JORDAN PHOSPHATE
MINES COMPANY P.L.C.

ANNUAL REPORT 2021

WWW.JPMC.COM.JO

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: 7 Al Sharif Al Radi Street-Shmeisani-Amman
P.O.Box (30) Amman 11118
The Hashemite Kingdom of Jordan

The Sixty Eighth Annual Report of the Board of Directors
and The Consolidated Financial Statements for the year 2021

www.jpmc.com.jo

Our Vision & Mission:

Our Vision:

Working continuously and ambitiously to maintain JPMC’s name and worldwide reputation, and to deliver our customers and shareholders with the best of service.

Our Mission:

We aim to become a market leader in phosphate mining, and in mining and marketing of cost-effective fertilizer products while preserving the environment and the safety of our workers so as to benefit our shareholders, employees, local communities, and the national economy.

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The Board of Directors

Representatives of Private Sector:

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

Representative of Social Security Corporation:

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

Chief Executive Officer:

Eng. Abdel Wahab AlRowwad

Auditors:

Messrs. ERNST & YOUNG

Letter to the Shareholders:

Ladies and Gentlemen Shareholders of Jordan Phosphate Mines Company

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

I am delighted to welcome you on this blessed day of Ramadan, the month of giving and benevolence. Besides, I am pleased to meet you at the Sixty Eighth annual ordinary general assembly meeting of Jordan Phosphate Mines Company PLC to present to you the Company activities and consolidated financial statements in its Sixty Eighth annual report as at 31 December 2021.

Ladies and Gentlemen,

You know that the company experienced crises and financial losses that had almost swept it in the past years in addition to a performance decline that caused the company to lose some of its markets and its clients' trust before the year 2017. At the meeting of the General Assembly to discuss the company's status and its consolidated financial statements in its sixty third annual report, the report included losses estimated at ninety million dinars and debts amounting to 444 million dinars. Following the aforementioned report, some people called to liquidate the company since its losses exceeded its capital by around 110% and was unable to pay its debts. Nevertheless, the Board of Directors, represented by its Chairman, committed before all of you to develop an enforceable and accountable plan to reposition the company among the international companies as it deserves. The pledge was to recomer losses, to repay the company's debts, to improve performance, to restore the lost markets and to regain its trustworthiness, to remove the mining monopoly and to control the company expenses. To this effect, a four-year plan was drafted and executed in line with robust scheme of follow-up, accountability, institutionalized rules of work, expenditure control, enforcement of competitiveness principle in the mining business, and transparent operation processes.

Dear Members of the General Assembly

We promised, and we fulfilled our promise!

The Board fulfilled its promise could get the company out from the box of loss that amounted to 90 million dinars in 2016, to operational profits of 535 million dinars, and a net profit of 336,4 million dinars after taxes in 2021. This achievement is the fruit of joint concerted efforts of the Board of Directors, Executive Management, and employees of the Company in addition to continuous coordination and collaboration with the Jordanian General Labor Union of Workers in Mines and Mining. Everybody at the Company has been keen on strengthening and sustaining such joint efforts and coordination.

Dear Shareholders- Ladies and Gentlemen

Last year in 2021, Jordan Phosphate Mines Company was awarded the first rank at the level of public shareholding companies in our cherished home country as it could produce the utmost quantity and achieve the largest volume of exports and revenues since its foundation. Moreover, its operational profits have grown as ten times as those realized in 2020. Consequently, the earnings per share increased by 10 times compared to the previous year as the earning per share in 2021 amounted to 4,06 dinars per share compared to JD 0,35 per share in 2020. The Company has committed, as well, to its approach of controlling and reducing costs of sales where the cost of sales dropped in 24% of sales. Moreover, the Company strengthened its financial position and maintained the various fiscal rates within safe limits that are consistent with the terms and conditions of stipulated in contracts with creditors. In 2021, the value of assets increased by JD 361 million compared to 2020; which means integrated operation of all components of Income Statements and financial position of the Company.

Committed to our promise to you last year to increase the manufacturing industries in the phosphate sector in the forthcoming four years and to strengthen, attain, sustain the unprecedented results achieved in 2021 and safeguard them from any price and market volatility in the future, several strategic projects have been embraced. These projects will help enhance competitiveness of the Company worldwide and enhance its capacity to fulfill the market needs. Moreover, they will reduce the production cost per ton of rock phosphate and fertilizer; they will avail job opportunities to help reduce the unemployment rate on the Jordanian market. Following are some of these projects:

1. Increasing the production capacity of the Phosphoric Acid Plant at the Industrial Complex in Aqaba to reach 1,500 tons per day- 67% increase.
2. Increasing the production capacity of the plants of Indo-Jordan Chemicals Company (IJC) that is completely owned by JPMC to reach a daily production capacity of 2,000 tons of phosphoric acid to meet the increasing global demand that will enhance the company's competitiveness on global markets.
3. Increasing the fertilizers production capacity of Nippon-Jordan Fertilizer Company (NJFC) to enhance competitiveness and increase sales revenues and hard currency.
4. Starting with the construction of a phosphate washing plant in Eshidiya located in Ma'an Governorate, according to the agreement sealed by the Jordan Phosphate Mines Company and Ideal Development for Manufacturing Industries Company at an estimated finance cost of USD 85 million.

There are still several projects designed to establish phosphate industries in Jordan which are being discussed and outlined in the annual report for the year 2021 in the future plans section of the company.

As regards to human resources, nearly three hundred engineers and technicians have been trained, qualified, and recruited in the company's various sites in order to ensure that the company is provided with qualified competencies and contributes to solving the problem of unemployment of skilled workers.

In terms of environment and public safety, the Company has won international awards in this field for three years in a row. Also, environmental issues were addressed in Aqaba, Rusaifa, and Eshidiya where afforestation has begun in an area known as “Jabal Al Jebs” The Gypsum Mountain in Aqaba and it is expected to be accomplished within the next three years.

In conclusion, I would like to express my gratitude and appreciation to the shareholders for their follow-up with us and for their trust in us and in the performance of the company that has become a source of appreciation and respect on both sides, locally and globally.

Referring to my colleagues of the Board of Directors, Executive Management, and those working in the company and the General Labor Union of Mines and Mining Workers, they deserve all appreciation and credit for this great achievement and the teamwork spirit. I would like to remind them that reaching the summit is significant but maintaining it is more significant. I am certain that this will be achieved with the help of God and under the leadership of His Majesty King Abdullah II May Allah protect him and the Hashemite Royal Family.

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

Chairman of the Board of Directors

Dr. Mohammad Thneibat

Report of the Board of Directors

Dear Shareholders,,

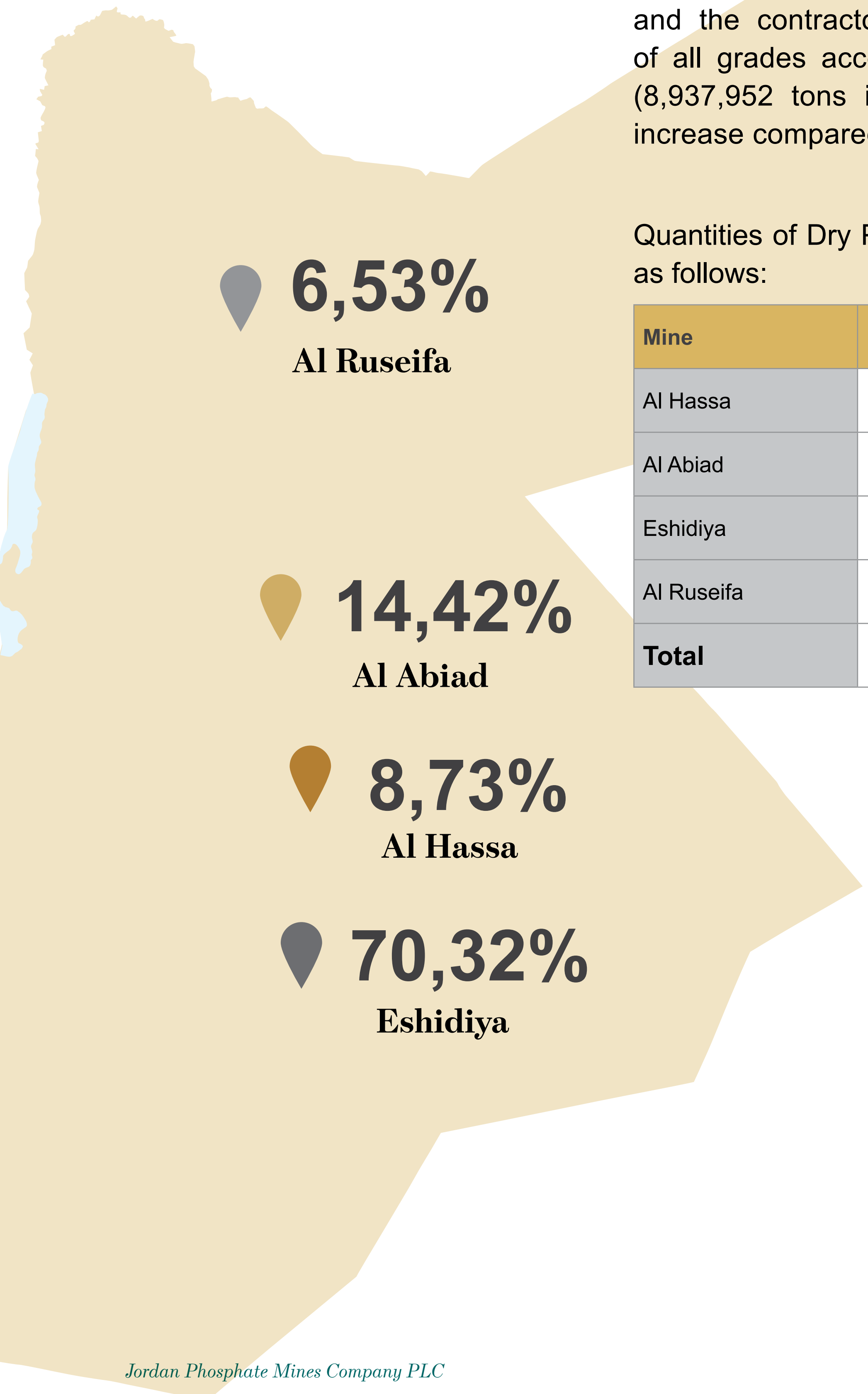
In compliance with the Article (171) of the law of Companies No. (22) for 1997 and its amendments, in fulfillment of the disclosure requirement for exporting companies, accounting standards, audit standards for 2004 and their amendments, and in line with the provisions of Article (62) of Articles of Association, the Board of Directors of Jordan Phosphate Mines Company P.L.C. submits to you this sixty eighth report including a brief on the Company operations and its deliverables during the fiscal year ending at 31.12.2021. The report reveals business results of the Company and its financial status presented in the 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 6th March 2022.

Following is a presentation of the Company's activities in 2021:

Production:

a. Phosphate

Ready dry phosphate produced in 2021 by the company and the contractors working on the company's mines of all grades accounted for (10,015,243) tons vis-à-vis (8,937,952 tons in 2020) which represents a 12,05% increase compared to 2020.



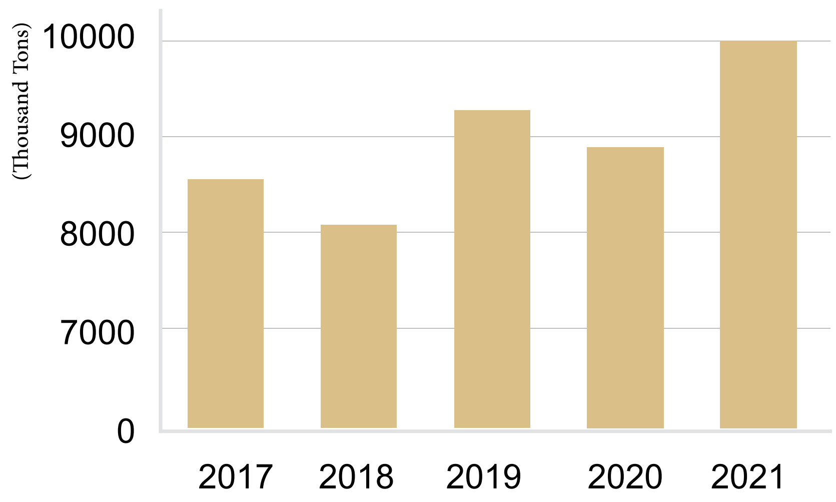
Quantities of Dry Phosphate Produced in 2021 distributed as follows:

Mine	Quantity in Tons	Production Percentage
Al Hassa	874,116	8.73%
Al Abiad	1,444,284	14.42%
Eshidiya	7,042,734	70.32%
Al Ruseifa	654,109	6.53%
Total	**10,015,243**	**100%**

Quantities of Dry Phosphate Produced from the Company Mines for 2017-2021:

(thousand tons)

Mine	2021	2020	2019	2018	2017
Al Hassa	874	1,146	1,007	799	733
Al Abiad	1,444	1,443	1,604	1,204	1,602
Eshidiya	7,043	5,934	6,005	5,777	6,353
Al Ruseifa	654	415	607	243	-
Total	**10,015**	**8,938**	**9,223**	**8,023**	**8,688**



b. Products of Fertilizers at the Industrial Complex:

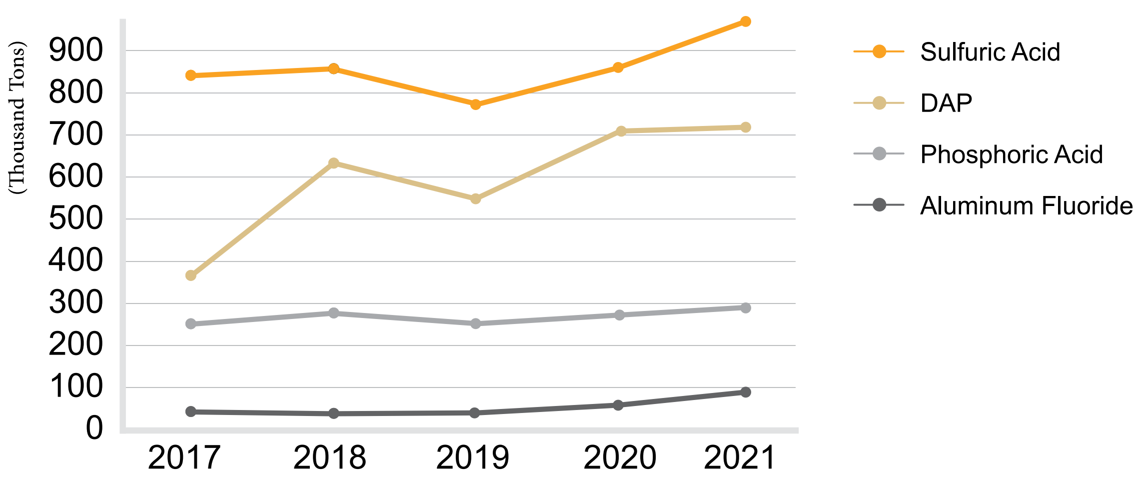
Quantities of Phosphate Fertilizers Produced at the Industrial Complex in Aqaba were as follows in 2021:

Product	Quantity/Ton
DAP	728,050
Phosphoric Acid	292,625
Sulfuric Acid	967,643
Aluminum Fluoride	11,707

Quantities Produced at the Industrial Complex in Aqaba for 2017-2021:

(thousand tons)

Product	2021	2020	2019	2018	2017
DAP	728	707	550	632	379
Phosphoric Acid	293	282	252	281	264
Sulfuric Acid	968	863	780	856	839
Aluminum Fluoride	12	10	6	6	6



Exploration:

In 2021, exploration works were oriented on strengthening the geological reserve for Jordan Phosphate Mines Company besides supplying it with new ores at all the operating company's mines including (mines of Al Abiad, Al Hassa and Eshidiya) with the aim of benefiting from the available infrastructure of Al Hassa and Al Abiad mines and reinforcing the existing geological reserve in these two mines. The reinforcement is going to be with ores characterized by low levels of impurities and blending them with phosphate ores at low impurities percentage to improve the quality of phosphates to comply with the specifications of contracts of sales. In 2021, new mining rights were pursued at various company sites. Similarly, general exploration and quality control operations have been intensified within the three sites. Through excavations, new ores have been identified in the mines (Al Abiad, Al Hassa and Eshidiya) with a reserve amounted to 13,701 million cubic meters with a Tri-Calcium Phosphate abbreviated as (TCP) percentage ranging from 62% to 66%. These ores worked to supplement the geological reserve of the JPMC to reach 354,192 million cubic meters, the details of which are as follows:

(million cubic meters)

Mine	Proved	Possible	Potential	Total
Al Abiad	6,184	4,000	10,000	20,184
Al Hassa	10,084	4,800	10,000	24,884
Eshidiya	269,124	-	40,000	309,124
Total	**285,392**	**8,800**	**60,000**	**354,192**

Transport:

In 2021, quantities of phosphate transported from the Company Mines by truck vehicles reached (9,863,685) tons (compared to 9,123,528 tons in 2020) distributed as follows:

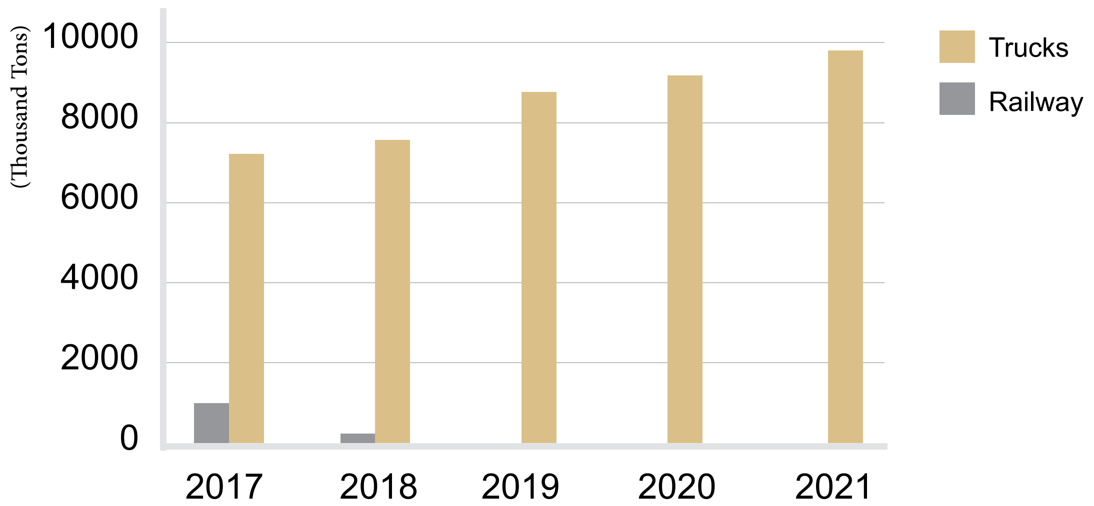
(tons)

Mine	Exportation	Industrial Complex	Eshidiya Mine	Local Market	Nippon-Jordan Fertilizer Company (NJFC)	Kemyan (Saudi Arabia)	Indo-Jordan Chemicals Company (IJC)	Jordanian Indian Fertilizer Company (JIFCO)	Total	Contribution Rate %
Eshidiya	2,937,654	721,280	-	-	-	-	1,255,468	2,008,579	6,922,981	70
Al Hassa	504,840	315,547	53,431	-	-	-	-	-	873,818	9
Al Abiad	1,283,901	82,647	73,154	-	-	-	-	-	1,439,702	15
Al Ruseifa	536,621	-	74,321	2,538	4,705	8,999	-	-	627,184	6
Total	5,263,016	1,119,474	200,906	2,538	4,705	8,999	1,255,468	2,008,579	9,863,685	100

Quantities of Transported and Unloaded Phosphate from Mines as per of transport vehicles for 2017-2021:

(thousand tons)

Transport Means	2021	2020	2019	2018	2017
Railway	-	-	-	275	1,257
Trucks	9,864	9,124	8,625	7,744	7,268
Total	**9,864**	**9,124**	**8,625**	**8,019**	**8,525**



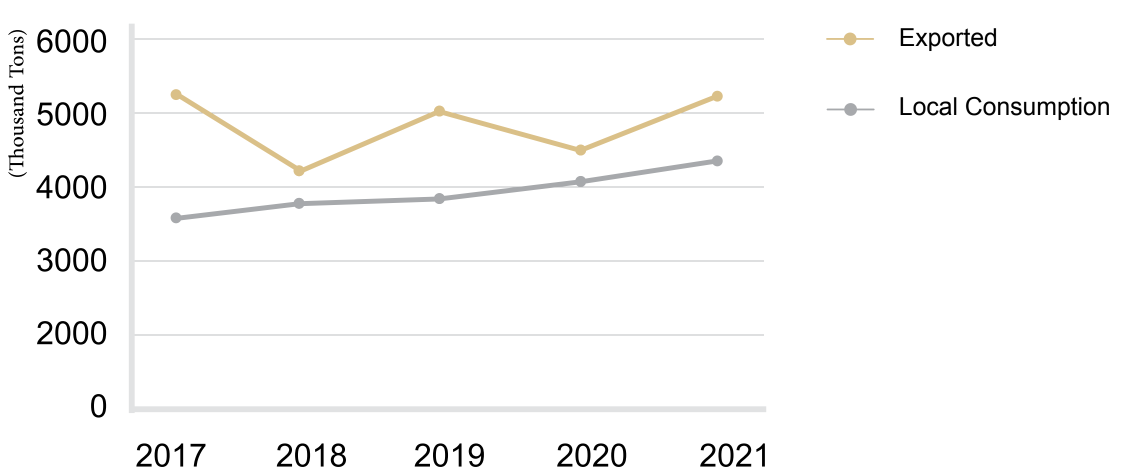
Marketing:

The company was able to achieve 95,4% of the marketing plan for 2021 which means achieving a record number of phosphate sales as the company was able to sale a quantity of 9,7 million tons of phosphate compared to (8,6 million tons of phosphate in 2020) with an increased percentage of 13,2% compared to 2020. In spite of this, the un-commitment of a number of customers to purchase the agreed quantities, which are estimated at about 850 thousand tons of phosphate, led to a deviation from the marketing plan of 2021. Even as the quantities of fertilizers sold during 2021 amounted to 700 thousand tons which means achieving the marketing plan for 2021 with an increasing percentage of 3%. 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. The improvement in selling prices led to the company achieving the highest sales value, which exceeded USD 1,5 billion.

First: Sales of Phosphate Ores for the period 2017-2021:

(thousand tons)

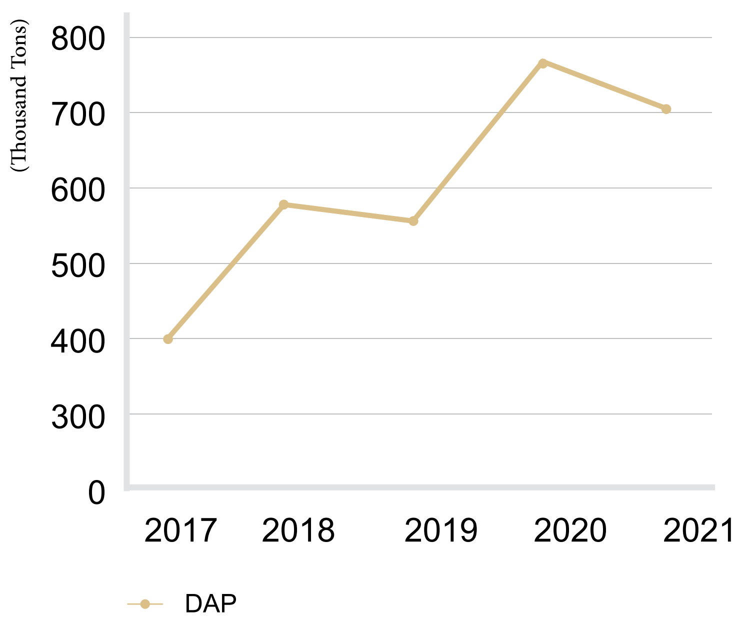
Year	2021	2020	2019	2018	2017
Exported	5,296	4,518	5,070	4,163	5,195
Local Consumption	4,386	4,034	3,961	3,900	3,588
Total	**9,682**	**8,552**	**9,031**	**8,063**	**8,783**

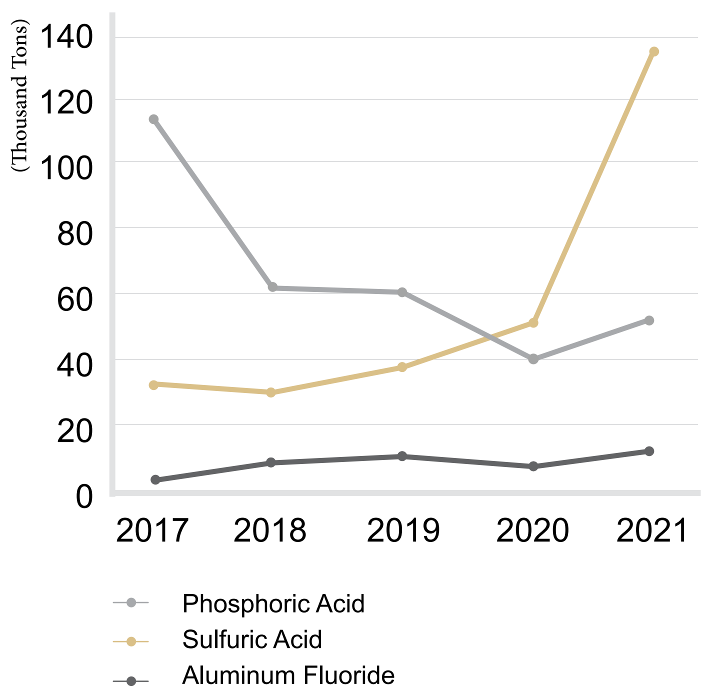


Second: Sales of Chemical Fertilizers from the Industrial Complex Products for 2017-2021:

(thousand tons)

Product	2021	2020	2019	2018	2017
DAP	700	778	563	583	401
Phosphoric Acid	52	40	60	61	111
Sulfuric Acid	135	48	38	30	33
Aluminum Fluoride	9	7	11	8	3

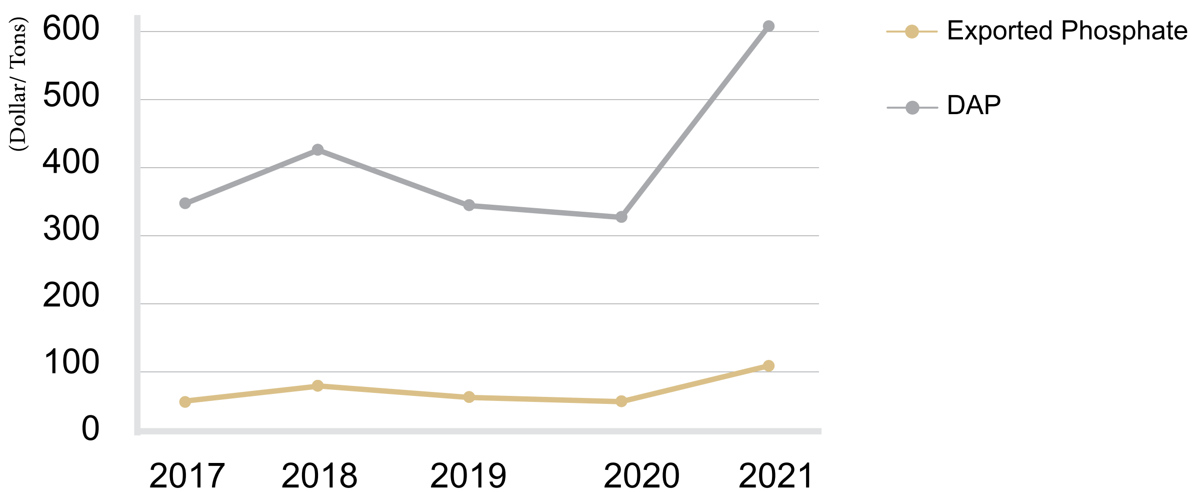




Third: Average Selling Prices FOB in Aqaba in USD:

(dollar/ton)

Product	2021	2020	2019	2018	2017
Exported Phosphate	105,25	75,26	76,41	88,59	76,7
DAP	603	323	344	411	353



Associate Companies

Jordan Abyad Fertilizers and Chemicals Company (JAFCCO):

In 2007, JAFCCO was established in Al Abiad for the purpose of producing fertilizers and chemicals. It was established in partnership with JAFCCO-Bahrain, the Arab Mining Company, and Venture Capital Bank. The contribution of JPMC is 27.4% of JAFCCO capital which is JD 51.1 million. JAFCCO has been discontinued since 2020.

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. About 59% of the startup cost was financed by the shareholders and the remaining (41%) was financed via loans raised from the International Finance Corporation (IFC) and the European Investment Bank (EIB). The Company consumes about 1.8 million tons of phosphate per year. In December 2021, JIFCO repaid the balance of the loans granted to it in a total of USD 80 million.

PT Kaltim Jordan Abadi:

In 2014, PT Kaltim Jordan Abadi was established in Indonesia in partnership with PT Pupuk Kalimatan Timur (PKT) for the purpose of producing phosphoric acid using phosphate supplied by JPMC. The company's capital is USD 2.5 million and the share of JPMC accounts for 40% of it. Due to its inability to obtain the required licenses, the General Assembly of KJA took the course of action through its extraordinary meeting to continue with the procedures of liquidating the company.

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 to accounts for 50% of its capital which is USD 62 million. This capital, however, was increased to USD 134,8 million.

Arkan for Contracting & Construction Company:

In 2011, Arkan for Contracting and Construction Company was established in Jordan in partnership with Al-Own advanced for contracting with a capital of JOD 25 million with JPMC contributing to 46% of it. Arkan implements phosphate mining works in the phosphate ores of JPMC. On 23. January.2022, an agreement was signed with Al-Own Advanced for contracting company to terminate the partnership agreement that was signed in October 2012.

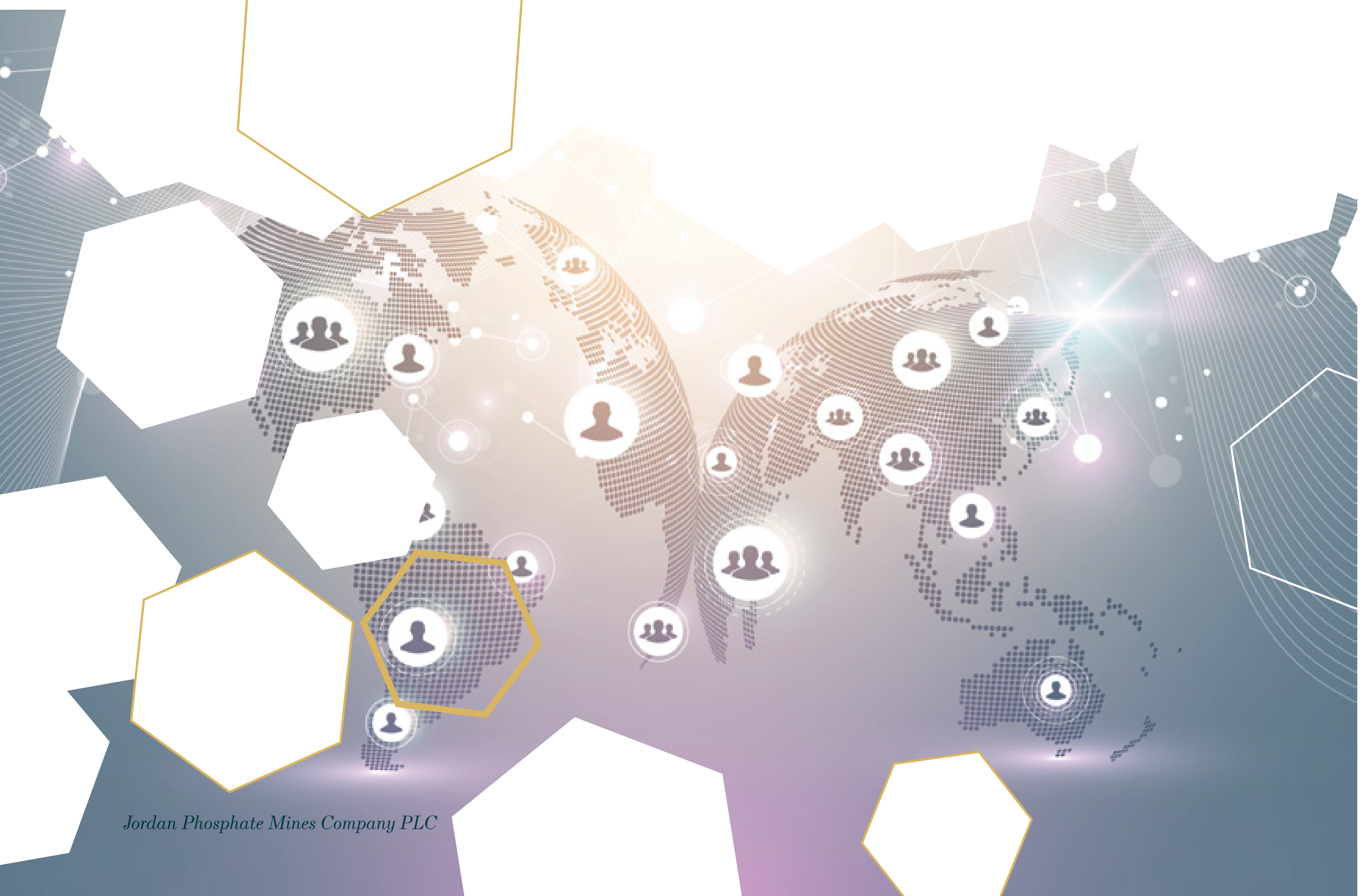
Manajim Mining Development Company:

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.

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 with a capital of JOD 250 thousand. It was gradually increased the actual cost of the project to reach JOD 140 million. The Project implementation started directly after signing the management and operation agreement with Aqaba Development Company and JIPC signed an agreement in February 2015 with Tecnicas Reunidas S.A. & PHB Weserhtt, S.A. Consortium. The final handing over of the project was in February 2022.

Subsidiaries



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 per year and it is totally owned by JPMC. The company upgraded the production capacity to reach 240 thousand tons per year.

In 2021, the Indo-Jordan Chemicals Company produced (301,681) tons of phosphoric acid (P_2O_5) compared to (250,482) tons in 2020. In 2021, it sold (303,714) tons of (P_2O_5) compared to (266,200) tons in 2020.

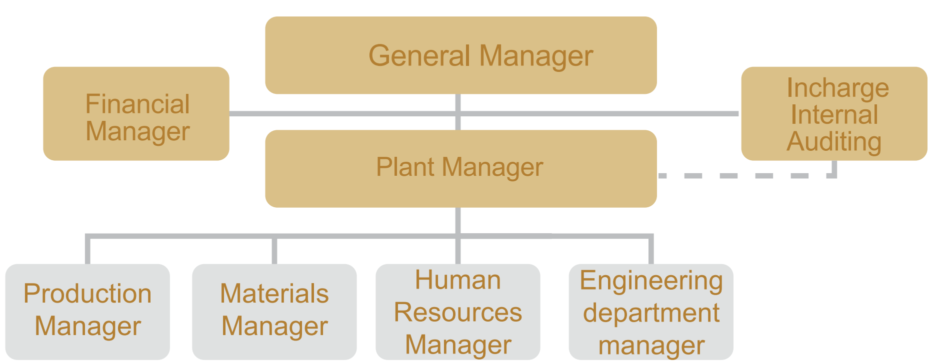
Manpower:

As the end of 2021, the Indo-Jordan Chemicals Company had 301 employees classified as following according to their specializations:

Title	Post Graduate	Diploma	High School / lower grade	Total
Engineer	45	-	-	45
Technician	49	95	59	203
Admin staff	14	5	14	33
Accountant	9	-	1	10
Intermediate Technician	-	-	3	3
Driver	-	1	6	7
Total	117	101	83	301

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.

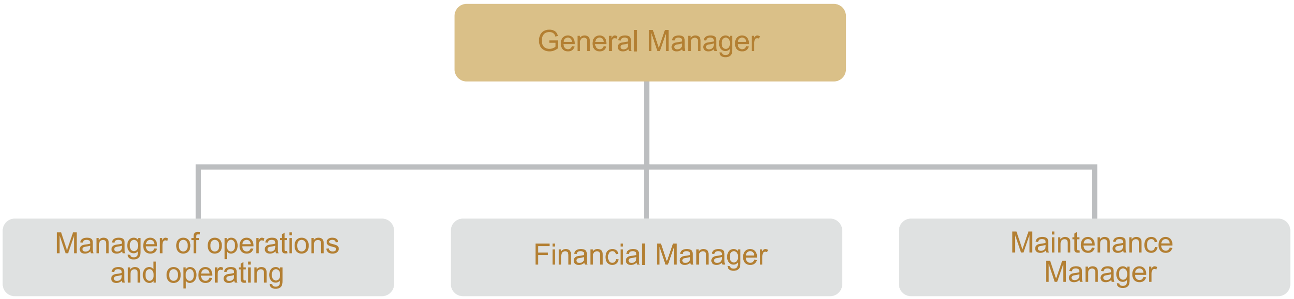
Manpower:

As at the end of 2021, AL-Ro'ya Transportation Company had (16) employees classified as following according to their specializations:

Title	Post Graduate	Diploma	High School / lower grade	Total
Admini staff	1	-	-	1
Intermediate Technician	-	2	2	4
Driver	-	-	11	11
Total	1	2	13	16

Address: Amman – Telephone 5686293, Fax: 5686294

The Organizational Structure:



C. Nippon-Jordan Fertilizer Company (NJFC):

Its 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 70%. In December 2021, JPMC purchased Mitsubishi's share in the capital of NJFC which values 10%. Thereby, the ownership percentage for JPMC holding 80% of the capital of NJFC.

The quantities of chemical fertilizers (NPK & DAP) produced in 2021 reached (327,080) tons, compared to (224,678) tons in 2020. However, the company sold of (NPK & DAP) in 2021 (348,732) tons, compared to (207,667) in 2020.

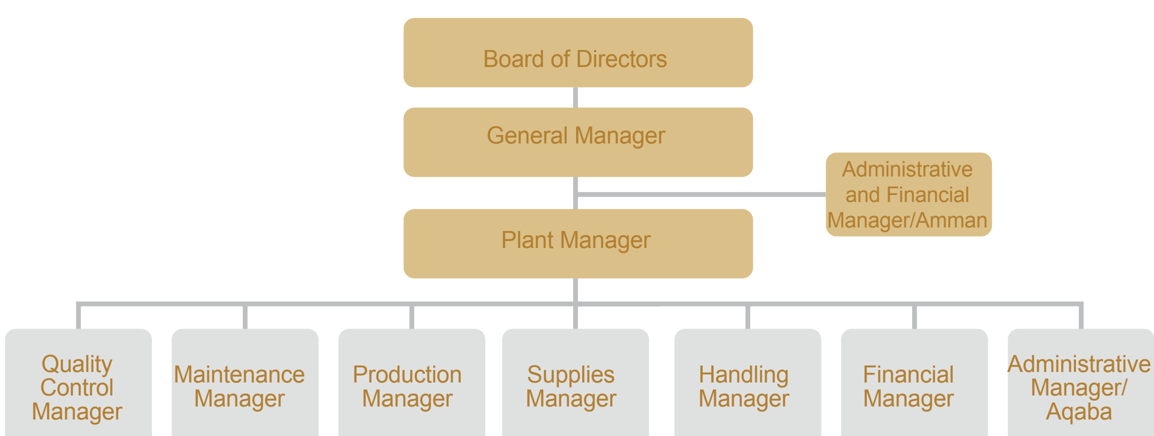
Manpower:

As at the end of 2021, NJFC had (92) employees classified as follows according to their specializations:

Title	Post Graduate	Diploma	High School / lower grade	Total
Engineer	16	-	-	16
Technician	10	15	17	42
Admin staff	7	2	4	13
Accountant	4	-	-	4
Intermediate Technician	-	-	13	13
Driver	-	-	4	4
Total	37	17	38	92

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 & Environment

Jordan Phosphate Mines Company attaches great importance to the matter of quality. Furthermore, to achieve this, it conducts the essential analysis and tests for different types of phosphate through its laboratories that are equipped with the most recent laboratory equipment. Additionally, the company provides technical services to the company's sites and customers who import the company's products, in addition to serving scientific institutions and universities.

Furthermore, the company is keen to apply 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).

The Company has rehabilitated and developed the previous mining areas located in Al Ruseifa for the purpose of improving the surrounding atmosphere and investing it terms of servicing the community and the people of Al Ruseifa as the project cost is estimated around JD 29 million and the project is anticipated to be terminated and handed over by the second half of 2022.

Future Plans

a. Anticipated Projects:

- Jordan Phosphate Mines Company has implemented the project of maintenance works for the ammonia tank which is expected to be accomplished in the first quarter of 2022.
- The Company has started the implementation of the joint venture to establish an aluminum fluoride plant in Eshidiya to consume the surplus Fluorosilicic Acid and produce 20 thousand tons of Aluminum Fluoride per year knowing that the project was signed with Indian Company Alufluoride Limited and the Indo-Jordan Chemicals Company L.L (IJC).
- The Company has started the implementation of the project of establishing a desalination plant in compliance with an agreement signed between JPMC and Solar Water PLC On the basis of (BOT), the ownership of project will be referred to JPMC. All of the produced (Industrial water) quantities amounted 4 million cubic meters per year will be supplied to the Industrial Complex.
- The Company has signed an agreement with the Ideal Development Company for Manufacturing Industries on 26 July 2021 To build and operate A1 & A3 phosphate washing and flotation plant in Eshidiya Mine To produce about 2 million tons of phosphate on a BOOT basis for 20 years. Thereafter, the ownership of the project will be referred to JPMC.
- The Company has started conducting required studies to increase the production capacity of the Phosphoric Acid Plant in the Industrial Complex to reach 1,500 tons of P_2O_5 per day with an increase of 67%. The project is expected to commence implementation during the second half of 2022.
- The Company has initiated the needed studies to increase the production capacity of the Indo-Jordan Chemicals Company (IJC) to reach a daily production rate of 2000 tons of phosphoric acid. A tender will be issued to design and implement the project by companies specialized in the field. The implementation period of this project is 36 months.
- The Company has started conducting required studies in regards to increasing the fertilizers production capacity of Nippon Jordan Fertilizer Limited Co. (NJFC) which will leave an impact in raising production costs, enhancing competitiveness, in addition to increasing revenues from sales and hard currency.
- The Company will build new warehouses to store phosphate at the phosphate exporting port as the storage capacity will approximately be 500 thousand tons of phosphate. A tender will be issued to design and implement the project by companies specialized in the field. The implementation period of this project is 36 months.
- The Company has agreed upon establishing a plant for the production of anti-foaming, anti-caking and coloring materials in partnership with the Saudi Industrial Design Company. The implementation period of this project is 12 months.

- The Company has agreed with Engicon Partner to build and operate a phosphate wastewater treatment plant at Eshidiya mine and reuse of industrial water at Indo-Jordan Chemicals Company (IJC) with a production capacity of 7,000 cubic meters per day on (BOT) basis as the company as owned by JPMC and the duration of the project implementation is 12 months.
- The Company has signed a memorandum of understanding with Teesta Agro Industries Limited to construct a phosphoric acid production plant and DAP fertilizer in Jordan with a production capacity of 300 thousand of tons per year with an estimated cost of USD 400 million.
- The Company has signed a memorandum of understanding with Germany's LUMA-International Company to establish a phosphoric acid factory with a production capacity of 300 thousand tons with an estimated cost of USD 400 million. It is anticipated that the construction of such factories will create nearly 500 new job opportunities for each factory and this has an impact on unemployment rates in the Jordanian market.
- The Company is preparing to conduct studies to establish a joint project to produce phosphoric acid at the green complex with a production capacity representing 1000 tons per day and this is going to be implemented through companies specialized in the field of manufacturing phosphoric acid. The implementation period of this project is around 72 months.
- The Company is preparing to conduct studies to establish a joint venture to produce food phosphoric acid (Food Grade) with an expected production capacity of 50 thousand tons per year. The project will be implemented through companies specialized in the field and the implementation period of this project is almost 18 months.

b. Production and Marketing Plans for 2022:

- The highly-sought plans that JPMC has set for 2022 aim at producing 10 million tons of phosphate and 700 thousand tons of DAP.
- The above plans aims of selling 10 million tons of phosphate (6 million for exportation and 4 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.
- 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.

Human Resources & Services Delivered to Them

As at 31.12.2021, there were 2153 employees at service in the company classified as follows according to their academic specializations and job sites:

Site	Sex	Engineer	Post Graduate Admin Staff	Post Graduate Techni-cian	Inter-mediate Admin Staff	Inter-mediate techni-cian	High School / lower grade ad-min staff	High School / lower grade technician	Total	Percentage Upon Site
Headquar-ters		27	100	9	8	1	36	14	195	9,1%
	Male	13	68	6	5	1	30	13	136	
	Female	14	32	3	3	0	6	1	59	
AlHassa Mine		23	15	12	7	17	33	207	314	14,6%
	Male	23	15	11	5	17	28	206	305	
	Female	0	0	1	2	0	5	1	9	
Al Abiad Mine		23	10	5	3	26	18	170	255	11,8%
	Male	23	10	5	3	26	18	170	255	
	Female	0	0	0	0	0	0	0	0	
Eshidiya Mine		30	28	51	10	59	146	434	758	35,2%
	Male	30	28	51	10	59	146	434	758	
	Female	0	0	0	0	0	0	0	0	
The Indus-trial Com-plex		53	30	23	17	90	39	267	519	24,1%
	Male	47	25	20	15	89	31	267	494	
	Female	6	5	3	2	1	8	0	25	
Research Department		4	10	1	3	6	2	8	34	1,6%
	Male	2	10	1	3	5	2	8	31	
	Female	2	0	0	0	1	0	0	3	
The New Port		7	8	5	1	15	6	36	78	3,6%
	Male	5	7	5	1	15	6	36	75	
	Female	2	1	0	0	0	0	0	3	
Total		167	201	106	49	214	280	1136	2153	100%
Percentage Upon Qualification		7,8%	9,3%	4,9%	2,3%	9,9%	13,0%	52,8%	100%	

Housing Loans:

Total loans to employees of the Company since the establishment of the fund till the end of 2021 totaled JD 44,239,674 with 2,141 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 2021 were 104 employees with a total cost of about JD 3,618,100.

Training and Development:

During 2021, the company participated in several courses and training programs due to its headquarters and management interest in raising the efficiency of its employees and developing their skills to gain knowledge. Where (217) employees have participated in a number of courses and conferences as shown in the table below. In regards to activating the company' role in serving the local community, it has received (60) trainees who hold intermediate diplomas to be trained in all company sites for the purpose of practical training for them in their field of specialization, according to the signed agreement with the Ministry of Labour. In addition, (19) engineers and geologists from different fields of expertise were trained in the different company sites in compliance to the agreement sealed with the Jordanian Engineers Association. Also, during this year, (32) male and female students were welcomed from various universities and community colleges for field training for their graduation purposes.

Statement	Specialized Financial, Administrative, and Technical Courses	Training Hours	Number of Participants
Number	29	779	217


شركة مناجم الفوسفات الأردنية
المجمع الصناعي
مركز التدريب
TRANING CENTER

Medical & Health Services

Medical and Health Services:

The company provides 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 compant has accredited a medical network with distinguished specialities in order to add to its list doctors accredited all over the Kingdom. Noting that all the prices are approved by the concerned medical authorities according to the wages list approved 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 medical entities. This has helped build up an information system revealing the medical history of each beneficiary in order to avoid repetitive medication and medical 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.

Costs of Medical Treatment for Employees and their Families during 2017-2021:

(Thousand Dinars)

Item	2021	2020	2019	2018	2017
A. Costs of Treatment of Employees of the Company	1,543	1,622	2,483	2,688	2,761
B. Costs of Medical Treatment of the Employees' of the Company Families	2,009	1,995	3,160	2,999	3,230
Grand Total (A+B)	3,552	3,617	5,643	5,687	5,991

Post-Retirement Medical Insurance:

The Company provides medical insurance for its retirees whether because of old-age or early retirement upon a bylaw applied for this purpose. Each year, the Company contributes with 50% of the amount of costs incurred from implementing this bylaw. The Company has been managing post-retirement medical insurance since 2017. The post-retirement medical insurance costs were as follows for the period 2017-2021:

(Thousand Dinars)

Item	2021	2020	2019	2018	2017
Expenditures of the Post-retirement Medical Insurance (Retirees, their spouses and children)	7,752	6,770	7,173	7,285	4,038
Number of Beneficiaries	7,354	6,922	6,736	6,428	5,795

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 1,420 JOD 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 Km^2 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 14001:2015; 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).
- 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 2021:

(Jordanian Dinar)

Company/ Item	Annual Fees	Sales Tax 16%	Total
Jordan Phosphate Mines Company	80,000	12,800	92,800
Indo-Jordanian Chemicals Company	16,000	-	16,000
Nippon-Jordan Fertilizer Company	6,500	-	6,500
Al - Ro'ya Transportation Company	3,450	552	4,002

C. Statement of Major Customers of the Company Sales for 2021:

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	75.50	48.70	26.41	24.56	-
Indonesia	16.90	10.90	-	-	-
USA	-	-	57.3	53.29	-
Turkey	-	-	6.29	5.85	-
Brazil	5.20	3.30	5.61	5.22	-
Bangladesh	0.70	0.40	-	-	-
Taiwan	1.20	0.80	-	-	-
Sudan	-	-	2.03	1.89	-
Japan	0.50	0.40	-	-	-
Associate Companies, Subsidiaries and the Local Market	-	35.50	-	7.00	100.00

D. Statement of the Company's Activities as Per the Geographical Locations and Capital Investment Volume in each for the Year 2021:

(Thousand JD)

Site	Activity / Process	Capital Investment Volume
Al Rusaifa Mine	Re-screening of Stock	4,558
Al Hassa Mine	Production of Regular Washed Phosphate	64,823
Al Abiad Mine	Production of Regular Washed Phosphate	30,660
Eshidiya Mine	Production of Regular Washed and Floated Phosphate	293,808
Industrial Complex / Aqaba	Production of Sulfuric Acid Phosphoric Acid, DAP Fertilizers, and Aluminum Fluoride	325,342
Other Sites		13,102
Total		**732,293**

E. Statement of the Major Contractors and Suppliers of Local Purchases of the Company for 2021:

(Thousand JD)

Item	Amount	Ratio of Total Purchases
Contractors of Phosphate Excavations	137,761	%37
Contractors of Transport	65,485	%18
Electricity Companies	14,150	%4
Jordan Petroleum Refinery	5,653	%2
The Water Authority, Aqaba Water Company and Miyahuna Company	10,274	%3

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 2021 - 2020:

Name of the Member	Nationality	Shares	
		2021	2020
- 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 AbuHassan\ 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 2021 - 2020.

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.

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

Among the framework of embodying the principles of Sustainable Development, Jordan Phosphate Mines Company moves towards the development of local communities geographically located in its productive areas 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 direct job opportunities provided by JPMC by its businesses, factories, joint ventures, and other indirect job opportunities in the field of supply, transportation, and others.

Not to mention the implementation of training programs agreed upon with line ministries such as the Ministry of Labor and the Jordanian Engineers Association. As at the beginning of 2022, JPMC signed work contracts with more than 220 trainees.

I. Donations:

The donations made by Jordan Phosphate Mines Company in 2021 amounted to JD (2,045) 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)

Details	Amount
Support to the Royal Initiatives on the Occasion of Centenary of the Founding of Jordan	500,000
Support to the Greater Ma'an Municipality	400,000
Support of Public Institutions Unions	113,500
Support to the General Jordanian Trade Union of Workers in Mining and Metal Industries	60,000
Support of Welfares Organization and Pockets of Poverty	69,000
Support of Charity Packages Campaign	124,100
Supporting Schools, Scientific Institutes and Universities	28,294
Support Religious, Culture and Health Activities	75,499
Support to Hospitals and Urgent Treatments	18,100
Supporting Sports Activities	31,000
Scholarships	625,975
Total	2,045,468

Donations Paid by the Company in 2017-2021:

(Thousand JD)

2021	2020	2019	2018	2017
2,045	6,469	972	349	160

J. Members of the BOD:

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 was hold the post of: Board of Directors member at the Jordan Phosphate Mines Company (2004-2012), Advisor to the Executive Investment Committee at the Jordan Phosphate Mines Company and Acting General Manager at the 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 2021:

(Jordanian dinar)

Board of Director Member	Position	Salaries (*)	Transport Remuneration	The Remuneration for attending meetings of the BOD commities	Annual Remuneration for the Year 2020	Travel Per Diem	Other Remuneration
Representatives of Private Sector:							
H.E. Dr. Mohammad Thneibat	Chairman of the BOD	180000	18000	18000	5000	4875	50000
Dr. Eng. Abdelfattah AbuHassan	Member	-	18000	18000	5000	-	-
Representatives of Government Investments Management Company[1]:							
Mr. Salem Al Qudah	Vice Chairman of the BOD as of 23. Feb.2022	-	18000	18000	5000	-	-
H.E. Mr. Mohammad Kreishan	Member	-	18000	18000	5000	-	-
Representative of Social Security Corporation [2]:							
Dr. Adel Al-Sharkas	Vice-Chairman of the BOD until 16. Jan.2022	-	18000	18000	5000	-	-
Representatives of INDIAN POTASH LIMITED:							
Dr. U.S. Awasthi	Member	-	18000	18000	5000	-	-
Dr. P.S. Gahlaut	Member	-	18000	18000	5000	1350	-
Representative of Kisan International Trading FZE:							
Mr. Manish Gupta	Member	-	18000	18000	5000	9300	-
Representative of Kuwait Investment Authority [3]:							
Eng. Mohammad Al-Munaif	Member	-	18000	18000	5000	9000	-

Chairman and Members of the Board of Directors don't benefit from the unpiad 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 Al Rowwad	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	Major	Academic Qualification
Ms. Sana Qarain	Director of Finance	Jordanian	21.7.1984	11.5.2007	Accounting	M.Sc.
Geologist Mohammad Abu Hazeem	Acting Director of Mining and Mines	Jordanian	5.6.1995	1.1.2017	Geology	B.Sc.
Eng. Rima AbdulHaleem	Acting Director of Supply & Procurement	Jordanian	16.8.1998	1/4/2019	Chemical Engineering Engineering Management Project	B.Sc. M.Sc.
Dr. Saleh Kasasbeh	Director of Performance Development and Quality Assurance in the Company till 28.2.2022	Jordanian	19.10.1996	14/12/2020	Business Administration	Ph.D.
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.
Dr. Muhammad Huwaiti	Manager of the Research and Business Development Unit	Jordanian	20.9.2020	20/9/2020	Geology	Ph.D.
Eng. Abdelaziz Al Arakzeh	Manager of Industrial Complex	Jordanian	1.9.2019	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	Minning Engineering	B.Sc.

M. 1. Salaries and Travel Assignments Paid to the Senior Management in 2021:

(Jordanian dinar)

Name	Job	Salaries	Per Diems of Official Assignments
Eng. Abdel Wahab Al Rowwad (*)	CEO	173,550	10,463

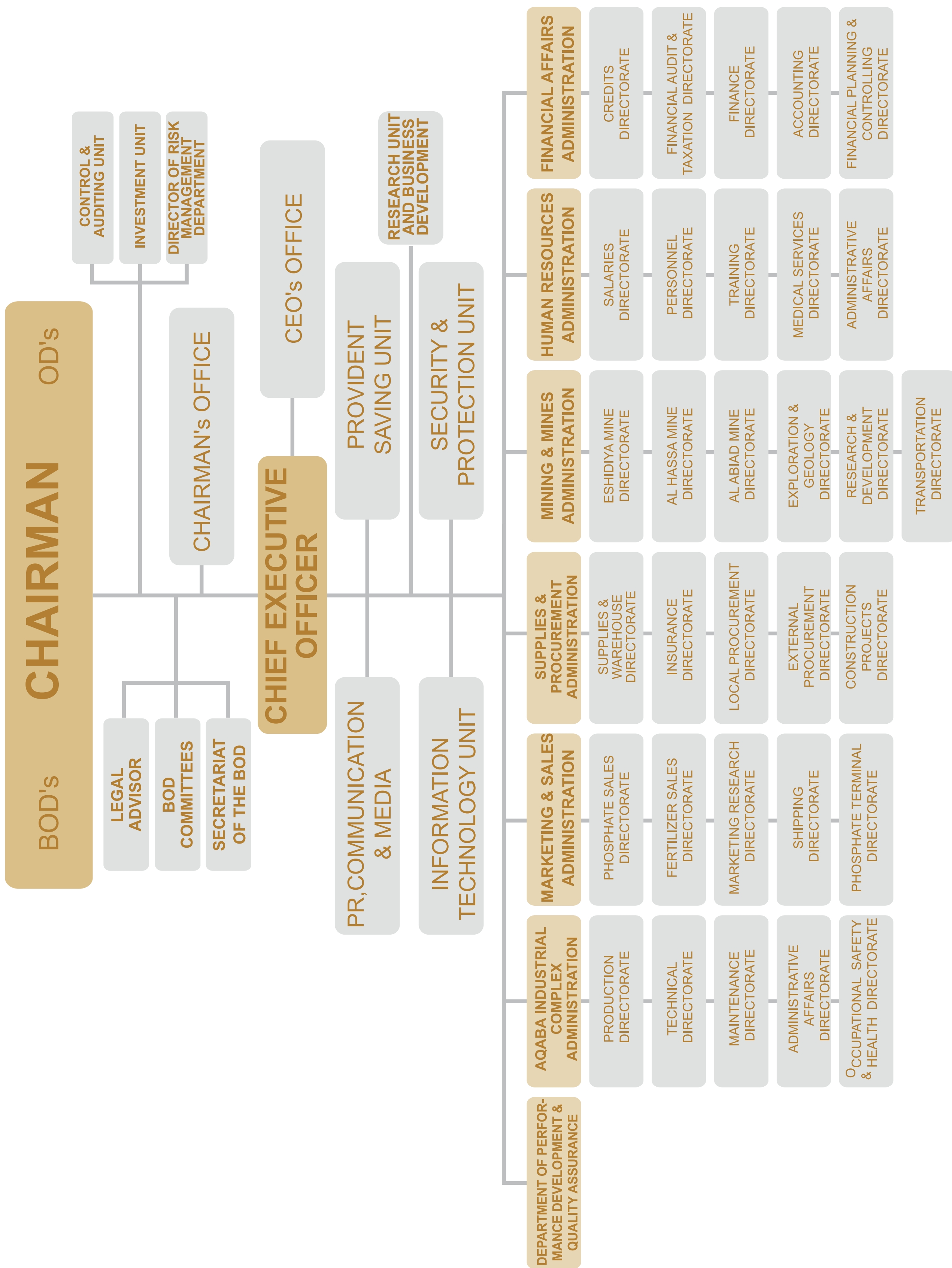
(*) Uses the Company's car.

M.2. Salaries and Travel Assignments Paid to the Executive Management staff in 2021:

(Jordanian dinar)

Name	Job	Salaries	Per Diems of Official Assignments
Ms. Sana Qarain	Director of Finance	63,480	1,620
Geologist Mohammad Abu Hazeem	Acting Director of Mining and Mines	42,551	4,439
Eng. Rima AbdulHaleem	Acting Director of Supply & Procurement	46,221	-
Dr. Saleh Kasasbeh	Director of Performance Development and Quality Assurance in the Company until 28.2.2022	39,308	-
Dr. Fadwa Shabsough	Director of HR\ Account Manager of Saving Fund	55,284	-
Dr. Muhammad Huwaiti	Manager of the Research and Business Development Unit	47,985	-
Eng. Abdelaziz Al Arakzeh	Manager of Industrial Complex	51,140	-
Eng. Mahmoud AlJaradin	Manager of Mines\ Manager of Eshidiya Mine	45,713	3,544

N. The Organizational Structure of the Company:



The Financial Position as at 31.12.2021:

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	2021		2020	
	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	13,634,798	16.527	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	9,474,633	11.485	9,474,633	11.485
TOTAL	82,500,000	100.000	82,500,000	100.000

2. Assets and Equipment (JD 853,8 million at cost value and JD 225,7 million after subtracting accumulated depreciation):

The value of assets and equipment accounted for JD 853,779 million (against JD 835,345 million in 2020) marking an increase of JD 18,434 million compared to 2020. Machines and equipment, buildings and constructions, water and electric power networks, vehicles and spare parts have been added for JD 18,664 million. These newly possessed assets were via purchasing fixed assets for JD 13,519 million and capitalizing projects in progress into fixed assets for JD 5,145 million. However, machines and equipment, spare parts, vehicles, buildings and constructions, furniture and office equipment for JD 0,230 million were excluded.

3. Receivable Accounts before Subtracting Provision for Doubtful Debts (JD 228,2 million):

The balance of receivable accounts reached JD 228,181 million and the balance of such accounts reached JD 205,181 million after subtracting JD 22,590 million being the provision for doubtful debts. The accounts resulting from the phosphate industry activity reached JD 126,850 million and accounts resulting from the fertilizer industry activity reached JD 31,629 million whereas the accounts resulting from subsidiaries' activities reached JD 47,112 million.

The following table shows details of the receivable accounts:

Item	As at 31 December	
	2021	2020
	Amount/ Dinar	Amount/ Dinar
Trading Accounts	142,910,396	53,485,737
Accounts of Associate Companies	68,900,848	79,923,592
Other Receivable Accounts	16,369,611	14,968,411
Total	**228,180,855**	**148,377,740**
Minus: Provision for expected credit losses	(22,590,000)	(18,569,831)
Receivable accounts after the provision	**205,590,855**	**129,807,909**

A. Receivable Accounts of Sales of Finished Products (JD 142,9 million):

The receivable accounts of sales of finished products reached JD 142,910 million (against JD 53,486 million in 2020) out of which JD 67,053 million are receivable accounts of phosphate sales; JD 30,474 million are receivable accounts of manufactured fertilizers and JD 45,383 million are receivable accounts of subsidiary companies, which will be collected on maturity dates during 2022.

B. Receivable Accounts of Associate Companies (68,9 million JOD):

The Receivable Accounts of Associate Companies reached JD 68,901 million (against JD 79,924 million in 2020) out of which JD 33,814 million are the receivable accounts of JIFCO; JD 5,076 million of Jordan Abyad Fertilizer and Chemicals Company (JAFCCO); JD 12,763 million of PT Petro Jordan Abadi\ Indonesia; JD 15,180 million of Manajim mining development. In addition to JD 1,975 million of Arkan for Contracting and Minning Works Construction; JD 0,093 million of PT Kaltim Jordan Abadi\ Indonesia and Jordan industrial ports. The Company accounted for expected credit losses for subsidiary companies of JD 11,04 million in compliance with the International Accounting Standard No. (9).

4. Stock (JD 98,2 million):

As at 31 December 2021, the stock totaled JD 98,212 million (JD 57,023 million as at 31 December 2020) as follows:

Details	As at 31 December	
	2021	2020
A. Stock of Finished Products	Amount/Dinar	Amount/Dinar
Stock of Finished Phosphate Products	4,026,717	6,644,967
Stock of Finished Fertilizer Products	17,776,350	6,291,174
Stock of Finished Products of Subsidiaries	19,417,030	16,103,075
Total Stock of Finished Products	**41,220,097**	**29,039,216**
B. Stock of work in progress	Amount/Dinar	Amount/Dinar
Stock of work in progress Phosphate Products	3,221,365	3,230,990
Stock of work in progress Fertilizer Products	1,988,488	944,096
Stock of work in progress Subsidiaries Products	1,582,084	1,474,230
Total Stock of work in progress Products	**6,791,937**	**5,649,316**
C. Raw Materials	**50,200,169**	**22,334,061**
Grand Total (A+B+C)	**98,212,203**	**57,022,593**

5. Credit Loans (JD 65,9 million):

The balance of credit loans totaled (JD 65,881) million and they were shown in the balance sheet on the basis of long-term loans for (JD 42,539) million and short-term loans maturing in 2022 for (JD 23,342) million. Herewith, It is worth mentioning here that the Group raised new loans for (JD 2,421) million for 2021 and repaid (JD 15,850) million for the loans given to the Company where (JD 14,174) million are installments of loans and (JD 1,676) million are interests due for those installments.

6. Salaries\ Wages\ and their Benefits for the Group Employees

(JD 90,1 million):

Salaries, wages and benefits given to the employees of the Group in 2021 reached JD 90,099 million (against JD 86,344 million in 2020); which marks an increase of 4,3% compared to 2020 Resulting from the value of the production bonus agreed upon in the collective labor contract signed on June 29th 2021.

A. Salaries\ Allowances\ Bonuses\ Wages\ given to Employees of the Company During 2021 reached JD 74,353 million compared to (JD 69,717 million) in 2020 and details are shown in the below table:

Item	Amount/Dinar	
	2021	2020
Salaries and Allowances	45,438,302	45,296,339
Other Bonuses	7,117,884	1,037,812
Total of (A)	52,556,186	46,334,151

B. Benefits Provided to Employees of the Company for 2021-2020:

Item	Amount/Dinar	
	2021	2020
Provident Fund	1,860,730	1,718,789
Social Security	6,061,899	6,244,616
Expenses of Employees' Medical Treatment	1,542,803	1,621,904
Coverage of Medical Insurance Expenses for the Families of Employees	2,008,765	1,994,526
Subsidy of Food Males	407,609	620,000
Expenses of Paid End of Service Compensation	2,059,603	1,436,756
Death and Compensation Fund for 2015	7,655,614	9,546,434
The Current Amount of End of Service Compensation	200,000	200,000
Total of (B)	21,797,023	23,383,025
Total of (A+B)	74,353,209	69,717,176

C. Salaries\ Wages\ and Benefits (JD 15,7) million Paid to Employees of Subsidiary Companies for 2021 - 2020:

Item	Amount/Dinar	
	2021	2020
Salaries and Allowances	15,745,424	16,626,713

7. Financial Situation for 2021 Compared to 2020:

- Net Consolidated Sales reached 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). In 2020, the net consolidated sales reached JD 607,385 million (JD 297,554 million sales of phosphate and JD 177,240 million sales of fertilizers in addition to JD 126,135 million sales of subsidiary companies and JD 6,456 million trading with raw materials).

- Consolidated Expenses reached 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) vis-à-vis JD 570,087 million (JD 255,848 million for the phosphate unit; JD 193,761 million for the fertilizers unit; JD 115,089 million for subsidiary companies; and JD 5,389 million for cost of trading with raw materials) in 2020.
- The Income Tax Expense for the accumulated income of 2021 reached to JD 101,827 million against (JD 8,451 million) in 2020.
- Net Accumulated profits reached JD 336,363 million in 2021 against (JD 28,073 million) in 2020.
- Equity reached JD 928,598 million in 2021 against (JD 609,576 million) in 2020 with an increase of about 52,3% compared to 2020.

8. Some Financial Information and Indicators:

A. Details of the most significant Financial Indicators for 2021-2017:

(Thousand Dinars)

Details	2021	2020	2019	2018	2017
Net Revenues of Sales	1,077,779	607,385	640,793	674,439	586,666
Total Expenses	(741,416)	(579,312)	(620,203)	(626,895)	(633,319)
Net Accumulated Profits (Losses)	336,363	28,073	20,590	47,544	(46,653)
Interests of Loans	2,296	3,802	6,143	6,947	4,755
Net Fixed Assets	225,626	218,984	222,921	234,843	228,979
Current Assets	661,676	331,606	330,194	379,313	336,933
Total Assets	1,505,176	1,144,196	1,173,205	1,146,786	1,077,663
Net Equity	928,598	609,576	595,270	596,164	678,152
Long Term Credit Loans	42,539	52,959	63,776	82,161	72,971
Current Liabilities	344,501	291,636	320,937	336,651	309,783
Debt Ratio	7:93	11:89	14:86	16:84	15:85
Debt Service Ratio\ Once	27,46	1,63	2,6	2,15	0,70
Current Ratio\ Once	1,921	1,12	1,03	1,12	1,09
Net Profit (Loss) per Share\ Dinar	4,060	0,352	0,265	0,573	(0,576)
Closing Price per Share\ Dinar	17,94	3,51	2,77	2,84	2,55

B. Profits (Losses) Realized, Distributed Dividends, Net Shareholders' Equity, and Prices of Financial Securities Issued for 2021-2017:

(Thousand Dinar)

Year	Net Accumulated Profits (Losses)	Net Equity	Distributed
2021	336,363	928,598	165,000
2020	28,073	609,576	16,500
2019	20,590	595,270	8,250
2018	47,544	596,164	16,500
2017	(46,653)	678,152	--

Prices of Issued Securities	
Year	Shares (Dinar/Share)
2021	17,94
2020	3,51
2019	2,77
2018	2,84
2017	2,55

C. Dealings with the Treasury and Public Institutions in 2020 and 2021:

(Thousand Dinar)

Item	Year	
	2021	2020
Ministry of Finance:		
Mining Revenues	30,785	15,740
Customs Duties	1,238	641
Revenue Stamp Fees	6	86
Dividends Distributed for the year 2020-2019	6,962	3,484
Department of Land and Survey	2,511	5,937
Tax on Income and Overseas Payments & Sales	22,325	17,419
Income Tax on Employees' Salaries	1,574	1,267
The Company's and Employees' Contribution to Social Security	9,498	9,573
Aqaba Development Company/Port Operating Services	2,419	2,411
Public Security Directorate/In lieu of Security Guards for the Production Sites	421	1,110
Economic and Social Corporation of Military Retirees/ Security Guards	1,257	1,142
The Rock Security and Gendarmerie Directorate	1,701	1,399
Water Authority - Water companies	12,536	9,749
Electricity Companies	14,842	16,231
Aqaba Special Economic Zone/Income Tax	231	680
Regulatory Commission of Energy and Minerals Sector	27	84
Total	**108,333**	**86,953**

D. Brief Data on the Position of the Company for 2017-2021:

Year	Total Assets (thousand Dinar)	Nominal Capital (thousand Dinars	Total Equity (thousand Dinars)	Net Profits (Losses) (Thou-sand Dinars)	Production (thousand tons)			Sales (thousand tons)			Distributed Dividends (%)	Staff as at 31 December
					Phos-phate	DAP	Phosphoric Acid	Phosphate	DAP	Phosphoric Acid		
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
2017	1,077,663	82,500	678,152	(46,653)	8,688	379	469	8,793	401	319	-	2871

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

In 2021, the Company suffered from an unprecedented increase in the global prices of raw materials such as (Sulfur and Ammonia) and the storage is still limited for the final products of phosphate and chemical fertilizers which restricts the company's competitiveness ability.

F. Subsidiaries:

In December 2021, the company purchased 10% of the shares of Mitsubishi, the partner in the Nippon-Jordan Fertilizer Company, amounting to 1,672,800 shares with a value of JD 950 thousand, so the share of the Jordan Phosphate Mines Company became 80% of the capital of the Nippon-Jordanian Fertilizer Company.

G. Impacts:

G/1- In 2021, the ICC issued its final resolution with regard to the disagreement with the Contractor who carried out the construction work in the port as the resolution obligated him to pay what is due to the Jordan Phosphate Mines Company in accordance with the arbitration decision, and it included the financial statements for 2019, 2020 and 2021 a result of this decision.

G/2- In 2021, the decision of the arbitral tribunal and the Appellate Court was issued in the case between the Site group for well-drilling and Jordan Phosphate Mines Company and the decision was in favor of the site group, and the adjudged amount was paid after settling the judgment in favor of JPMC. Accordingly, the financial statements for the year 2021 included the value of the amounts that were paid to the contractor.

G/3- In January 2022, the cases were settled with AlOwn Advanced For Contracting Co and Arkan Company for Constructions. 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.

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 2021.

H. 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 do not enjoy any governmental safeguard their products are not covered with any prerogatives but they have licenses of mining rights that are renewed upon approval of the Ministry of Energy and Mineral Resources. The Company and its associates and subsidiaries do not possess any patents that were not disclosed in the past.

I. Acknowledgment by the Board of Directors:

I/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 6th March 2022, and the availability of an effective control system at the Company.

I/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 of 2022.

Chairman of the BOD
Dr. Mohammad Thneibat

Mr. Salem Al Qudah
Vice-chairman of the BOD
as of 23rd February 2022

Dr. Adel Al-Sharkas Vice-chairman of the BOD until 16th January 2022

Dr. U.S. Awasthi
Member

Dr. P.S. Gahlaut
Member

Mr. Manish Gupta
Member

Dr. Eng. AbdelFattah AbuHassan
Member

Advocate Mohammad Kreishan
Member

Eng. Mohammad Al-Munaifi
Member

I/3- Chairman of the BOD of JPMC, the CEO, and Director of Finance all acknowledge that the information and data in this annual report for 2021 are true, accurate and complete.

Chairman of the BOD
Dr. Mohammad Thneibat

Eng. Abdel Wahab Al Rowwad
CEO

Sana Qarain
Director of Finance

Governance Report

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 enhances the 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 from 29.12.2020.

- **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 embers. If the votes are equal, that of the meeting chairman will be preponderant. In 2021, the BOD held 8 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.

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 2021:

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
Eng. Sami Smeirat	Representative of Social Security Corporation	Member as of 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. Mohammad Al-Munaif	Representative of Investment Authority\Kuwait	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 2021 and the members who attended:

Name	Number and Date of Meeting								Grand Total	
	No. (1) 28/2	No. (2) 30/3	No. (3) 27/4	No. (4) 26/6	No. (5) 23/8	No. (6) 27/10	No.(7) 7/12	No.(8) 30/12	Pres-ent	Absent upon Excuse
H.E. Dr. Mohammad Thneibat	P	P	P	P	P	P	P	P	8	-
Dr. Adel Al-Sharkas	P	P	P	P	P	P	P	P	8	-
Dr. U.S. Awasthi	P	P	P	P	P	P	P	P	8	-
Dr. P.S. Gahlaut	P	P	P	P	P	P	P	P	8	-
Mr. Manish Gupta	P	P	P	P	P	P	P	P	8	-
Dr. Eng. Abdel Fattah Abu Hassan	P	P	P	P	P	P	P	P	8	-
H.E. Advocate Mohammad Kreishan	P	P	P	P	P	P	P	P	8	-
Mr. Salem Al Qudah	P	P	P	P	P	P	P	P	8	-
Eng. Mohammad Al-Munaif	A	P	P	P	P	P	P	P	7	1

P= Present A= Absent

c. Percentage of Presence of Members of the BOD Meetings in 2021:

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	8/8	100%
Mr. Salem Al Qudah	Vice-Chairman of the BOD as of 23.2.2022	8/8	100%
Dr. Adel Al-Sharkas	Vice-Chairman of the BOD until 16.1.2022	8/8	100%
Dr. U.S. Awasthi	Member	8/8	100%
Dr. P.S. Gahlaut	Member	8/8	100%
Mr. Manish Gupta	Member	8/8	100%
Dr. Eng. Abdel Fattah Abu Hassan	Member	8/8	100%
H.E. Advocate Mohammad Kreishan	Member	8/8	100%
Eng. Mohammad Al-Munaif	Member	7/8	87.5%

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

H.E. Dr. Mohammad Thneibat\ Chairman of the Board Member in:

A. Jordan Petroleum Refinery.

Dr. Adel Al-Sharkas\ Vice-chairman of the board until 16.1.2022 and Member in:

A. The Public Shareholding Industrial Estates Company.

B. The Public Shareholding Jordan Real Estate Mortgage Company.

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

5. Executive positions and Names of those Occuping them:

Name	Job
H.E. Dr. Mohammad Thneibat	Chairman of the Board
Eng. Abdel Wahab Al Rowwad	CEO
Ms. Sana Qarain	Director of Finance Department & Secretary of the BOD
Geologist Mohammad Abu Hazeem	Acting Director of Mining and Mines
Eng. Rima AbdulHalim	Acting Director of Supply & Procurement
Dr. Saleh Kasasbeh	Director of Performance Development and Quality Assurance in the Company until 28.2.2022
Dr. Fadwa Shabsog	Director of HR\ Account Manager Saving Fund
Dr. Muhammad Al-Huwaiti	Manager of the Research and Business Development Unit
Eng. Abdelaziz Al Arakzeh	Manager of Industrial Complex
Eng. Mahmoud Al-Jaradin	Manager of Mines\ Manager of Eshidiya Mine

6. Committees Under the BOD:

a. The Audit Committee:

a/1- Members of the Audit Committee:

- Dr. Adel Al Sharkas\ Vice-Chairman of the Board Until 16.1.2022\ Head of the Committee
Ph.D. in Financial Economy, M.Sc. in Economics/ Statistics, B.Sc. in Applied Statistics. Currently, Governor of the Central Bank of Jordan

- Mr. Salem Al Qudah\ Vice-Head of the Committee as of 23.2.2022/ Vice-Head of the Committee
B.Sc. Business Administration; Assistant 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 in 2004 - 2012; Consultant 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

a/2- The following table shows Presence and Absence of the Audit Committee Members in 2021:

Meeting No.	Date	Dr. Adel Al Sharkas\ Head of the Committee	Mr.Salem Al Qudah\ Vice-head of Committee	Dr. Eng. AbdulFattah AbuHassan\ Member	Mr. Manish Gupta\ Member
1/2021	24.3.2021	P	P	P	P
2/2021	26.4.2021	P	P	P	P
3/2021	28.7.2021	P	P	P	P
4/2021	26.10.2021	P	P	P	P
5/2021	29.12.2021	P	P	P	P

P=Present A=Absent

a/3- The Audit Committee Held Four Meetings with the External Auditor during 2021.

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 responds 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 of 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. Invite the external auditor to come 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:

- H.E. Dr. Mohammad Thneibat\ Chairman of the Board\ Head of the Committee
- Dr. Adel Al Sharkas\ Vice-chairman of the Board until 16.1.2022 \ Vice-head of the Committee
- 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 2021:

Meeting No.	Date	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
1/2021	28.1.2021	P	P	A	P	P
2/2021	25.4.2021	P	P	P	P	P
3/2021	17.6.2021	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 Members:

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

- H.E. Dr. Mohammad Thneibat\ Chairman of the Board
- Mr. Salem Al Qudah\ Vice Chairman of the Board as of 23.2.2022
- Dr. Adel Al Sharkas\ Vice-chairman of the Board until 16.1.2022
- Dr. U.S. Awasthi
- Dr. P.S. Gahlaut
- Mr. Manish Gupta
- Dr. Eng. AbdelFattah AbuHassan
- H.E. Advocate Mohammad Kreishan
- Eng. Mohammad Al-Munaifi

c/2- The Committee did not held any meetings in 2021.

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 revies it. Written operational procedures are drafted to regulate operations of the Committee and identifies its commitments. The Committee submits its recommendations to the BOD.

d. The Governance Committee:

d/1- Members of the Governance Committee:

- H.E. Dr. Mohammad Thneibat\ Chairman of the Board\ Head of the Committee.
- Dr. Adel Al Sharkas\ Vice-chairman of the Board until 16.1.2022\ Vice Head of the Committee.
- 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 2021:

Meeting No.	Date	H.E. Dr. Mohammad Thneibat\ Chairman of the Board\ Head of the Committee	Dr. Adel Al Sharkas\ Vice Chairman of the Board until 16.1.2022\ Vice-head of the Committee	Dr. P.S. Gahlaut\ Member	Dr. Eng. Abdel-Fattah AbuHas-san\ Member	Eng. Moham-mad Al-Munaifi\ Member
1/2021	30.3 2021	P	P	P	P	P

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.

It should be noted that the Board of Directors of the Jordanian Phosphate Mines Company had decided to form other committees to resolve on the company's affairs and according to the powers granted to it:

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

Chairman of the Board

Dr. Mohammad Thneibat


AMICO

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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 2021, 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 2021, 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.

Building a better working world

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 23 on the consolidated financial statements	
Key audit matter	**How the key audit matter was addressed in the audit**
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. Revenues are recognized when the Group meets 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.	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 controls around revenue recognition and key controls within the revenue cycle. 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. We have tested a sample of revenues journal entries recorded during the year based on predetermined standards. We have selected a sample of revenues before and after year-end to ensure proper recording in the proper period. We have also performed detailed revenue analysis using financial and non-financial information.

2. **Provisions for employees' benefits** Refer to note 17 on the consolidated financial statements	
Key audit matter	**How the key audit matter was addressed in the audit**
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 2021 amounting to JD 113,573 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".	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 2021 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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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 reasonable 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
29 March 2022

ERNST & YOUNG
Amman - Jordan

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021
(In Thousands of Jordanian Dinars)

	Notes	2021	2020
ASSETS			
Non-current assets			
Property, plant and equipment	3A	225,626	218,984
Projects in progress	4	16,074	13,690
Investments in associates and joint ventures	5	333,793	292,264
Intangible assets	6	130,148	136,509
Deferred tax assets	22	39,138	42,596
Employees' housing loans	7	4,852	3,886
Financial Assets at fair value through other comprehensive income	8	385	387
Long term loans receivable	9	6,442	11,997
Long term accounts receivable	12	22,481	22,481
Long term other current assets	13	6,560	7,256
Right-of-use assets	3B	58,001	62,540
		843,500	812,590
Current assets			
Inventories, spare parts and supplies	11	164,115	129,595
Short term accounts receivable	12	183,110	107,327
Other short term current assets	13	61,973	51,585
Short term loans receivables	9	5,555	-
Financial assets at fair value through profit and loss		369	212
Cash on hand and at banks	14	246,554	42,887
		661,676	331,606
TOTAL ASSETS		1,505,176	1,144,196
Equity and Liabilities			
Equity			
Paid-in-capital	15	82,500	82,500
Statutory reserve	15	75,000	75,000
Voluntary reserve	15	75,000	75,000
Special reserve	15	75,000	75,000
Fair value reserve		(276)	(274)
Acquisition of Non – controlling interest reserve	39	924	-
Retained earnings		616,484	297,954
Equity attributable to Company's shareholders		924,632	605,180
Non – controlling interests	38	3,966	4,396
Total Equity		928,598	609,576
Non-current liabilities			
Long-term loans	16	42,539	52,959
Provisions for employees' benefits	17	82,448	83,706
Assets deferral provision	6	17,449	16,748
Other long-term credit provisions	36	32,500	30,000
Long-term lease liabilities	3B	57,141	59,571
		232,077	242,984
Current liabilities			
Accounts payable	18	129,655	70,937
Accrued expenses	19	33,135	44,347
Other current liabilities	20	27,821	32,346
Due to banks	21	2,460	76,388
Current portion of long-term loans	16	23,342	24,972
Income tax provision	22	85,838	9,984
Short-term lease liabilities	3B	7,272	7,125
Provisions for employees' benefits	17	34,978	25,537
		344,501	291,636
Total Liabilities		576,578	534,620
TOTAL EQUITY AND LIABILITIES		1,505,176	1,144,196

The attached notes from 1 to 45 form an integral part of these consolidated financial statements

JORDAN PHOSPHATE MINES COMPANY PLC
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021
(In Thousands of Jordanian Dinars)

	Notes	2021	2020
Net sales	23	1,077,779	607,385
Cost of sales	23	(537,755)	(449,225)
Gross profit		540,024	158,160
Selling and marketing expenses	24	(6,710)	(7,551)
New phosphate port terminal expenses	35	(13,438)	(11,100)
Aqaba port fees		(4,944)	(5,119)
Transportation expenses		(60,309)	(50,601)
Administrative expenses	25	(23,498)	(24,351)
Russiefah mine expenses	26	(1,351)	(1,020)
Mining fees costs	27	(28,182)	(16,775)
Provision for slow-moving spare parts	11	(1,320)	(1,636)
Other provisions	17	(274)	(816)
Provision for expected credit losses	36,12,9	(6,520)	(2,510)
Himmet wattan fund donations		-	(5,000)
Other income, net	28	5,521	4,909
Foreign currency exchange differences		589	612
Operating profit		399,588	37,202
Finance costs	29	(10,339)	(14,474)
Finance income	30	2,056	1,624
Group's share of profit from associates and joint ventures	5	46,773	12,219
Board of directors bonus		(45)	(45)
Gain (Loss) from revaluation of financial assets at fair value through profit and loss		157	(2)
Profit before income tax		438,190	36,524
Income tax expense	22	(101,827)	(8,451)
Profit for the year		336,363	28,073
Profit Attributable to:			
Equity holders		334,921	29,007
Non – controlling interests	38	1,442	(934)
		336,363	28,073
		JD/Fils	JD/Fils
Basic and diluted profit per share attributable to the equity holders	31	4/060	0/352

The attached notes from 1 to 45 form an integral part of these consolidated financial statements

(In Thousands of Jordanian Dinars)

	Notes	2021	2020
Profit for the year		336,363	28,073
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)	40
Actuarial gain (losses) resulted from revaluation of defined benefit obligation plan	17	109	(5,556)
Total comprehensive income for the year		336,470	22,557
Total comprehensive income attributable to:			
Equity holders		335,028	23,491
Non – controlling interests		1,442	(934)
Total comprehensive income for the year		336,470	22,557

The attached notes from 1 to 45 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 2021
(In Thousands of Jordanian Dinars)

		Reserves					Retained earnings			
	Paid-in capital	Statutory	Voluntary	Special	Fair value reserve	Acquisition of Non - controlling interest reserve	Unrealized*	Realized**	Non - controlling interest	Total equity
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
Gross comprehensive income	-	-	-	-	(2)	-	157	334,873	1,442	336,470
Acquisition of Non – controlling interest (39)	-	-	-	-	-	924	-	-	(1,872)	(948)
Dividends payments (Note 43)	-	-	-	-	-	-	-	(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
For the year ended 31 December 2020										
Balance at 1 January 2020	82,500	75,000	75,000	75,000	(314)	-	25,985	256,768	5,330	595,269
Profit for the year	-	-	-	-	-	-	(2)	29,009	(934)	28,073
Other comprehensive income items	-	-	-	-	40	-	-	(5,556)	-	(5,516)
Gross comprehensive profit	-	-	-	-	40	-	(2)	23,453	(934)	22,557
Dividends payments (Note 43)	-	-	-	-	-	-	-	(8,250)	-	(8,250)
Balance at 31 December 2020	82,500	75,000	75,000	75,000	(274)		25,983	271,971	4,396	609,576

* An amount of JD 26,140 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 39,453 thousands which are restricted, it includes JD 39,138 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 39 thousands is restricted against the accumulated negative balance of fair value for financial assets at fair value through profit or loss as of 31 December 2021.

The attached notes from 1 to 45 form an integral part of these consolidated financial statements

(In Thousands of Jordanian Dinars)

	Notes	2021	2020
OPERATING ACTIVITIES			
Profit for the year before income tax		438,190	36,524
Adjustments for:			
Depreciation	3A	11,889	11,477
Depreciation of right of use assets	3B	4,995	4,936
Amortization of new phosphate port terminal	6	6,361	6,359
Amortization of production stripping costs	10	-	7,172
Provisions for employees' benefits	17	17,819	10,283
Finance costs	29	10,339	14,474
Finance income	30	(2,056)	(1,624)
Mining fees costs	27	30,416	18,782
Group's share of profit from associates and joint ventures	5	(46,773)	(12,219)
Provision for slow-moving spare parts	11	1,320	1,636
Provision for expected credit losses	36,12,9	6,520	2,510
Other non-cash items		2,053	2,505
Working capital changes:			
Accounts receivable		(89,923)	3,075
Employees' housing loans		(1,539)	1,062
Other current assets		(9,692)	(6,808)
Inventories, spare parts and supplies		(35,840)	40,380
Accounts payable		58,718	(27,943)
Accrued expenses		(10,669)	1,859
Other current liabilities		1,565	5,237
Provisions for employees' benefits paid	17	(15,458)	(10,535)
Mining fees paid		(30,785)	(15,740)
Income tax paid	22	(23,745)	(16,818)
Net cash flows from operating activities		323,705	76,584
INVESTING ACTIVITIES			
Property, plant and equipment and payments on projects in progress – net		(21,062)	(14,664)
Proceeds from sale of financial assets at fair value through other comprehensive income		-	18
Acquisition of Non – controlling interest	39	(948)	-
Dividends received	5	11,120	1,000
Interest received		2,056	1,624
Net cash flows used in investing activities		(8,834)	(12,022)
FINANCING ACTIVITIES			
Proceeds from loans		2,124	7,080
Repayments of loans		(14,174)	(27,942)
Dividends paid		(16,529)	(7,927)
Lease liabilities payments	3B	(3,849)	(7,269)
Finance costs paid		(4,848)	(9,866)
Net cash flows used in financing activities		(37,276)	(45,924)
Net increase in cash and cash equivalents		277,595	18,638
Cash and cash equivalents at 1 January		(33,501)	(52,139)
Cash and cash equivalents at 31 December	14	244,094	(33,501)

The attached notes from 1 to 45 form an integral part of these consolidated financial statements

(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 6 March 2022 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.

(2-1) 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.

(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 2021:

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

* During the year 2021, the company acquired an additional share of 10% in the Nippon Jordanian Fertilizer Limited Company (note 39).

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.

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 2020, except for the adoption of new standards effective as of 1 January 2021:

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- To require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest,
- To permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued,
- To provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

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

Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease Modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022.

The amendment applies to annual reporting periods beginning on or after 1 April 2021.

However, the Group has not received Covid-19-related rent concessions, but plans to apply the practical expedient if it becomes applicable within allowed period of application.

(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.

Stripping Cost in the Production Phase of Surface Mine

The Group incurs waste removal costs (stripping costs) during the development and production phases of its surface mining operations. During the production phase, stripping costs (production stripping costs) can be incurred both in relation to the production of phosphate in that period or the creation of improved access and mining flexibility in relation to phosphate to be mined in the future.

Production stripping costs are included as part of the costs of inventory, while the stripping costs incurred in the creation of improved access and mining flexibility in relation to phosphate to be mined in future periods are capitalised as a stripping activity non-current asset that is amortized using units of production method. When the following conditions are met:

-It is probable that the future economic benefit improved access to the phosphate associated with the stripping activity will flow to the entity; and

-The entity can identify the amount and type of phosphate for which has been improved; and

-The cost relating to the striping activity associated with the component can be measured reliably.

Significant judgment is required to distinguish between development stripping and production stripping and to distinguish between the production stripping that relates to the extraction of phosphate and what relates to the creation of a stripping activity asset. The Group's management calculates the stripped quantities of overburden for any of the locations based on geological and specialized technical studies conducted on a quarterly basis. Stripping costs are capitalized as a stripping activity asset when the actual stripping ratio is higher than the contracted stripping ratio estimated by geologists and specialized professionals.

The capitalized stripping costs are amortized using the units of production method estimated based on the updated geological studies for the period for each location when the actual stripping ratio is lower than or equal to the contracted stripping ratio.

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 22).

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 17).

(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

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 recognises 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 recognised, 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 recognised 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.

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 recognised 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.

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.

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 consolidated statement of income starting on the opening date of the new phosphate port terminal until 28 February 2040.

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 acquire. For each business combination, the Group elects whether to measure the non-controlling interests in the acquire 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.

Asset deferral cost

The Group recognises 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.
- Dividends 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. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

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.

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.

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.

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.

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 40).

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.

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.

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.

JORDAN PHOSPHATE MINES COMPANY PLC
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31 DECEMBER 2021
(In Thousands of Jordanian Dinars)

(3A) PROPERTY, PLANT AND EQUIPMENT

	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	853,779
Accumulated Depreciation:													
At 1 January 2021	-	97,326	23,281	391,903	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.

Jordan Phosphate Mines Company PLC
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31 December 2021
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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)
2020													
Cost:													
At 1 January 2020	3,503	133,550	25,361	494,333	83,157	6,196	1,065	1,346	3,746	14,189	59,705	1,913	828,064
Additions	-	83	-	514	294	138	-	21	71	135	5,683	-	6,939
Transfers from projects in progress	-	38	-	488	97	-	-	-	-	-	-	-	623
Disposals	-	-	-	-	-	(63)	-	(13)	(14)	(191)	-	-	(281)
At 31 December 2020	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
Accumulated Depreciation:													
At 1 January 2020	-	94,899	22,995	386,310	41,606	4,649	914	1,311	3,343	13,108	34,096	1,912	605,143
Depreciation for the year	-	2,427	286	5,593	1,095	287	28	12	115	255	1,379	-	11,477
Disposals	-	-	-	-	-	(58)	-	(13)	(9)	(179)	-	-	(259)
At 31 December 2020	-	97,326	23,281	391,903	42,701	4,878	942	1,310	3,449	13,184	35,475	1,912	616,361
Net book value													
At 31 December 2020	3,503	36,345	2,080	103,432	40,847	1,393	123	44	354	949	29,913	1	218,984

The value of fully depreciated property, plant and equipment is JD 568,003 thousand as at 31 December 2020.

(In Thousands of Jordanian Dinars)

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

	2021	2020
	JD ('000)	JD ('000)
Cost of sales	11,466	11,036
Administrative expenses	356	369
Selling and marketing expenses	50	47
Russiefah mine expenses	7	15
Others	10	10
	11,889	11,477

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

(In Thousands of Jordanian Dinars)

	Right-of-use assets	Lease Obligations*
	JD ('000)	JD ('000)
At 1 January 2020	66,099	68,087
Additions	1,377	1,412
Depreciation	(4,936)	-
Finance costs	-	4,466
Payments	-	(7,269)
At 31 December 2020	62,540	66,696

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

2021			2020		
Short-term	Long-term	Total	Short-term	Long-term	Total
JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
7,272	57,141	64,413	7,125	59,571	66,696

(4) PROJECTS IN PROGRESS

Movement on the projects in progress is as follows:

	Balance at 1 January 2021	Additions	Transferred to property plant & equipment	Disposals	Balance at 31 December 2021
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
Aqaba Industrial Complex Projects	3,450	2,312	-	-	5,762
Shidiya Mine Projects	195	958	-	-	1,153
Indo-Jordan Chemicals Company Projects	8,800	4,091	(4,989)	-	7,902
Head Office, Hasa & Abyad mines	497	61	-	-	558
Nippon Jordan Fertilizers Company Projects	748	121	(156)	(14)	699
	13,690	7,543	(5,145)	(14)	16,074

The estimated cost to complete the projects in progress as of 31 December 2021 amounted to JD 9,086 thousand for JPMC related projects and the expected completion of this projects is through 2024. The estimated cost to complete the projects in progress amounted to JD 9,078 thousand for Indo-Jordan's related projects as of 31 December 2021 and the expected completion of this projects is in 2022.

The estimated cost to complete the projects in progress amounted to JD 300 thousand for Nippon's related projects as of 31 December 2021 and the expected completion of this projects is in 2022.

(In Thousands of Jordanian Dinars)

(5) INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

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

	2021	2020
	JD ('000)	JD ('000)
Investment in associates (A)	239,846	197,274
Joint ventures (B)	93,947	94,990
	333,793	292,264

A. INVESTMENTS IN ASSOCIATES:

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

	Country of incorporation	Nature of activity	Ownership	2021	2020
			%	JD ('000)	JD ('000)
Manajim for Mining Development Company "Manajim"	Jordan	Mining services	46	12,352	13,732
Jordan Abyad Fertilizer Company "JAFCCO" *	Jordan	Fertilizers production	27,38	-	-
Jordan India Fertilizer Company "JIFCO"	Jordan	Phosphoric acid production	48	221,806	173,849
Arkan Company for Constructions "Arkan"	Jordan	Mining contracting	46	5,358	9,276
Kaltime Jordan Abdi Company	Indonesia	Phosphoric acid production	40	330	417
				239,846	197,274

* Jordan Abyad Fertilizer Company "JAFCCO" accumulated losses exceeded the entire value of investment.

Movements on the investment in associates were as follows:

	2021	2020
	JD ('000)	JD ('000)
At 1 January	197,274	209,394
The Group's share of current year profit	45,667	12,798
Dividends received from Manajim for Mining development *	-	(25,300)
Adjustment related to Manajim for Mining development	(1,380)	-
(Disposals) Addition of Group's share of JIFCO income related to transactions between the Group and associate	(1,715)	382
At 31 December	239,846	197,274

(In Thousands of Jordanian Dinars)

* The General assembly for Manajim for Mining Development Company approved in its ordinary meeting held on 28 October 2020, to distribute dividends amounted to JD 55 million from retained earnings. The group's share amounted to JD 25,300 thousand.

Group's share of associate companies' results:

	2021 JD ('000)	2020 JD ('000)
Group's share of profit for the year *	45,667	12,188
Addition of Group's share of associate's income related to transactions between the Group and associate	-	999
	45,667	13,187

* This item includes amount of JD 610 thousand for 2020 that represents the Group share from Jordan Abyad Fertilizer Company losses for the year in excess of the Group share of the investment.

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

	2021				
	Manajim for Mining Development***	Jordan India Fertilizers Company	Arkan Company for Construction	Kaltime 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%	
Group's share in net equity	19,268	223,555	7,441	330	250,594
Elimination of Group's share of association related to transaction between the Group and associate	-	(1,749)	-	-	(1,749)
Adjustments due to change in ownership percentage	(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%	
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

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	2020				
	Manajim for Mining Development	Jordan India Fertilizers Company	Arkan Company for Construction	Kaltime Jordan Abdi Company	Total
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
Group's share in net equity:					
Current assets	3,634	57,872	18,987	2,050	82,543
Non-current assets	19,745	475,295	26,093	67	521,200
Current liabilities	(14,932)	(88,462)	(15,913)	(1,075)	(120,382)
Non-current liabilities	(19)	(82,451)	(1,540)	-	(84,010)
Elimination of the Group's portion of application of IFRS 9 related to the transactions between the Group and associates	10,333	-	-	-	10,333
Partners current account	3,000	-	(7,397)	-	(4,397)
Net equity	21,761	362,254	20,230	1,042	405,287
Percentage of ownership	46%	48%	46%	40%	
Group's share in net equity	10,010	173,882	9,306	417	193,615
Elimination of Group's share of association related to transaction between the Group and associate	-	(33)	-	-	(33)
Adjustments due to change in ownership percentage	-	-	14	-	14
Imbedded goodwill	3,722	-	(44)	-	3,678
Net investment as at 31 December	13,732	173,849	9,276	417	197,274
Group's share from associate's revenues and profits:					
Revenues	108,235	185,787	37,789	5,766	337,577
Cost of sales	(96,538)	(91,051)	(37,743)	(5,713)	(231,045)
Administrative, selling and distribution expenses	(811)	(84,331)	(1,324)	(132)	(86,598)
Interest income	200	-	-	164	364
Finance expenses	(12)	-	(312)	(129)	(453)
Other revenues	(230)	-	-	-	(230)
Group share of prior year income*	11,867	(1,032)	(209)	(8)	10,618
Profit (loss) for the year before income tax	22,711	9,373	(1,799)	(52)	30,233
Income tax expense	(2,824)	-	-	-	(2,824)
Profit (loss) for the year	19,887	9,373	(1,799)	(52)	27,409
Percentage of ownership	46%	48%	46%	40%	
Group's share from current year income	9,148	4,499	(828)	(21)	12,798
Elimination of Group's share of associate's income related to transactions between the Group and associates	-	-	999	-	999
Group's share of associates' profit (loss)	9,148	4,499	171	(21)	13,797

* Prior year adjustments represent the profit/Loss differences between draft financial statements and issued audited financial statements of the associate companies.

*** Management of the Mining Development Company has not provided the group with the Company's financial statements for the year 2021, and in the opinion of the group's management, there is no material impact of the results of the Company's business on the value of the investment as of 31 December 2021

(In Thousands of Jordanian Dinars)

B. JOINT VENTURES:

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

	Country of incorporation	Nature of activity	Ownership	2021	2020
			%	JD ('000)	JD ('000)
Indonesian project – Petro Jordan Abadi Company	Indonesia	Phosphoric Acid production	50	19,062	20,141
Jordan Industrial Ports Company	Jordan	Shipping services	50	74,885	74,849
				93,947	94,990

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

	2021	2020
	JD ('000)	JD ('000)
Balance at 1 January	94,990	97,281
Group's share of profit (loss) for the year	1,106	(968)
Dividends from Industrial ports company*	(1,000)	(1,000)
Disposal Group's share of Petra Jordan Abdi income related to transactions between the Group and joint venture	(1,149)	(323)
Balance at 31 December	93,947	94,990

* The General assembly for Manajim for Industrial Ports Company approved in its ordinary meeting held on 26 May, 2021, to distribute dividends amounted to JD 2 million from retained earnings (2020: 2 million).

(In Thousands of Jordanian Dinars)

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

	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

(In Thousands of Jordanian Dinars)

	2020		
	Indonesian project – Petro Jordan Abadi Company	Jordan Industrial Ports Company	Total
	JD ('000)	JD ('000)	JD ('000)
Current assets	27,361	20,701	48,062
Non-current assets	111,422	139,365	250,787
Current liabilities	(47,411)	(5,304)	(52,715)
Non-current liabilities	(49,573)	(5,064)	(54,637)
Net equity	41,799	149,698	191,497
Percentage of ownership	50%	50%	
Group's share in net equity	20,900	74,849	95,749
Elimination of group's share of the income related to transactions between the Group and joint ventures	(759)	-	(759)
Group's share in net equity	20,141	74,849	94,990
<u>Group's share from joint ventures and profits</u>			
Revenues	77,584	19,744	97,328
Cost of sales	(75,797)	(11,077)	(86,874)
Administration, selling and distribution expenses	(1,305)	(6,490)	(7,795)
Interest income	-	527	527
Finance expense	(2,872)	(12)	(2,884)
Other revenues, net	(329)	813	484
Group's share from prior year results***	(2,478)	(244)	(2,722)
Profit for the year	(5,197)	3,261	(1,936)
Percentage of ownership	50%	50%	
Group's share of (loss) profit from joint ventures	(2,599)	1,631	(968)

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

(In Thousands of Jordanian Dinars)

(6) INTANGIBLE ASSETS

The details of this item are as follows:

	2021	2020
	JD ('000)	JD ('000)
Fertilizers unit goodwill*	15,680	15,680
New phosphate port**	114,468	120,829
	130,148	136,509

* 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 16.6% 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 2021 were used to build up the projected 5 years future sales.

Projected costs: The costs incurred during 2021 except for raw material prices, were used to build up the projected 5 years cost.

(In Thousands of Jordanian Dinars)

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 16.6% (2020: 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 2021 amounted to JD 6,361 thousand (2020: JD 6,359 thousand) was recorded within new phosphate port terminal expenses (Note 35).

Movement on new phosphate port is as follows:

	2021	2020
	JD ('000)	JD ('000)
Balance at 1 January	120,829	127,188
Amortization for the year	(6,361)	(6,359)
Balance at 31 December	114,468	120,829

The asset deferral provision when the license to use and operate the new port expires is JD 17,449 thousand as 31 December 2021 (2020: JD 16,748 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:

	2021	2020
	JD ('000)	JD ('000)
Balance at 1 January	16,748	16,031
Present value discount (note 29)	701	717
Balance at 31 December	17,449	16,748

(In Thousands of Jordanian Dinars)

(7) EMPLOYEES' HOUSING LOANS

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

	2021 JD ('000)	2020 JD ('000)
Balance at 1 January	3,886	4,567
Net movement during the year	1,539	(1,062)
Release from discount- early payments	-	421
Present value discount (note 29)	(573)	(40)
Balance at 31 December	4,852	3,886

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.

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

	2021 JD ('000)	2020 JD ('000)
Quoted shares	119	115
Unquoted shares	266	272
	385	387

*The negative change in the fair value amounted of JD 2 thousand during 2021 (2020: positive change of JD 40 thousand).

(In Thousands of Jordanian Dinars)

(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%.

		2021		2020
	Currency	Short-term Loan payments	Long-term Loan payments	Long-term Loan payments
		JD ('000)	JD ('000)	JD ('000)
Jordan India Fertilizers Company	USD	5,555	-	5,555
Jordan Abyad Fertilizers and Chemicals Company – net *	USD	-	3,564	3,564
Jordan Abyad Fertilizers and Chemicals Company – net*	JD	-	6,028	6,028
		5,555	9,592	15,147
Provision for expected credit loss**		-	(3,150)	(3,150)
		5,555	6,442	11,997

* 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.

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

	2021	2020
	JD ('000)	JD ('000)
Balance at 1 January	3,150	2,777
Provision for the year	-	2,000
Transfers to provision for expected credit loss for accounts receivables (Note 12)	-	(1,627)
Balance at 31 December	3,150	3,150

(In Thousands of Jordanian Dinars)

(10) PRODUCTION AND DEVELOPMENT STRIPPING COSTS

Movement on the production stripping cost is as follows:

	2021	2020
	JD (‘000)	JD (‘000)
Balance at 1 January	-	7,172
Amortization for the year	-	(8,171)
Addition of Group’s share of associate’s income related to transactions between the Group and associates (Note 5)	-	999
Balance at 31 December	-	-

(11) INVENTORIES, SPARE PARTS AND SUPPLIES

	2021	2020
	JD (‘000)	JD (‘000)
Finished goods	41,220	29,040
Work in progress (Note 33)	6,792	5,649
Raw materials	50,201	22,334
Inventory held by contractors	3,642	3,357
Spare parts and supplies	90,744	96,379
	192,599	156,759
Provision for slow moving spare parts*	(28,484)	(27,164)
	164,115	129,595

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

	2021	2020
	JD (‘000)	JD (‘000)
Balance at 1 January	27,164	25,528
Provision for the year	1,320	1,636
Balance at 31 December	28,484	27,164

(In Thousands of Jordanian Dinars)

(12) ACCOUNTS RECEIVABLE

	2021	2020
	JD ('000)	JD ('000)
Trade receivables	142,911	53,486
Due from associates and joint ventures (Note 37)	68,901	79,924
Others	16,369	14,968
	228,181	148,378
Provision for expected credit losses*	(22,590)	(18,570)
	205,591	129,808
Current portion	183,110	107,327
Non-current portion	22,481	22,481
	205,591	129,808

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

	2021	2020
	JD ('000)	JD ('000)
Balance at 1 January	18,570	16,433
Transfers from Expected Credit losses Provision (Note 9)	-	1,627
Provision for the year	4,020	510
Balance at 31 December	22,590	18,570

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)
2021	174,381	8,729	22,481	205,591
2020	107,256	71	22,481	129,808

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.

(In Thousands of Jordanian Dinars)

(13) OTHER CURRENT ASSETS

	2021	2020
	JD ('000)	JD ('000)
Payments on letters of credit	32,570	18,521
Prepaid expenses	16,811	14,752
Accrued interest revenue *	6,955	8,269
Advance payments on sales tax	4,016	3,078
Due from contractors' settlements	-	11,832
Others	8,181	2,389
	68,533	58,841
Current portion	61,973	51,585
Non-current portion	6,560	7,256
	68,533	58,841

* 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 2021 (2020: JD 7,256 thousand).

(14) 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:

	2021	2020
	JD ('000)	JD ('000)
Cash at banks*	246,520	42,867
Cash on hand	34	20
Cash on hand and at banks	246,554	42,887
Less: Due to banks (Note 21)	(2,460)	(76,388)
Cash and cash equivalents	244,094	(33,501)

* Cash at banks include current accounts in US Dollars bearing annual interest rate of maximum 1.25% for the years ended 31 December 2021 and 2020.

Cash at banks include short-term deposits accounts in Jordanian Dinars matures in 3 months and bearing annual interest rate between 2.25% and 4.6% for the year ended 31 December 2021 (2020: Between 6% and 2.25%).

(In Thousands of Jordanian Dinars)

(15) 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.

(16) LOANS

		2021		2020	
	Currency	Due within one year	Long-term	Due within one year	Long-term
Arab Bank loan (1)	USD	5,169	42,126	5,168	47,295
Arab Jordanian Investment Bank	USD	-	-	399	-
Housing Bank for Trade and finance Loan (2)	USD	826	413	825	1,239
Arab Banking Corporation revolving loan	USD	8,674	-	7,075	-
Arab Bank revolving loan (2)	USD	4,248	-	7,080	-
Capital Bank	USD	4,425	-	4,425	4,425
		23,342	42,539	24,972	52,959

Arab Bank Loan (1)

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 2021. 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 2021.

Arab Jordanian Investment Bank

On 27 December 2016, a loan agreement was signed with Arab Jordanian Investment Bank with an amount of USD 3,000 thousand, having an interest rate of 3 months LIBOR with a minimum annual interest rate of 3% for a period of 4 years that includes a one year grace period. The loan is payable through quarterly installments, that starts after 12 months from the agreement signing date. The first installment was due on 31 January 2017 and the last installment is due on 30 September 2021.

Housing Bank for Trade and Finance Loan (2)

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. On 7 September 2021, the Bank agreed to temporarily increase the loan ceiling by an amount of USD 3,000 thousand, so that the loan ceiling would be temporarily USD 13,000 thousand, provided that the temporary increase would be paid within 12 months starting from the date of exploiting the increase.

(In Thousands of Jordanian Dinars)

Arab Bank Revolving Loan (2)

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 2020. On 15 October 2021, the annual interest rate was lowered to reach 4.75% annually.

Capital Bank Loan agreement requires maintaining current assets to current liabilities ratio to be not less than 1.1 times and that the ratio of liabilities to net shareholders' equity not to exceed 1.5 times. The Group complied with the ratios as at 31 December 2021.

Loans repayments schedule:

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

Year	Thousand JD’s
2022	23,342
2023	5,582
2024	5,169
2025	5,169
2026 and there after	26,619
	65,881

(In Thousands of Jordanian Dinars)

(17) PROVISIONS FOR EMPLOYEES' BENEFITS

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

	2021	2020
	JD ('000)	JD ('000)
Defined benefit plans (A)	115,777	107,597
Employees' compensations (B)	914	821
Employees incentives and retirees' grants (C)	735	825
	117,426	109,243
Current portion	34,978	25,537
Non-current portion	82,448	83,706
	117,426	109,243

A- Defined benefit plans

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

	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 gain due to change in financial assumptions	-	(540)	(540)
Balance as of 31 December	2,204	113,573	115,777

(In Thousands of Jordanian Dinars)

	2020		
	End of Service Bonus Compensation*	Death and Compensation fund**	Total
	JD ('000)	JD ('000)	JD ('000)
Balance as of 1 January	1,986	98,048	100,034
Service cost	100	4,203	4,303
Interest cost	100	5,192	5,292
Amendments	-	(218)	(218)
Employees contributions	-	498	498
Paid benefits during the year	(109)	(9,758)	(9,867)
Employee share of payments	-	(498)	(498)
Actuarial loss due to experience	-	4,023	4,023
Actuarial loss due to change in financial assumptions	-	4,030	4,030
Balance as of 31 December	2,077	105,520	107,597

* 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.

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.

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** 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.

The Group's practice to cover the fund's deficit in addition to the Group's decision to increase the number of employees benefiting from the plan resulted in a contractual obligation in accordance with International Accounting Standards (IAS19) "employees benefits" which required the change in the accounting treatment for the benefit from defined contribution plan to defined benefit plan.

(In Thousands of Jordanian Dinars)

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:

	2021	2020
Discount rate	4.82%	4.6%
Salary increase rate	4,5%-3,5%	4%
Mortality rate	0.12%	0.12%
Resignation rate:		
Up to the age of 34 years	5%-3%	3%
From the age of 35 to 49 years	5%-2%	2%
Age 50 years and over	5%-0%	0%

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 increase rate		Resignation rate	
	Percentage %	Increase (Decrease) JD ('000)	Percentage %	Increase (Decrease) JD ('000)	Percentage %	Increase (Decrease) JD ('000)
2021 -						
	+1	(4,570)	+1	5,302	+1	238
	-1	5,124	-1	(4,901)	-1	(257)
2020 -						
	+1	(4,231)	+1	5,028	+1	136
	-1	4,718	-1	(4,641)	-1	(147)

(In Thousands of Jordanian Dinars)

Employees' compensations

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

	2021			
	Compensation Fund*	Engineers Specialty Allowances **	Six months Bonus compensation	Total
	JD ('000)	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	661	18	235	914

	2020			
	Compensation Fund*	Engineers Specialty Allowances **	Six months Bonus compensation	Total
	JD ('000)	JD ('000)	JD ('000)	JD ('000)
Balance as of 1 January	484	18	320	822
Provision during the year (company contribution)	72	-	116	188
Employees contributions	32	-	-	32
Payments during the year	(20)	-	(201)	(221)
Balance as of 31 December	568	18	235	821

* 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 2021 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.

(In Thousands of Jordanian Dinars)

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:

	2021	2020
	JD ('000)	JD ('000)
Employees' incentives provision*	275	305
Retirees' grants provision**	460	460
Others***	-	60
	735	825

* **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.

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.

(In Thousands of Jordanian Dinars)

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:

	2021	2020
	JD ('000)	JD ('000)
Balance at 1 January	305	193
Provision for the year	-	500
Paid during the year	(30)	(388)
Balance at 31 December	275	305

** **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:

	2021	2020
	JD ('000)	JD ('000)
Balance at 1 January	460	519
Payments during the year	-	(59)
Balance at 31 December	460	460

*** **Others**

The Board of Directors has decided to give an incentive for workers whose services in the Company is less than eight years as at 31 December 2018 if they wish to terminate their services in the company, by paying 5 times of their monthly salary subject to Social Security or JD 5 thousand whichever is bigger for each year of service. Movement on the provision is as follows:

	2021	2020
	JD ('000)	JD ('000)
Balance at 1 January	60	60
Paid during the year	(60)	-
Balance at 31 December	-	60

(In Thousands of Jordanian Dinars)

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

	2021	2020
	JD ('000)	JD ('000)
Cost of Sale	16,331	8,058
Administrative expenses	777	1,001
Selling and marketing expenses	302	293
Russiefah mine expenses	135	115
Other provisions*	274	816
	17,819	10,283

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

	2021	2020
	JD ('000)	JD ('000)
End-of-service bonus compensation provision	200	200
Bonus compensation – six months for subsidiaries	74	116
Others	-	500
	274	816

(18) ACCOUNTS PAYABLE

	2021	2020
	JD ('000)	JD ('000)
Due to foreign suppliers	71,388	16,594
Due to contractors	19,171	17,099
Due to associates (Note 37)	18,385	18,845
Electricity Company	1,662	2,476
Due to local suppliers	1,100	3,402
Others	17,949	12,521
	129,655	70,937

(In Thousands of Jordanian Dinars)

(19) ACCRUED EXPENSES

	2021	2020
	JD ('000)	JD ('000)
Accrued production bonus	7,673	584
Mining fees	4,606	4,975
Inventory in transit in custody of contractor (Note 11)	3,642	3,357
Accrued agriculture service fees	3,031	7,089
Accrued medical insurance for retired employees	2,521	2,521
Freight and transportation fees	2,206	443
Fuel, electricity and water expenses	2,054	8,505
Demurrage and unloading expense	1,417	1,418
Sales agents' commissions	790	824
Accrued medical insurance	647	497
Interest expense	621	794
Sales rebates	558	631
Port fees	264	266
Insurance Company accruals	-	250
Accrued contractors' expense	-	9,524
Others	3,105	2,669
	33,135	44,347

(20) OTHER CURRENT LIABILITIES

	2021	2020
	JD ('000)	JD ('000)
Provision for settlements with contractors	11,000	10,000
Provisions for associates	8,418	8,418
Deposits and other provisions	4,815	7,616
Refundable tender entrance guarantees	-	3,300
Other	3,588	3,012
	27,821	32,346

(In Thousands of Jordanian Dinars)

(21) 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 2021 (2020: JD 34,500 thousand) for the JD accounts, and USD 71,500 thousand which amounted to JD 50,622 thousand as of 31 December 2021 (2020: USD 71,500 thousand which amounted to JD 50,622 thousand) for the USD accounts. Average interest rates on those overdrafts facilities ranged between 6.25% to 8% in 2021 (2020: 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%.

(22) INCOME TAX

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

	2021 JD ('000)	2020 JD ('000)
Current year income tax	95,138	8,522
Amount released from deferred tax asset	5,217	529
Prior years income tax	3,422	143
Deferred tax assets	(1,950)	(743)
	101,827	8,451

(A) Income tax provision

Movement on the provision for income tax is as follows:

	2021 JD ('000)	2020 JD ('000)
Balance at 1 January	9,984	14,293
Income tax expense for the year	95,138	8,522
Prior years income tax	3,422	143
Transfers to other debit balances	-	3,762
Fees and fines	1,039	82
Income tax paid	(23,745)	(16,818)
Balance at 31 December	85,838	9,984

(In Thousands of Jordanian Dinars)

Reconciliation of the accounting profit to taxable profit

The details of computed income tax are as follows:

2021 -	Phosphate	Fertilizer	Indo Jordan	Nippon Jordan	Al Ro'ya	Reconciliations between subsidiaries	Total
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	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%	-	-

2020 -	Phosphate	Fertilizer	Indo Jordan	Nippon Jordan	Al Ro'ya	Reconciliations between subsidiaries	Total
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
Accounting profit (loss)	49,977	(14,568)	17,378	(3,112)	582	(13,733)	36,524
Non-taxable profits	(22,540)	(1,981)	(12,324)	-	-	-	(36,845)
Non-deductible expenses	18,712	3,953	-	3,112	-	13,733	39,510
Taxable income	46,149	(12,596)	5,054	-	582	-	39,189
Provision for income tax	7,514	-	886	-	122	-	8,522
Effective income tax rate	15%	-	5%	-	21%	-	-
Enacted income tax rate	31%	6%	16%	6%	21%	-	-

(In Thousands of Jordanian Dinars)

(B) Deferred tax assets

Movement on the deferred tax assets as follows:

	2021	2020
	JD ('000)	JD ('000)
Balance at 1 January	42,596	39,885
Additions during the year	1,950	743
(Released)/ Additions to other comprehensive income items	(191)	2,497
Released during the year	(5,217)	(529)
Balance at 31 December	39,138	42,596

The income tax provision for the years ended 31 December 2021 and 2020 was calculated in accordance with income tax law No. (34) for 2014 and it's 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 2020 to become 24% income tax + 7% national contribution.

Phosphate Unit
The Company submitted its' tax declarations for the Phosphate Unit for the years 2016 up to 2020. The Income and Sales Tax Department has not reviewed the records of the Phosphate Unit for the years 2020 and 2019 up to the date of the consolidated financial statements. A final settlement was reached for the year 2018, The Income and Sales Tax Department reviewed the accounting records for the year 2017, but no final settlement was reached up to the date of the consolidated financial statements. The income and Sales Tax Department claimed an additional tax of JD 544 thousand for the year 2016. However, the company filed a lawsuit to reject the additional claims, as the company lost the case in favor of the Income Tax Department, and accordingly the company, in turn, paid the amount awarded for the year 2016.

Fertilizer Unit
The Company submitted its' tax declarations for the Fertilizers Unit for the years 2016 up to 2020. The Income and Sales Tax Department / Aqaba Special Economic Zone Authority has reviewed the records for the year 2017 and has reach to a final settlement up to the year 2016. The income and Sales Tax Department / Aqaba Special Economic Zone Authority has not reviewed the records for the years 2020, 2019 and 2018 up to the date of the consolidated financial statements.

Jordan India Fertilizer company -

The income tax provision for the years ended 31 December 2021 and 2020 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 2020 and the company reached a final settlement with the Income Tax Department until the end of 2018.

(In Thousands of Jordanian Dinars)

Nippon

No income tax provision was calculated for the years ended 31 December 2021 and 2020 due to excess of deductible expense over taxable revenues for 2020 and 2021.

Ro’ya for transportation

The income tax provision for the years ended 31 December 2021 and 2020 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 2020 and has a reached a settlement with income tax department to until the end of 2018.

(23) NET SALES/ COST OF SALES

	2021		
	Net Sales	Cost of sales	Gross profit (Loss)
	JD (‘000)	JD (‘000)	JD (‘000)
Phosphate unit	500,125	132,227	367,898
Fertilizers unit	295,357	220,822	74,535
Indo Jordan	137,650	56,555	81,095
Nippon	132,329	122,884	9,445
Trading in raw materials	12,318	5,267	7,051
	1,077,779	537,755	540,024

	2020		
	Net Sales	Cost of sales	Gross profit (Loss)
	JD (‘000)	JD (‘000)	JD (‘000)
Phosphate unit	297,554	164,289	133,265
Fertilizers unit	177,240	180,704	(3,464)
Indo Jordan	79,725	53,039	26,686
Nippon	46,410	45,804	606
Trading in raw materials	6,456	5,389	1,067
	607,385	449,225	158,160

	2021	2020
	JD (‘000)	JD (‘000)
Finished goods as at 1 January (note 11)	29,040	49,881
Production costs (Note 33)	549,935	428,384
Finished goods as at 31 December (note 11)	(41,220)	(29,040)
	537,755	449,225

Fertilizer Unit’s production costs include the amounts of JD 2,234 thousand and JD 2,007 thousand for 2021 and 2020 respectively, which represent mining fees on rock phosphate used in the fertilizer unit production (Note 27).

(In Thousands of Jordanian Dinars)

(24) SELLING AND MARKETING EXPENSES

	2021	2020
	JD ('000)	JD ('000)
Demurrage and unloading expenses	876	1,002
Export department expenses	864	896
Bank charges on letters of credit	594	390
Income tax on marine freight	574	557
Packaging materials	425	259
Governmental fees on agriculture services	341	1,124
Sales commissions	297	1,355
Demurrage marine late expenses	289	112
Other sales and marketing expenses	2,450	1,856
	6,710	7,551

(25) ADMINISTRATIVE EXPENSES

	2021	2020
	JD ('000)	JD ('000)
Salaries and wages	6,743	7,418
Post-Retirement Health Insurance contribution	3,538	5,730
The company's contribution to the six-month compensation bonus	2,000	1,080
End-of-service benefits and compensation fund contributions	777	1,001
Social Security contribution	652	726
Employees Saving Fund contributions	344	264
Medical expenses	203	323
Employees' Health Insurance Fund contributions	153	178
Legal expenses and lawyer fees	3,105	2,894
Fees, taxes and stamps	1,363	362
Scientific research and development	637	638
Depreciation	356	369
Maintenance and administrative expenses	287	208
Insurance fees	158	86
Subscriptions and exhibitions	142	63
Travel and per-diems	133	63
Utilities	121	110
Hospitality	76	47
Stationery	67	48
Advertising	55	38
Post and telephone	44	42
Rent	145	164
Others	2,399	2,499
	23,498	24,351

(In Thousands of Jordanian Dinars)

(26) RUSSIEFAH MINE EXPENSES

	2021	2020
	JD ('000)	JD ('000)
Scientific research and development	1,011	722
Salaries and wages	192	147
Security and Protection	78	69
Social Security contribution	10	16
Depreciation	7	15
Company's contribution in Saving Fund	4	5
Others	49	46
	1,351	1,020

(27) 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 2021 and 2020 are as follows:

	2021	2020
	JD ('000)	JD ('000)
Mining fees on sold Phosphate	28,182	16,775
Mining fees on Phosphate used by the Fertilizers Unit (Note 23)	2,234	2,007
	30,416	18,782

(28) OTHER INCOME, NET

	2021	2020
	JD ('000)	JD ('000)
Provision recoveries	4,395	4,202
Income from settlement with contractors	1,731	3,254
Net revenues from sales of water and energy	(1,735)	(2,700)
Income from speed vessels loading	-	209
Dividends income	152	6
Income (Expense) from settlement of insurance claims	121	(338)
Claims settlement expense	(184)	-
Other	1,041	276
	5,521	4,909

(In Thousands of Jordanian Dinars)

(29) FINANCE COSTS

	2021	2020
	JD ('000)	JD ('000)
Interest on lease obligations (Note 3B)	4,391	4,466
Bank interest – Due to Banks	2,378	5,449
Interest on loans	2,296	3,802
Present value discount for asset replacement cost (Note 6)	701	717
Present value discount on employees housing loan (Note 7)	573	40
	10,339	14,474

(30) FINANCE INCOME

	2021	2020
	JD ('000)	JD ('000)
Interest income on banks' current accounts and deposits	1,376	754
Interest on loans receivable	680	870
	2,056	1,624

(31) EARNINGS PER SHARE

	2021	2020
Profit for the year attributable to Company's shareholders (thousand JD's)	334,921	29,007
Weighted average number of shares during the year (thousand shares)	82,500	82,500
	JD/Fils	JD/Fils
Basic earnings per share*	4/060	0/352

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

(In Thousands of Jordanian Dinars)

(32) 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	Fertilizers unit	Indo-Jordan	Nippon	Other	Trading in Raw Materials	Eliminations	Total
	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	63,512	18,023	85,397	-	-	53,703	(220,635)	-
Total Sales	563,637	313,380	223,047	132,329	-	66,021	(220,635)	1,077,779
Gross profit (loss)	367,898	74,535	81,095	9,445	-	7,051	-	540,024
Segment results								
Non-recurring profit	5,698	428	-	-	-	-	-	6,126
Profit before income tax	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

(In Thousands of Jordanian Dinars)

	Phosphate unit	Fertilizers unit	Indo-Jordan	Nippon	Other	Trading in Raw Materials	Eliminations	Total
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
31 December 2020								
Revenues								
External sales	297,554	177,240	79,725	46,410	-	6,456	-	607,385
Inter-segment sales	78,848	1,361	26,470	-	-	24,132	(130,811)	-
Total Sales	376,402	178,601	106,195	46,410	-	30,588	(130,811)	607,385
Gross profit (loss)	133,265	(3,464)	26,686	606	-	1,067	-	158,160
Segment results								
Non-recurring profit	7,827	-	-	-	-	-	-	7,827
Profit (loss) before income tax	49,970	(15,980)	17,378	(3,112)	582	1,419	(13,733)	36,524
Profit (loss) for the year	42,066	(15,505)	16,492	(3,112)	446	1,419	(13,733)	28,073
Group share of loss of associates and joint ventures	12,219	-	-	-	-	-	-	12,219
Non-controlling interest	(934)	-	-	-	-	-	-	(934)
Capital expenditures	1,196	8,877	4,487	99	5	-	-	14,664
Depreciation	2,713	5,202	2,823	728	11	-	-	11,477
Depreciation of right of use assets	4,493	255	98	90	-	-	-	4,936

	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	200,309	53,372	5,686	1,171,383
Investment in associates and joint ventures	333,793	-	-	-	-	333,793
Liabilities	422,644	115,754	32,499	5,121	560	576,578

	Phosphate unit	Fertilizers unit	Indo-Jordan	Nippon	Other	Total
Assets and Liabilities as at 31 December 2020	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
Assets	474,164	230,082	115,649	25,956	6,081	851,932
Investment in associates and joint ventures	292,264	-	-	-	-	292,264
Liabilities	453,309	65,438	13,860	1,320	693	534,620

(In Thousands of Jordanian Dinars)

Geographical segments

Following is a summary of sales by geographical areas:

	Phosphate unit	Fertilizers unit	Indo-Jordan	Nippon	Raw Materials	Total
2021	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
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
Other	16	3,895	-	129	12,318	16,358
	500,125	295,357	137,650	132,329	12,318	1,077,779

	Phosphate unit	Fertilizers unit	Indo-Jordan	Nippon	Raw Materials	Total
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
2020						
Asia	194,900	126,126	75,528	38,844	-	435,398
Australia	-	-	-	2,471	-	2,471
Europe	9,176	9,361	-	1,443	-	19,980
Africa	-	10,047	4,197	-	-	14,244
South America	-	5,095	-	-	-	5,095
North America	-	25,675	-	3,510	-	29,185
Associated and joint ventures companies in Jordan	93,470	-	-	-	-	93,470
Other	8	936	-	142	6,456	7,542
	297,554	177,240	79,725	46,410	6,456	607,385

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 Kaltime Jordan Abadi Company which are located in Indonesia.

(In Thousands of Jordanian Dinars)

(33) PRODUCTION COSTS

	2021	2020
	JD ('000)	JD ('000)
Work in progress beginning balance	5,649	16,206
Add:		
Mining contractors	148,621	148,382
Raw materials	225,035	108,010
Raw materials purchases	5,267	5,389
Salaries and other benefits	80,295	69,011
Utilities	17,276	18,364
Spare parts and consumables	19,802	17,127
Fuel and oil	14,250	12,922
Depreciation	11,466	11,036
Others	29,066	27,586
Less: Work in progress ending balance	(6,792)	(5,649)
	549,935	428,384

(34) SALARIES AND EMPLOYEES BENEFITS

	2021	2020
	JD ('000)	JD ('000)
Salaries and allowances	64,019	57,173
End-of-service and indemnity Fund	9,403	11,606
Social security contribution	7,264	7,490
Employees medical expenses	2,194	3,303
Saving Fund	2,238	2,117
Employees family's health insurance	2,009	2,031
Paid end-of-service indemnity	2,063	1,481
Employees meals subsidy	709	944
Present value of end-of-service bonus compensation	200	200
	90,099	86,345

(In Thousands of Jordanian Dinars)

(35)NEW PHOSPHATE PORT TERMINAL EXPENSES

	2021	2020
	JD ('000)	JD ('000)
Amortization (Note 6)	6,361	6,359
Salaries, wages and other benefits	2,042	1,579
Water and electricity	1,542	1,263
Rent and workers' wages	818	698
Property and equipment insurance	821	590
Others	1,854	611
	13,438	11,100

(36) 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 2021 with an amount of JD 109,270 thousand and JD 3,658 thousand respectively (2020: JD 35,223 thousand and JD 1,382 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 2021 totaled a 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 2020 and 2021. 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).

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 2021, the value of the Groups shares amounted to JD 29,040 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 2021 (2020: JD 30,000 thousand). During 2021, the group recorded an additional provision against the potential obligations that may result from guarantees and letters of credit, amounted to JD 2,500 thousand.

Litigation

The Group is a defendant in a number of lawsuits and claims in the ordinary course of business totaling approximately JD 2,166 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 cassation.

The Group is defendant:

In November 2017, Manjem for Mining Development filed a lawsuit against Jordan Phosphate Mines Company claiming several amounts related to Phosphate Mining Contract (removal of overburden, Mining and crushing Phosphate A1, A2, A3) in area number (1) which is located in Mine number (2) North of Shidya Mine) in an amount of JD 15,533 thousand, in 23 December 2021, the court issued its decision, obligating the Phosphate Mines Company to pay an amount of JD 11,626 thousand in favor of the Manajem for Mining Development company, and the case was dismissed with the rest of the claim amounted to JD 3,908 thousand.

During the months of October and November of 2020, Manajem filed two lawsuits against Jordan Phosphate Mines Company on the subject of a financial claim of JD 3,558 thousand and JD 229 thousand. The Company has submitted a response list within the legal period and the cases 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 appellate 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.

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 in the stage of submitting responses.

Arkan for constructions Company(Associate)

The Group is plaintiff:

During September 2019, the Group filed a lawsuit against Arkan Company for Construction (Associate Company) to claim an amount of JD 5,718 thousand related to the default in payment of the final settlement of the overburden removal contract, and phosphate mining (A1, A2) in the area of dragline quarries (DL1, DL2, DL3, DL4) in Shidya mine in addition to the legal interest, fees and expenses. on 19 December 2021, and based on the negotiations and reconciliation efforts between the company and Arkan for Construction company to end all existing lawsuits between the two parties, the lawsuit was suspended for a period of (3) months, as a moratorium by agreement. The case is still pending at the Amman Court of First Instance.

The Group is defendant:

In May 2019 Arkan Company for Construction has filed a lawsuit against Jordan Phosphate Mines Company claiming compensation for completed works that Jordan Phosphate Mines Company failed to settle in an amount of JD 5,122 thousand relating to the contract for the removal of overburden, and phosphate mining (A1, A2) in the dragline area. on 19 December 2021 and based on the negotiations and reconciliation efforts between the company and Arkan for Construction company to end all existing lawsuits between the two parties, the lawsuit was suspended for a period of (3) months, as a moratorium by agreement. The case is still pending at the Amman Court of First Instance.

Arkan Company for Construction filed a lawsuit against Jordan Phosphate Mines Company in May 2019 claiming a compensation for material and moral damages in addition to financial claims related to the cost of vehicles that were purchased for a tender issued by Jordan Phosphate Mines Company but was not awarded to Arkan Company, in addition to the vehicles depreciation, compensation for the decrease in value and administrative expenses with a total amount of JD 17,500 thousand. on 19 December 2021 and based on the negotiations and reconciliation efforts between the company and Arkan for Construction company to end all existing lawsuits between the two parties, the lawsuit was suspended for a period of (3) months, as a moratorium by agreement. The case is still pending at the Amman Court of First Instance.

Arkan Company for Construction filed a lawsuit against Jordan Phosphate Mining Company during September 2019 on the subject of preventing a financial claim of JD 10,841 thousand relating to the contract for the removal of overburden and phosphate mining (A1, A2) in the area of draglines' quarries. on 19 December 2021 and based on the negotiations and reconciliation efforts between the company and Arkan for Construction company to end all existing lawsuits between the two parties, the lawsuit was suspended for a period of (3) months, as a moratorium by agreement. The case is still pending at the Amman Court of First Instance.

Arkan Company for Construction filed a lawsuit against Jordan Phosphate Mines Company in September 2019 with a claim of JD 2,376 thousand regarding phosphate mining, reduction of humidity rates and prices differences. on 19 December 2021 and based on the negotiations and reconciliation efforts between the company and Arkan for Construction company to end all existing lawsuits between the two parties, the lawsuit was suspended for a period of (3) months, as a moratorium by agreement. The case is still pending at the Amman Court of First Instance.

Arkan Company for Construction filed a lawsuit against the Jordan Phosphate Mines Company during the month of November 2019 on the subject of a financial claim worth JD 30,000 thousand as a result of Phosphate Mines Company's bids offering and its failure to comply with the partnership agreement. on 19 December 2021 and based on the negotiations and reconciliation efforts between the company and Arkan for Construction company to end all existing lawsuits between the two parties, the lawsuit was suspended for a period of (3) months, as a moratorium by agreement. The case is still pending at the Amman Court of First Instance.

Subsequent to the date of the consolidated financial statements, the group signed a reconciliation agreement with Arkan for Construction Company to terminate all existing lawsuits and finally drop them.

Al-Awn Contractors Company:

The Group as a defendant:

Al-Awn Contractors Company filed a lawsuit against Jordan Phosphate Mines Company during the month of March 2021 claiming a compensation for material and moral damages estimated at JD 1,000 thousand for legal fees purposes. on 22 December 2021 and based on the negotiations and reconciliation efforts between the company and Al-Awn Contractors company to end all existing lawsuits between the two parties, the lawsuit was suspended for a period of (3) months, as a moratorium by agreement. The case is still pending at the Amman Court of First Instance.

Al-Awn Contractors Company filed a lawsuit against Jordan Phosphate Mines Company during the month of March 2021 claiming a compensation for material and moral damages in addition to termination of sale contract related of waiver of the shares dated on 2 October 2012 amounted to 200 thousand shares, and claiming shares of income for the period from 2 October 2012 till sale contract termination estimated at JD 1,000 thousand for legal fees purposes. on 22 December 2021 and based on the negotiations and reconciliation efforts between the company and Al-Awn Contractors company to end all existing lawsuits between the two parties, the lawsuit was suspended for a period of (3) months, as a moratorium by agreement. The case is still pending at the Amman Court of First Instance.

Subsequent to the date of the consolidated financial statements, the group signed a reconciliation agreement with Al-Awn Contractors company to terminate all existing lawsuits and finally drop them.

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. Lawsuits are still pending noting that the precautionary seizure was placed on a part of the company's immovable funds. The Group maintains a provision of an amount of JD 16,188 thousand, which represents the group’s share of the loan guarantee included within other provisions.

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 2021.

(In Thousands of Jordanian Dinars)

(37) RELATED PARTY TRANSACTIONS

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

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 2021 and 2020:

	Related parties			Total	
	Associated Companies and Joint Ventures	Government of Jordan*	Others**	2021	2020
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
Consolidated statement of financial position items:					
Accounts receivable***	68,901	-	67,836	136,737	99,121
Accounts payable	18,385	-	1,167	19,552	19,106
Loans receivable ***	15,147	-	-	15,147	15,147
Accrued expenses	-	8,328	-	8,328	12,597
Off consolidated statement of financial position items:					
Guaranteed loans	42,728	-	-	42,728	80,530
Consolidated statement of income items:					
Sales	146,153	-	280,921	427,074	304,403
Purchases	31,905	-	9,300	41,205	92,577
Mining fees	-	30,416	-	30,416	18,782
Port fees	-	4,944	-	4,944	5,119
Other income	3,245	-	839	4,084	5,833
Land lease	-	9,386	-	9,386	9,402

* 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 108,361 thousand and JD 85,589 thousand for the years ended 31 December 2021 and 2020 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 11,044 thousand and JD 3,150 thousand as of 31 December 2021 (2020: JD 11,044 thousand and JD 3,150 thousand). Expected future cash inflows from Jordan Abyad Fertilizers Company's loan was discounted using the market weighted average interest rate.

(In Thousands of Jordanian Dinars)

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

	2021	2020
	JD ('000)	JD ('000)
Salaries and bonuses of senior executive management	651	606
Bonuses and transportation of the Board of Directors	645	452

The value of end-of-service indemnity compensation paid to key management personnel whose service ended during 2021 amounted to JD 140 thousand (2020: JD nil).

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).

(38) MATERIAL PARTLY OWNED SUBSIDIARIES

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

			Non-controlling interest	
Company name	Country of incorporation	Nature of activity	2021	2020
			JD ('000)	JD ('000)
Nippon Jordan Fertilizers Company Limited	Jordan	Production and sale of fertilizers and chemical by-products	20%	30%

(In Thousands of Jordanian Dinars)

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

Accumulated balances of material non-controlling interest	2021	2020
	JD ('000)	JD ('000)
Nippon Jordan Fertilizers Company Limited	3,966	4,396

Profit attributable to material non-controlling interest	2021	2020
	JD ('000)	JD ('000)
Profit (Loss) of Nippon Jordan Fertilizers Company Limited	1,442	(934)

A. Financial position

	2021	2020
	JD ('000)	JD ('000)
Current assets	50,390	19,617
Non-current assets	5,359	5,991
Current liabilities	(32,078)	(10,825)
Non-current liabilities	(3,946)	(236)
Difference between book and market value at acquisition	107	107
Total equity	19,832	14,654
Non-controlling interest in equity	3,966	4,396

(In Thousands of Jordanian Dinars)

Profit and loss

	2021	2020
	JD ('000)	JD ('000)
Sales revenue	134,462	53,348
Cost of sales	(124,652)	(52,814)
Gross profit	9,810	534
Sales and marketing expenses	(2,198)	(1,337)
Administrative expenses	(1,342)	(1,478)
Operating profit (loss)	6,270	(2,281)
Interest revenue	4	3
Finance cost	(13)	(53)
Other revenues (expenses)	40	(62)
Death and compensation funds reserve	(1,153)	-
Provision for expected credit losses	(20)	(10)
Provision for Inventory impairment	(3)	(646)
Prior year expenses	(1)	(64)
Profit (loss) for the year	5,124	(3,113)
Other comprehensive income	-	-
Total comprehensive income (loss)	5,124	(3,113)
Total comprehensive income (loss) attributable to non-controlling interest	1,442	(934)

B. Statement of cash flow

	2021	2020
	JD ('000)	JD ('000)
Operating activities	3,749	909
Investing activities	(202)	99
Financing activities	(117)	68
Net increase in cash and cash equivalents	3,430	1,076

(In Thousands of Jordanian Dinars)

(39) ACQUISITION OF NON-CONTROLLING INTERESTS

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

During December 2021, 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:

	2021 JD ('000)
Carrying value of the additional interest	1,872
Cash consideration paid to non-controlling shareholders	(948)
Reserve arising from the acquisition of non-controlling interests	924

(40) 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 selected 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.

(In Thousands of Jordanian Dinars)

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

	Level 1	Level 2	Level 3	Total
	JD ('000)	JD ('000)	JD ('000)	JD ('000)
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
2020				
Financial assets				
Financial assets at fair value through other comprehensive income	115	-	272	387
Financial assets at fair value through profit and loss	212	-	-	212

(41) 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 2021 and 2020.

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:

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

Currency	*Increase in interest rates*	*Effect on profit*
	Basis points	JD'(000)
2020		
JOD	100	(75)
USD	100	(1,023)

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.

	Change in Index	*Effect on Profit*	*Effect on Equity*
2021	*%*	*JD ('000)*	*JD ('000)*
Index			
Amman Stock Exchange	5	18	6
2020			
Index			
Amman Stock Exchange	5	11	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.

(In Thousands of Jordanian Dinars)

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 52% of outstanding accounts receivable as at 31 December 2021 (2020: largest 7 customers account for 50%).

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 2021 and 2020, based on contractual payment dates and current market interest rates.

As of 31 December 2021	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
Due to banks	49	2,607	-	-	2,656
Accounts payable	129,655	-	-	-	129,655
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	166,608	68,237	112,868	188,936	536,649

(In Thousands of Jordanian Dinars)

As of 31 December 2020	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
Due to banks	1,862	81,974	-	-	83,836
Accounts payable	70,937	-	-	-	70,937
Accrued Expenses	44,347	-			44,347
Death and compensation funds reserve	-	24,711	62,281	107,580	194,572
Term loans	2,592	23,448	36,344	22,206	84,590
Lease contracts liabilities	80	153	1,164	-	1,397
Total	119,818	130,286	99,789	129,786	479,679

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).

(42) 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 2021 and 31 December 2020.

Capital comprises paid in capital, statutory reserve, voluntary reserve, special reserve and retained earnings, and is measured at JD 924,908 thousand as at 31 December 2021 (2020: JD 605,454 thousand).

(43) DIVIDENDS

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.

The General assembly for the Group approved in its ordinary meeting held on 3 June 2020 to distribute dividends to its shareholders amounted to 10% of the stock par value from 2019 profits.

(44) Comparative figures

Some of 2020 figures have been reclassified in order to conform with the presentation of 2021 figures. Such classification does not affect previously reported profit or equity.

(45) 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 on 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 2024 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.

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.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

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

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

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

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

In May 2021, 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.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

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

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

The amendments is not applicable to 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.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments 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.

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

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.

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