of profit for the year	10,238	1,106
Dividends from Jordan Industrial Ports Company	-	(1,000)
Disposal Group's share of Petra Jordan Abdi income related to transactions between the Group and joint venture	<u>(1,929)</u>	<u>(1,149)</u>
Balance at 31 December	<u>102,256</u>	<u>93,947</u>

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The below schedules summarize financial information for the Group's joint ventures:

	2022		
	Indonesian project – Petro Jordan Abadi Company	Jordan Industrial Ports Company	Total
	JD ('000)	JD ('000)	JD ('000)
Current assets	54,895	24,182	79,077
Non-current assets	101,876	136,044	237,920
Current liabilities	(56,115)	(3,826)	(59,941)
Non-current liabilities	(39,983)	(4,888)	(44,871)
Net equity	60,673	151,512	212,185
Percentage of ownership	50%	50%	
Group's share in net equity	30,337	75,756	106,093
Elimination of group's share of the income related to transactions between the Group and joint ventures	(3,837)	-	(3,837)
Group's share in net equity	26,500	75,756	102,256
<u>Group's share from joint ventures and profits</u>			
Revenues	198,982	22,620	221,602
Cost of sales	(170,662)	(20,558)	(191,220)
Administration, selling and distribution expenses	(3,940)	(1,361)	(5,301)
Interest income	-	676	676
Finance expense	(4,232)	(12)	(4,244)
Other revenues, net	(193)	548	355
Group's share from prior year results***	(1,222)	(170)	(1,392)
Profit for the year	18,733	1,743	20,476
Percentage of ownership	50%	50%	
Group's share of profit from joint ventures	9,366	872	10,238

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	2021		
	Indonesian project – Petro Jordan Abadi Company	Jordan Industrial Ports Company	Total
	JD ('000)	JD ('000)	JD ('000)
Current assets	38,206	24,212	62,418
Non-current assets	107,338	135,454	242,792
Current liabilities	(53,826)	(4,917)	(58,743)
Non-current liabilities	(49,779)	(4,979)	(54,758)
Net equity	41,939	149,770	191,709
Percentage of ownership	50%	50%	
Group's share in net equity	20,970	74,885	95,855
Elimination of group's share of the income related to transactions between the Group and joint ventures	(1,908)	-	(1,908)
Group's share in net equity	19,062	74,885	93,947
<u>Group's share from joint ventures and profits</u>			
Revenues	107,510	20,917	128,427
Cost of sales	(101,620)	(18,487)	(120,107)
Administration, selling and distribution expenses	(1,450)	(889)	(2,339)
Interest income	-	645	645
Finance expense	(2,401)	(12)	(2,413)
Other revenues, net	178	128	306
Group's share from prior year results***	(2,078)	(230)	(2,308)
Profit for the year	139	2,072	2,211
Percentage of ownership	50%	50%	
Group's share of profit from joint ventures	70	1,036	1,106

*** Prior year adjustments represent loss or profit differences between draft financial statements and issued audited financial statements of the joint ventures' companies.

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(6) INTANGIBLE ASSETS

The details of this item are as follows:

	2022	2021
	JD ('000)	JD ('000)
Fertilizers unit goodwill*	15,680	15,680
New phosphate port**	108,107	114,468
Natural gas station and pipeline	5,025	-
	<hr/>	<hr/>
	128,812	130,148
	<hr/>	<hr/>

* **FERTILIZERS UNIT GOODWILL:**

During 1986 the Group acquired Jordan Fertilizers Industry Company ("JFIC" or "the Fertilizers Unit") as agreed by the Economic Security Committee decision no. 16/86 dated 15 June 1986, whereby all assets and certain liabilities have been transferred to the Group.

Goodwill represents the excess of the cost of purchase over the Group's interest in the net fair value of the JFIC identifiable assets and liabilities that have been recorded 1986.

Impairment test of goodwill

The recoverable amount of the Fertilizers Unit has been determined using the projected cash flows based on financial budgets and projections prepared by the Group. The pre-tax discount rate applied is 18.8% the projections were prepared based on the production capacity and the expected prices of raw material and finished goods as published by specialized international organization. The test did not result any impairment in goodwill.

Key assumptions used:

The key assumptions to calculate the value in use for the Fertilizers Unit and which were used by management to prepare the projected cash flows for the impairment test of goodwill were as follows:

Projected sales: The quantities sold during 2022 were used to build up the projected 5 years future sales.

Projected costs: The costs incurred during 2022 except for raw material prices, were used to build up the projected 5 years cost.

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Discount rate: The discount rate used reflects the management's estimate of the risks specific to the industry to determine the weighted average cost of capital which represent the discount rate used of 18.8% (2021: 16.6%).

Raw materials and selling prices: Estimated selling prices and prices of raw materials are based on management expectations. Fertilizers chemical products prices are obtained from published information issued from international specialized organization and it has been adjusted on historical cost to reflect the purchase prices including Cost and Freight (CFR) Aqaba / Jordan.

Sensitivity to changes in assumptions: With regard to the assessment of value in use of the fertilizer unit, management believes that no reasonably possible changes in any other above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

**** NEW PHOSPHATE PORT**

During 2014, the Group capitalized the new Phosphate Port Project as intangible assets in accordance with IFRIC 12 (Service Concession Arrangements), where the total cost of the project represents the license to use and operate the new port for a period of 26 years, after that the port will be handed over to Aqaba Development Corporation / Aqaba Special Economic Zone Authority. The Group started to amortize the intangible assets related to the new phosphate port terminal from the first of January 2014. The amortization expense for the year ended 31 December 2022 amounted to JD 6,361 thousand (2021: JD 6,361 thousand) was recorded within new phosphate port terminal expenses (Note 34).

Movement on new phosphate port is as follows:

	2022 JD ('000)	2021 JD ('000)
Balance at 1 January	114,468	120,829
Amortization for the year	(6,361)	(6,361)
Balance at 31 December	108,107	114,468

The asset deferral provision when the license to use and operate the new port expires is JD 18,128 thousand as 31 December 2022 (2021: JD 17,449 thousand). The obligation is measured at the present value of estimated future cash flows using an average interest rate of 6.5%.

The movement on the asset deferred provision is as follows:

	2022 JD ('000)	2021 JD ('000)
Balance at 1 January	17,449	16,748
Present value discount (Note 28)	679	701
Balance at 31 December	18,128	17,449

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***** NATURAL GAS STATION AND PIPELINE**

During 2022, the Company capitalized the natural gas station and pipeline project in Aqaba as intangible assets in accordance with IFRIC 12 (Service Concession Arrangements), where the total cost of the project represents the license to use and operate the station until the end of 2033. The Company started to amortize the intangible assets related to the natural gas station and pipeline from 2022. The amortization expense amounted to JD 655 thousand was recorded within cost of sales for the year ended December 31, 2022.

The movement on the natural gas station and pipeline is as follows:

	2022	2021
	JD ('000)	JD ('000)
Balance at 1 January	-	-
Transfers from projects under construction (Note 4)	5,680	-
Amortization for the year	(655)	-
Balance at 31 December	5,025	-

(7) EMPLOYEES' HOUSING LOANS

Movement on the employee's housing loans is as follows:

	2022	2021
	JD ('000)	JD ('000)
Balance at 1 January	4,852	3,886
Net movement during the year	1,063	1,539
Present value discount (Note 28)	(569)	(573)
Balance at 31 December	5,346	4,852

The Group grants its classified employees, who have been in service with the Group for a minimum of seven years, interest-free housing loans at a maximum amount of JD 40 thousand per employee. The loans are repaid in monthly installments, deducted from the employees' monthly salaries over a period of maximum 15 years. These loans are guaranteed by a mortgage over the real estate.

Housing loans are initially recorded at fair value which is calculated by discounting the monthly installments to their present value using an interest rate which approximates the interest rate for similar commercial loans and is subsequently measured at amortized cost using the effective interest rate method.

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(8) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2022 JD ('000)	2021 JD ('000)
Quoted shares	119	119
Unquoted shares	266	266
	<u>385</u>	<u>385</u>

(9) LOANS RECEIVABLE

The balance represents loans granted to associated companies of the Group (Jordan Abyad Fertilizers and Chemicals Company and Jordan India Fertilizers Company). Long-term loans receivable is subject to annual interest rates between 3.5% and 8.25%.

	Currency	2022		2021	
		Short-term loan payments	Long-term loan payments	Short-term loan payments	Long-term loan payments
		JD ('000)	JD ('000)	JD ('000)	JD ('000)
Jordan India Fertilizers Company	USD	-	-	5,555	-
Jordan Abyad Fertilizers and Chemicals Company – net *	USD	-	3,564	-	3,564
Jordan Abyad Fertilizers and Chemicals Company – net*	JD	-	9,896	-	9,403
		-	13,460	5,555	12,967
Provision for expected credit loss**		-	(7,018)	-	(6,525)
		<u>-</u>	<u>6,442</u>	<u>5,555</u>	<u>6,442</u>

* The balance represents the net present value of the loans receivable of Jordan Abyad Fertilizers and Chemicals Company after deducting an amount of JD 2,498 thousand, which represents the net present value of the expected future cash inflows using the market weighted average interest rate.

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** Following is the movement on expected credit losses provision:

	2022 JD ('000)	2021 JD ('000)
Balance at 1 January	6,525	6,525
Provision for the year	<u>493</u>	-
Balance at 31 December	<u>7,018</u>	<u>6,525</u>

(10) INVENTORIES, SPARE PARTS AND SUPPLIES

	2022 JD ('000)	2021 JD ('000)
Finished goods	48,908	41,220
Work in progress (Note 32)	10,877	6,792
Raw materials	67,040	50,201
Inventory held by contractors	7,874	3,642
Spare parts and supplies	<u>92,353</u>	<u>90,744</u>
	227,052	192,599
Provision for slow moving spare parts*	<u>(29,398)</u>	<u>(28,484)</u>
	<u>197,654</u>	<u>164,115</u>

* Movement in the provision for slow-moving spare parts was as follows:

	2022 JD ('000)	2021 JD ('000)
Balance at 1 January	28,484	27,164
Provision for the year	<u>914</u>	<u>1,320</u>
Balance at 31 December	<u>29,398</u>	<u>28,484</u>

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(11) ACCOUNTS RECEIVABLE

	2022 JD ('000)	2021 JD ('000)
Trade receivables	83,909	142,911
Due from associates and joint ventures (Note 36)	47,896	68,901
Others	20,528	16,369
	<u>152,333</u>	<u>228,181</u>
Provision for expected credit losses*	(28,160)	(22,590)
	<u>124,173</u>	<u>205,591</u>
Current portion	121,652	183,110
Non-current portion	2,521	22,481
	<u>124,173</u>	<u>205,591</u>

*The following is the movement for the provision of expected credit loss:

	2022 JD ('000)	2021 JD ('000)
Balance at 1 January	22,590	18,570
Transfers from provision for associates (Note 19)	1,151	-
Provision for the year	4,419	4,020
Balance at 31 December	<u>28,160</u>	<u>22,590</u>

The Group's policy with regard to trade receivables and related parties' receivables is a collection period that does not exceed 90 days.

As at 31 December, the aging analysis of trade receivables is as follows:

	Neither past due nor impaired			
	Less than 90 days	90 – 180 days	More than 180 days	Total JD ('000)
	JD ('000)	JD ('000)	JD ('000)	
2022	116,086	5,566	2,521	124,173
2021	174,381	8,729	22,481	205,591

The management of the Group expects unimpaired receivables, on the basis of past experience, to be fully recoverable. The majority of the Group's sales are made through letter of credits.

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(12) OTHER CURRENT ASSETS

	2022 JD ('000)	2021 JD ('000)
Payments on letters of credit	19,222	32,570
Prepaid expenses	69,440	7,882
Accrued interest revenue *	10,590	6,955
Advance payments on sales tax	5,613	4,016
Others	1,880	8,181
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	106,745	59,604
	<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
Current portion	100,185	53,044
Non-current portion	6,560	6,560
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	106,745	59,604
	<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>

* Included in this item an amount of JD 6,560 thousand which represents the net present value of the accrued interest of loans receivable related to Jordan Abyad Fertilizers and Chemicals Company, which is classified under non-current assets in the consolidated statement of financial position as at 31 December 2022 (2021: JD 6,560 thousand).

(13) CASH AND CASH EQUIVALENTS

For the purpose of the consolidated statement of cash flow, cash and cash equivalents consist of the following amounts which appears in the consolidated statement of financial position:

	2022 JD ('000)	2021 JD ('000)
Cash at banks*	802,754	246,520
Cash on hand	84	34
	<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
Cash on hand and at banks	802,838	246,554
Less: Due to banks (Note 20)	(433)	(2,460)
Less: Short term deposits matures within 3 months and 1 year	(333,803)	-
	<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
Cash and cash equivalents	468,602	244,094
	<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>

* Cash at banks include current accounts in US Dollars bearing annual interest rate of maximum 1.75% for the year ended 31 December 2022 (2021: 1.25%)

Cash at banks include short-term deposits accounts in Jordanian Dinars matures in 3 months and bear annual interest rate between 3% and 6.4% for the year ended 31 December 2022 (2021: Between 2.25% and 4.6%).

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(14) EQUITY ATTRIBUTABLE TO EQUITY HOLDERS

Paid-in capital

The Company's authorized, subscribed and issued capital amounted to JD 82,500 thousand which comprises of 82,500 thousand shares at par value of JD 1 per share.

Statutory reserve

As required by the Jordanian Companies Law, 10% of the annual net income for the year before income tax is to be transferred to the statutory reserve until it reaches 25% of the Group capital. However, the Group may continue transferring to the statutory reserve up to 100% of the Group capital if general assembly approval is obtained. This reserve is not available for distribution to the shareholders.

Voluntary reserve

The amount accumulated in this reserve represents the transfers from net income before income tax at a maximum of 20%. This reserve is available for distribution to the shareholders.

Special reserve

The amount accumulated in this reserve represents the transfers from net income before income tax at a maximum of 20%. This reserve is available for distribution to the shareholders.

(15) LOANS

	Currency	2022		2021	
		Due within one year	Long-term	Due within one year	Long-term
		JD ('000)	JD ('000)	JD ('000)	JD ('000)
Arab Bank loan	USD	5,169	34,975	5,169	42,126
Housing Bank for Trade and Finance Loan	USD	426	-	826	413
Arab Banking Corporation revolving loan	USD	6,879	-	8,674	-
Arab Bank revolving loan	USD	-	-	4,248	-
Capital Bank	USD	-	-	4,425	-
		12,474	34,975	23,342	42,539

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Arab Bank Loan

Jordan Phosphate Mining Company signed a USD 96 Million loan agreement with Arab Bank. On 5 January 2016, the first part of the loan agreement with the amount of USD 50 Million was signed between the Group and Arab Bank. On 21 July 2016, the second part of the loan agreement with the amount of USD 46 Million was signed between the Group and the Arab Bank to finance 100% of Jordan Phosphate Mining Company's share in Jordan Industrial Ports Company to develop and update the industrial port in Aqaba. The loan holds an interest rate of 6 months LIBOR + 2.75% for the first 7 years of the loan period and interest rate of 6 months LIBOR +2.8% from the 8th year until the end of loan period, the loan has a 15 years period including 2 years grace period. The loan is payable through equal semiannual installments amounted to USD 3.65 Million. The first installment is due on 15 January 2018, and the last installment is payable on 15 July 2030.

Arab Bank Loan Agreement requires that Jordan Phosphate Mining Company shall not borrow from any other entity without the Bank's prior approval for amounts above USD 50 million. As well as maintaining a specific rate of debt service not less than one and a quarter times for any financial year, and the ratio of current assets to current liabilities to not less than 1.2 times for any financial year, as well as maintaining the ratio of liabilities to net equity not more than one and a half for any year. The agreement also requires that the Group does not sell its share in the capital of the Industrial Ports Company to any other party without obtaining an approval of the bank, in addition to not distributing dividends in the event of any accrued installments on the loan and that the dividend distribution does not exceed 75% of the Company's capital. The Group has committed to the ratio as of 31 December 2022. Subsequent to year end, the Group obtained a cover letter from Arab Bank that approves distributing dividends in excess of 75% of the Company's paid in capital for the year 2022.

Housing Bank for Trade and Finance Loan

On 6 April 2017, the Group signed a loan agreement with Housing Bank in the amount of USD 7 million bearing an interest rate of 5.75% annually fixed and without commission. The loan period is 6 years including a grace period of 6 months. The loan is payable through 12 equal semiannual installments of USD 583 thousand. The first installment was due on 6 October 2017 and the last installment will be due on 6 April 2023.

Arab Banking Corporation Revolving Loan

On 22 May 2014, the Group signed a revolving loan agreement with Arab Banking Corporation with a ceiling of USD 10 Million to finance the working capital, at an annual interest rate of one month LIBOR + 2.75%. The loan should be fully paid within a maximum of 13 months from the utilization date.

Arab Bank Revolving Loan

On 3 July 2014, the Group signed a revolving loan agreement with Arab Bank with a ceiling of USD 10,000 thousand to finance letters of credit at an annual interest rate of one month LIBOR +2%. The loan should be fully paid within maximum 1 month from the utilization date and / or the collection date of the letter of credit from customers, whichever is earlier.

Capital Bank Loan

On 28 February 2018, the Group signed a loan agreement with Capital Bank in the amount of USD 25,000 thousand to finance the operating liabilities of the Group bearing a fixed interest rate of 6%. The loan has a 5 years period including 1 year grace period. The loan is payable through 16 equal quarterly installments amounted to USD 1,563 thousands. The first installment was due on 28 February 2019. On 15 October 2021, the annual interest rate was lowered to reach 4.75% annually. The loan was settled in full during 2022.

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Loans repayments schedule:

The aggregate amounts of annual principal maturities of long-term loan are as follows:

Year	Thousand JD's
2023	12,474
2024	5,168
2025	5,168
2026	5,168
2027 and there after	<u>19,471</u>
	<u><u>47,449</u></u>

(16) PROVISIONS FOR EMPLOYEES' BENEFITS

The table below illustrates the details of provisions for employees' benefits as of 31 December is as follow:

	2022 JD ('000)	2021 JD ('000)
Defined benefit plans (A)	97,467	115,777
Employees' compensations (B)	2,527	914
Employees incentives and retirees' grants (C)	<u>735</u>	<u>735</u>
	<u>100,729</u>	<u>117,426</u>
Current portion	44,865	34,978
Non-current portion	<u>55,864</u>	<u>82,448</u>
	<u>100,729</u>	<u>117,426</u>

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A- Defined benefit plans

The following is the movement on the provision of defined benefit plans:

	2022		
	End of service bonus compensation*	Death and compensation fund**	Total
	JD ('000)	JD ('000)	JD ('000)
Balance as of 1 January	2,204	113,573	115,777
Service cost	100	3,423	3,523
Interest cost	100	4,379	4,479
Employees contributions	-	541	541
Paid benefits during the year	(102)	(21,579)	(21,681)
Employee share of payments	-	(541)	(541)
Actuarial loss due to experience	-	1,122	1,122
Actuarial gain due to change in financial assumptions	-	(5,753)	(5,753)
Balance as of 31 December	2,302	95,165	97,467

	2021		
	End of service bonus compensation*	Death and compensation fund**	Total
	JD ('000)	JD ('000)	JD ('000)
Balance as of 1 January	2,077	105,520	107,597
Service cost	100	8,196	8,296
Interest cost	100	9,278	9,378
Amendments	-	6,090	6,090
Employees contributions	-	558	558
Paid benefits during the year	(73)	(15,211)	(15,284)
Employee share of payments	-	(558)	(558)
Actuarial loss due to experience	-	240	240
Actuarial loss due to change in financial assumptions	-	(540)	(540)
Balance as of 31 December	2,204	113,573	115,777

* During 2011, the Company calculated the provision for employees' end-of-service bonus based on JD 1,000 per each service year for each employee in accordance with the signed agreement with the Jordanian Mines Employees Labor Union on 9 June 2011 and according to the Board of Directors decisions made on the 2 July 2011 and 28 July 2011 which set the end of service bonus basis. The Board of Directors decided in 2018 to grant employees who are included in this program and are still on their jobs, if they wish to terminate their services before 31 December 2018, an incentive by increasing the compensation to become JD 2,000 for each year of service, the additional provision is amounted to JD 169 thousand as of 31 December 2018.

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End-of-service bonus compensation is earned based on years of service and the liability is determined based on the present value of the gross liability at the date of the consolidated financial statements. The end-of-service bonus compensation using the projected unit credit method.

** During March 2015, the Group established the Death and Compensation Fund in accordance with the Board of Directors resolution. The Fund grants the employees included in the Fund plan upon their retirement, an average of two months' salary as a bonus for each year of service with a maximum of 23 years of service and the bonus amount is determined based on the last salary subject to social security and capped at JD 4,000. The fund objectives are as follow:

- 1- Reducing the cost of employees' salaries.
- 2- Reducing the number of employees in the Company as a technical study showed that Company's operations can be handled with no more than 2,000 employees.
- 3- Multiplicity of compensation schemes for the years (2000-2011) failing to reduce number of employees or cost of salaries.

According to the defined benefit obligation, the Death and Compensation fund's liability is calculated based on year of service and the present value of the defined obligation is determined by discounting estimated future cash flows using the interest rate on high quality governmental bonds.

Significant actuarial assumptions used to determine death and compensation fund liability as of 31 December are as follow:

	2022	2021
Discount rate	7,68%-6,9%	4.82%
Salary increase rate	6%-3,5%	4,5%-3,5%
Mortality rate	0.12%	0.12%
Resignation rate:		
Up to the age of 34 years	5%-3%	5%-3%
From the age of 35 to 49 years	5%-2%	5%-2%
Age of 50 years and over	5%-0%	5%-0%

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The following table represents sensitivity analysis of changes in significant actuarial assumptions used to determine the present value of death and compensation fund liability as of 31 December:

	Discount rate		Increment salary		Resignation rate	
	Percentage	Increase (Decrease)	Percentage	Increase (Decrease)	Percentage	Increase (Decrease)
	%	JD ('000)	%	JD ('000)	%	JD ('000)
2022 -						
	+1	(3,910)	+1	4,241	+1	516
	-1	4,372	-1	(4,098)	-1	(553)
2021 -						
	+1	(4,570)	+1	5,302	+1	238
	-1	5,124	-1	(4,901)	-1	(257)

B- Employees' compensations

The table below illustrates the provisions for the defined contribution plans as of 31 December is as follow:

	2022			
	Compensation fund*	Engineers specialty allowances **	Six months bonus compensation	Total
		JD ('000)	JD ('000)	JD ('000)
Balance as of 1 January	661	18	235	914
Provision during the year (company's contribution)	70	-	1,579	1,649
Employees contributions	31	-	-	31
Payments during the year	(13)	-	(54)	(67)
Balance as of 31 December	<u>749</u>	<u>18</u>	<u>1,760</u>	<u>2,527</u>

	2021			
	Compensation fund*	Engineers specialty allowances **	Six months bonus compensation	Total
		JD ('000)	JD ('000)	JD ('000)
Balance as of 1 January	568	18	235	821
Provision during the year (company's contribution)	71	-	74	145
Employees contributions	32	-	-	32
Payments during the year	(10)	-	(74)	(84)
Balance as of 31 December	<u>661</u>	<u>18</u>	<u>235</u>	<u>914</u>

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- * Starting on 1 January 1981, all employees became entitled to be included in the Compensation Fund (ESCF). Effective 1 August 1999, the employer's share was amended to become JD 310 and the employee share JD 140 as the total entitlement became JD 450 annually. The Fund's balance as of 31 December 2022 represents the accumulated funds that have vested to some employees; the Company's contributions are recognized as an administrative expense when incurred.
- ** During 1999 the Company calculated the engineers specialty allowances provision, per a value form count of cassation that includes a final verdict to previous Company's employee that makes the Company pay a premium for spatiality for employees as part of end of service indemnity.

C- Employees incentives and retirees' grants

The details of employees' incentives and retirees' grants provision included in the consolidated statement of financial position are as follows:

	2022	2021
	JD ('000)	JD ('000)
Employees' incentives provision*	275	275
Retirees' grants provision**	460	460
	<hr/>	<hr/>
	735	735
	<hr/>	<hr/>

* **Employees incentives provision**

The employees' incentives provision for the year 2011 was calculated based on the Company's Board of Directors decision on 2 July 2011 approved an Early Retirement Incentive Plan for the year 2011 and its associated by-laws (the "Plan"). The Plan is applicable only to those employees who meet its conditions, whereby the Plan may not be combined with either the early retirement incentive plan for the year 2000 or with the end of service bonus. The Plan provides the following benefits to those employees who meet the conditions of the plan:

- 1- Granting a JD 1,000 bonus for each year of service as of the hiring date and until the termination date.
- 2- Granting a JD 1,000 bonus for each year of service as of the termination date until attaining the age of seniority (60 years of age for males and 55 years of age for females).
- 3- Granting a bonus equivalent to four salaries for each year in respect of the first five years of service, a bonus equivalent to three salaries for each year in respect of the second five years of service, a bonus equivalent to two salaries for each year in respect of the third five years of service. For purposes of computing the incentive provided for under the Plan, the remaining years of service must not, in all cases, exceed 10 years for females and 15 years for males.

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4- Benefiting from the medical insurance coverage after retirement. Additionally, the employee who does not meet the conditions of the Plan, or the employee who chooses to leave the company and not take advantage of the early retirement program, still has the right to subscribe to the medical insurance coverage after retirement provided that the subscription must be paid in advance.

Whereby eligibility to the plan and its entitlements shall not affect the eligible employee's rights to receive his/her end-of-service benefits including the six-month bonus, the compensation and death fund entitlements, or the savings fund entitlements.

Movement on the employees' bonus provision is as follows:

	<u>2022</u> JD ('000)	<u>2021</u> JD ('000)
Balance at 1 January	275	305
Paid during the year	-	(30)
Balance at 31 December	275	275

**** Retirees' grants provision**

1- On 29 February 2012, the Company's Board of Directors approved the decision to grant the Company's early retirees who retired on early retirement plan for the year 2000 an amount of JD 5,000 for each retiree.

2- On 20 February 2012, the Company's Board of Directors approved the decision to grant the Company's retirees who retired between the period from 1 January 2002 and 4 June 2011. The amount is calculated based on the following formula and the minimum amount is JD 8,000 for each retiree:

((50% x salary subject to social security x years of service) + (25% x salary subject to social security x remaining years from the termination date until the age of seniority)).

Movement on the provision is as follows:

	<u>2022</u> JD ('000)	<u>2021</u> JD ('000)
Balance at 1 January	460	460
Balance at 31 December	460	460

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Details of employees' benefit provision in the consolidated statement of income are as follow:

	2022	2021
	JD ('000)	JD ('000)
Cost of Sale	6,712	16,331
Administrative expenses	793	777
Selling and marketing expenses	265	302
Russiefah mine expenses	102	135
Other provisions*	1,779	274
	9,651	17,819

*The details of other provisions included in the consolidated statement of income are as follows:

	2022	2021
	JD ('000)	JD ('000)
End-of-service bonus compensation provision	200	200
Bonus compensation – six months for subsidiaries	1,579	74
	1,779	274

(17) ACCOUNTS PAYABLE

	2022	2021
	JD ('000)	JD ('000)
Due to foreign suppliers	50,651	71,388
Due to projects' and contractors	16,714	19,171
Due to local suppliers	1,914	1,100
Due to associates (Note 36)	1,905	18,385
Electricity Company	1,645	1,662
Others	7,107	9,020
	79,936	120,726

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(18) ACCRUED EXPENSES

	2022	2021
	JD ('000)	JD ('000)
Accrued production bonus*	17,680	7,673
Inventory in transit in custody of contractor (Note 10)	7,874	3,642
Freight and transportation fees	5,229	2,206
Accrued agriculture service fees	3,381	3,031
Accrued medical insurance for retired employees	2,449	2,521
Mining fees	1,989	4,606
Fuel, electricity and water expenses	1,881	2,054
Demurrage and unloading expense	1,468	1,417
Interest expense	938	621
Sales agents' commissions	790	790
Port fees	653	264
Accrued medical insurance	647	647
Sales rebates	356	558
Others	<u>3,455</u>	<u>3,105</u>
	<u>48,790</u>	<u>33,135</u>

* Production bonus is calculated at 2% of net income for each company of the Group's companies (Note 33).

(19) OTHER CURRENT LIABILITIES

	2022	2021
	JD ('000)	JD ('000)
Provision for settlements with contractors	15,000	11,000
Deposits and other provisions	12,679	4,815
Provisions for associates	7,267	8,418
Others	<u>5,668</u>	<u>3,588</u>
	<u>40,614</u>	<u>27,821</u>

(20) DUE TO BANKS

This balance represents the utilized amount of overdraft facilities granted by local banks. The ceiling amounted to JD 34,500 thousand as of 31 December 2022 (2021: JD 34,500 thousand) for the JD accounts, and USD 71,500 thousand which amounted to JD 50,622 thousand as of 31 December 2022 (2021: USD 71,500 thousand which amounted to JD 50,622 thousand) for the USD accounts. Average interest rates on those overdrafts facilities ranged between 6.5% to 10.9% in 2022 (2021: between 6.25% and 8%) for the JD accounts, and LIBOR plus 1% to 3.25% for the USD accounts with a maximum rate of 4%, or SOFR from 3% to 4% plus 2% with a maximum rate of 6%.

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(21) INCOME TAX

Income tax expense presented in the consolidated income statement represents the following:

	2022 JD ('000)	2021 JD ('000)
Current year income tax	224,322	95,138
Amount released from deferred tax asset	4,603	5,217
Prior years income tax	3,105	3,422
Deferred tax assets	(5,247)	(1,950)
	226,783	101,827

(A) Income tax provision

Movement on the provision for income tax is as follows:

	2022 JD ('000)	2021 JD ('000)
Balance at 1 January	85,838	9,984
Income tax expense for the year	224,322	95,138
Prior years income tax	3,105	3,422
Transfers to other debit balances	8,528	-
Fees and fines	-	1,039
Exceptions from fees and fines	(1,584)	-
Income tax paid	(162,805)	(23,745)
Balance at 31 December	157,404	85,838

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(B) Reconciliation of the accounting profit to taxable profit

The details of computed income tax are as follows:

	Phosphate JD ('000)	Fertilizer JD ('000)	Indo Jordan JD ('000)	Jordan JD ('000)	Nippon Al Ro'ya JD ('000)	Reconciliations	
						between subsidiaries JD ('000)	Total JD ('000)
2022 -							
Accounting profit	696,432	117,971	126,553	8,696	1,239	(6,963)	943,928
Non-taxable profits	(103,449)	(7,823)	(73,815)	(8,696)	-	-	(193,783)
Non-deductible expenses	85,475	9,158	-	-	-	-	94,633
Taxable income	678,458	119,306	52,738	-	1,239	(6,963)	844,778
Provision for income tax	207,042	7,317	9,703	-	260	-	224,322
Effective income tax rate	30%	6%	8%	-	21%	-	24%
Enacted income tax rate	31%	6%	18%	-	21%	-	-
Reconciliations							
2021 -	Phosphate JD ('000)	Fertilizer JD ('000)	Indo Jordan JD ('000)	Jordan JD ('000)	Nippon Al Ro'ya JD ('000)	Reconciliations	
						between subsidiaries JD ('000)	Total JD ('000)
Accounting profit	299,361	72,439	78,926	5,124	1,311	(18,971)	438,190
Non-taxable profits	(72,641)	(7,048)	(48,809)	(5,124)	-	-	(133,622)
Non-deductible expenses	54,650	6,145	6,490	-	-	18,971	86,256
Taxable income	281,370	71,536	36,607	-	1,311	-	390,824
Provision for income tax	84,144	4,267	6,452	-	275	-	95,138
Effective income tax rate	28%	6%	8%	-	21%	-	-
Enacted income tax rate	31%	6%	17%	-	21%	-	-

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(C) Deferred tax assets

Movement on the deferred tax assets is as follows:

	2022 JD ('000)	2021 JD ('000)
Balance at 1 January	39,138	42,596
Additions during the year	5,247	1,950
Released from other comprehensive income items	(892)	(191)
Released during the year	(4,603)	(5,217)
Balance at 31 December	38,890	39,138

The income tax provision for the years ended 31 December 2022 and 2021 was calculated in accordance with income tax law No. (34) for 2014 and its amendments and in accordance with the Aqaba Special Economic Zone Law No. (32) for 2000 for the company's location in the Aqaba Special Economic Zone. Noting that under the amended law the tax rate was adjusted starting from January 2021 to become 24% income tax + 7% national contribution.

Phosphate Unit

The Company submitted its' tax declarations for the Phosphate Unit up to 2021. The Income and Sales Tax Department has not reviewed the records of the Phosphate Unit for the years 2021, 2020 and 2019 up to the date of the consolidated financial statements. A final settlement was reached up to the year 2018.

Fertilizer Unit

The Company submitted its' tax declarations for the Fertilizers Unit for the years 2017 up to 2021. The Income and Sales Tax Department / Aqaba Special Economic Zone Authority has reviewed the records for the years 2020, 2019 and 2018 and has reach to a final settlement up to the year 2017. The income and Sales Tax Department / Aqaba Special Economic Zone Authority has not reviewed the records for the year 2021 up to the date of the consolidated financial statements.

Indo Jordan Chemicals-

The income tax provision for the years ended 31 December 2022 and 2021 has been calculated in accordance with income tax law number (34) for 2014 and its amendments. The company submitted its' tax declarations for the year 2021 and the company reached a final settlement with the Income Tax Department until the end of 2018.

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Nippon

No income tax provision was calculated for the years ended 31 December 2022 and 2021 since the company is exempted from income tax in accordance with Aqaba Special Economic Zone Authority law.

Ro'ya for transportation

The income tax provision for the years ended 31 December 2022 and 2021 has been calculated in accordance with the income tax law number (34) for the year 2014 and its amendments. The Company has submitted its' tax declarations for the year 2021 and has reached a settlement with income tax department until the end of 2018.

(22) NET SALES/ COST OF SALES

	2022		
	Net sales JD ('000)	Cost of sales JD ('000)	Gross profit JD ('000)
Phosphate unit	914,092	115,877	798,215
Fertilizers unit	453,002	326,436	126,566
Indo Jordan	205,713	75,168	130,545
Nippon	149,361	135,699	13,662
Trading in raw materials	26,097	23,615	2,482
	1,748,265	676,795	1,071,470
	2021		
	Net sales JD ('000)	Cost of sales JD ('000)	Gross profit JD ('000)
Phosphate unit	500,125	128,516	371,609
Fertilizers unit	295,357	219,386	75,971
Indo Jordan	137,650	55,005	82,645
Nippon	132,329	122,757	9,572
Trading in raw materials	12,318	5,267	7,051
	1,077,779	530,931	546,848
	2022		2021
	JD ('000)	JD ('000)	JD ('000)
Finished goods as at 1 January (Note 10)		41,220	29,040
Production costs (Note 32)		684,483	543,111
Finished goods as at 31 December (Note 10)		(48,908)	(41,220)
	676,795		530,931

Fertilizer unit's production costs include the amounts of JD 2,404 thousand and JD 2,234 thousand for 2022 and 2021 respectively, which represent mining fees on rock phosphate used in the fertilizer unit production (Note 26).

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(23) SELLING AND MARKETING EXPENSES

	2022	2021
	JD ('000)	JD ('000)
Demurrage and unloading expenses	884	876
Bank charges on letters of credit	836	594
Export department expenses	799	864
Income tax on marine freight	654	574
Demurrage marine late expenses	534	289
Packaging materials	433	425
Governmental fees on agriculture services	350	341
Sales commissions	-	297
Other sales and marketing expenses	<u>1,830</u>	<u>2,450</u>
	<u>6,320</u>	<u>6,710</u>

(24) ADMINISTRATIVE EXPENSES

	2022	2021
	JD ('000)	JD ('000)
Salaries and wages	7,284	6,196
Post-retirement health insurance contribution	4,215	3,538
The company's contribution to the six-month compensation bonus	2,151	2,000
End-of-service benefits and compensation fund contributions	793	777
Social security contribution	970	652
Employees saving fund contributions	227	344
Medical expenses	209	203
Employees' health insurance fund contributions	120	153
Legal expenses and lawyer fees	1,497	3,105
Scientific research and development	586	637
Fees, taxes and stamps	476	1,363
Depreciation	385	356
Maintenance and administrative expenses	330	287
Subscriptions and exhibitions	324	142
Travel and per-diems	281	133
Rent	217	145
Hospitality	147	76
Utilities	112	121
Advertising	61	55
Stationery	58	67
Post and telephone	51	44
Insurance fees	47	158
Others	<u>6,206</u>	<u>2,399</u>
	<u>26,747</u>	<u>22,951</u>

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(25) RUSSIEFAH MINE EXPENSES

	2022	2021
	JD ('000)	JD ('000)
Scientific research and development	990	916
Salaries and wages	88	192
Security and protection	83	78
Social security contribution	10	10
Depreciation	6	7
Company's contribution in saving fund	4	4
Others	84	49
	1,265	1,256

(26) MINING FEES

The Group is subject to mining fees to the Jordanian Government on each ton of phosphate rocks exported, sold locally or used in the Group's projects. Mining fees are calculated as 5% of gross revenue or JD 1.42 per ton of phosphate, whichever is higher.

Mining fees incurred for the years 2022 and 2021 are as follows:

	2022	2021
	JD ('000)	JD ('000)
Mining fees on sold phosphate	49,215	28,182
Mining fees on phosphate used by the Fertilizers unit (Note 22)	2,404	2,234
	51,619	30,416

(27) OTHER INCOME, NET

	2022	2021
	JD ('000)	JD ('000)
Gain on sale and liquidation of associates, net	2,819	-
Loading speed bonus	2,788	866
Provision recoveries	1,716	4,395
Income from sale of production waste	889	-
Net loss from sales of water and energy	(1,945)	(1,735)
Income from settlement of insurance claims	72	121
Dividends income	58	152
Claims settlement expense	-	(184)
Income from settlement with contractors	-	1,731
Others	3,244	175
	9,641	5,521

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(28) FINANCE COSTS

	2022 JD ('000)	2021 JD ('000)
Interest on lease obligations (Note 3B)	4,113	4,391
Bank interest – Due to Banks	759	2,378
Interest on loans	2,318	2,296
Present value discount for asset deferral cost (Note 6)	679	701
Present value discount on employees housing loan (Note 7)	569	573
	<hr/> <u>8,438</u>	<hr/> <u>10,339</u>

(29) FINANCE INCOME

	2022 JD ('000)	2021 JD ('000)
Interest income on banks' current accounts and deposits	10,409	1,376
Interest on loans receivable	46	680
	<hr/> <u>10,455</u>	<hr/> <u>2,056</u>

(30) EARNINGS PER SHARE

	2022	2021
Profit for the year attributable to Company's shareholders (thousand JD's)	715,406	334,921
Weighted average number of shares during the year (thousand shares)	82,500	82,500
	<hr/> <u>JD/Fils</u>	<hr/> <u>JD/Fils</u>
Basic earnings per share*	<hr/> <u>8/672</u>	<hr/> <u>4/060</u>

* The diluted earnings per share attributable to Company's shareholders are equal to the basic earnings per share.

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(31) SEGMENT INFORMATION

The operating segments are organized and managed separately according to the nature of the products and services provided. Each segment represents a separate unit which is measured according to the reports used by the chief operating decision maker of the Group.

The Phosphate Unit extracts mines and sells phosphate to local and international markets and to associated companies.

The Fertilizer Unit purchases the phosphate from the Phosphate Unit and uses it in the production of Fertilizers, Phosphoric Acid and Aluminum Fluoride to be sold to international and local markets and to associated companies.

Indo-Jordan (Subsidiary) produces phosphoric acid and other chemical by-products and sells them to international markets and associated companies.

Nippon (Subsidiary) produces fertilizers and other chemical by-products and sells to international and associated companies.

The raw material trading unit purchases raw materials and explosives and uses them in mining and fertilizers production as well as selling them in local and international markets and to associated companies.

	Phosphate unit JD ('000)	Fertilizers unit JD ('000)	Indo- Jordan JD ('000)	Nippon JD ('000)	Other JD ('000)	Trading			Total JD ('000)						
						in Raw Materials									
						Materials JD ('000)	Eliminations JD ('000)								
31 December 2022															
Revenues															
External sales	914,092	453,002	205,713	149,361	-	26,097	-	1,748,265							
Inter-segment sales	118,861	26,746	102,799	-	-	38,562	(286,968)	-							
Total Sales	1,032,953	479,748	308,512	149,361	-	64,659	(286,968)	1,748,265							
Gross profit	798,215	126,566	130,545	13,662	-	2,482	-	1,071,470							
Segment results															
Non-recurring profit	4,403	-	-	-	-	-	-	4,403							
Profit before income tax and after production bonus	696,434	115,492	126,553	8,697	1,239	2,476	(6,963)	943,928							
Profit for the year	486,863	108,243	116,850	8,697	979	2,476	(6,963)	717,145							
Group share of profit of associates and joint ventures	76,784	-	-	-	-	-	-	76,784							
Non-controlling interest	1,739	-	-	-	-	-	-	1,739							
Capital expenditures	3,872	10,911	5,761	356	1	-	-	20,901							
Depreciation	3,039	5,378	3,053	739	5	-	-	12,214							
Depreciation of right of use assets	4,519	254	116	89	-	-	-	4,978							

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	Trading							
	Phosphate	Fertilizers	Indo-	Nippon	Other	in Raw	Eliminations	Total
	unit	unit	Jordan			Materials		
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
31 December 2021								
Revenues								
External sales	500,125	295,357	137,650	132,329	-	12,318	-	1,077,779
Inter-segment sales	108,198	18,023	85,397	-	-	53,703	(265,321)	-
Total Sales	608,323	313,380	223,047	132,329	-	66,021	(265,321)	1,077,779
Gross profit	371,609	75,971	82,645	9,572	-	7,051	-	546,848
Segment results								
Non-recurring profit	5,698	428	-	-	-	-	-	6,126
Profit before income tax and after								
production bonus	299,356	65,522	78,926	5,124	1,311	6,922	(18,971)	438,190
Profit for the year	211,194	58,584	72,474	5,124	1,036	6,922	(18,971)	336,363
Group share of loss of associates								
and joint ventures	46,773	-	-	-	-	-	-	46,773
Non-controlling interest	1,442	-	-	-	-	-	-	1,442
Capital expenditures	9,879	6,934	4,053	190	6	-	-	21,062
Depreciation	2,922	5,306	2,918	733	10	-	-	11,889
Depreciation of right of use assets	4,535	254	116	90	-	-	-	4,995
	Phosphate unit	Fertilizers unit	Indo-Jordan	Nippon	Other	Total		
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)		
Assets and liabilities as at 31 December 2022								
Assets	1,075,659	278,212	308,910	36,430	7,498	1,706,709		
Investment in associates and joint ventures	365,104	-	23	-	-	365,127		
Liabilities	455,633	97,933	28,382	4,218	1,188	587,354		
	Phosphate unit	Fertilizers unit	Indo-Jordan	Nippon	Other	Total		
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)		
Assets and liabilities as at 31 December 2021								
Assets	637,167	274,849	191,380	53,372	5,686	1,162,454		
Investment in associates and joint ventures	333,793	-	-	-	-	333,793		
Liabilities	422,644	115,754	23,570	5,121	560	567,649		

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Geographical segments

Following is a summary of sales by geographical areas:

	Phosphate	Fertilizers	Raw			Total
	unit JD ('000)	unit JD ('000)	Indo-Jordan JD ('000)	Nippon JD ('000)	materials JD ('000)	
2022						
Asia	628,851	386,980	187,843	69,688	-	1,273,362
Australia	11,270	-	-	17,632	-	28,902
Europe	32,058	16,518	1	22,970	-	71,547
Africa	-	11,520	7,656	3,179	-	22,355
South America	17,801	5,458	367	35,749	-	59,375
North America	-	28,001	-	-	-	28,001
Associated and joint ventures companies in Jordan	224,026	-	-	-	-	224,026
Others	86	4,525	9,846	143	26,097	40,697
	914,092	453,002	205,713	149,361	26,097	1,748,265

	Phosphate	Fertilizers	Raw			Total
	unit JD ('000)	unit JD ('000)	Indo-Jordan JD ('000)	Nippon JD ('000)	materials JD ('000)	
2021						
Asia	333,663	99,022	129,197	35,630	-	597,512
Australia	-	-	-	23,141	-	23,141
Europe	-	2,547	-	2,674	-	5,221
Africa	-	6,545	8,453	30	-	15,028
South America	20,293	16,355	-	3,393	-	40,041
North America	-	166,993	-	67,332	-	234,325
Associated and joint ventures companies in Jordan	146,153	-	-	-	-	146,153
Others	16	3,895	-	129	12,318	16,358
	500,125	295,357	137,650	132,329	12,318	1,077,779

The Group operates in the Hashemite Kingdom of Jordan; accordingly, all of its assets and liabilities are within the territory of Jordan, except for the Indonesian project – Petro Jordan Abadi Company and which is located in Indonesia.

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(32) PRODUCTION Costs

	2022	2021
	JD ('000)	JD ('000)
Work in progress beginning balance	6,792	5,649
Add:		
Mining contractors	160,763	148,621
Raw materials	344,377	225,035
Raw materials purchases	23,615	5,267
Salaries and other benefits	69,143	73,471
Utilities	18,987	17,276
Spare parts and consumables	21,833	19,802
Fuel and oil	15,085	14,250
Depreciation	11,765	11,466
Others	23,000	29,066
Less: Work in progress ending balance (Note 10)	<u>(10,877)</u>	<u>(6,792)</u>
	<u>684,483</u>	<u>543,111</u>

(33) SALARIES AND EMPLOYEES BENEFITS

	2022	2021
	JD ('000)	JD ('000)
Salaries and allowances	55,845	56,342
Production bonus*	17,680	7,677
End-of-service, indemnity fund, death fund and other compensations	14,530	9,403
Social security contribution	7,635	7,264
Paid end-of-service indemnity	3,730	2,063
Employees medical expenses	2,652	2,269
Saving Fund	2,123	2,238
Employees family's health insurance	2,041	2,009
Employees meals subsidy	554	778
Present value of end-of-service bonus compensation	<u>200</u>	<u>200</u>
	<u>106,990</u>	<u>90,243</u>

* Production bonus is calculated at 2% of net income for each company of the Group's companies.

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(34) NEW PHOSPHATE PORT TERMINAL EXPENSES

	2022 JD ('000)	2021 JD ('000)
Amortization (Note 6)	6,361	6,361
Salaries, wages and other benefits	2,019	1,831
Water and electricity	1,911	1,542
Rent and workers' wages	406	818
Property and equipment insurance	937	821
Others	<u>2,521</u>	<u>1,854</u>
	<u>14,155</u>	<u>13,227</u>

(35) COMMITMENTS AND CONTINGENCIES**Guarantees and letters of credit**

On the date of the consolidated financial statements, the Group has potential contingencies in the form of letters of credit and issued guarantees as at 31 December 2022 with an amount of JD 110,708 thousand and JD 14,983 thousand respectively (2021: JD 109,270 thousand and JD 3,658 thousand respectively).

The Group has guaranteed the syndicated bank loan and credit facilities granted to the Jordan Abyad Fertilizers and chemicals Company (Associate Company) managed by Jordan Ahli Bank with a percentage of 130% of its share of the Company's capital amounting to 27.38%, as the Group's share until the date of 31 December 2022 amounted to JD 13,688. On 16 November 2016, Jordan Ahli Bank recorded an amount of JD 7,639 thousand to the company's account, which represents the syndicated bank loan installment and credit facilities granted and interest due on the Company, except that the company does not have active balances with Jordan Ahli Bank as at 31 December 2021 and 2022. Accordingly, an agreement between Jordan Abyad Fertilizers and Chemicals Company, and Jordan Ahli Bank has been reached to reschedule loans granted to the Company, also an agreement between the partners and the bank has been reached to consider the payment that the bank recorded on 16 November 2016 on the Jordan Phosphate company account as part of the debt that was rescheduled and due on the Jordan Abyad Fertilizers and Chemicals Company. In addition, the group has taken a provision against its share of the Company's capital according to the requirements of IFRS (9) due to the substantial uncertainty about the ability of the Jordan Abyad Fertilizers and Chemicals Company to continue its operation as a going concern entity. Knowing that by the end of year 2019, the Jordan Abyad Fertilizers and Chemicals Company was unable to pay the interest due on loans.

Jordan Ahli bank has filed a lawsuit against Abyad Company and its guarantor shareholders to claim due payments on the syndicated loan (Finance lease).

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During 2011, the Group guaranteed the loan granted to the Petro Jordan Abadi – The Indonesian Project with its percentage share in the company capital which amounts to 50%. As of 31 December 2022, the value of the Groups shares amounted to JD 25,500 thousand.

The Group recorded provision against probable contingent liabilities may raise from letters of credit and issued guarantees amounted to JD 32,500 thousand as of 31 December 2022 (2021: JD 32,500 thousand).

The movement on the provision of expected credit losses against letters of credit and guarantees is as follows:

	2022 JD ('000)	2021 JD ('000)
Balance at the beginning of the year	32,500	30,000
Provision for the year	-	2,500
Balance at the end of the year	32,500	32,500

Litigation

The Group is a defendant in a number of lawsuits and claims in the ordinary course of business totaling approximately to JD 739K thousand. The management of the Group believes that these lawsuits will not have a material effect on the consolidated financial statements.

Moreover, the Group has litigations related to transactions with main contractors and suppliers of the Group, the summary of these litigations are as follows:

Manajem for Mining Development (Associate)

The Group is plaintiff:

In August 2017, the Company filed a lawsuit against Manajem for Mining Development in the amount of JD 99,046 thousand as a result of breaching the execution of Phosphate Mining Contract (removal of overburden, Mining and crushing Phosphate A1, A2, A3) in area number (1) which located in Mine number (2) North of Shidya Mine) in addition to compensation of damages resulted from contract breach by Manajem as estimated based on technical experience. The case is pending at the court of first instance.

In December 2022, the Company filed a lawsuit against Manajem for Mining Development (Associate Company) as a claim on Company's share from dividends distributed in general assembly meeting dated 28/10/2020 in addition to the consequent delay benefits. The lawsuit is in the stage of submitting responses.

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The Group is defendant:

During November of 2019, Manajem filed a lawsuit against Jordan Phosphate Mines Company on the subject of a financial claim of JD 3,558 thousand. The Company has submitted a response list within the legal period and the case are still pending.

During February 2020, Manajem for Mining Development Company filed a lawsuit against the Jordan Phosphate Mines Company on the subject of a financial claim worth JD 82,500 thousand regarding value of works completed, constructions, buildings, machinery and equipment, maintenance, spare parts, maintenance, decrease in value, costs incurred, loss of benefits and compensation for material and moral damages. The case is still pending at the court.

During September 2020, Manjem for Mining Development Company filed a lawsuit against Jordan Phosphate Mines Company on the subject of a financial claim worth JD 2,359 thousand regarding value of works completed according to tenders. Jordan Phosphate Mines Company has deposited an amount of JD 1,152 thousand at the court fund in account of the aforementioned lawsuit in order to settle all the claims listed in the lawsuit's list. The lawsuits are still pending at the court.

During June 2021, Manjem for Mining Development Company filed a lawsuit against Jordan Phosphate Mines Company on the subject of a financial claim worth JD 19,917 thousand regarding value of works completed according to tenders. The lawsuit is still pending at the court.

Jordan Ahli bank

Jordan Ahli bank filed lawsuits against Abyad Company (Associate Company) and its guarantor shareholders to claim due payments on the syndicated loan (Finance lease) worth JD 26,727 thousand, US dollars 23,554 thousand, JD 823 thousand and US dollars 15,266 thousand. During May 2022 the court decided to obligate the Company jointly and solidarity with Abyad Company (Associate Company) to pay JD 20,739 and US dollars 23,177 to Jordan Ahli bank within the limits of its share of the guarantee. The Company submitted a request to appeal the court decision. The lawsuit is still pending noting that precautionary seizure was placed on a part of the company's immovable funds. The Group maintains a provision of an amount of JD 13,688 thousand, which represents the group's share of the loan guarantee included within other provisions. Moreover, during December 2022 the court decided to obligate the Company jointly and solidarity with Abyad Company (Associate Company) to pay JD 453 thousand, JD 349 thousand, US dollars 4,368 and US dollars 10,814 thousand to Jordan Ahli bank within the limits of its share of the guarantee. The Company submitted a request to appeal the court decision and the case is still pending at the court.

Obligations related to rehabilitation of mines and factories

The Group's activities are represented in industrial and mining rights, which may have an impact on the environment. The Group performed the environmental impacts study, and in the opinion of the management, there are no impacts that may result in environmental obligations, as at 31 December 2022.

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(36) RELATED PARTY TRANSACTIONS

Related parties represent balances with associated companies, joint ventures, major shareholders, directors and key management of the Group and the companies in which they are major shareholders.

The Group entered into transactions with the associates, joint ventures, related parties and the Hashemite Kingdom of Jordan government in its normal course of business with pricing, policies and term.

The following is a summary of related parties' transactions for the years ended 31 December 2022 and 2021:

	Related parties			Total	
	Associate companies and joint ventures	Government of Jordan*	Others**	2022	2021
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
<u>Consolidated statement of financial position items:</u>					
Accounts receivable***	47,896	-	51,460	99,356	136,737
Accounts payable	1,905	-	1,076	2,981	19,552
Loans receivable ***	13,460	-	-	13,460	18,522
Accrued expenses	-	6,351	-	6,351	8,328
Other debit balances	-	50,000	-	50,000	-
<u>Off consolidated statement of financial position items:</u>					
Guaranteed loans	39,188	-	-	39,188	42,728
<u>Consolidated statement of income items:</u>					
Sales	224,026	-	439,361	663,387	427,074
Purchases	18,634	-	9,861	28,495	41,205
Mining fees	-	51,619	-	51,619	30,416
Port fees	-	5,135	-	5,135	4,944
Other income	4,891	-	960	5,851	4,084
Land lease	-	9,091	-	9,091	9,386

* The Group purchases goods and services from companies /institutions owned by the Government of Jordan (Major shareholders). The total amounts paid to these companies / institutions amounted to JD 405,812 thousand and JD 115,477 thousand for the years ended 31 December 2022 and 2021 respectively.

** Others include balances and transactions with Jordan Phosphate Mines Company partners in associated companies and projects.

*** Balances of accounts and loans receivable are shown in net after deducting expected credit loss amounted to JD 14,332 thousand and JD 7,018 thousand as of 31 December 2022 (2021: JD 11,044 thousand and JD 6,525 thousand). Expected future cash inflows from Jordan Abyad Fertilizers Company's loan was discounted using the market weighted average interest rate.

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The following is a summary of the compensation (salaries, wages and other benefits) of the key management personnel:

	2022 JD ('000)	2021 JD ('000)
Salaries and bonuses of senior executive management	<u>772</u>	<u>651</u>
Bonuses and transportation of the Board of Directors	<u>1,214</u>	<u>645</u>

The value of end-of-service indemnity compensation paid to key management personnel whose service ended during 2022 amounted to JD 310 thousand (2021: JD 140 thousand).

Main transactions with the Government of Jordan:

The nature of the main transactions with related parties was as follows:

- The Company is liable to pay mining fees to the Government of Jordan at rates determined by the government from time to time.
- The Company has leased the lands on which the mining activities are performed at Sheydieh, Hasa and Abyad mines from the Treasury / Department of Land and Survey.
- The Company has leased the land which the Industrial complex was built on from the Aqaba Development corporation Company/Aqaba Special Economic Zone Authority.
- The Company has leased the land which the New Phosphate Port was built on from the Aqaba Development Corporation Company/ Aqaba Special Economic Zone Authority for (Note 6).

(37) MATERIAL PARTLY OWNED SUBSIDIARIES

The Group has only one subsidiary which has a material non controlling interest balance as follows:

Company name	Country of incorporation	Nature of activity	Non-controlling interest	
			2022 JD ('000)	2021 JD ('000)
Nippon Jordan Fertilizers Company Limited	Jordan	Production and sale of fertilizers and chemical by-products	20%	20%

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Summarized financial information of these subsidiaries are provided below. This information is based on amounts before inter-company elimination.

Accumulated balances of non-controlling interest	2022	2021
	JD ('000)	JD ('000)
Nippon Jordan Fertilizers Company Limited	5,792	3,966
Profit attributable to non-controlling interest	2022	2021
	JD ('000)	JD ('000)
Comprehensive income of Nippon Jordan Fertilizers Company Limited	1,826	1,442
A. Financial position		
	2022	2021
	JD ('000)	JD ('000)
Current assets	35,687	50,390
Non-current assets	4,886	5,359
Current liabilities	(9,060)	(32,078)
Non-current liabilities	(2,658)	(3,946)
Difference between book and market value at acquisition	107	107
Total equity	28,962	19,832
Non-controlling interest in equity	5,792	3,966

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B. Profit and loss

	2022 JD ('000)	2021 JD ('000)
Sales revenue	149,361	134,462
Cost of sales	<u>(135,207)</u>	<u>(124,652)</u>
Gross profit	14,154	9,810
 Sales and marketing expenses	 (1,431)	 (2,198)
Administrative expenses	<u>(1,692)</u>	<u>(1,342)</u>
Operating profit	<u>11,031</u>	<u>6,270</u>
 Interest revenue	 7	 4
Finance cost	<u>(162)</u>	<u>(13)</u>
Other revenues	108	40
Death and compensation funds reserve	<u>(2,298)</u>	<u>(1,153)</u>
Provision for expected credit losses	-	(20)
Provision for Inventory impairment	10	(3)
Prior year expenses	<u>-</u>	<u>(1)</u>
Profit for the year	<u>8,696</u>	<u>5,124</u>
 Other comprehensive income	 435	 -
Total comprehensive income	<u>9,131</u>	<u>5,124</u>
Total comprehensive income attributable to non-controlling interest	<u>1,826</u>	<u>1,442</u>

C. Statement of cash flow

	2022 JD ('000)	2021 JD ('000)
Operating activities	5,122	3,749
Investing activities	<u>(350)</u>	<u>(202)</u>
Financing activities	<u>(250)</u>	<u>(117)</u>
Net increase in cash and cash equivalents	<u>4,522</u>	<u>3,430</u>

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(38) ACQUISITION OF NON-CONTROLLING INTERESTS

Acquisition of additional interest in the Nippon Jordan Fertilizers Limited Liability Company:

During December 2022, the Company acquired an additional 10% interest in the voting shares of Nippon Fertilizers Company, increasing its ownership interest to 80%. Cash consideration of JD 948 thousand was paid to the non-controlling shareholders. The carrying value of the net assets of Nippon was JD 18,720 thousand. Following is a schedule of additional interest acquired in Nippon:

	2022
	JD ('000)
Carrying value of the additional interest	1,872
Cash consideration paid to non-controlling interest	<u>(948)</u>
Reserve arising from the acquisition of non-controlling interests	924

(39) FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments include financial assets and financial liabilities.

Financial assets include cash on hand and at banks, trade receivables, debt loans and some other current assets as well as employee housing loans, financial liabilities in the loans include due to banks, accounts payable, lease liabilities and other current liabilities.

Book values of financial instruments do not materially vary from their fair value.

The Group uses the following methods and alternatives of valuating and presenting the fair value of financial instruments:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

	2022	Level 1	Level 2	Level 3	Total	
		JD ('000)	JD ('000)	JD ('000)	JD ('000)	
Financial assets						
Financial assets at fair value through other comprehensive income						
	119	-	266	385		
Financial assets at fair value through profit and loss	434	-	-	434		
2021						
Financial assets						
Financial assets at fair value through other comprehensive income						
	119	-	266	385		
Financial assets at fair value through profit and loss	369	-	-	369		

(40) RISK MANAGEMENT

Interest rate risk

Interest rate risk is the risk that results from the changes in market value or future cash flows of financial instruments as a result of changes in interest rate.

The Group is exposed to interest rate risk on its interest-bearing assets and liabilities (bank deposits, bank overdraft and term loans).

The sensitivity of the consolidated income statement is the effect of the possible assumed changes in interest rates on the group's profit for one year, and it is calculated on financial assets and liabilities bearing a variable interest rate as of 31 December 2022 and 2021.

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The following table summarizes the sensitivity analysis for the changes in the interest rates over the profit and loss for the Group as of 31 December with all other variables held constant:

2022	<i>Increase in interest</i>	
	<i>rates</i>	<i>Effect on profit</i>
Currency	<i>Basis points</i>	<i>JD' (000)</i>
JOD	100	5,212
USD	100	1,339

2021	<i>Increase in interest</i>	
	<i>rates</i>	<i>Effect on profit</i>
	<i>Basis points</i>	<i>JD' (000)</i>
Currency		
JOD	100	370
USD	100	435
Euro	100	36

The effect of the decrease in the interest rates by 100 basis points is expected to be equal and opposite to the effect of the increases shown above.

Share price risk

The following table demonstrates the sensitivity of the Group's consolidated statement of income (for financial assets at fair value through profit and loss) and cumulative changes in fair value (for financial assets at fair value through other comprehensive income) to reasonably possible changes in equity prices, with all other variables held constant.

2022	<i>Change in</i>	<i>Effect on</i>	<i>Effect on</i>
	<i>Index</i>	<i>Profit</i>	<i>Equity</i>
	<i>%</i>	<i>JD ('000)</i>	<i>JD ('000)</i>
Index			
Amman Stock Exchange	5	22	6

2021	<i>Change in</i>	<i>Effect on</i>	<i>Effect on</i>
	<i>Index</i>	<i>Profit</i>	<i>Equity</i>
	<i>%</i>	<i>JD ('000)</i>	<i>JD ('000)</i>
Index			
Amman Stock Exchange	5	18	6

The effect of decreases in equity prices with the same percentages is expected to be equal and opposite to the effect of the increases shown above.

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Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Accounts Receivables

The Group seeks to limit its credit risk with respect to banks by only dealing with reputable banks and with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables. The majority of the Group's sales are carried out through letters of credit.

The Group sells its products to a large number of phosphate and fertilizers customers. Its largest 7 customers account for 72% of outstanding accounts receivable as at 31 December 2022 (2021: largest 7 customers account for 52%).

Other financial assets

For credit risks resulted from other financial assets, which includes cash and bank deposits. The Group exposure results from the risk that one party fall to discharge obligations that equals the net book value of these financial assets.

Liquidity risk

Liquidity risk is defined as the Group failure to provide the required funding to cover its obligations at their respective due dates.

The Group manages its liquidity risk by ensuring that bank facilities are available when needed.

The table below summarises the maturities of the Group's undiscounted financial liabilities at 31 December 2022 and 2021, based on contractual payment dates and current market interest rates.

As of 31 December 2022	Less than	3 to 12	1 to 5	More than 5	Total
	3 months	months	years	years	
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
Due to banks	12	469	-	-	481
Accounts payable	79,936	-	-	-	79,936
Accrued Expenses	48,790	-	-	-	48,790
Death and compensation funds reserve	-	44,865	10,624	110,050	165,539
Term loans	3,288	12,184	34,884	9,775	60,131
Lease contracts liabilities	1,121	6,099	36,100	42,631	85,951
Total	133,147	63,617	81,608	162,456	440,828

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As of 31 December 2021	Less than	3 to 12	1 to 5	More than 5	Total
	3 months	months	years	years	
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
Due to banks	49	2,607	-	-	2,656
Accounts payable	120,726	-	-	-	120,726
Accrued Expenses	33,135	-	-	-	33,135
Death and compensation funds reserve	-	37,575	49,063	119,407	206,045
Term loans	2,592	21,752	30,786	16,857	71,987
Lease contracts liabilities	1,177	6,303	33,019	52,672	93,171
Total	157,679	68,237	112,868	188,936	527,720

Currency risk

Most of the Group's transactions are in Jordanian Dinars and US Dollars. The Jordanian Dinar exchange rate is fixed against the US Dollar (USD 1/41 JD).

(41) CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2022 and 31 December 2021.

Capital comprises paid in capital, statutory reserve, voluntary reserve, special reserve, acquisition of non-controlling interest reserve and retained earnings, and is measured at JD 1,478,966 thousand as at 31 December 2022 (2021: JD 924,908 thousand).

(42) DIVIDENDS

Subsequent to the consolidated financial statements date, the Board of Directors decided at their meeting held on 14 March 2023 to recommend for the General Assembly of the Company which will take a place during 2023 to distribute dividends to shareholders amounted to 300% of the stock par value and distribute free shares amounted to 200% of the stock par value.

The General assembly for the Group approved in its ordinary meeting held on 26 April 2022 to distribute dividends to its shareholders amounted to 200% of the stock par value from 2021 profits.

The General assembly for the Group approved in its ordinary meeting held on 28 April 2021 to distribute dividends to its shareholders amounted to 20% of the stock par value from 2020 profits.

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(43) Comparative figures

Some of 2021 figures have been reclassified in order to conform with the presentation of 2022 figures. Such classification does not affect previously reported profit or equity for the year 2021.

(44) STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach),
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

This standard is not applicable to the Group.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement,
- That a right to defer must exist at the end of the reporting period,
- That classification is unaffected by the likelihood that an entity will exercise its deferral right,
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

The amendments are not expected to have a material impact on the Group.

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Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Group.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied 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 presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Early adoption is permitted.

The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.







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