Jordan Phosphate Mines Company P.L.C

Annual Report 2023

Embracing the Future
With Confident Steps

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

His Royal Highness
Prince Al Hussein bin Abdullah II
Crown Prince

Jordan Phosphate Mines Company P.L.C

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

The Seventieth Annual Report of the Board of Directors
and The Consolidated Financial Statements for the year 2023

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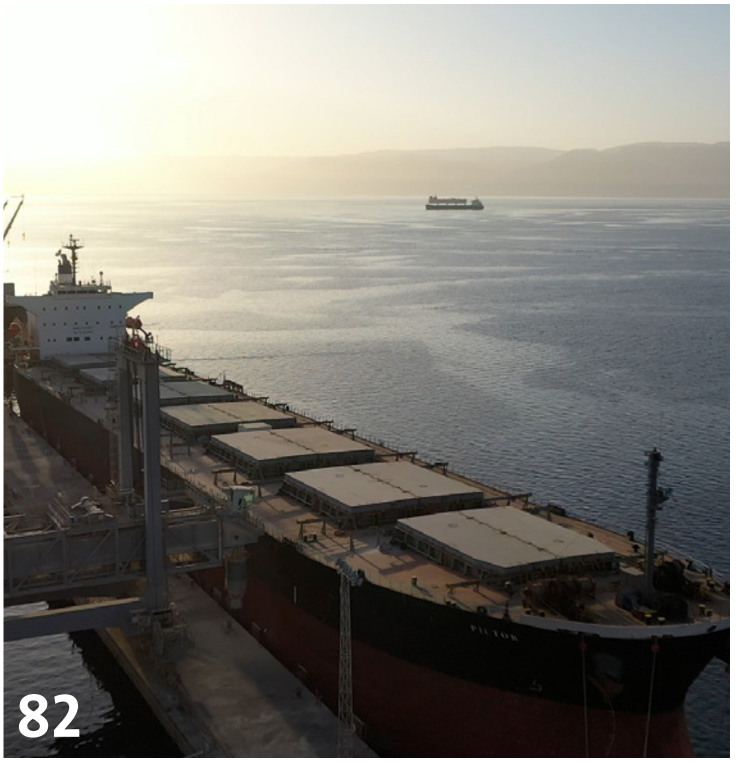


Consolidated Financial Statements

An Overview

Our Vision:

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

Our Mission:

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

Our Purpose:

Transforming Rock Phosphate to Sustainable Plantation and Life.

A Concise Review at the Financial Performance for the Year 2023

JPMC mitigated the impact of the global decrease in product prices during 2023 compared to the same period of the previous year through intensive planning and monitoring and diversifying of production and paying attention to production cost control plans.

Total Assets JD 2 billion & 145 million

Consolidated Revenues JD 1 billion & 229 million

Consolidated Net Profits JD 447 million

Phosphate Production Quantities 11,454 million tons

Dealings with Treasuries & Public Institutions JD 393 million

Phosphate Sales Quantities 11 million tons

Fertilizers Exportation Quantities 672 thousand tons

Phosphate Exportation Quantities 6,844 million tons

Fertilizers Production Quantities 671 thousand tons

Local and International Strategic Partners

Members of the Board of Directors

Representatives of Private Sector

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

Dr. Eng. Abdelfattah AbuHassan
Member

Representative of Social Security Corporation

Eng. Sami Smeirat
Member

Representative of Kisan International Trading FZE

Mr. Manish Gupta
Member

Chief Executive Officer

Eng. Abdel Wahab AlRowwad

Representatives of Government Investments Management Company

Mr. Salem Al Qudah
Vice-Chairman of the Board of Directors

H.E. Mr. Muhammad Krishan
Member

Representatives of INDIAN POTASH LIMITED

Dr. U.S. Awasthi
Member

Dr. P.S. Gahlaut
Member

Representative of Kuwait Investment Authority

Eng. Mohammad Al Munaifi
Member

Auditors

Messrs. ERNST & YOUNG

Speech by the Chairman of the Board of Directors (BOD) of Jordan Phosphate Mines Company (JPMC), Dr. Mohammad Thneibat at the Company's 70th Ordinary General Assembly Meeting

In the name of God, the Most Gracious, the Most Merciful

Ladies and Gentlemen Shareholders of Jordan Phosphate Mines Company

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

I am delighted to meet you on this blessed day at the Seventieth annual ordinary general assembly meeting of Jordan Phosphate Mines Company PLC to present to you the results of the Company works, activities and consolidated financial statements as at 31 December 2023.

The Company's reform process of its successful policies of transforming challenges into opportunities contributed to the extension of work on the Company's cumulative reform approach by continuing to review work procedures, correcting the distortions that may interfere them, establishing rules of good governance, controlling expenses, and increasing spending on the Company's capital enterprises by (167%) compared to 2022, carrying out with sustainable maintenance of the Company's plants and production units in their different sites, in addition to implementing an equal job replacement policy, all of this is in compliance with a mapped plan based on the clarity of the goal and the implementation of evaluation, monitoring and accountability mechanism.

As a result, the Company was able to increase production capacity, improve its quality and sales quantity, multiply its international destinations, process with the completion of the Company's strategic plan for the years (2022-2027), and obtain a number of local, regional and global awards in its field of work. JPMC also secured an impressive 71st rank among the top (100) companies in the Middle East, and the eighth position among the Middle East's top (10) most influential industrial giants for 2023 with a marketing value of USD (4.1) billion, according to Forbes Middle East.

Dear Shareholders- Ladies and Gentlemen,

Despite the noticeable decline in the prices of the Company's products in global markets, and the noticeable increase in some production inputs; The Company was able to achieve profitable returns on shareholders' equity. In 2023, the Company achieved pre-tax profits of approximately JD (614) million, and net profits after tax amounted to JD (454.3) million before the production bonus for workers, and the ratio of net profits after tax to sales reached (37%).

In terms of strengthening the Company's financial position, equity increased significantly by JD (200) million in 2023, despite the lucrative profits distributed to shareholders during 2023. This increase reflects an annual growth rate equivalent to (13.4%) in shareholders' equity. The Company's assets increased during the year 2023 by (4%) compared to 2022, so that the Company's assets at the end of 2023 exceeded JD (2.145) billion.

With respect to the Company's contribution towards boosting the overarching changes of the national economy and supporting the economic growth of the country; The Group achieved export sales of nearly USD (1.736) billion as this amount forms a remarkable contribution to narrowing the deficit gap in both the Balance of Trade and the Balance of Payments and strengthening the local currency.

The Company's direct contribution to supporting public revenues amounted to roughly JD (300) million mainly including income tax on the year's profits, mining revenues, customs, sales tax on external purchases, in addition to the Company's indirect contribution to supporting the treasury and the revenues of public institutions amounting to JD (210) million, the main of which is the share of Government-owned companies amounting to (JD 114.6 million), and the share of the profits of the Social Security Corporation for the year 2023 amounting to JD (74) million, bringing direct and indirect support to the treasury and revenues of Public institutions from the Company's activities during 2023 to nearly JD (520) million.

Dear Shareholders- Ladies and Gentlemen,

The Company has begun creating a number of partnerships, establishing and implementing new projects with the aim of developing the Group's revenue power and strengthening its financial and competitive position, including:

- Construction of a company to produce Phosphoric Acid in partnership with investors from Turkey and India, with a total investment cost estimated at USD (400) million, a production capacity of (300) thousand tons annually, and sales anticipated at not less than USD (300) million per year. All partners have paid the founding capital of the company and the Social Security Investment Fund is expected to contribute to this project.
- Proceeding to construct a miscellaneous fertilizers company in partnership with the Arab Potash Company at a total cost of USD (600) million for this investment with a production capacity of over (400) thousand tons of miscellaneous fertilizers and Phosphoric Acid. Sales of this project are estimated at at least USD (400) million per year.
- Establishment of a plant to produce phosphate feed activities in Aqaba in partnership with Sinokrot Poultry Farms and Saudi Poultry & Dairy Technology Trading Company with a production capacity of up to (100) thousand tons annually at a total investment cost of USD (40) million. The project is expected to contribute at least USD (100) million per year to the Group's revenue.
- The project of expansion and increasing the production capacity of the Industrial Complex in Aqaba at a total cost of USD (90) million. This project is expected to contribute to increasing the production capacity of the complex by at least (135) thousand tons of Phosphoric Acid per year and increasing the Group's sales by at least about USD (100) million annually.
- The project of expansion the plant of the Indo-Jordanian Chemicals Company, a subsidiary of the Group, with a total investment cost estimated at USD (190) million. This project will contribute to increasing the production capacity of the Company by (160) thousand tons of Phosphoric Acid and (700) thousand tons of Sulfuric Acid per year, reflecting an increase in sales of approximately USD (150) million.

By the end of this year, the Phosphate Washing and Flotation Plant in Eshidiya is expected to begin production with a production capacity estimated at a minimum of (1.5) million tons per year of high-quality phosphate. This project will shape an increase in the value of phosphate ore sales by approximately USD (200) million. In addition to the establishment and registration of Alufluoride Company in Eshidiya, and the commencement of the phosphate wastewater treatment project with treatment and recycling capacity of (9) thousand cubic meters per day with an estimated cost of USD (30) million and this project will contribute to the reduce the cost of water consumption in Eshidiya by (10%), production is expected to start during the first half of next year.

Dear Attendees- Ladies and Gentlemen,

Furthermore, it is anticipated that these projects upon operation and beginning of production will collectively contribute to a total increase in the Group's sales by approximately USD (1) billion and (200) million and to an increase in its profits by at least USD (500) million compared to the ratio of the actual profit margin for 2023 to sales.

These projects represent a breakthrough in the Company's performance, maximize returns on shareholders' equity, remarkably increase the direct support to the treasury by increasing income tax and mining fees, in addition to the remarkable increase in the indirect support to the state's general budget. Not to mention that these projects will contribute in improving the overall indicators of the national economy; It is worth to highlight that all sales of these projects are export sales, supporting the Balance of Trades and the Balance of Payments by roughly one billion Dollars, increasing the Company's contribution of these projects upon operation by nearly USD (3) billion per year. Moreover, these projects will contribute to supporting the national efforts in eradicating unemployment by providing approximately (1000) new job opportunities. That is, the Company's contribution to addressing structural imbalances in the national economy through the following:

- First: Increasing direct and indirect support to public revenues which contributes to narrowing the deficit gap in the state's general budget.
- Second: Reducing the deficit gap in both the Balance of Trade and the Balance of Payments.
- Third: Increasing the Company's contribution to the unemployment rate in the Company's locations of operation.

Dear Shareholders- Ladies and Gentlemen,

Within the framework of the Company's social responsibility and serving the local community, JPMC was keen to continue on following its previous approach. Accordingly, the Company has strengthened its effective presence by providing financial and logistical support to the educational, medical, sports, environmental, agricultural, charitable sectors, infrastructure, and local communities in different areas of the Kingdom with a special focus in the locations in which the Company is operating. In addition to the contribution in small and medium enterprises that provide job opportunities. In which the volume of this support and the outstanding obligations paid by the Company reached JD (18.6) million.

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

I would also like to thank my colleague members of the Board of Directors for their kind efforts, and the executive management that worked efficiently and effectively to implement the plans set up for the Company to bring this economic structure to what it has reached.

May Allah protect Jordan powerful and invincible under the leadership of His Majesty King Abdullah II May Allah protect him and help him and bless his good deeds.

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

Chairman of the Board

Dr. Mohammad Thneibat

Chief Executive Officer Speech

Chief Executive Officer "CEO"
Eng. Abdel Wahab AlRowwad

JPMC has represented sequential success stories by adopting the approach of strategic planning and thinking; which are considered one of the most important factors for its success. JPMC's achievements are constantly increasing in terms of production and sales of Phosphate, Phosphoric Acid and Phosphate Fertilizers. All of this is embodied in increasing the production capacity of both produced Phosphate and Phosphoric Acid, costs reduction, exports diversification, infrastructure development, assets sustainability, in addition to supporting economic, environmental and social development, customer experience improvement, core values promotion and human resources development. This has been reflected positively on the development of institutional performance and the emergence of a new year of success and accomplishments to be added to a new record of excellence of this prestigious Company that has obviously evolved in the past few years.

Our keenness to adopt a culture of excellence, pioneerism and creativity in all fields has led to strengthening the Company's position locally, regionally and globally and raised its competitive ability as well. This was embodied by the Company securing the (R4E) Certificate of Recognition of Excellence from the King Abdullah II Center for Excellence, the official representative of the European Foundation for Quality Management in the Kingdom with a four-star rating. JPMC was also granted by the World Confederation of Business (WORLDCOB) the Award for Business Excellence, among (3.500) entities representing (130) countries across the world.

We at JPMC pay great attention to research and development out of our full belief that this will be reflected positively on improving production efficiency and reducing costs. This has contributed to the development of new phosphate products that meet the global market needs by producing a specific type of phosphate suitable for (Direct Application) as a soil fertilizer, as we were able to export large quantities to the Indonesian market for this purpose. Moreover, efforts are currently focused on improving the quality of our products in terms of developing manufacturing techniques to achieve highest quality standards and using new innovative technologies in production processes, which raises their efficiency and reduces their impact on the environment.

Our research and development shapes a clear contribution to developing production processes in methods that conserve natural resources and reduce the negative environmental impacts of the phosphate industry.

In conclusion, I ensure that we at JPMC are moving towards the future with steady and confident paces within the framework of the ambitious strategic plan developed by the BOD. Let us move forward to accomplish more fruitful achievements that are referred to as benchmarks.

Eng. Abdel Wahab AlRowwad
Chief Executive Officer "CEO"

Factors that Distinguish Company's Profitability

1- Most important Factors that Distinguish JPMC and Reflected in its Financial Performance and Profitability:

2- Improving and developing mining works and opening the door of competitiveness among contractors which left a positive impact on production costs.

3- The efficiency of the manufacturing industries work and increasing ratios of the usage of raw materials.

4- Research and development efforts in using rock phosphate with certain specifications as direct fertilizer. In addition to the marketing staff efforts to obtain a large share of this product in the Indonesian, Malaysian and Chinese markets.

5- Converted production processes in the Industrial Complex in Aqaba into monitoring by automation technology, Digital Control System (DCS), to all production units which had a positive impact on the proper control of all inputs and outputs of production processes.

6- Working within long-term plans and strategies in the Company's different activities.

7- Optimal utilization of the Company's assets and resources.

8- Developing maintenance operations and improving their efficiency.

9- Utilization of available raw materials to raise production qualities and quantities according to market demands; To enhance market shares in existing markets and seek to conquer new markets.

10- Supervising the business, following up on its improvement in subsidiaries and affiliated companies and improving their products to maximize their profits.

11- Wise financial management in managing cash and deposits, and maximizing investment returns from them to the highest possible percentages.

12- Working throughout adopting best sustainability practices.

Report of the Board of Directors

Dear Shareholders

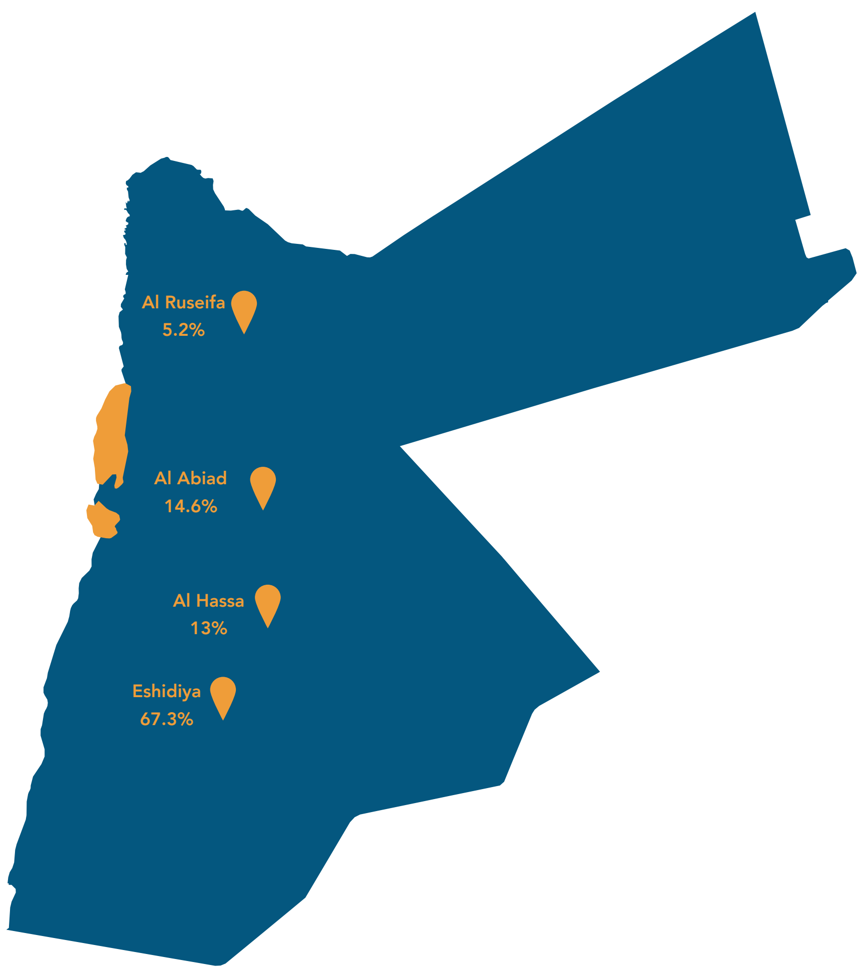
In compliance with the provisions of Article (171) of the Law of Companies No. (22) for 1997 and its amendments, in fulfillment of the disclosure requirement for exporting companies, accounting standards, audit standards for 2004 and their amendments, and in line with the provisions of Article (62) of Articles of Association, the Board of Directors of Jordan Phosphate Mines Company P.L.C. submits to you this Seventieth annual report including a brief on the Company operations and its deliverables during the fiscal year ending at 31.12.2023. The report reveals business results of the Company and its financial position statements including consolidated financial statements, consolidated income statement, consolidated comprehensive income statement, consolidated statement of changes in equity, and consolidated statement of cash flows as approved by the Board of Directors on 28th of March 2024.

Following is a presentation of the Company's activities in 2023:

1- Production:

Phosphate

Ready dry phosphate produced in 2023 from all the Company's mines of all grades accounted for (11,453,898) tons which represents an increase of (174%) compared to 2022 as this is considered as the highest number in the history of JPMC since its establishment.



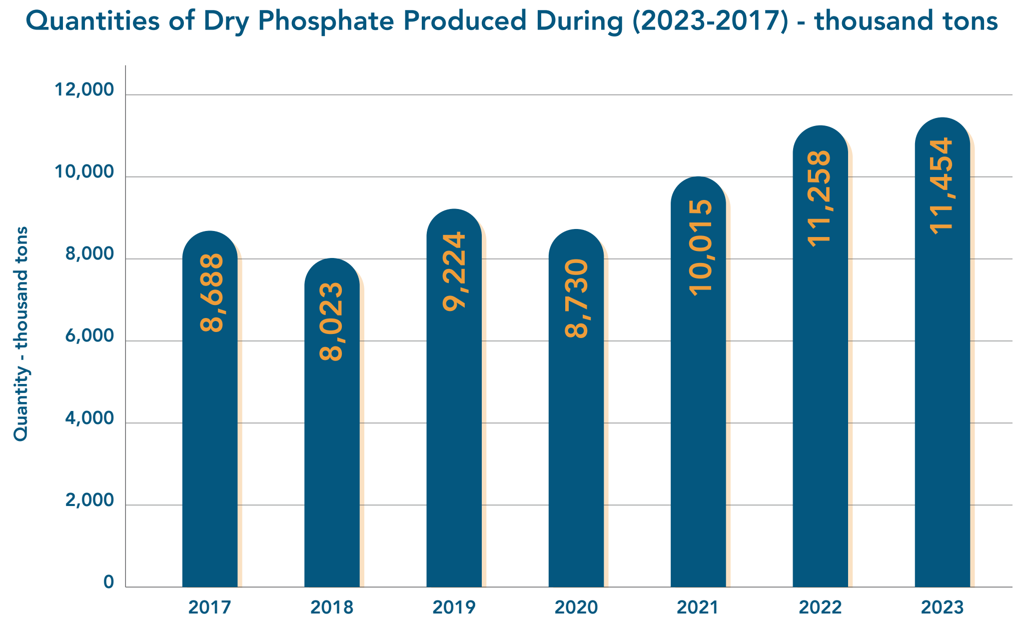
Quantities of Dry Phosphate production in 2023 distributed among mines as follows:-

Mine	Quantity (Tons)
Al Hassa	2,440,103
Al Abiad	1,856,722
Al Ruseifa	24,820
Eshidiya	7,132,253
Total	**11,453,898**

Quantities of Dry Phosphate Production Comparison for 2023 with the years (2015-2023):-

(thousand tons)

Mine	2023	2022	2021	2020	2019	2018	2017	2016	2015
Al Hassa	2,440	1,462	874	1,147	1,008	799	733	621	992
Al Abiad	1,857	1,643	1,444	1,443	1,604	1,204	1,602	1,501	2,135
Eshidiya	7,132	7,572	7,043	5,934	6,005	5,777	6,353	5,869	5,208
Al Ruseifa	25	581	654	415	607	243	0	0	0
Total	**11,454**	**11,258**	**10,015**	**8,939**	**9,223**	**8,023**	**8,688**	**7,991**	**8,335**



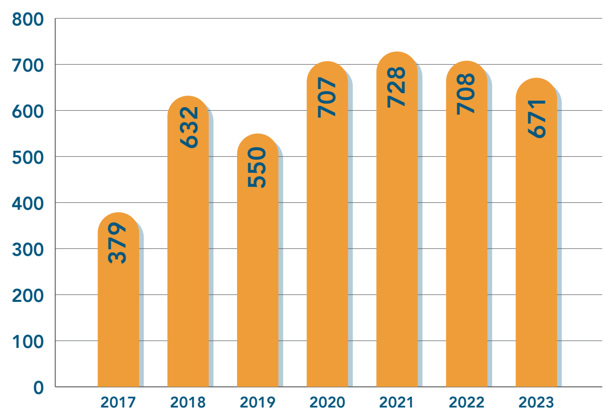
Products of Fertilizers at the Industrial Complex:

Quantities of Phosphate Fertilizers Produced at the Industrial Complex were as follows in 2023:

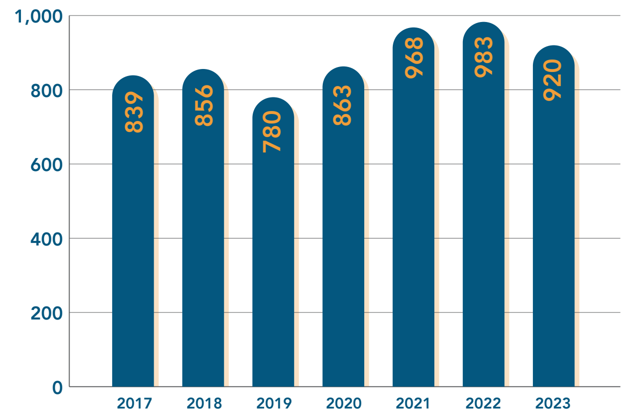
Product	Quantity/Ton
DAP	670,905
Phosphoric Acid	272,300
Sulfuric Acid	920,390
Aluminum Fluoride	10,930

Quantities Produced at the Industrial Complex for (2017-2023):

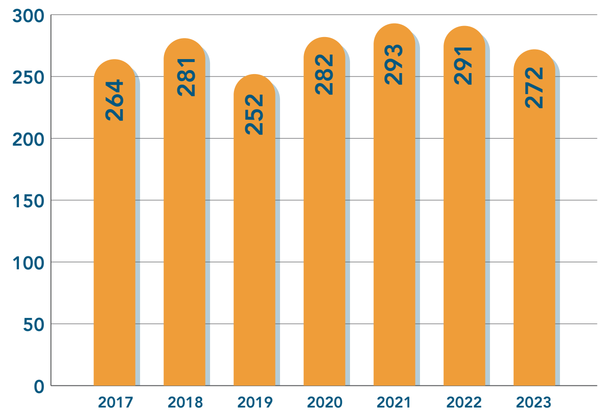
Product	2023	2022	2021	2020	2019	2018	2017
DAP	671	708	728	707	550	632	379
Phosphoric Acid	272	291	293	282	252	281	264
Sulfuric Acid	920	983	968	863	780	856	839
Aluminum Fluoride	11	11	12	10	6	6	6



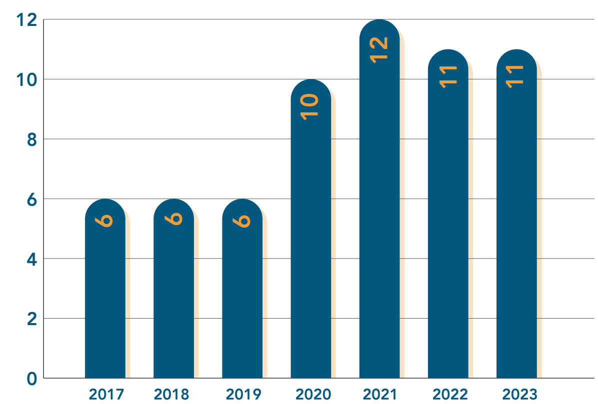
DAP Fertilizer



Sulfuric Acid



Phosphoric Acid



Aluminum Fluoride

2- Exploration (Geological Reserve):

In 2023, the Exploration Department pursued mining rights in the Company's mines as a new mining right in the Al-Hassa Mine was obtained, two mining rights in Al-Hassa and A-Abiad Mines were renewed, followed up all procedure related to mining rights with the Energy & Minerals Regulatory Commission, and submitted three applications for new prospecting licenses, including two licenses for Eshidiya mine and a license for Al-Abiad Mine.

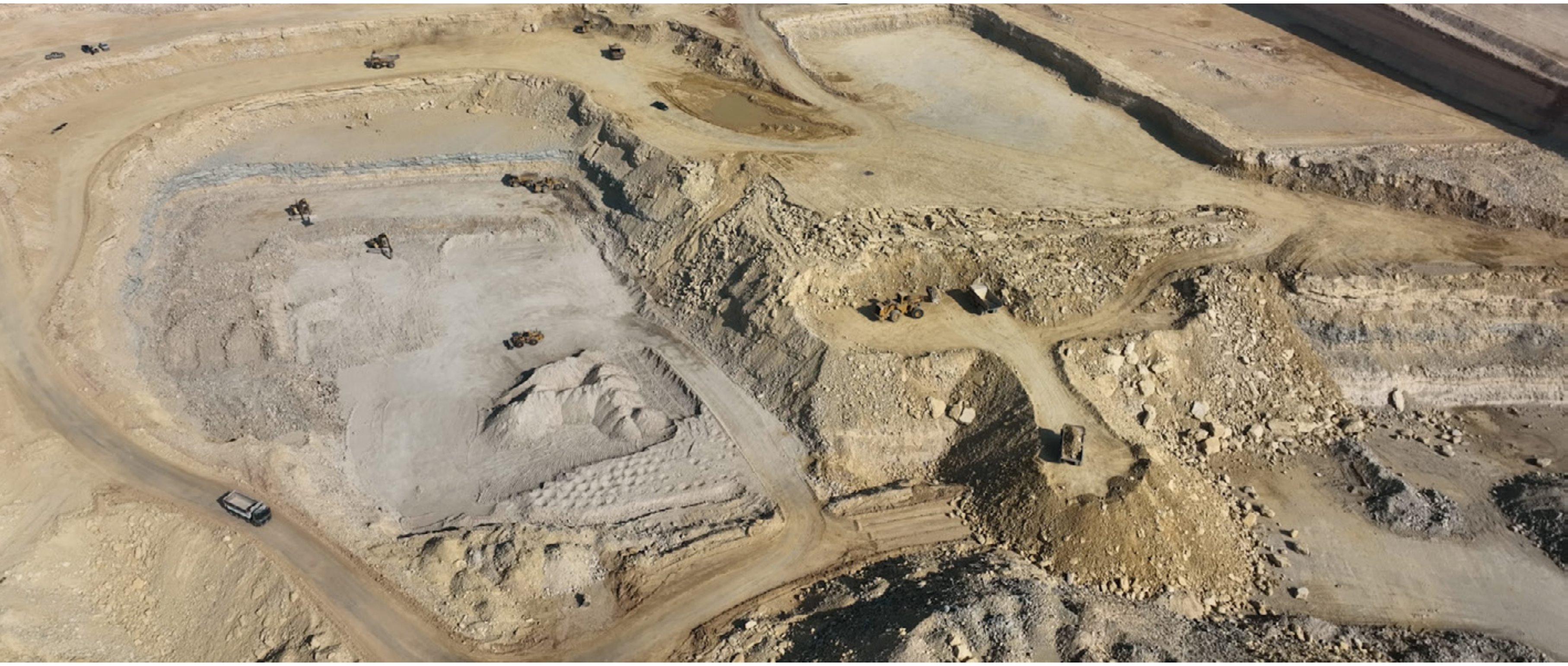
In 2023, Exploration Department works were oriented on strengthening the geological reserve for Jordan Phosphate Mines Company by exploring more new ores in all mines as follows:

- Al Abiad Mine: Wells were drilled along (42) ore extensions, and the amount of geological reserves hasn't been determined until the completion of the drilling operations.
- Al Hassa Mine: Wells were drilled along the (44)-south ore extensions, and a new ore (46) was identified with a geological reserve estimated at (4) million cubic meters.
- Eshidiya Mine: Wells were drilled in the northern region and the southern region for the upper ore zone and drilling operations are continuing, and the quantity of geological reserve hasn't been determined until the completion of the drilling operations.

The geological reserves (proved, possible, and potential) until the end of 2023 in all mines reached as follows:

(million cubic meters)

Mine	Proved	Possible	Potential	Total
Al Abiad	3.975	-	10.000	13.975
Al Hassa	8.383	10.000	-	18.383
Eshidiya	234.874	-	50.000	284.874
Total	**247.232**	**10.000**	**60.000**	**317.232**



3- Transport:

In 2023, quantities of phosphate transported from the Company Mines by truck vehicles reached (11,179,126) tons (compared to 10,871,232 tons in 2022) distributed as follows:

(tons)

Mine	Exporta-tion	Industrial Complex	Eshidiya Mine	Local Market	Nippon-Jordan Fertilizer Company (NJFC)	Saudi Arabia	Indo-Jordan Chemicals Company (IJC)	Jordanian Indian Fertilizer Company (JIFCO)	Indonesia	Total	Contribution Rate (%)
Eshidiya	2,869,174	810,536	-	-	4,942	-	1,309,120	1,879,014	132,192	7,004,978	%62.66
Al Hassa	2,154,395	181,431	85,046	-	-	30	-	-	-	2,420,902	%21.66
Al Abiad	1,536,290	103,324	-	100	-	34,687	-	-	-	1,674,401	%14.98
Al Ruseifa	78,845	-	-	-	-	-	-	-	-	78,845	%0.71
Total	**6,638,704**	**109,5291**	**85,046**	**100**	**4,942**	**34,717**	**1,309,120**	**1,879,014**	**132,192**	**11,179,126**	**100**

Quantities of Transported and Unloaded Phosphate from Mines as per of transport vehicles for 2018 - 2023:

(thousand tons)

Transport Means	2023	2022	2021	2020	2019	2018
Railway	-	-	-	-	-	275
Trucks	11,179	10.871	9.864	9.124	8.625	7.744
Total	**11,179**	**10.871**	**9.864**	**9.124**	**8.625**	**8.019**

4- Marketing and Sales:

Marketing:

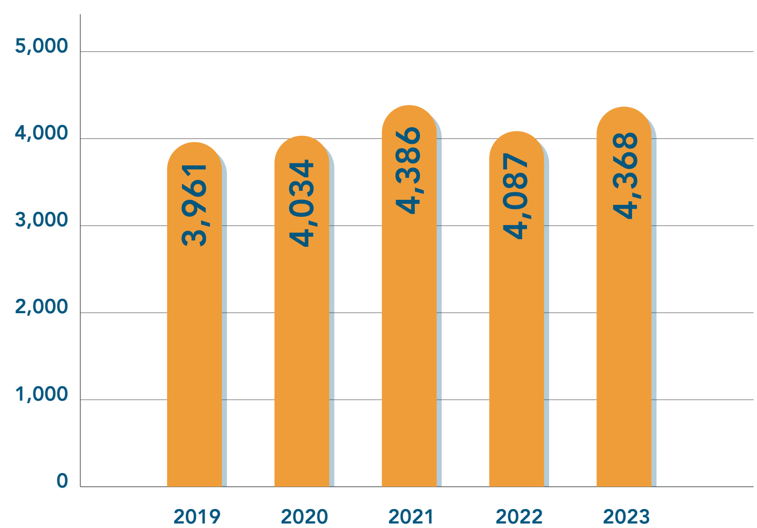
The Company was able to achieve (107%) of the marketing plan for 2023 which means achieving a new record number of phosphate sales as the Company was able to sale a quantity of (11,212) million tons of phosphate compared to (10,773 million tons of phosphate in 2022) with an increased percentage of (4.1%) compared to 2022. Even as the quantities of fertilizers sold during 2023 amounted to (671,958) thousand tons which means achieving (95.99%) of the marketing plan for 2023. This was due to the time spent on the automation project (DCS) that was completed for the Industrial Complex Units. During 2023, the Company was able to achieve the highest sales value of its products exceeding USD (1,465) billion.

Sales:

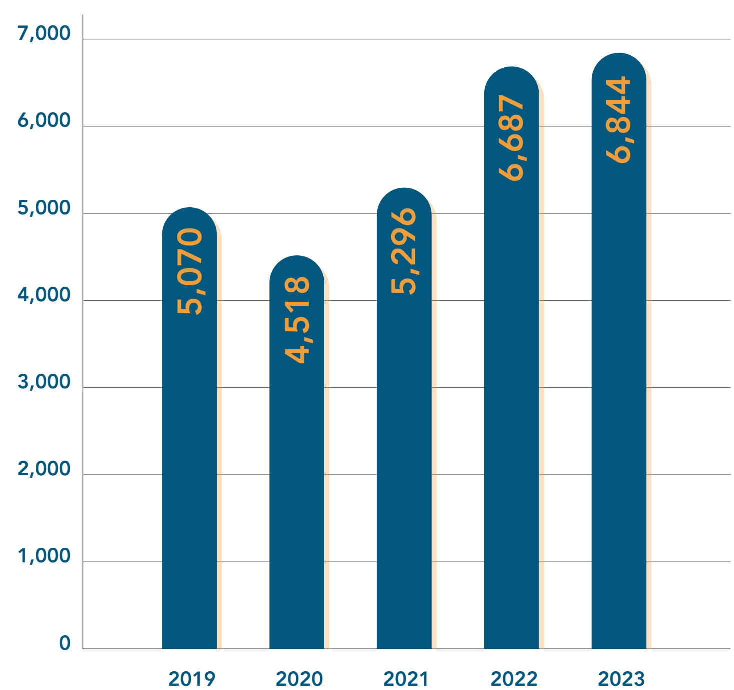
First: Sales of Phosphate Ores for the period 2019-2023

(thousand tons)

Year	2023	2022	2021	2020	2019
Exported	6,844	6,687	5,296	4,518	5,070
Local Consumption	4,368	4,087	4,386	4,034	3,961
Total	11,212	10,774	9,682	8,552	9,031



Local Consumption

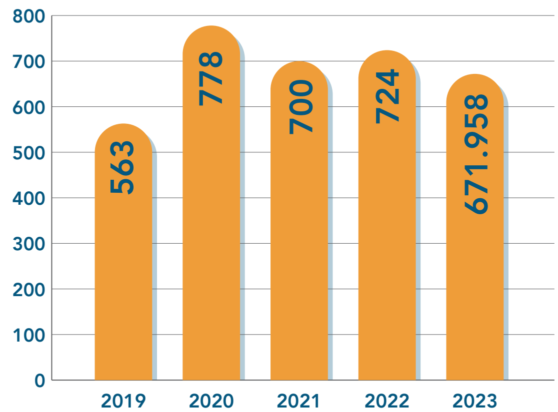


Exported

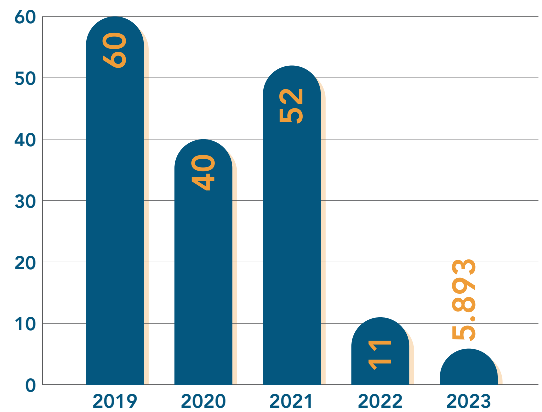
Second: Sales of Chemical Fertilizers from the Industrial Complex Products for 2019-2023

(thousand tons)

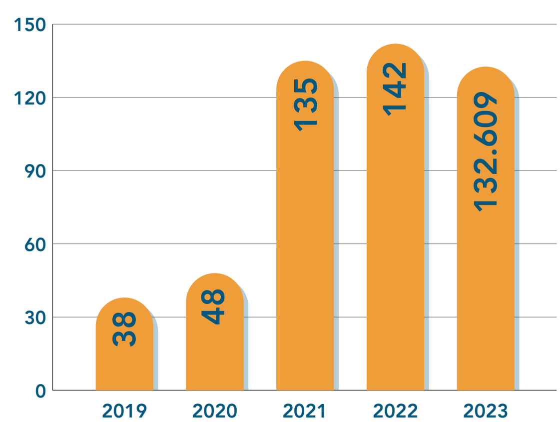
Product	2023	2022	2021	2020	2019
DAP	671.958	724	700	778	563
Phosphoric Acid	5.893	11	52	40	60
Sulfuric Acid	132.609	142	135	48	38
Aluminum Fluoride	7.41	8	9	7	11



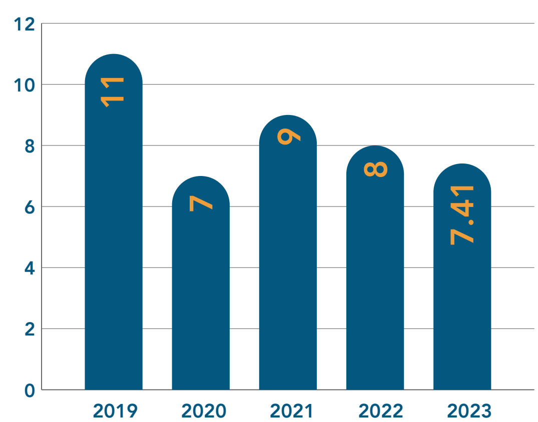
DAP Fertilizer



Phosphoric Acid



Sulfuric Acid

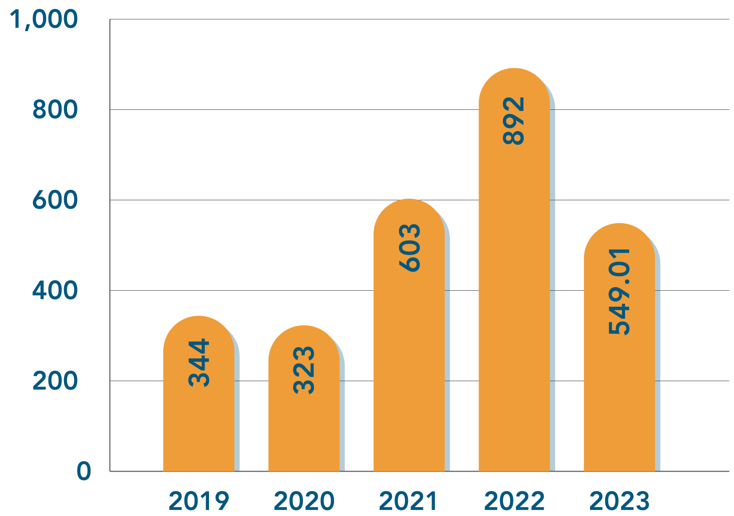


Aluminum Fluoride

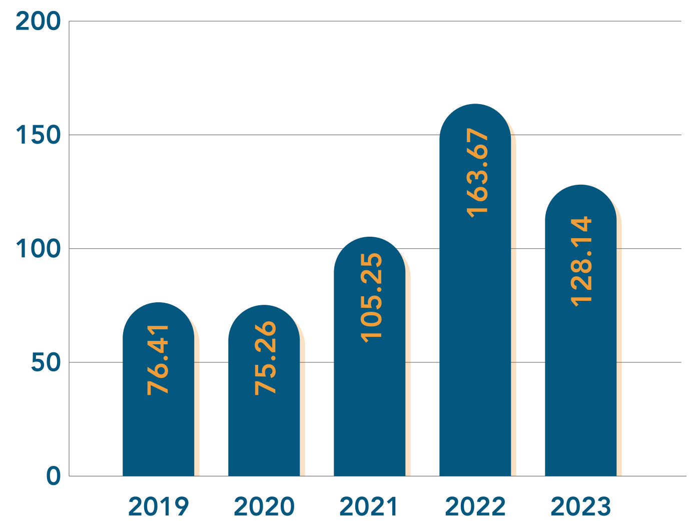
Third: Average Selling Prices (FOB) in Aqaba in USD

(dollar/ton)

Product	2023	2022	2021	2020	2019
Exported Phosphate	128.14	163.67	105.25	75.26	76.41
DAP	549.01	892	603	323	344



DAP



Exported Phosphate

5- Strategic Plans and Projects

Strategic planning and thinking are considered as one of the most important factors for the continued success of Jordan Phosphate Mines Company. As the future plans of JPMC are aimed to reduce costs, increase production capacity, diversify exports, develop infrastructure, sustain assets, support economic, environmental and social development, improve customer experience, enhance core values and develop human resources and institutional performance as well.

The Company is working to increase its production capacity and improve the quality of products in the existing industrial facilities through modernizing the its plants in all its locations and by modifying manufacturing methods to meet the requirements of environment conservation.

Therefore, the Company was keen to stay up to date with the latest developments in information technology, communications and Internet applications. Due to their great positive impact on the business world, these applications have become the basis of its activities. Accordingly, JPMC has adopted a new plan to automate its work and develop its website, to build a quick and effective communication channel with all parties and sectors.

JPMC has owned a port to export phosphate as part of the development and operation agreement concluded with the Aqaba Development Company / Aqaba Special Economic Zone Authority. This port is located in the Industrial Zone on the southern coast of Aqaba, and its handling volume reaches (6) million tons per year. It was designed to ensure that various ships are able to dock there with loads ranging from (5 - 100) thousand tons. The Company also owns (50%) of the shareholding of the Jordan Industrial Ports Company (JIPC), represented by the Jordanian Phosphate Mines Company and the Arab Potash Company, in accordance with the agreement concluded between the two parties. Through this company, it exports DAP fertilizer products, potash, and concentrated phosphoric acid, and imports its needs from ore materials required to manufacture fertilizers and their derivatives, such as ammonia, sulfur, and others, also meet the needs of subsidiaries and affiliated companies.

Moreover, the Company continues to implement a set of projects to produce phosphoric acid and aluminum fluoride, and raise the percentage of phosphate through flotation, within the framework of the Company's strategic plan aimed at increasing production capacity, diversifying the final and intermediate products of fertilizers in a vertical and integrated manner with mining works, increasing the added value of its products, and granting the Company the sufficient flexibility to deal with market fluctuations. These projects varied between environmental, industrial and logistical projects, which can be summarized as follows:

First: Environmental Projects

The Company's procedures in relation to environmental projects are highlighted as below:

1- Phosphate wastewater treatment project in Eshidiya Mines with the local (Engicon) firm to treat and recycle (9000) cubic meters per day on (BOT) basis. The project cost is estimated at approximately USD (10) million and it is expected to be completed by the middle of the year 2025.

2- The greening of the Gypsum Mountain in the Industrial Complex in Aqaba which could be described as an ideal solution to dispose the phosphate industry waste accumulated over the years and the negative impact these wastes have left on the environment. This project happened due to the efforts of the staff of Jordan Phosphate Mines Company and is based on a joint study between Jordan Phosphate Mines Company and Aqaba Special Economic Zone (ASEZA) in line with the vision of (ASEZA) to explore recreational sites and green spaces to shape a qualitative addition to tourism in Aqaba.

In the future, the entire Gypsum Mountain will be greened on scientific bases based on specialized research and this is after the FAO organization joined this project that has been allocated with an amount of one million JOD and is expected to be accomplished within the next three years.

1- The Company has started conducting technical studies to convert the ammonia tanks in the Industrial Complex in Aqaba into (Double Wall and Double Integrity). Furthermore, it is expected that the design and implementation work for the tanks is expected to take about (30) months. The cost of constructing one tank is estimated at approximately USD (35) million. Currently, the Water Dome is being designed for existing ammonia tanks and on the highest safety standards to deal with emergencies.

Second: Industrial Projects:

The Company's procedures regarding industrial projects are highlighted as follows:

1- In cooperation with the Belgian Company (Prayon), designs are being prepared for the expansion of the Industrial Complex in Aqaba in order to increase the production capacity of the Phosphoric Acid Plant from (300) thousand tons of (P_2O_5) to (450) thousand tons of (P_2O_5) per year, at an estimated cost of nearly USD (90) million. This project is expected to be completed within (24) months from the date of signing the agreement.

2- Prayon Company started conducting experiments on the Jordanian acid in its laboratories in Belgium for a project of producing pure Phosphoric Acid with the Sukhtian Group, with a production capacity of (25) thousand tons per year and an estimated cost of approximately USD (80) million.

3- JPMC began constructing and installing a Fourth Concentration Unit in the Industrial Complex in Aqaba as the first step in the process of increasing the line production capacity and improving the product. The project total value is estimated at USD (26) million and is expected to be completed in the third quarter of the year 2025.

4- Phosphate flotation project with the Ideal Development Company to rationalize the use of resources, recycle them and preserve the environment by exploitation of the rejected stored phosphate on (BOT) basis, and designed by the American Company JACOB with a production capacity of (2) million tons of high-percentage phosphate per year in line with the required global specifications. The civil construction works of the project, which is estimated at a cost of around USD (85) million, have started and it is expected to be completed by the end of the third quarter of 2024.

Third: Logistics Projects:

The Company's procedures in regards to logistics projects are summarized as follows:

1- Construction of phosphate storage warehouses in Aqaba with an additional capacity of (500) thousand tons meeting the increased demands for phosphate and establishing sufficient stocks in emergency cases, at a cost of approximately USD (100) million.

2- Expansion of the phosphate port in order to fulfill the increasing demand for phosphate ore, at an estimated cost of USD (30) million.

3- Building a seawater desalination in Aqaba to supply the Industrial Complex with industrial water that is compatible with the production process in the complex's plants and the plants of the subsidiaries and affiliated companies as well. In this respect, discussions were held with the Norwegian company (Water Rise) for this purpose and a Memorandum of Understanding (MoU) has been signed with it. Discussions are ongoing with the Ministry of Water and Irrigation, Aqaba Special Economic Zone Authority (ASEZA) and the Arab Potash Company in order to provide desalinated water to a number of parties with the efforts of JPMC.

4- Drilling a total of (6) wells in Eshidiya area with a production capacity of (10) million cubic meters per year. The Company is in the process of drilling (10) new wells in Al-Jafr area with a production capacity of (8) million cubic meters per year as these wells are followed by other facilities including: water supply network, hot water cooling tower, needed pumping stations, control systems, electrical power and a road network to cover the Company's current and future needs.

Fourth: Projects In Study:

The projects that the Company is currently studying can be outlined as follows:

1- Yellow Phosphorus production project using phosphate ores and in partnership with an Indian company specialized in this field. However, the energy cost is considered as the major challenge in the implementation of this project.

2- A project to produce (NPK) fertilizer in partnership with the Indonesian Petrokimia Gresik (PKG) Company, with a production capacity of (300) thousand tons per year and the estimated cost of the project is around USD (120) million.

3- A project to produce SSP, MKP and Technical MAP, in partnership between Jordan Phosphate Mines Company PLC. And the Arab Potash Company. In this regard, Memorandums of Understanding (MoUs) were signed between the two companies and technical committees were formed from both parties to study the project.

4- A phosphoric acid production project in Eshidiya in partnership with the Turkish Company, Transpet, with a production capacity of (300) thousand tons per year, using the Jordanian low-quality phosphate and the value of the project is estimated at USD (400) million.

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

6- Establishment of a phosphate flotation plant in Al-Hassa and Al-Abiad Mines; To rationalize the use of resources, recycle them and preserve the environment by the exploitation of rejected store phosphate on the BOT principles with a production estimated at (0.5) million tons of high-percentage phosphate at a cost estimated at approximately USD (85) million.

7- Raising the production capacity of the phosphoric acid of the Indo-Jordanian Chemicals Company (IJC) and establishing a plant to produce sulfuric acid with a production capacity of about (2000) tons per day at an estimated cost of nearly USD (190) million.

8- Improving the aluminum fluoride product produced in the Industrial Complex in Aqaba and converting it from low density to high density through adjusting the manufacturing process at a total value of approximately USD (3) million.

Strategies to Raise Work Efficiency (Increasing Competitiveness):

Among the strategies that the Company has followed with an aim of increasing work efficiency are the following:

1- The continuation of reducing current production costs of the phosphate produced in addition to what the Company achieved previously with an aim of reaching a production cost that doesn't exceed USD (50) per each ton of phosphate.

2- Invitations for mining bids when necessary, noting that no mining bids have been awarded since 2017.

3- Benefiting from the stock of phosphate residue with a low percentage whose extraction cost is (20%) of the mining cost. The quantity of these residues is estimated at approximately (80) million tons. It is worth mentioning that work on this matter has begun and the Company's works will be maintained permanently in different locations through annual production plans.

4- The need of obtaining new mining rights for the Company in order to be able to expand mining works in the future. Knowing that JPMC has currently mining rights with estimated reserves at (340) million tons of phosphate.

5- Reducing the costs of electrical power by obtaining licenses from renewable energy sources with a percentage reaching (80%) of the current costs which are approximately USD (20) million annually.

6- Finding low-cost transportation means to transport raw materials from mines to factories and from mines to the export export port. This could be done by replacing truck transport with train transport or transporting phosphate from mines to Aqaba using pipes through pumping the phosphate after mixing it with water through pipes in the form of clay (Slurry).

7- Inventing the Research and Development Unit in the Company in 2021 that led to study the creation of new investment opportunities from phosphate ore in the form of manufacturing industries in a way that serves the trends of local and global markets, including but not limited to, the manufacturing of purified phosphoric acid needed for the food industry, medical applications and (Sulphur Bentonite) fertilizer production.

8- Increasing the production capacity for the Phosphoric Acid Unit in the Industrial Complex in Aqaba from (900 to 1,310) tons of (P_2O_5) per day. In addition to the construction and installation of the Fourth Concentration Unit for the Phosphoric Acid Plant in the Industrial Complex in Aqaba.

9- Ensuring environmental conservation through implementing several projects taking into consideration the application of all requirements in compliance with international standards.

10- Qualifying all human resources who hold intermediate diplomas and bachelor's degrees through training them and raising their competencies with the aim of job replacement and in a way that achieves the Company's missions of moving toward more modern manufacturing industries. Since 2020 and until the end of this year, a total of (505) trainees holding these specializations have been trained. Therefore, they were distributed to the Company's different worm locations at a cost reaching JD (2.2) million. In addition to attracting first rank students in Jordanian universities in industry-related specializations and training them from the end of 2020 until the moment.

Besides, JPMC believes that its overall performance is witnessing a positive breakthrough that will be reflected on the Company's profit according to the inputs that fulfill its supposed duty towards the economy and national development. Indeed, the Company has expansion plans under preparation and implementation by creating new marketing outlets that will increase the annual production volume further than (11) million tons.

6- Production and Marketing Plans for 2024:

- The JPMC plans for 2024 aim at producing (11,250) million tons of phosphate and (700) thousand tons of (DAP) fertilizer.
- The above plans aim to sell (11,25) million tons of phosphate (6,8 million for exportation and 4,45 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) and (11) thousand tons of aluminum fluoride 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 (453) million.

7- Manpower and Services Delivered to Them:

As at 31.12.2023, there were (2,155) employees at service in the Company classified as follows according to their academic specializations and job sites:

		Engineers	Technical Staff - University Degree	Admin Staff - University Degree	Technical Staff - Intermediate Diploma	Admin Staff - Intermediate Diploma	Technical Staff - High School	Admin Staff - High School	Technical Staff - Lower Grade	Admin Staff - Lower Grade	Unknown	Total	Percentage % As Per Work Location
Management	Female	17	4	28	2	4	0	3	2	0	1	61	%9
	Male	16	8	73	1	7	2	14	15	3	3	142	
		33	12	101	3	11	2	17	17	3	4	203	
Al Hassa Mine	Female	1	1	0	0	1	0	1	0	5	0	9	%10
	Male	21	5	16	16	1	9	14	46	87	1	216	
		22	6	16	16	2	9	15	46	92	1	225	
Al Abiad Mine	Male	22	9	9	29	4	2	21	65	70	1	232	%11
		22	9	9	29	4	2	21	65	70	1	232	
Eshidiya Mine	Male	58	21	53	87	8	9	76	382	16	3	713	%33
		58	21	53	87	8	9	76	382	16	3	713	
Industrial Complex	Female	6	2	6	0	3	0	3	3	0	0	23	%30
	Male	101	20	23	200	10	13	53	204	5	5	634	
		107	22	29	200	13	13	56	207	5	5	657	
Research and Quality Unit	Male	1	0	6	2	0	0	0	2	1	1	13	%1
		1	0	6	2	0	0	0	2	1	1	13	
The New Phosphate Port	Female	2	0	1	0	0	0	0	1	0	0	4	%5
	Male	19	3	10	42	2	4	3	14	9	2	107	
		21	3	11	42	2	4	3	15	9	2	111	
Total		246	73	225	379	40	39	188	734	196	17	2,155	%100

Housing Loans:

The Company grants its employees housing loans within the conditions and ceilings of the housing and fund system to the employees of the Company, for one time only and without interest. Total loans to employees of the Company since the establishment of the fund till the end of 2023 totaled JD (49,790,840) with (2,282) 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 2023 were (54) employees with a total cost of about JD (2,003,156).

Training and Development:

During 2023, the Company enrolled (1,391) of its employees in training programs which consisted of a number of administration, accounting, and technical courses, in addition to conferences and seminars to improve their efficiency and develop their skills and gain knowledge as the details of the courses are shown in the table below:

Sessions held in the Company in 2023

	Courses Category	Total of Sessions Held	Training Hours	Number of Participants
1	Administration and Accounting Courses	56	644	595
2	Technical Courses	26	200	173
3	Public Safety Courses	43	842	573
4	Other Conferences and Seminars	14	145	50
	Total	**139**	**1,831**	**1,391**

Additionally, during the same year, the Company trained (31) male and female students from various universities and community colleges for field training for their graduation purposes. It also enrolled (5) trainees from the Vocational Training Corporation and the National Company for Training and Employment in its accredited training programs for the purpose of obtaining a professional license to practice the profession for a year and a half in the Industrial Complex. Moreover, training contracts were signed with (218) trainees holding a bachelor's degree and intermediate diploma and (49) engineers to train them in all Company's sites for the purpose of practical training for them in their field of specialization.

8- 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 (10) thousand beneficiaries and their families via the clinics of the Medical Services Department on the several sites of the Company. Additionally, the Company has accredited a medical network with distinguished specialties in order to add to its list of doctors accredited all over the Kingdom. Noting that all the prices are approved by the concerned medical authorities according to the wages list agreed by the Ministry of Health, Medical Associations, Dental Associations, and the Laboratories Association.

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

Costs of Treatment of Employees of the Company and their families from 2020 - 2023

(thousand dinars)

Item	2023	2022	2021	2020
Costs of Treatment of Employees of the Company	1,405	1,683	1,543	1,622
Costs of Medical Treatment of the Employees' of the Company Families	1,834	1,910	2,009	1,995
Grand Total	3,239	3,593	3,552	3,617

The post-retirement health insurance costs:

Expenditure of the Post-Retirement Health Insurance from 2020-2023

(thousand dinars)

Item	2023	2022	2021	2020
Number of Retirees	7,853	7,424	7,354	6,922
Expenditures of the Post-retirement Health Insurance	6,734	6,461	7,752	6,770

Governance

"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 approved upon a resolution by the Council of Commissioners of the Financial Securities Commission No. (1462017/) 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."

1- Governance Report

Introduction

Under the emerging economic development in most of the countries worldwide, the need has risen for good governance in many developed and developing economies during the few past decades especially in the wake of economic collapses and financial crises in a group of 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 and reduce risks that face the Company. Corporate governance is a major issue for all public shareholding companies at present, especially that the financial crises that the international economy has suffered have turned the corporate governance a priority. The laws and regulations of governance worldwide are focused on controlling the use of administrative powers in a manner that abuses the rights of shareholders. Good governance urges the BOD to perform and enhance internal control as well as monitoring the implementation of strategies and identifying the management and powers for shareholders, the BOD, the Executive Management, and stakeholders as transparency and disclosure are imperatives under good governance.

1- The BOD Composition:

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

2- Tasks and Responsibilities of the BOD:

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

Governance Liaison Officer:

The Company's BOD practiced its duties within the scope of work and responsibility by appointing Ms. Sana Qarain\ Secretary of the Board as the Corporate Governance Liaison Officer starting from 29/12/2020 until 10/03/2023 and appointing Mrs. Lara Mubydeen/ Secretary of the Board as the Corporate Governance Liaison Officer starting from 4/10/2023.

Meetings of the BOD:

The BOD convenes in compliance with the Law of Companies which requires the BOD to hold at least (6) Annual report meetings per year. The BOD issues resolutions by absolute majority of the present members. If the votes are equal, that of the meeting chairman will be preponderant. In 2023, the BOD held (6) meetings.

Secretary to the BOD:

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

Company's Investor Relations Unit:

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

1- Representing the Company in front of the investors and representing the investors within the Company (Two-way Communication).

2- Introducing Company activities, financial performance and strategic directions to the shareholders and investors.

3- Building and maintaining positive connections and relations between the Company's BOD and Executive Management on one hand, and current and potential investors, shareholders and all interested parties on the other hand.

4- Maintaining continuous communication with financial analysts, media representatives and investors via different communication tools such as the Company' website, social media sites, press releases and meetings coordination.

5- Following up on the investor relations window on the Company's website and ensuring it is updated on a regular basis.

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

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

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

The following table details the current and resigned members of the BOD in 2023:

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	Not Independent	Non-Executive
Dr. U.S. Awasthi	Representative of INDIAN POTASH LIMITED	Member	Not Independent	Non-Executive
Dr. P.S. Gahlaut	Representative of INDIAN POTASH LIMITED	Member	Not Independent	Non-Executive
Mr. Manish Gupta	Representative of Kisan International Trading FZE	Member	Not Independent	Non-Executive
Dr. Eng. AbdelFattah AbuHassan	Representative of Private Sector	Member	Independent	Non-Executive
H.E. Advocate Mohammad Kreishan	Representative of Government Investments Management Company	Member	Not Independent	Non-Executive
Eng. Sami Smeirat	Representative of Social Security Corporation	Member	Not Independent	Non-Executive
Eng. Mohammad Al-Munaifi	Representative of Kuwait Investment Authority	Member	Not Independent	Non-Executive

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

The below table indicates the number of meetings held by JPMC BOD in 2023 and the members who attended:

Name	Number and Date of Meeting							Grand Total	
	No. (1) 17/2	No. (2) 12/3	Supplementary Meeting for Meeting No. (2) 14/3	No. (3) 10/5	No. (4) 8/7	No. (5) 5/9	No. (6) 4/11	Present	Absent upon Excuse
H.E. Dr. Mohammad Thneibat	P	P	P	P	P	P	P	6	-
Mr. Salem Al Qudah	P	P	P	P	P	P	P	6	-
Dr. U.S. Awasthi	P	P	P	P	P	P	P	6	-
Dr. P.S. Gahlaut	P	P	P	P	P	P	P	6	-
Mr. Manish Gupta	P	P	P	P	P	P	P	6	-
Dr. Eng. Abdel Fattah Abu Hassan	P	P	P	P	P	P	P	6	-
H.E. Advocate Mohammad Kreishan	P	P	P	P	P	P	P	6	-
Eng. Sami Smeirat	P	P	P	P	P	P	P	6	-
Eng. Mohammad Al-Munaifi	P	P	P	P	P	P	P	6	-

P= Present A= Absent

Percentages of Presence of Members of the BOD Meetings in 2023:

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	6/6	%100
Mr. Salem Al Qudah	Vice-Chairman of the BOD	6/6	%100
Dr. U.S. Awasthi	Member	6/6	%100
Dr. P.S. Gahlaut	Member	6/6	%100
Mr. Manish Gupta	Member	6/6	%100
Dr. Eng. Abdel Fattah Abu Hassan	Member	6/6	%100
H.E. Advocate Mohammad Kreishan	Member	6/6	%100
Eng. Sami Smeirat	Member	6/6	%100
Eng. Mohammad Al-Munaifi	Member	6/6	%100

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

H.E. Dr. Mohammad Thneibat\ Chairman of the Board and Member in Jordan Petroleum Refinery.

Eng. Sami Smeirat/ Member of the BOD and Member in Cairo Amman Bank.

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

5. Executive Positions and Department Directors and Names of those Occupying them:

Name	Job
H.E. Dr. Mohammad Thneibat	Chairman of the Board
Eng. Abdel Wahab Al Rowwad	Chief Executive Officer (CEO)
Ms. Sana Qarain	Assistant CEO as of 4.10.2022 until 3.10.2023 Secretary of the BOD until 3.10.2023 Director of Finance until 3.10.2023
Geologist Mohammad Abu Hazeem	Acting Director of Mining and Mines
Dr. Fadwa Shabsough	Director of HR Account Manager Saving Fund
Mr. Omar Badran	Director of Finance as of 12.1.2023 Finance Consultant as of 17.7.2022 and until 11.1.2023
Eng. Rima Abdul Halim	Acting Director of Supply & Procurement starting from 17.8.2023 and until 30.11.2023 Acting Director of Supply & Procurement until 16.8.2023
Eng. Mowafaq Abu Hawileh	Charged for Managing the Work of the Supply and Procurement Department as of 2023/12/1
Eng. Abdelaziz Al Arakzeh	Manager of Industrial Complex
Eng. Mahmoud Al-Jaradin	Manager of Mines/ Manager of Eshidiya Mine
Lieutenant General Dr. Moein Al-Habashneh	Medical Advisor/ Director of Medical Services
Dr. Eng. Mohammad Megdady	Manager of the Research and Business Development Unit

6- Committees Under the BOD:

The Audit Committee:

1- Members of the Audit Committee:

Eng. Sami Smeirat\ Head of the Committee

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

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

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

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

Dr. Eng. Abdel Fattah Abu Hassan\ Member

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

Mr. Manish Gupta\ Member

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

2- The following table shows Presence and Absence of the Audit Committee Members in 2023:

Meeting No.	Date	Eng. Sami Smeirat/ Head of the Committee	Mr. Salem Al Qudah/ Vice Chairman of the BOD/ Vice-Head of Committee	Dr. Eng. Abdul Fattah Abu Hassan\ Member	Mr. Manish Gupta\ Member
2023/1	2023/1/25	P	P	P	A
2023/2	2023/2/14	P	P	P	P
2023/3	2023/3/12	P	P	P	P
2023/4	2023/4/27	P	P	P	P
2023/5	2023/7/30	P	P	P	P
2023/6	2023/10/31	P	P	P	P

P= Present A= Absent

The Audit Committee Held Five Meetings with the External Auditor during 2023.

4- Tasks of the Audit Committee:

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

- Discuss issues related to nominating the external auditor and ensure his fulfillment of terms and conditions provided for and that there is nothing to affect his independence.
- Discussing all issues related to the external auditor work including his notes, suggestions, and reservations; and follow up the extent to which the Management of the Company response thereto and submit recommendations as relevant to the BOD.
- Follow up compliance of the Company with the application of provisions and valid legislation as well as requirements of supervisory agencies.
- Consider periodical reports prior to submitting them to the BOD and provide recommendations as relevant.
- Consider the audit plan of the external auditor and ensure that the Company provides all facilities necessary for the auditor in order to perform his work.
- Considering and evaluating internal control and audit procedures.
- Reviewing evaluation by the external auditor of the internal control and audit procedures.
- Review reports of internal control and audit and recommend to the BOD with regard to this function and set policies and strategies including enhancement of internal control of the Company.
- Devising mechanisms needed to ensure that the Company provides adequate (sufficient) number of human resources qualified to assume the function of internal control so that they can be trained and rewarded as relevant.
- Considering and evaluating any additional tasks beyond the audit scope that the external auditor does including provision of administrative and technical advice. It must be ensured that such tasks do not jeopardize his independence. Then, recommendations must be submitted to the BOD for decision.

The authorities of the Audit Committee include the following:

1- Request the presence of the external auditor if the Committee considers that certain issues related to the Company's business need to be discussed with him.

2- Recommend to the BOD to nominate the external auditor to be elected by the General Assembly.

3- Recommend to the BOD to appoint the internal auditor of the Company.

B. The Nominations and Compensations Committee:

1. Members of the Nominations and Compensations Committee:

H.E. Dr. Mohammad Thneibat\ Head of the Committee\ Chairman of the Board

Mr. Salem Al Qudah\ Vice-chairman of the Board\ Vice-head of the Committee

Dr. P.S. Gahlaut\ Member

Dr. Eng. Abdel Fattah Abu Hassan\ Member

Eng. Mohammad Al-Munaifi\ Member

2- The following table shows Presence and Absence of the Nominations and Compensations Committee Members in 2023:

Meeting No.	Date	H.E. Dr. Mohammad Thneibat\ Chairman of the Board\ Head of the Committee	Mr. Salem Al Qudah\ Vicechairman of the Board\ Vice-head of the Committee	Dr. P.S. Gahlaut\ Member	Dr. Eng. Abdel Fattah Abu Hassan\ Member	Eng. Mohammad Al-Munaifi\ Member
2023/1	2023/9/25	P	P	P	P	P
2023/2	2023/11/4	P	P	P	P	P

P= Present A= Absent

3- Tasks of the Nominations and Compensations Committee:

The Nominations and Compensations Committee undertakes the following tasks:

- 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:

1- Members of the Risk Management Committee:

Composed of the BOD Members:

H.E. Dr. Mohammad Thneibat\ Chairman of the Board\ Head of the Committee

Mr. Salem Al Qudah\ Vice-chairman of the BOD

Dr. U.S. Awasthi

Dr. P.S. Gahlaut

Mr. Manish Gupta

Dr. Eng. Abdel Fattah Abu Hassan

H.E. Advocate Mohammad Kreishan

Eng. Sami Smeirat

Eng. Mohammad Al-Munaifi

The following table shows Presence and Absence of Risks Management Committee Members in 2023:

Meeting No.	Date	H.E. Dr. Mohammad Thneibat\ Chairman of the Board\ Head of the Committee	Mr. Salem Al Qudah\ Vice-chairman of the Board	Dr. U.S. Awasthi Member	Dr. P.S. Gahlaut Member	Mr. Manish Gupta Member	Dr. Eng. Abdel Fattah Abu Hassan Member	Advocate Mohammad Kreishan Member	Eng. Sami Smeirat Member	Eng. Mohammad Al-Munaifi Member
2023/1	2023/7/8	P	P	A	A	P	P	P	P	P

P= Present A= Absent

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 evaluated, identified and reviewed with all departments in the Company. The Committee drafts, as well, the risk management policy at the Company and regularly reviews it. Written operational procedures are drafted to regulate operations of the Committee and identify its commitments. The Committee submits its recommendations to the BOD.

D. The Governance Committee:

1- Members of the Governance Committee:

H.E. Dr. Mohammad Thneibat\ Chairman of the Board\ Head of the Committee

Eng. Sami Smeirat\ Vice-chairman of the Board

Dr. P.S. Gahlaut\ Member

Dr. Eng. Abdel Fattah Abu Hassan\ Member

Eng. Mohammad Al-Munaifi\ Member

2- The following table shows Presence and Absence of the Members in 2023:

Meeting No.	Date	H.E. Dr. Mohammad Thneibat\ Chairman of the Board\ Head of the Committee	Eng. Sami Smeirat\ Vicechairman of the Board	Dr. P.S. Gahlaut\ Member	Dr. Eng. Abdel Fattah Abu Hassan\ Member	Eng. Mohammad Al-Munaifi\ Member
2023/1	2023/3/12	P	P	P	P	P

P= Present A= Absent

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- Ensure 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- Consider any feedback from the Securities Commission with regard to implementation of governance principles in the Company.
6- Consider proposals from shareholders who hold at least 5% of the Company capital and submit the same to the BOD.

7- **Based on JPMC BOD decisions, other committees were formed to resolve on the Company's affairs and according to the powers granted to it, and these Committees are:**
- The Tender Committee.
- The Committee of Raw Materials Procurement.
- The Production and Marketing Committee.
- The Investment Committee.
- The donation and local community support Committee.

8- The External Auditor:

In its meeting held on 4.4.2023, the General Assembly of Shareholders agreed to reassign Messrs Ernst & Young as the Company's auditors for 2023. Mr. Ali Samara, License No. (503), and agreed to authorize the BOD to determine their fees.

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

- The Company's external auditors, Messrs Ernst & Young, are accredited auditors and are registered with Financial Securities Commission in the auditor's register approved for their registration in the register of auditors qualified to audit the accounts of entities subject to the Financial Securities Commission's control and supervision with License No. (592).
- The auditor is not a shareholder, founder or member in the BOD of the Company and doesn't have any partnership with any member of the BOD or any of his employees.
- The external auditor doesn't perform any additional task for the benefit of the Company, such as providing administrative or technical advice, unless prior approval of the BOD based on the recommendations of the Audit Committee of the Company.
- The auditor enjoys complete independence in compliance with International Standards on Auditing.
- The auditor performs his work in complete objectivity and impartiality and without the intervention of the BOD or the Executive Management.
- The external auditor performs tasks assigned to him under the valid legislation, including:
  1- Performing the tasks assigned to him in complete independence, objectivity, and impartiality.
  2- Monitoring the Company's works and auditing its accounts in compliance with the international standards.
  3- Assessing the Company's administrative and financial systems and internal control systems and forming an opinion regarding their effectiveness, in addition to ensuring their appropriateness for the smooth running of the Company's works and the preservation of their funds.
  4- Attending the ordinary and extraordinary meeting of the General Assembly and addressing the questions of the Company's shareholders and their inquiries in terms of the financial statements and final accounts during the meeting.
  5- Verifying the Company's ownership, assets, and legal obligations accrued by the Company.
  6- Forming their opinion on the fairness of the Company's financial statements and requests for amendments if something is affecting their fairness.
  7- Ensures that the Company organizes its account and financial statements in compliance with International Financial Reporting Standards (IFRS).
  8- Reporting any violation of the valid legislation or any administrative concerns that shape a negative impact on the Company's situation to the competent authorities.

9- Stakeholders' Rights and Shareholders' General Rights:

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

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

10- Related Party Transactions:

Jordan Phosphate Mines Company P.L.C is committed to provisions of the relevant valid legislation applied in the Company and relevant to related party transactions. The Audit Committee under the BOD reviews related party transactions and ensures that there is no conflict of interest that may arise from the Company concluding deals, concluding contracts or entering into projects with related parties. Related party transactions are disclosed in compliance with the International Financial Reporting Standards (IFRS) and included in the Company's financial statements.

Chairman of the Board
Dr. Mohammad Thneibat

2- Associate Companies

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.

Jordan Abyad Fertilizers and Chemicals Company (JAFCO):

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 (51,1) JOD million representing (27.4%) of JAFCCO capital which is JD (51,1) million. JAFCCO has been discontinued since 2020.

PT Petro Jordan Abadi:

In 2010, PT Petro Jordan Abadi was established in Indonesia in partnership with Petrokimia Gresek for the purpose of producing phosphoric acid consuming about (800) thousand tons of phosphate from JPMC per year. The contribution of JPMC accounts for (50%) of its capital.

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 Aqaba Industrial Port and operating it with 50/50 contributions by JPMC and Arab Potash Company. The company's capital amounted to a total of JOD (140) million on 31/12/2022, in which JPMC contributed (50%) of the capital value of the company.

3- Subsidiaries Companies

Indo-Jordan Chemicals Company (IJC):

In 1992, this Limited Liability Company was established with a capital of USD (63,4) million. It produces phosphoric acid at a production capacity of (224) thousand tons of (P_2O_5) per year and it is totally owned by JPMC. The company upgraded the production capacity to reach (300) thousand tons of (P_2O_5) per year.

In 2023, the Indo-Jordan Chemicals Company produced (326,008) tons of phosphoric acid (P_2O_5) compared to (308,002) tons in 2022. In 2023, it sold (322,174) tons of (P_2O_5) compared to (301,968) tons in 2022.

Manpower:

As the end of 2023, the Indo-Jordan Chemicals Company had (304) employees classified as following according to their specializations:

Title	Post Graduate	Diploma	High School/ Lower Grade	Total
Engineer	46	-	-	46
Technician	43	105	46	194
Admin Staff	22	4	14	40
Accountant	11	0	0	11
Intermediate Technician	0	2	3	5
Driver	0	2	6	8
Total	**122**	**113**	**69**	**304**

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

AL-Ro'ya Transportation Company:

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

During 2023, Al-Ro'ya Transportation Company transported (40,000) tons of phosphate and sulfur in its vehicles. By this, it achieved a net profit after tax in 2023 of JD (1,335) million compared to JD (1,057) million in 2022, representing an increase of JD (278) thousand equivalent to a percentage of (26.3%)..

Manpower:

As at the end of 2023, AL-Ro'ya Transportation Company had (15) employees classified as following according to their specializations:

Title	Post Graduate	Diploma	High School/ Lower Grade	Total
Admin Staff	1	-	-	1
Intermediate Technician	-	1	2	3
Driver	-	-	11	11
Total	1	1	13	15

Address: Amman – Telephone 5686293, Fax: 5686294.

Nippon Jordan Fertilizer Company (NJFC):

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

The quantities of chemical fertilizers (NPK & DAP) produced in 2023 reached (275,700) tons, compared to (244,400) tons in 2022. However, the company sold off (NPK & DAP) in 2023 (287,170) tons, compared to (231,493) tons in 2022.

Manpower:

As at the end of 2023, (NJFC) had (103) employees classified as follows according to their specializations:

Title	Post Graduate	Diploma	High School/ Lower Grade	Total
Engineer	17	0	0	17
Technician	11	29	13	53
Admin Staff	6	1	4	11
Accountant	5	0	0	5
Intermediate Technician	0	0	13	13
Driver	0	0	4	4
Total	39	30	34	103

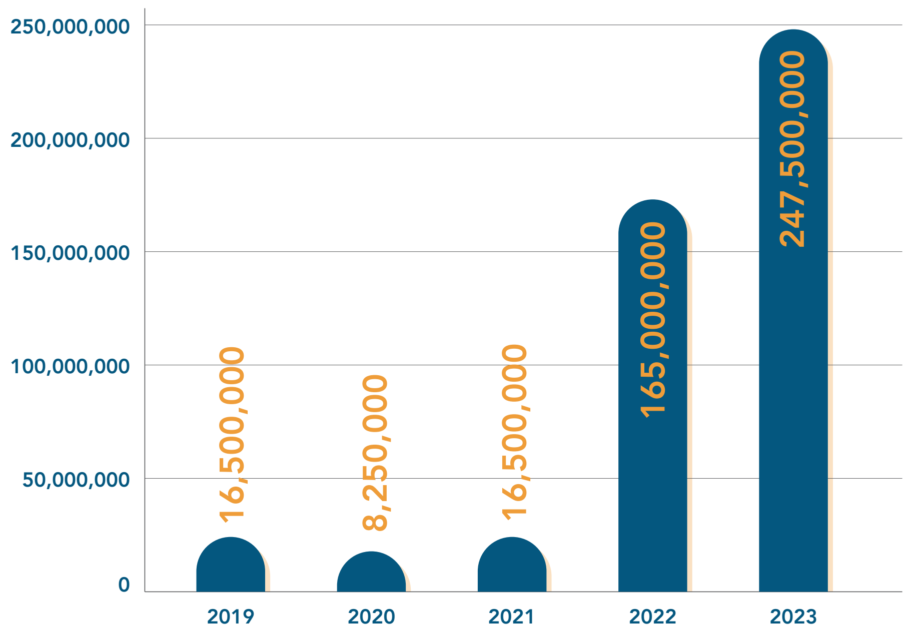
Address: Issam Al-Ajlouni St., Building No. 59, Shmeisani, Amman, Next to Marriot Hotel, ZIP Code: 926861 Amman 11190 Jordan

4- Dividend Distribution Policy

Year	*2022	2021	2020	2019	2018
Distribution Ratio of Nominal Capital	%300	%200	%20	%10	%20
Cash Amounts Distributed in Jordanian Dinars	247,500,000	165,000,000	16,500,000	8,250,000	16,500,000

* Distribution of free shares amounted to 200%

Dividends/Dinar



Data Related to the Disclosure Regulations

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:

1- 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 Russeifa, 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 Russeifa Mine signed with the Government of the Hashemite Kingdom of Jordan/the Ministry of National Economy at that date. The Council Ministers resolved on 13.11.2001 to renew the contract of the mining right in Al Hassa and Al Abiad Mines for another twenty years.
- Upon a resolution by the Council of Ministers in its meeting of 1.7.2019, JPMC obtained new prospecting licenses in compliance with the Law of Natural Resources No. (19) for the year 2018.
- On 17.4.2013, the Council of Ministers endorsed a bylaw amending the Bylaw of Phosphate Mining Proceeds for 2013 and that would enter into force starting 7.3.2013. This amended bylaw imposes mining fees (proceeds) of 5% on phosphate out of the total sales of JPMC or an amount of JD (1,420) per ton (which is higher) whether exported from the Kingdom or sold inside it or even consumed by JPMC. These proceeds must be paid on a monthly basis during the month following the date they were incurred on.
- On 12.7.2012, the Council of Ministers endorsed an amended bylaw of the Bylaw of Quarries and Mining Fees for 2012. Accordingly, the annual fees for the mining right granted would become JD 500 Km2 or any part thereof. The regulation was published in the official Gazette.
- The Industrial Complex in Aqaba obtained the ISO Certificate in the Environmental Management System No. ISO: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).
- JPMC obtained the award from the European Society for Quality Research (ESQR) for the best practices in 2022 in Brussels/Belgium.
- Jordan Phosphate Mines Company was registered as a registered company licensed to practice economic/industrial activities at Aqaba Special Economic Zone (ASEZA) in 2001 under No. (1101031410). As such, the Industrial Complex enjoys the benefits and exemptions provided for in ASEZA Law.
- Jordan Phosphate Mines Company was registered again at the Income and Sales Tax Department under No. 49918 as from 1.1.2001.
- Neither JPMC nor any of its associate or subsidiary companies enjoys governmental protection or prerogatives for any of its products.
- Jordan Phosphate Mines Company secured the R4E Certificate of Recognition of Excellence from the King Abdullah II Center for Excellence, the official representative of the European Foundation for Quality Management in the Kingdom with a four-star rating.
- Jordan Phosphate Mines Company was granted by the World Confederation of Business (WORLDCOB) the Award for Business Excellence, among 3,500 entities representing 130 countries across the world which is considered as a definitive evidence of Jordan Phosphate Mines Company keenness in adopting and enhancing its position and competitive ability locally, regionally and globally.
- Jordan Phosphate Mines Company obtained the ISO: 31000 2018 certificate in Risk Management.

2- Auditors' Fees:

The fees of the External Auditor of the Group Messrs Ernst & Young for 2023 reached JD (147,480):

(Jordanian Dinar)

Company/Item	Annual Fees	Sales Tax 16%	Total
Jordan Phosphate Mines Company	103,000	16,480	119,480
Indo-Jordanian Chemicals Company	17,000		17,000
Nippon-Jordan Fertilizer Company	7,000		7,000
Al - Ro'ya Transportation Company	3,450	552	4,002

3- Statement of Major Customers of the Company Sales for 2023:

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	65.63	51.79	38.77	35.91	-
Bangladesh	1.92	1.51	4.73	4.38	-
United States of America	-	-	32.34	29.96	-
Iraq	-	-	13.36	12.38	-
Indonesia	13.62	10.75	-	-	-
Brazil	4.15	3.28	-	-	-
Sudan	-	-	0.46	0.43	-
Associate Companies, Subsidiaries and the Local Market	-	21.09	-	7.37	100.00

4- Statement of the Company's Activities As Per the Geographical Locations and Capital Investment Volume in each for the Year 2023:

(Thousand JD)

Site	Activity / Process	Capital Investment Volume
Al Russeifa Mine	Re-screening of Stock	4,555,406
Al Hassa Mine	Production of Regular Washed Phosphate	55,540,763
Al Abiad Mine	Production of Regular Washed Phosphate	30,851,635
Eshidiya Mine	Production of Regular Washed and Floated Phosphate	297,812,243
Industrial Complex / Aqaba	Production of Sulfuric Acid Phosphoric Acid, DAP Fertilizers, and Aluminum Fluoride	345,555,141
Other Sites		14,899,586
Total		**749,214,775**

5- Statement of the Major Contractors and Suppliers of Local Purchases of the Company for 2023:

(Thousand JD)

Item	Amount	Ratio of Total Purchases
Contractors of Phosphate Excavations	142,193	%39
Contractors of Transport	98,551	%27
Electricity Companies	17,421	%5
The Water Authority, Aqaba Water Company and Miyahuna Company	3,949	%1
Jordan Petroleum Refinery	12,275	%3

6- 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 2023 and 2022:

Name of the Member	Nationality	Shares	
		2023	2022
Members of the Board of the Directors:			
H.E. Dr. Mohammad Thneibat\ Chairman of the Board	Jordanian	210,000	70.000
H.E. Dr. Eng. AbdelFattah Abu Hassan\ Member of the BOD	Jordanian	16,884	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 2023- 2022.

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

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

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

- A contract to supply phosphate to the Indo-Jordan Chemicals Company (IJC) L.L.C, - a subsidiary company.
- A contract to supply phosphate to Jordanian Indian Fertilizer Company (JIFCO) L.L.C, - an associate company.
- A contract to supply phosphate to PT Petro Jordan Abadi - a joint venture company.
- A contract to supply phosphoric and sulfuric acid and ammonia to the Nippon-Jordan Fertilizer Company (NJFC) L.L.C, a subsidiary company.
- A contract to transport phosphate through Al-Ro'ya Transportation Company L.L.C, - a subsidiary company.
- The use of handling services at the industrial port in Aqaba through the Jordan industrial ports Company (JIPC) - an affiliate company.

8- The Company Contribution to the Local Community Development and Service:

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

The Company has rehabilitated and developed past mining areas in Al Russeifa City for the purposes of improving the surrounding environment and utilizing it in a way that serves the community and the people of Al Russeifa City as well. The project cost amounted to nearly JD (35) million. The project was delivered after its completion and Jordan Phosphate Mines Company has fulfilled all rehabilitation requirements and delivered it to the concerned authorities duly in November 2023.

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

9- Donations:

The donations made by Jordan Phosphate Mines Company in 2023 amounted to JD (18,652) million as a contribution to the development of the local community and support for various activities. The following table shows the donations details and for whom paid.

(Jordanian Dinar)

Item	Amount
Official and Public Institutions Sector	4,267,069
Education and Scholarships Sector	918,592
Health Sector	3,629,505
Municipalities and Services Sector	725,692
Youth, Sports and Culture Sector	293,029
Social Development and Volunteer Work Sector	682,630
Infrastructure Projects	8,136,244
Total	**18,652,761**

10- Members of the Board of Directors:

Representatives of Private Sector:
H.E Dr. Mohammad Thneibat/Chairman of the Board
He Previously held several official positions, most recently as Deputy Prime Minister for Services, Minister of Education, the Chairman of the Board of Trustees of the University of Science & Technology and the Chairman of the Board of Trustees of Al-Hussein Bin Talal University.

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

- Ph.D. in Administrative Sciences
- Master of Political Science
- Master of Administrative Sciences
- Bachelor's degree in Economics & Administrative Sciences

Date of Election: June 3rd, 2020

Date of Birth: January 1st, 1950

Dr. Eng. Abdelfattah AbuHassan:

- Ph.D. in Science of Mining Engineering
- Consultant in Mining Engineering

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

Date of Election: June 3rd, 2020

Date of Birth: January 1s, 1942

Representatives of Government Investments Management Company P.S.C:
Mr. Salem Al Qudah / Vice-Chairman of the BOD:

- 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/ Amman.

Date of Appointment: June 3rd, 2020

Date of Birth: December 12th, 1951

Representative of Social Security Corporation:
Eng. Sami Smeirat:

- MBA, MSc Communications
- BSc Electrical Engineering
- Current Position: Vice President of Orange Jordan/ Enterprise Business Unit CEO

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

11- Remuneration Amount Paid to the Chairman and Members of the Board of Directors in 2023::

(Jordanian Dinar)

Board of Director Member	Position	Salaries (*)	Transport Remuneration	The Remuneration for attending meetings of the BOD committees	Annual Remuneration for the Year 2023	Travel Per Diem	Other Remunerations (*)
Representatives of Private Sector:							
H.E. Dr. Mohammad Thneibat	Chairman of the BOD	249,000	36,000	36,000	5,000	26,475	532,000
Dr. Eng. Abdelfattah AbuHassan	Member		36,000	36,000	5,000	2,400	
Representatives of Government Investments Management Company (1):				**72,000**	**72,000**	**10,000**	
Mr. Salem Al Qudah	Vice Chairman of the BOD	-	-	-	-	5,400	18,000
H.E. Mr. Mohammad Kreishan	Member	-	-	-	-	4,800	18,000
Representative Social Security Corporation (2):				**36,000**	**36,000**	**5,000**	
Eng. Sami Smeirat	Member	-	-	-	-	4,200	-
Representatives of INDIAN POTASH LIMITED:							
Dr. U.S. Awasthi	Member	-	36,000	36,000	5,000	6,900	-
Dr. P.S. Gahlaut	Member	-	36,000	36,000	5,000	6,900	-
Representative of Kisan International Trading FZE:							
Mr. Manish Gupta	Member	-	36,000	36,000	5,000	17,400	-
Representative of Kuwait Investment Authority (3):				**36,000**	**36,000**	**5,000**	
Eng. Mohammad Al-Munaifi	Member	-	-	-	-	13,800	-

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

(*) Income Tax was paid by the Company.

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

2- All amounts paid to the Social Security Corporation.

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

12/1. Senior Management Staff Information:

Name	Job	Nationality	Date of Appointment	Date of Job	Specialization	Academic Degree
Eng. Abdel Wahab Al Rowwad	(CEO)	Jordanian	2019/11/18	2019/11/18	Chemical Engineering	B.Sc.

12/2. Executive Management Staff Information:

Name	Job	Nationality	Date of Appointment	Date of Job	Academic	Specialization
Ms. Sana Qarain	Assistant CEO until 3.10.2023 Secretary of the BOD until 3.10.2023 Director of Finance until 3.10.2022	Jordanian	21/7/1984	4/10/2022	M.Sc.	Accounting
Geologist Mohammad Abu Hazeem	Acting Director of Mining and Mines	Jordanian	5/6/1993	8/5/2018	B.Sc.	Geology
Dr. Fadwa Shabsough	Director of HR Account Manager of Saving Fund	Jordanian	19/3/1997	14/12/2020 6/10/2008	Ph.D.	Business Administration
Mr. Omar Badran	Director of Finance as of 12.1.2023 Financial Consultant until 11.1.2023	Jordanian	17/7/2022	12/1/2023 17/7/2022	B.Sc. / CPA	Accounting
Eng. Rima AbdulHaleem Until 30.11.2023	Acting Director of Supply & Procurement	Jordanian	16/8/1998	1/4/2019	B.Sc. M.Sc.	Chemical Engineering Engineering Management Project
Eng. Abdelaziz Al Arakzeh	Director of Industrial Complex Administration	Jordanian	1/9/2019	1/9/2019	B.Sc.	Chemical Engineering
Eng. Mahmoud Al-Jaradin	Manager of Mines	Jordanian	22/6/1998	15/4/2020 14/1/2020	B.Sc.	Mining Engineering
Lieutenant General Dr. Moein Al-Habashneh	Medical Consultant Director of Medical Services	Jordanian	1/12/2021	1/12/2021	B.Sc. M.Sc.	Medicine and Surgery Pediatrics
Dr. Eng. Mohammad Megdady	Manager of the Research and Business Development Unit	Jordanian	Seconded from the IJC-Indo-Jordan Chemicals Co. Ltd	20/9/2022	B.Sc. M.Sc. Ph.D.	Chemical Engineering Chemical Engineering & Business Administration Business Administration

12/3. Our Executive Management:

Eng. Abdel Wahab Al Rowwad

Position: Chief Executive Officer (CEO)

Date of Birth: 1/9/1963

Date of Appointment: 18/11/2019

Academic Degree	B.Sc. in Chemical Engineering from the University of Jordan, 1986.
Past Experiences	Chairman of the Board of Directors Jordan Industrial Ports Company (JIPC), Ltd. as of 2019/11/14 and until 2021/10/31 General Manager of Indo-Jordan Chemicals Company (IJC), LLC. from 2017 to 2019 Director of the factories of Indo-Jordan Chemicals Company (IJC), LLC. from 2012 to 2017 Director of Safety and Environment for (IJC) LLC. and Deputy Director of Indo-Jordan Chemicals Company (IJC) LLC. factories from 1995 to 2011 Engineer of Public Safety and Environment in the Industrial Complex of Jordan Phosphate Mines Company (JPMC) from 1989 to 1995
Positions/ Memberships	Head of the Administrative Board of JPMC Employees Provident Fund as of 2019/11/18 Member of the BOD of Nippon-Jordan Fertilizer Company (NJFC) as of 2021/7/15 Vice-chairman of the BOD of Jordan Industrial Ports Company (JIPC), Ltd. as of 2021/11/1 Member of the Supervision Committee of the works of Indo-Jordan Chemicals Company (IJC), LLC. and its issues as of 2020/1/8 General Manager of Nippon-Jordan Fertilizer Company (NJFC) as of 2020/12/20 Representative of JPMC in Manajim Mining Development Company as of 2019/11/18
Board Committees	Member of the Tender Committee Member of the Committee of Raw Material Procurement Member of the Production and Marketing Committee Member of the Investment Committee
Executive Committees	Member of the Company's Products Marketing Committee
Past Positions/ Memberships Outside the Company	Member of the Board of Trustees of Al Hussein bin Talal University/ Ma'an Member of the BOD of the Arab Fertilizer Association and Representative of the Jordanian companies in the Association Member of the Board of Directors of Jordan Chamber of Industry, Representative of Mining Sector in Jordan Chamber of Industry

Ms. Sana Ahmad Qarain

Position: Assistant CEO/ Secretary of the BOD until 3.10.2023

Date of Birth: 4/10/1962

Date of Appointment: 21/7/1984

Academic Degree	M.Sc. in Accounting from the Arab Academy for Management, Banking and Financial Sciences in 2005 B.Sc in Accounting from Beirut Arab University in 1990
Past Experiences	Director of Finance from 11.5.2007 until 11.1.2023 Accounts Manager (2007/5/11 - 2002) Head of Sales Accounting and Joint Ventures (2002-1995) Sana worked at Bank of Jordan, Customer Accounts Department, from September 1981 to March 1984
Positions/ Memberships	General Manager of Al-Ro'ya Transportation Company until 3.10.2023 Member of the Executive Committee for Purchasing in Nippon-Jordan Fertilizer Company (NJFC) starting from 2017
Board Committees	Member of the Committee of Raw Material Procurement Member of the Production and Marketing Committee
Executive Committees	Chairman and co-member of some executive committees composed according to the Company's decisions
Past Positions/ Memberships Outside the Company	Member of the BOD of Aqaba Railway from February 2018 until its acquisition by the Aqaba Special Economic Zone (ASEZA) Member of the BOD of the Jordanian International Chartering Company (JICC) from 2019 until company's liquidation on 2022/2/10 Member of the BOD of the Jordan Industrial Ports Company, from September 2014 to June 2017 Member of the BOD and member of the Audit Committee of the Indo-Jordan Chemicals Company (IJC) from October 2011 to July 2015 Member of the BOD and Member of the Audit Committee for Arab Company for Electrical Industries (AEI) from February 2011 until January 2015 Member of the BOD of Jordanian Indian Fertilizer Company (JIFCO) from June 2012 to January 2014

Geologist Mohammad Abul Rahman Abu Hazeem

Position: Acting Director of Mining and Mines

Date of Birth: 29/10/1970

Date of Appointment: 6/5/1995

Academic Degree	B.Sc. in Geology and Mining from the University of Jordan, 1988
Past Experiences	A trained geologist in Eshidiya Mine in JPMC from June 1993 to June 1995 A shift engineer in the Department of Mining and Electric Dredgers at Eshidiya Mine in JPMC from June 1995 to September 1999 Geologist in the Department of Exploration and Mining at Eshidiya Mine in JPMC from September 1999 to March 2001 Head of the Geological Studies Department in the Exploration Department of the General Management in JPMC from March 2001 to May 2007 Assistant Director of the Exploration Department for Studies in the General Management of JPMC from May 2007 to January 2015 Director of the Exploration Department in the General Management of JPMC from January 2015 to May 2017 Assistant Chief Operating Officer in the General Management of JPMC from May 2017 to April 2019
Positions/ Memberships	General Manager of Al Roy'a for Transportation limited from 10.4.2023 Member of the Supervisory Committee of the Indo-Jordan Chemicals Company Limited
Board Committees	Member of the Committee of Raw Material Procurement
Executive Committees	Member of the Sub-Tenders Committee Chairman of the Central Human Resources Committee as of 10.4.2023
Past Positions/ Memberships Outside the Company	Worked at the Ministry of Public Works/ Laboratories and Quality Department from January 1993 to June 1993 Member of the BOD of Travco Group from 2015 to 2021

Dr. Fadwa Shabsough

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

Date of Birth: 16/9/1970

Date of Appointment: 19/3/1997

Academic Degree	Ph.D. in Business Administration B.Sc. in Banking and Financial Sciences
Past Experiences	King Hussein Medical Center in 1993 Arab Jordan Investment Bank (AJIB) from 1994 to 1995 Head of Account Saving Fund at JPMC since 2007 Account Manager of Saving Fund since 2008 Financial Audit Manager for AL-Ro'ya Transportation Company
Positions/ Memberships	
Board Committees	Secretary of the Nominations and Compensations Committee as of 2020/12/14 Secretary of the Central Human Resources Committee Secretary of the Administrative Board of the JPMC Saving Fund
Executive Committees	Member of the Central Human Resources Committee Member of the Central Health Insurance Committee of JPMC employees
Past Positions/ Memberships Outside the Company	Member of the BOD of AL-Ro'ya Transportation Company Secretary of the BOD of AL-Ro'ya Transportation Company Member of the BOD of Jordan Investment & Southern Development Co.

Omar Farouq Badran
Position: Director of Finance as of 12/1/2023 and a Consultant until 11/1/2023
Date of Birth: 23/02/1967
Date of Appointment: 17/7/2022

Academic Degree	B.Sc. in Accounting, the University of Jordan, 1989
Past Experiences	Chief Financial Officer for a number of public, private and holding companies in Saudi Arabia, the United Arab Emirates and Jordan More than (27_ years of experience in several fields including financial services and investments, partnership between the public and private sectors, financing large projects, strategic planning and business development,increasing the added value of companies, asset management, financial consulting, restructuring and evaluation, real estate development, and mining and industrial companies CPA Chartered Accountant from the United States
Positions/ Memberships	-
Board Committees	Member of the Sub-Tenders Committee Member of the Committee of Raw Material Procurement
Executive Committees	-
Past Positions/ Memberships Outside the Company	-

Eng. Rima AbdulHaleem
Position: Director of Supply & Procurement until 30/11/2023
Date of Birth: 25/10/1972
Date of Appointment: 16/8/1998

Academic Degree	M.Sc. in Engineering Management Project from the University of Jordan, 2016 B.Sc. in Chemical Engineering from the University of Jordan, 1996
Past Experiences	Director of Supply and Warehouses, and Director of Raw Materials Procurement from February 2014 to April 2019 Assistant Director of Supply - Supply and Procurement Department from July 2009 until February 2014 Head of Logistics Planning Department - Supply and Procurement Department from December 2006 until July 2009 Head of Raw Materials Procurement Department - Supply and Procurement Department from 1999 until 2006 Head of Quality Assurance Department from 1997 to 1999
Positions/ Memberships	Chairman of the Committee of Coding in JPMC
Board Committees	Member and Secretary of the Tender Committee Member and Secretary of the Committee of Raw Materials Procurement
Executive Committees	Member and Secretary of the Central Human Resources Committee Member and Secretary of the Sub-Tender Committee
Past Positions/ Memberships Outside the Company	Member of the Jordan Engineers Association Former Member of APICS Member of the BOD of Travertine Company PLC. (TravCo) as of 2021/2/1

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

Academic Degree	B.Sc. in Chemical Engineering from the University of Split/Yugoslavia, 1987
Past Experiences	Armed Forces Officer from 1987 to 1989 Engineer at Jordan Petroleum Refinery from 1989 to 1990 Worked at the Industrial Complex of JPMC from 1990 to 1996 Worked at Indo-Jordan Chemicals Company (IJC), LLC. from 1996 to 2009 Worked at Litwin Italian Company from 2009 to 2010 Worked at Saudi Maaden Phosphate Company from 2011 to 2019
Positions/ Memberships	Member of the Jordan Engineers Association Member of the BOD of Jordan Industrial Ports Company (JIPC) as of 2019/10/31
Board Committees	-
Executive Committees	-
Past Positions/ Memberships Outside the Company	-

Eng. Mahmoud AlJaradin
Position: Manager of Mines
Date of Birth: 1/6/1977
Date of Appointment: 22/6/1998

Academic Degree	B.Sc. in Mining Engineering from Al-Balqa Applied University, 2003
Past Experiences	Mining Engineer at JPMC in 2004 Assistant Director of Surveying at JPMC in 2008 Acting Director of Mining at JPMC in 2014 Acting Director of Al Abiad Mine at JPMC in 2017 Director of Al Hassa and Al Abiad Mines at JPMC as of 2020/1/1
Positions/ Memberships	Member of the Supervision Committee of the works of Indo-Jordan Chemicals Company (IJC), LLCand its issues as of 2020/1/8
Board Committees	-
Executive Committees	Member of the Human Resources Committee Member of the Sub-Tender Committee
Past Positions/ Memberships Outside the Company	-

Lieutenant General Dr. Moein Al-Habashneh
Position: Medical Consultant/ Manager of Medical Services
Date of Birth: 30/7/1955
Date of Appointment: 1/12/2021

Academic Degree	M.Sc. in Pediatrics - University of Dublin/ Ireland B.Sc. in Medicine and Surgery
Past Experiences	Medical Advisor/Director of Medical Services Former General Manager of Jordanian Royal Medical Services Head of the Arab Regional Group for Military Medicine Chairman of the Committee of Royal Medical Services Computerization Deputy Director General of the Royal Medical Services Assistant Director General of the Royal MedicL Services for Medical Affairs Director of Queen Rania Al Abdullah Hospital for Children Head of Children's Department - Royal Medical Services Directorate Director of Medicine, Southern Region Director of Prince Ali Bin Al-Hussein Military Hospital
Positions/ Memberships	Jordan Medical Association Jordan Pediatric Society American Academy of Family Physicians Association Health Care Accreditation Council (HCAC)
Board Committees	-
Executive Committees	Chairman of the Committee of Post-Retirement Health Insurance Fund Management
Past Positions/ Memberships Outside the Company	-

Dr. Eng. Mohammad Megdady
Position: Manager of the Research and Business Development Unit
Date of Birth: 28/3/1979
Date of Appointment: 20/9/2022

Academic Degree	Ph.D. in Business Administration/ Charisma University/ USA (2022-2019) MBA from Western International University/ Arizona/ USA (2011-2008) M.Sc. in Chemical Engineering from Jordan University of Science and Technology (2005-2002) B.Sc. in Chemical Engineering from Jordan University of Science and Technology (2002-1997)
Past Experiences	Operations Production Engineer (Shifts Engineer) at Jordan Petroleum Refinery (2004-2002) Assistant Lecturer in the Department of Chemical Engineering at Jordan University of Science and Technology (2005-2002) Operations and Production Engineer at Indo-Jordan Chemicals Company (IJC), LLC/ Ma'an (2007-2005) Operations and Production Engineer (Senior Plant Engineer) at Indo-Jordan Chemicals Company (IJC), LLC/ Ma'an (2017-2012) Director of (Engineering and Technical Services): Plants Designing and Improvement Department, Process Engineering Group, Quality Control Laboratory, Inspection Department, Safety Department, Training Department (2022-2017) Representative of Management: ISO:9001, ISO:14001, ISO:45001
Positions/ Memberships	Member of Jordan Engineers Association Member of the Committee of Professional Evaluation and Certification Board (PECB) Lead Auditor, ISO:9001
Board Committees	-
Executive Committees	-
Past Positions/ Memberships Outside the Company	Member of the Preparatory Body of Second Jordanian International Chemical Process Safety Conference Member of the Preparatory Committee of Second Jordanian International Chemical Process Safety Conference

13/1. Salaries, bonuses and other benefits and Travel Assignments Paid to the Senior Management in 2023:

(Jordanian Dinar)

Name	Job	Salaries, benefits and bonuses	Per Diems of Official Assignments
Eng. Abdel Wahab Al Rowwad (*)	CEO	337,844	18,387

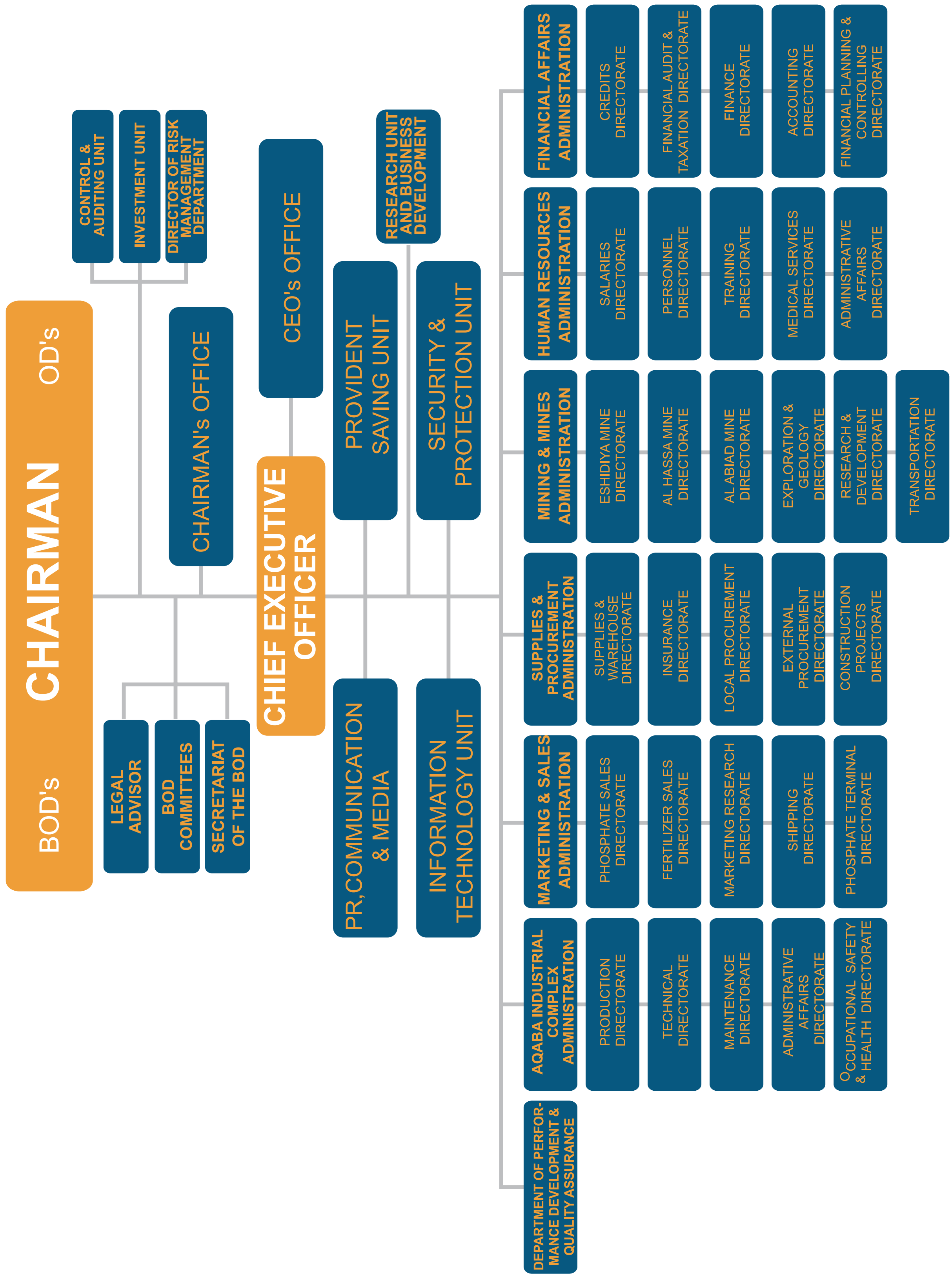
(*) Uses the Company's car.

13/2. Salaries, bonuses and other benefits and Travel Assignments Paid to the Departments Directors in 2023:

(Jordanian Dinar)

Name	Job	Salaries, bonuses and other benefits	Per Diems of Official Assignments
Ms. Sana Qarain	Assistant CEO until 3.10.2023 / Secretary of the BOD	60,738	1,620
Geologist Mohammad Abu Hazeem	Acting Director of Mining and Mines as of 1.3.2022	60,725	1,215
Dr. Fadwa Shabsough	Director of HR Account Manager of Saving Fund	71,222	-
Mr. Omar Badran	Director of Finance as of 12.1.2023	85,083	-
Eng. Rima AbdulHaleem	Acting Director of Supply & Procurement until 30.11.2023	45,510	585
Eng. Abdelaziz Al Arakzeh	Manager of Industrial Complex	61,160	1,620
Eng. Mahmoud AlJaradin	Manager of Mines/ Manager of Eshidiya Mine	63,438	1,215
Lieutenant General Dr. Moein Al-Habashneh	Medical Consultant/ Director of Medical Services	57,740	-
Dr. Eng. Mohammad Megdady	Manager of the Research and Business Development Unit	46,433	3,171

14- The Organizational Structure of the Company



The Financial Position As At 31.12.2023

Capital of the Company

(247,500 million shares/Dinar):

The authorized subscribed and paid up capital of the Company is (247,500) million shares with a nominal value of one Dinar per share distributed as per the following table:

Shareholders and their Shareholding Percentage

Shareholder	2023		2022	
	No. of Shares	Shareholding Percentage%	No. of Shares	Shareholding Percentage%
INDIAN POTASH LIMITED	67,765,500	27.380	22.588.500	27.380
Government Investments Management Company	63,496,707	25.655	21.165.569	25.655
Social Security Corporation	41,132,529	16.619	13.634.798	16.527
Government of Kuwait	23,100,000	9.333	7.700.000	9.333
Kisan International Trading FZE	23,809,500	9.620	7,936,500	9.620
Other Shareholders	28,195,764	11.392	9.474.633	11.485
TOTAL	247,500,000	100.000	82,500,000	100.000

Assets and Equipment

(JD 881,717 million at cost value and JD 239,700 million after subtracting accumulated depreciation):

The value of assets and equipment accounted for JD 881,717 million (against JD 870,789 million in 2022) marking an increase of JD 10,928 million compared to 2022. Machines and equipment, buildings and constructions, water and electric power networks, vehicles and spare parts have been added for JD 20,846 million. These newly possessed assets were via (purchasing fixed assets for JD 14,197 million and capitalizing projects in progress into fixed assets for JD 6,649 million). However, machines and equipment, spare parts, vehicles, buildings and constructions, furniture and office equipment for JD 9,918 million were excluded.

Receivable Accounts before Subtracting Provision for Doubtful Debts

(JD 149,348 million):

The balance of receivable accounts reached JD 149,348 million and the balance of such accounts reached JD 23,555 million after subtracting JD 125,793 million being the provision for doubtful debts. The accounts resulting from the phosphate industry activity reached JD 93,955 million and accounts resulting from the fertilizer industry activity reached JD 9,251 million whereas the accounts resulting from subsidiaries' activities reached JD 22,587 million:

The following table shows details of the receivable accounts:

Item	As at 31 December	
	2023	2022
	Amount/ Dinar	Amount/ Dinar
Trading Accounts	65.828.016	83.909.199
Accounts of Associate Companies	54.181.747	47.896.083
Other Receivable Accounts	29.338.451	20.527.460
Total	149.348.214	152.332.742
Minus: Provision for expected credit losses	(23.554.455)	(28.159.373)
Receivable accounts after the provision	125.793.759	124.173.369

Receivable Accounts of Sales of Finished Products (JD 65,828 million):

Sales of finished products receivables amounted to JD 65,828 million (against JD 83,909 million in 2022) out of which JD 41,970 million are receivable accounts of phosphate sales; JD 2,396 million are receivable accounts of manufactured fertilizers and JD 21,462 million are receivable accounts of subsidiary companies, which will be collected on maturity dates during 2023.

Receivable Accounts of Associate Companies (JD 54,182 million):

The Receivable Accounts of Associate Companies reached JD 54,182 million, out of which JD 30,014 million are the receivable accounts of JIFCO; JD 0,017 million of Jordan industrial ports; JD 5,078 million of Jordan Abyad Fertilizer and Chemicals Company (JAFCCO); JD 12,633 million of PT Petro Jordan Abadi\ Indonesia; and JD 6,440 million of Manajim mining development. The Company accounted for expected credit losses for associate companies of JD 9,717 million in compliance with the International Accounting Standard No. (9).

Stock

(96,051 million JOD):

As at 31 December 2023, the stock totaled JD (96,051) million (JD 126,825 million as at 31 December 2022) as follows:

Details	As at 31 December	
	2023	2022
A. Stock of Finished Products		
Stock of Finished Phosphate Products	7,515,684	6.815.594
Stock of Finished Fertilizer Products	36,422,561	43,690,842
Stock of Finished Products of Subsidiaries	14,126,644	21.925.093
Total Stock of Finished Products	58,064,889	72,431,529
B. Stock of work in progress		
Stock of work in progress Phosphate Products	9,041,121	6.336.616
Stock of work in progress Fertilizer Products	2,922,988	3.323.845
Stock of work in progress Subsidiaries Products	839,297	1.217.325
Total Stock of work in progress Products	12,803,406	10.877.786
C. Raw Materials	**25,182,019**	**43,516,508**
Grand Total (A+B+C)	96,050,314	126.825.823

Credit Loans

(JD 34,975 million):

The balance of credit loans totaled JD (34,975) million and they were shown in the balance sheet on the basis of long-term loans for JD (29,807) million and short-term loans maturing in 2023 for JD (5,168) million. Herewith, It is worth mentioning here that the Group repaid JD (15,311) million for the loans given to the Company during 2023 where JD (12,474) million are installments of loans and JD (2,837) million are interests due for those installments.

Salaries\ Wages\ and their Benefits for the Company Employees

(JD 93,079 million):

Salaries, wages and benefits given to the employees of the Company in 2023 reached JD 93,079 million (against JD 106,990 million in 2022). Details are shown in the below table:

Salaries\ Bonuses\ Wages\ given to Employees of the Company During 2023 - 2022:

Statement	Amount/Dinar	
	2023	2022
Salaries and Allowances	41,521,804	44,740,943
Year's Production Bonuses	6,297,589	15,000,000
Other Bonuses	1,195,457	1,446,749
Total of (A)	49,014,850	61,187,692

Benefits Provided to Employees of the Company for 2023 - 2022:

Item	Amount/Dinar	
	2023	2022
Provident Fund	1,647,754	1,739,968
Social Security	5,631,626	6,398,659
Expenses of Employees' Medical Treatment	1,404,938	1,682,526
Coverage of health insurance Expenses for the Families of Employees	1,834,267	1,909,663
Subsidy of Food Males	544,947	246,751
Expenses of Paid End of Service Compensation	3,499,129	2,220,930
Death and Compensation Fund for 2015	13,978,757	6,480,234
The Current Amount of End of Service Compensation	200,000	200,000
Total of (B)	28,741,418	20,878,731
Total of (A+B)	77,756,268	82,066,423

Salaries\ Wages\ and Benefits (15,321,627) Paid to Employees of Subsidiary Companies for 2023-2022:

Item	Amount/Dinar	
	2023	2022
Salaries and Allowances	15,321,627	24,921,201

Financial Situation for 2023 Compared to 2022:

- Net Consolidated Sales reached JD 1,229,234 million (JD 698,094 million sales of phosphate and JD 261,757 million sales of fertilizers in addition to JD 256,400 million sales of subsidiary companies and JD 12,983 million trading with raw materials) in 2023 compared to JD 1,748,265 million in 2022 (JD 914,092 million sales of phosphate and JD 453,002 million sales of fertilizers in addition to JD 355,074 million sales of subsidiary companies and JD 26,097 million trading with raw materials).
- Consolidated Expenses reached JD 615,586 million (JD 196,336 million for the phosphate unit; JD 234,023 million for the fertilizers' unit; JD 174,636 million for subsidiary companies; and JD 10,591 million for cost of trading with raw materials) in 2023 vis-à-vis JD 804,338 million (JD 220,463 million for the phosphate unit; JD 339,167 million for the fertilizers unit; JD 221,092 million for subsidiary companies; and JD 23,615 million for cost of trading with raw materials) in 2022.
- The Income Tax Expense reached JD 166,820 million in 2023 against (JD 226,783 million) in 2022.
- Net Accumulated profits reached JD 446,828 million in 2023 against (JD 717,145 million) in 2022.
- Total Equity reached JD 1,693,920 million in 2023 against (JD 1,484,482 million in 2022) with an increase of about (13.43%) compared to 2022..

Some Financial Information and Indicators

1- Details of the most significant Financial Indicators for 2016-2023:

(Thousand Dinars)

Details	2023	2022	2021	2020	2019	2018	2017	2016
Net Revenues of Sales	1,229,234	1.748.265	1,077.779	607.385	640.793	674,439	586,666	549,697
Total Expenses	(782,406)	(1.031.120)	(741.416)	(579.312)	(620.203)	(713.390)	(633,319)	(639,837)
Net Accumulated Profits (Losses)	446,828	717.145	336.363	28.073	20.590	(38.951)	(46,653)	(90,140)
Interests of Loans	3,114	2.318	2.296	3.802	6.143	6.947	4,755	4,216
Net Fixed Assets	239,700	231.823	225.626	218.984	222.921	234.843	228,979	247,197
Current Assets	1,348,269	1.222.763	652.747	331.606	330.194	379.313	336,933	362,199
Total Assets	2,145,117	2.071.836	1.496.247	1.144.196	1.173.205	1.146.786	1077,663	1136,295
Net Equity	1,683,920	1.484.482	928.598	609.576	595.270	596.164	678,152	724,844
Long Term Credit Loans	29,807	34.975	42.539	52.959	63.776	83.046	72,971	83,912
Current Liabilities	295,139	391.736	335.872	291.636	320.937	336.651	309,783	302,426
Debt Ratio	98:2	97:3	93:7	89:11	86:14	84:16	85:15	86:14
Debt Service Ratio\ Once	40.37	46.20	27.46	1.63	2.6	2.15	0.70	0.71
Current Ratio\ Once	4.568	3.026	1.921	1.12	1.029	1.12	1.09	1.20
Net Profit (Loss) per Share\ Dinar	1,800	2,891	4.060	0.352	265	(0.475)	(0,576)	(1,077)
Closing Price per Share\ Dinar	10,69	35.7	17.94	3.51	2.77	2.84	2.55	2,14

2- Profits (Losses) Realized, Distributed Dividends, Net Shareholders' Equity, and Prices of Financial Securities Issued for 2016-2023:

(Thousand Dinar)

Year	Net Accumulated Profits (Losses)	Net Equity	Profits (Dividend)	Prices of Issued Securities	
				Year	Shares (Dinar/Share)
2023	446,828	1,683,920	-	2023	10.69
2022	717.145	1.484.482	247,500	2022	35.7
2021	336.363	928.598	165.000	2021	17.94
2020	28.073	609.576	16.5	2020	3.51
2019	20.590	595.270	8.250	2019	2.77
2018	(38,951)	596,164	16.500	2018	2,84
2017	(46,653)	678,152	-	2017	2,55
2016	(90,140)	724,844	-	2016	2,14

3- Dealings with the Treasury and Public Institutions in 2023 and 2022:

Company Payments

(Thousand Dinars)

Item	Year	
	2023	2022
Ministry of Finance:		
Mining Revenues	22,079	104.236
Customs Duties	466	288
Revenue Stamp Fees	91	125
Dividends Distributed for the year 2020 (guarantee)	104,438	69.813
Department of Land and Survey	4,152	8.309
Tax on Income and Overseas Payments & Sales	197,576	150,910
Income Tax on Employees' Salaries	2,823	1.815
The Company's and Employees' Contribution to Social Security	8,671	9.909
Aqaba Development Company	3,123	2.909
Public Security Directorate/In lieu of Security Guards for the Production Sites	520	1.364
Economic and Social Corporation of Military Retirees/ Security Guards	1,992	1.671
General Directorate of Gendarmerie	1,686	1.815
Water Authority	10,464	10.823
Electricity Companies	17,463	15.364
Aqaba Special Economic Zone (Port Operation Services)	113	225
Regulatory Commission of Energy and Minerals Sector	78	161
Total	375,762	380,297

Subsidiary Companies Payments:

(Thousand Dinars)

Year	
2023	2022
16.589	21.972

Brief Data on the Position of the Company for 2016-2023:

Year	Total Assets (thousand Dinar)	Nominal Capital (thousand Dinars	Total Equity (thousand Dinars)	Net Profits (Losses) (Thousand Dinars)	Production (thousand tons)			Sales (thousand tons)			Distributed Dividends (%)	Staff as at 31 December
					Phosphate	DAP	Phosphoric Acid	Phosphate	DAP	Phosphoric Acid		
2023	2,145,117	247,500	1,683,920	446,828	11,454	671	598	11,054	672	328		2,155
2022	2.071.837	82.500	1.484.482	717.145	10.947	708	599	10.700	724	313	300*	2,290
2021	1,496.247	82.500	928.598	363.363	9.785	728	594	9.682	700	356	200	2,153
2020	1.144.196	82.500	609.576	28.073	8.733	707	532	8.552	778	306	20	2,302
2019	1.173.205	82.500	595.270	20.590	9.144	550	511	9.031	561	308	10	2,411
2018	1.146.786	82,500	596.164	(38.951)	8,023	632	519	8,063	582	295	20	2,570
2017	1,077.663	82,500	678,152	(46,653)	8,688	379	469	8.793	401	319	-	2,871
2016	1,136.295	82,500	724,844	(90,140)	7,991	396	344	7,935	392	162	-	3,293

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

The Risks to Which the Company is Exposed to:

In 2023, the Company suffered from a deep fluctuation in the global prices of chemical fertilizers, while the cost of producing chemical fertilizers in the Industrial Complex in Aqaba still restricts the Company's competitiveness in this industry. In addition to the limited storage of finished products.

Effects:

During the year 2023, a decision was issued by the Integrity and Anti-Corruption Commission to deposit an amount in favor of Jordan Phosphate Mines Company representing a settlement amount with one of the mining contractors.

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 2023.

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

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

Acknowledgment by the Board of Directors:

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 21 March 2023, and the availability of an effective control system at the Company.

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 2024.

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 2023 are real, precise and complete

The General Assembly, in its extraordinary meeting held on April 4, 2023, agreed to increase the Company's capital by capitalizing an amount of JD (165,000) thousand from the balance of retained earnings, which constitutes (200%) of the authorized, subscribed and paid-up capital and distributing them as free shares to shareholders, so that the authorized, subscribed and paid-up capital reached JD (247,500) thousand.

Dr. U.S. Awasthi Member	Mr. Salem Al Qudah Vice-chairman of the BOD	Chairman of the BOD Dr. Mohammad Thneibat

Dr. Eng. AbdelFattah AbuHassan Member	Mr. Manish Gupta Member	Dr. P.S. Gahlaut Member

Eng. Mohammad Al-Munaifi Member	Engineer Sami Smeirat Member	Advocate Mohammad Kreishan Member

Chairman of the BOD of JPMC, the CEO, the Assistant CEO and Director of Finance all acknowledge that the information and data in this annual report for 2023 are real, precise and complete.

Omar Badran Director of Finance	Eng. Abdel Wahab Al Rowwad CEO	Chairman of the BOD Dr. Mohammad Thneibat

Financial Statements

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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 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 2023 and the consolidated income statement, 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 material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2023, 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.

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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 for the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context .

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated financial statements.

1. Revenue recognition Refer to note 22 on the consolidated financial statements related to revenues disclosure	
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 16 on the consolidated financial statements related to employees' benefit provision disclosure	
Key audit matter The Group has different employee benefit plans such as defined contribution plans whereas the Group's financial obligations are limited to the Company's share of contribution or defined benefit plans "Death and Compensation fund". The measurement of the Death and Compensation fund provision is considered a key audit matter because the balance as of 31 December 2023 amounting to JD 80,578 thousand is material to the consolidated financial statements. Furthermore, measuring the defined benefit obligations plans liability using the projected unit credit method requires used certain assumptions related to the present value of future expected payments and the actuarial assumptions related to the resignation rates, salary increase rates and discount rates. Whereas the calculation of the defined benefit obligations plans liability is performed in accordance with actuarial studies as required by International Accounting Standards (IAS 19) "Employees benefits".	**How the key audit matter was addressed in the audit** The audit procedures included an assessment of the accounting policies followed by the Group to recognize liabilities. Moreover, we involved our valuation experts to assist us in evaluating the assumptions and methodologies used by the actuarial expert, specifically those related to discount rates, resignation rates, salary increase rates and mortality rates. Nevertheless, we have assessed the extent of the independence and the qualification of the actuarial expert. We tested the accuracy of the assumptions and information used in the calculation of the employees' benefits liabilities by taking a sample of employees' contracts and payroll slips. We evaluated the sufficiency of disclosures made by the Group regarding assumptions used in the measurement of these liabilities in accordance with International Accounting Standards (IAS 19).

Other information included in the Group's 2023 annual report

Other information consists of the information included in the Group's 2023 annual report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2023 annual report is expected to be made available to us after the date of our audit report of the consolidated financial statements. Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

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

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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.

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- 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.

Building a better working world

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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 Ali Hasan Samara; license number 503.

Amman – Jordan
28 March 2024

JORDAN PHOSPHATE MINES COMPANY PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023
(In Thousands of Jordanian Dinars)

	Notes	2023	2022
ASSETS			
Non-current assets			
Property, plant, and equipment	3A	239,700	231,823
Projects in progress	4	14,785	10,144
Investments in associates and joint ventures	5	335,579	365,127
Intangible assets	6	122,015	128,812
Deferred tax assets	21	30,059	38,890
Employees' housing loans	7	5,100	5,346
Financial assets at fair value through other comprehensive income	8	304	385
Long term loans receivable	9	6,442	6,442
Long term accounts receivable	11	2,521	2,521
Long term other current assets	12	4,660	6,560
Right-of-use assets	3B	35,683	53,023
		796,848	849,073
Current assets			
Inventories, spare parts and supplies	10	166,362	197,654
Short term accounts receivable	11	123,272	121,652
Other short term current assets	12	79,907	100,185
Financial assets at fair value through profit or loss		374	434
Cash on hand and at banks	13	978,354	802,838
		1,348,269	1,222,763
TOTAL ASSETS		2,145,117	2,071,836
Equity and Liabilities			
Equity			
Paid-in-capital	14	247,500	82,500
Statutory reserve	14	75,000	75,000
Voluntary reserve	14	75,000	75,000
Special reserve	14	75,000	75,000
Fair value reserve		(357)	(276)
Acquisition of non – controlling interest reserve	38	924	924
Retained earnings attributable to Company’s shareholders		1,203,800	1,170,542
Equity attributable to Company’s shareholders		1,676,867	1,478,690
Non – controlling interests	37	7,053	5,792
Total Equity		1,683,920	1,484,482
Liabilities			
Non-current liabilities			
Long-term loans	15	29,807	34,975
Provisions for employees’ benefits	16	48,786	55,864
Assets deferral provision	6	18,785	18,128
Other long-term credit provisions	35	32,500	32,500
Long-term lease liabilities	3B	36,180	54,151
		166,058	195,618
Current liabilities			
Accounts payable	17	62,465	79,936
Accrued expenses	18	32,368	48,790
Other current liabilities	19	39,434	40,614
Due to banks	20	1,204	433
Current portion of long-term loans	15	5,168	12,474
Income tax provision	21	109,678	157,404
Short-term lease liabilities	3B	7,301	7,220
Provisions for employees’ benefits	16	37,521	44,865
		295,139	391,736
Total Liabilities		461,197	587,354
TOTAL EQUITY AND LIABILITIES		2,145,117	2,071,836

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

JORDAN PHOSPHATE MINES COMPANY PLC
CONSOLIDATED STATEMENT OF INCOME
AS AT 31 DECEMBER 2023
(In Thousands of Jordanian Dinars)

	Notes	2023	2022
Net sales	22	1,229,234	1,748,265
Cost of sales	22	(516,830)	(692,340)
Gross profit	22	712,404	1,055,925
Selling and marketing expenses	23	(6,257)	(6,320)
New phosphate port terminal expenses	34	(13,702)	(14,801)
Aqaba port fees		(5,035)	(5,135)
Transportation expenses		(92,442)	(78,573)
Administrative expenses	24	(29,368)	(27,999)
Russiefah mine expenses	25	(1,364)	(1,502)
Mining fees costs	26	(37,859)	(49,215)
Recovered from (provision for) slow-moving spare parts	10	169	(914)
Other provisions	16	(370)	(1,779)
Recovered from (provision for) expected credit losses	9,11	4,605	(4,912)
Provision for impairment of investment in associate	5	-	(12,352)
Other income, net	27	18,338	9,641
Foreign currency exchange differences		2,658	3,043
Operating profit		551,777	865,107
Finance costs	28	(8,873)	(8,438)
Finance income	29	41,180	10,455
Group's share of profit from associates and joint ventures	5	29,669	76,784
Board of directors bonus		(45)	(45)
(Loss) gain from revaluation of financial assets at fair value through profit or loss		(60)	65
Profit before income tax		613,648	943,928
Income tax expense	21	(166,820)	(226,783)
Profit for the year		446,828	717,145
Profit attributable to:			
Company's shareholders		445,533	715,406
Non–controlling interests		1,295	1,739
		446,828	717,145
		JD/Fils	JD/Fils
Basic and diluted profit per share attributable to the Company's shareholders	30	1/800	2/891

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

JORDAN PHOSPHATE MINES COMPANY PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023
(In Thousands of Jordanian Dinars)

	Notes	2023	2022
Profit for the year		446,828	717,145
Add: Other comprehensive income items 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	(81)	-
Actuarial gain resulted from revaluation of defined benefit obligation plan	16	191	3,739
Total comprehensive income for the year		446,938	720,884
Total comprehensive income attributable to:			
Company's shareholders		445,677	719,058
Non–controlling interests	37	1,261	1,826
Total comprehensive income for the year		446,938	720,884

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

JORDAN PHOSPHATE MINES COMPANY PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023
(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**	Total	Equity attributable to Company's shareholders	Non - controlling interest	Total equity
For the year ended 31 December 2023												
Balance at 1 January 2023	82,500	75,000	75,000	75,000	(276)	924	26,205	1,144,337	1,170,542	1,478,690	5,792	1,484,482
Profit for the year	-	-	-	-	-	-	(60)	445,593	445,533	445,533	1,295	446,828
Other comprehensive income items	-	-	-	-	(81)	-	-	225	225	144	(34)	110
Total comprehensive income	-	-	-	-	(81)	-	(60)	445,818	445,758	445,677	1,261	446,938
Capital increase (note 42)	165,000	-	-	-	-	-	-	(165,000)	(165,000)	-	-	-
Cash dividends distribution (Note 42)	-	-	-	-	-	-	-	(247,500)	(247,500)	(247,500)	-	(247,500)
Balance at 31 December 2023	247,500	75,000	75,000	75,000	(357)	924	26,145	1,177,655	1,203,800	1,676,867	7,053	1,683,920
For the year ended 31 December 2022												
Balance at 1 January 2022	82,500	75,000	75,000	75,000	(276)	924	26,140	590,344	616,484	924,632	3,966	928,598
Profit for the year	-	-	-	-	-	-	65	715,341	715,406	715,406	1,739	717,145
Other comprehensive income items	-	-	-	-	-	-	-	3,652	3,652	3,652	87	3,739
Total comprehensive income	-	-	-	-	-	-	65	718,993	719,058	719,058	1,826	720,884
Cash dividends distribution (Note 42)	-	-	-	-	-	-	-	(165,000)	(165,000)	(165,000)	-	(165,000)
Balance at 31 December 2022	82,500	75,000	75,000	75,000	(276)	924	26,205	1,144,337	1,170,542	1,478,690	5,792	1,484,482

* An amount of JD 26,145 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 30,416 thousands which are restricted, it includes JD 30,059 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 as of 31 December 2023.

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

JORDAN PHOSPHATE MINES COMPANY PLC
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023
(IN THOUSANDS OF JORDANIAN DINARS)

	Notes	2023	2022
OPERATING ACTIVITIES			
Profit for the year before income tax		613,648	943,928
Adjustments -			
Depreciation	3A	12,586	12,214
Depreciation of right of use assets	3B	4,906	4,978
Amortization of new phosphate port terminal	6	6,361	6,361
Amortization of natural gas station and pipeline	6	436	655
Provisions for employees' benefits	16	16,114	9,651
Finance costs	28	8,873	8,438
Finance income	29	(41,180)	(10,455)
Mining fees costs	26	40,228	51,619
Group's share of profit from associates and joint ventures	5	(29,669)	(76,784)
Group's share of gain on sale and liquidation of investments in associates, net	5	-	(2,819)
Provision for impairment of investments in associates	5	-	12,352
(Recovered from) provision for slow-moving spare parts and supplies	10	(169)	914
(Recovered from) provision for expected credit losses	9,11	(4,605)	4,912
Other non-cash items		(8,705)	8,097
Working capital changes:			
Accounts receivable		2,985	70,538
Employees' housing loans		271	(1,063)
Other current assets		13,164	2,859
Inventories, spare parts and supplies		31,461	(34,453)
Accounts payable		(17,471)	(40,790)
Accrued expenses		(14,709)	17,954
Other current liabilities		(1,180)	13,868
Provisions for employees' benefits paid	16	(30,109)	(21,748)
Mining fees paid		(22,079)	(104,236)
Income tax paid	21	(205,982)	(162,805)
Net cash flows from operating activities		375,175	714,185
INVESTING ACTIVITIES			
Property, plant and equipment and projects in progress		(25,511)	(20,901)
Short term deposits mature between within 3 months and 1 year		(466,412)	(333,803)
Proceeds from sale and liquidation of investments in associates	5	-	5,465
Investment in associates and joint ventures		(66)	(33)
Dividends received		64,886	34,785
Loans receivables		-	5,062
Interest received		30,031	10,455
Net cash flows used in investing activities		(397,072)	(298,970)
FINANCING ACTIVITIES			
Repayments of loans		(12,474)	(18,432)
Dividends paid		(247,611)	(163,175)
Lease liabilities payments	3B	(5,547)	(6,340)
Finance costs paid		(4,138)	(2,760)
Net cash flows used in financing activities		(269,770)	(190,707)
Net (decrease) increase in cash and cash equivalents		(291,667)	224,508
Cash and cash equivalents at 1 January		468,602	244,094
Cash and cash equivalents at 31 December	13	176,935	468,602

The attached notes from 1 to 44 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 28 March 2024 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%, 16.6% 9.6%, and 9.3% of the Company's capital, respectively.

(2) BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

(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 2023:

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

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

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

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

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

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

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

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

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 2022, except for the adoption of new standards effective as of 1 January 2023:

IFRS 17 Insurance Contracts

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

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

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

This standard is not applicable to the Group.

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 from 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's consolidated financial statements.

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 are effective from 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's consolidated financial statements.

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

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

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The amendments are effective from 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's consolidated financial statements.

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

The amendments had no material impact on the Group's consolidated financial statements as the Group.

(2-4) USE OF ESTIMATES

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

Useful life of properties, plant and equipment

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

Impairment of goodwill

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

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

Provision for slow moving spare parts

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

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

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

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

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

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

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

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

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

(2-5) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property, plant and equipment

A) Property plant and equipment recognition and measurement

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

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

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

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

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

B) Major maintenance and repairs

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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 until 2040, after that the port will be handed over to Aqaba Development Corporation.

- **Natural gas station and pipeline**

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

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

- **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 the consolidated statement of income.

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 consolidated statement of income.

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 consolidated income statement .

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

Financial assets at fair value through other comprehensive income

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

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

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

Debit financial assets

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

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

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

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

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 or 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.

Interest revenues are recognized on an accrual basis using effective interest method.

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 at fair value at the date of the financial statements.

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.

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 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.

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.

(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)
2023													
Cost -													
Balance at 1 January 2023	3,503	138,161	25,417	503,337	94,179	8,077	1,139	1,355	3,966	14,475	75,267	1,913	870,789
Additions	-	702	-	3,378	165	1,853	18	5	60	467	7,549	-	14,197
Transfers from projects in progress (Note 4)	-	915	249	5,485	-	-	-	-	-	-	-	-	6,649
Disposals	-	(847)	(128)	(8,285)	(54)	(50)	-	(2)	(62)	(153)	(337)	-	(9,918)
Balance at 31 December 2023	3,503	138,931	25,538	503,915	94,290	9,880	1,157	1,358	3,964	14,789	82,479	1,913	881,717
Accumulated Depreciation -													
Balance at 1 January 2023	-	101,851	23,837	402,724	45,248	5,344	952	1,319	3,573	13,596	38,610	1,912	638,966
Depreciation for the year	-	1,910	273	6,402	1,449	338	28	9	99	243	1,835	-	12,586
Disposals	-	(847)	(128)	(8,085)	(54)	(40)	-	(2)	(55)	(96)	(228)	-	(9,535)
Balance at 31 December 2023	-	102,914	23,982	401,041	46,643	5,642	980	1,326	3,617	13,743	40,217	1,912	642,017
Net book value -													
At 31 December 2023	3,503	36,017	1,556	102,874	47,647	4,238	177	32	347	1,046	42,262	1	239,700

The value of fully depreciated property, plant and equipment is JD 591,306 thousand as at 31 December 2023 (31 December 2022: JD 577,352 thousand).

	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)
2022													
Cost:													
Balance at 1 January 2022	3,503	133,754	25,361	500,518	91,840	6,409	1,073	1,358	3,886	14,251	69,913	1,913	853,779
Additions	-	1,073	69	908	-	494	113	7	136	84	5,393	-	8,277
Transfers from projects in progress	-	5,978	-	2,657	2,516	1,398	-	-	-	190	-	-	12,739
Disposals	-	(2,644)	(13)	(746)	(177)	(224)	(47)	(10)	(56)	(50)	(39)	-	(4,006)
Balance at 31 December 2022	3,503	138,161	25,417	503,337	94,179	8,077	1,139	1,355	3,966	14,475	75,267	1,913	870,789
Accumulated Depreciation:													
Balance at 1 January 2022	-	99,745	23,575	397,628	43,992	5,113	963	1,320	3,535	13,429	36,941	1,912	628,153
Depreciation for the year	-	2,420	275	5,842	1,404	260	24	9	94	217	1,669	-	12,214
Disposals	-	(314)	(13)	(746)	(148)	(29)	(35)	(10)	(56)	(50)	-	-	(1,401)
Balance at 31 December 2022	-	101,851	23,837	402,724	45,248	5,344	952	1,319	3,573	13,596	38,610	1,912	638,966
Net book value -													
At 31 December 2022	3,503	36,310	1,580	100,613	48,931	2,733	187	36	393	879	36,657	1	231,823

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

	2023	2022
	JD ('000)	JD ('000)
Cost of sales	12,348	11,765
Administrative expenses (Note 24)	168	385
Selling and marketing expenses	61	54
Russiefah mine expenses (Note 25)	7	6
Others	2	4
	12,586	12,214

(3B) RIGHT OF USE ASSETS AND LEASE LIABILITIES

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

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

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

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

	Right-of-use assets	Lease liabilities*
	JD ('000)	JD ('000)
2023 -		
Balance at 1 January	53,023	61,371
Depreciation	(4,906)	-
Finance costs (Note 28)	-	3,802
Payments	-	(5,547)
Disposals*	(12,000)	(16,457)
Adjustments	(434)	312
Balance at 31 December	35,683	43,481

During the year 2023, the Group has terminated several lease contracts for land at Shidiya mine. The termination resulted in income of JD 4,457 thousand (Note 27).

	Right-of-use assets	Lease liabilities *
	JD ('000)	JD ('000)
2022 -		
Balance at 1 January	58,001	64,413
Depreciation	(4,978)	-
Finance costs(Note 28)	-	4,113
Transfer to credit balances	-	(815)
Payments	-	(6,340)
Balance at 31 December	53,023	61,371

* Lease liabilities details as at 31 December 2023 and 2022 are as follows:

2023			2022		
Short-term	Long-term	Total	Short-term	Long-term	Total
JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
7,301	36,180	43,481	7,220	54,151	61,371

(4) PROJECTS IN PROGRESS

Movement on the projects in progress is as follows:

	Balance at 1 January	Additions	Transferred to property plant & equipment	Transferred to Intangible assets	Disposals	Balance at 31 December
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
2023 -						
Industrial Complex Projects - Aqaba	28	5,193	(1,158)	-	-	4,063
Shidiya Mine Projects	804	605	(123)	-	(24)	1,262
Indo-Jordan Chemicals Company Projects	9,080	3,897	(4,920)	-	-	8,057
Head Office, Hasa & Abyad mines	5	1,095	(448)	-	-	652
Nippon Jordan Fertilizers Company Projects	227	524	-	-	-	751
Total	10,144	11,314	(6,649)	-	(24)	14,785
2022 -	16,074	12,624	(12,739)	(5,680)	(135)	10,144

The estimated cost to complete the projects in progress as of 31 December 2023 amounted to JD 17,794 thousand for Jordan Phosphate Mines Company and the expected completion of these projects is by the end of 2024. The estimated cost to complete the projects in progress amounted to JD 1,064 thousand for Indo-Jordan Chemicals related projects as of 31 December 2023 and the expected completion of these projects is during 2024. The estimated cost to complete the projects in progress amounted to JD 2,446 thousand for Nippon Jordan Fertilizers related projects as of 31 December 2023 and the expected completion of these projects is during 2024.

(5) INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

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

	2023	2022
	JD ('000)	JD ('000)
Investment in associates (A)	230,676	262,871
Joint ventures (B)	104,903	102,256
	335,579	365,127

A. INVESTMENTS IN ASSOCIATES:

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

	Country of incorporation	Nature of activity	Ownership	2023	2022
			%	JD ('000)	JD ('000)
Jordan India Fertilizer Company "JIFCO"	Jordan	Phosphoric acid production	48	230,577	262,838
Jordan Renewable Aluminum Fluoride Manufacturing Company*	Jordan	Aluminum fluoride production	33	99	33
Manajim for Mining Development Company "Manajim"**	Jordan	Mining services	46	-	-
Arkan Company for Constructions "Arkan"***	Jordan	Mining contracting	46	-	-
Kaltim Jordan Abdi Company****	Indonesia	Phosphoric acid production	40	-	-
				230,676	262,871

*During the year 2022, the Group invested in 33% of Jordanian Renewable Aluminum Fluoride Manufacturing Company's capital for an amount of JD 33 thousand. The registration procedures for the Jordanian Renewable Aluminum Fluoride Manufacturing Company were completed with the Companies Control Department in the Hashemite Kingdom of Jordan during December 2022. The Group increased its investment by JD 66 thousand during the year 2023 to reach to JD 99 thousand as of 31 December 2023. The company did not commence its operations until the date of preparing of the consolidated financial statements.

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

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

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

Movements on the investment in associates were as follows:

	2023	2022
	JD ('000)	JD ('000)
Balance at 1 January	262,871	239,846
The Group's share of current year profit	27,498	66,546
Additions (disposals) of Group's share of JIFCO income related to transactions between the Group and associate	2,627	(1,820)
Investment in Jordan Renewable Company for Aluminum Fluoride	66	33
Dividends from Jordan Indian Fertilizers Company	(62,386)	(26,736)
Provision for Impairment of investment in Manajim for Mining Development	-	(12,352)
Sale and liquidation of investments in associates	-	(2,646)
Balance at 31 December	230,676	262,871

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

	2023		
	Jordan India Fertilizers Company	Jordan Renewable Company for Aluminum Fluoride	Total
	JD ('000)	JD ('000)	JD ('000)
Group's share in net equity:			
Current assets	126,316	-	126,316
Non-current assets	433,509	-	433,509
Current liabilities	(52,851)	-	(52,851)
Non-current liabilities	(24,642)	-	(24,642)
Net equity	482,332	300	482,632
Percentage of ownership	48%	33%	
Group's share in net equity	231,519	99	231,618
Elimination of Group's share of association related to transaction between the Group and associate	(942)	-	(942)
Adjustments	-	-	-
Provision for Impairment of investment	-	-	-
Net investment as at 31 December	230,577	99	230,676
Group's share from associate's revenues and profits:			
Revenues	309,433	-	309,433
Cost of sales	(164,209)	-	(164,209)
Administrative, selling and distribution expenses	(87,686)	-	(87,686)
Group share of prior year results*	(250)	-	(250)
Profit for the year before income tax	57,288	-	57,288
Income tax expense	-	-	-
Profit for the year	57,288	-	57,288
Percentage of ownership	48%	33%	
Group's share of associates' profit	27,498	-	27,498

	2022			
	Jordan India Fertilizers Company	Arkan Company for Construction**	Jordan Renewable Company for Aluminum Fluoride	Total
	JD ('000)	JD ('000)	JD ('000)	JD ('000)
Group's share in net equity:				
Current assets	193,737	-	-	193,737
Non-current assets	441,976	-	-	441,976
Current liabilities	(42,309)	-	-	(42,309)
Non-current liabilities	(38,390)	-	-	(38,390)
Net equity	555,014	-	100	555,114
Percentage of ownership	48%	-	33%	
Group's share in net equity	266,407	-	33	266,440
Elimination of Group's share of association related to transaction between the Group and associate	(3,569)	-	-	(3,569)
Adjustments	-	-	-	-
Provision for Impairment of investment	-	-	-	-
Net investment as at 31 December	262,838	-	33	262,871
Group's share from associate's revenues and profits:				
Revenues	512,413	5,252	-	517,665
Cost of sales	(281,180)	(6,381)	-	(287,561)
Administrative, selling and distribution expenses	(86,214)	(5,485)	-	(91,699)
Other revenues	-	-	-	-
Group share of prior year results*	(44)	-	-	(44)
Profit (loss) for the year before income tax	144,975	(6,614)	-	138,361
Income tax expense	-	-	-	-
Profit (loss) for the year	144,975	(6,614)	-	138,361
Percentage of ownership	48%	46%	33%	
Group's share of associates' profit (loss)	69,588	(3,042)	-	66,546

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

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

B. JOINT VENTURES:

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

	Country of incorporation	Nature of activity	Ownership	2023	2022
			%	JD ('000)	JD ('000)
Indonesian project – Petro Jordan Abadi Company	Indonesia	Phosphoric acid production	50	30,691	26,500
Jordan Industrial Ports Company	Jordan	Shipping services	50	74,212	75,756
				104,903	102,256

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

	2023	2022
	JD ('000)	JD ('000)
Balance at 1 January	102,256	93,947
Group's share of profit for the year	2,171	10,238
Dividends from Jordan Industrial Ports Company	(2,500)	-
Additions (disposal) of the Group's share of Petro Jordan Abadi income related to transactions between the Group and joint venture	2,976	(1,929)
Balance at 31 December	104,903	102,256

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

	2023		
	Indonesian project – Petro Jordan Abadi Company	Jordan Industrial Ports Company	Total
	JD ('000)	JD ('000)	JD ('000)
Current assets	40,374	26,894	67,268
Non-current assets	106,236	131,163	237,399
Current liabilities	(51,043)	(4,094)	(55,137)
Non-current liabilities	(32,463)	(5,540)	(38,003)
Net equity	63,104	148,423	211,527
Percentage of ownership	50%	50%	
Group's share in net equity	31,552	74,212	105,764
Elimination of the Group's share of the income related to transactions between the Group and joint ventures	(861)	-	(861)
Group's share in net equity	30,691	74,212	104,903
<u>Group's share from joint ventures income and profits</u>			
Revenues	131,861	23,042	154,903
Cost of sales	(116,211)	(21,346)	(137,557)
Administration, selling and distribution expenses	(1,958)	(1,011)	(2,969)
Interest income	-	1,101	1,101
Finance expense	(5,373)	(4)	(5,377)
Other revenues, net	(3,254)	135	(3,119)
Group's share from prior year results***	(2,635)	(6)	(2,641)
Profit for the year	2,430	1,911	4,341
Percentage of ownership	50%	50%	-
Group's share of profit from joint ventures	1,215	956	2,171

	2022		
	Indonesian project – Petro Jordan Abadi Company	Jordan Industrial Ports Company	Total
	JD ('000)	JD ('000)	JD ('000)
Current assets	54,895	24,182	79,077
Non-current assets	101,876	136,044	237,920
Current liabilities	(56,115)	(3,826)	(59,941)
Non-current liabilities	(39,983)	(4,888)	(44,871)
Net equity	60,673	151,512	212,185
Percentage of ownership	50%	50%	
Group's share in net equity	30,337	75,756	106,093
Elimination of the Group's share of the income related to transactions between the Group and joint ventures	(3,837)	-	(3,837)
Group's share in net equity	26,500	75,756	102,256
<u>Group's share from joint ventures and profits</u>			
Revenues	198,982	22,620	221,602
Cost of sales	(170,663)	(20,558)	(191,221)
Administration, selling and distribution expenses	(3,940)	(1,361)	(5,301)
Interest income	-	676	676
Finance expense	(4,232)	(12)	(4,244)
Other revenues, net	(193)	548	355
Group's share from prior year results***	(1,222)	(170)	(1,392)
Profit for the year	18,732	1,743	20,475
Percentage of ownership	50%	50%	-
Group's share of profit from joint ventures	9,366	872	10,238

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

(6) INTANGIBLE ASSETS

The details of this item are as follows:

	2023	2022
	JD ('000)	JD ('000)
Fertilizers unit goodwill*	15,680	15,680
New phosphate port**	101,746	108,107
Natural gas station and pipeline***	4,589	5,025
	122,015	128,812

* 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 16.8% the projections were prepared based on the production capacity and the expected prices of raw material and finished goods as published by specialized international organization. The test did not result any impairment in goodwill.

Key assumptions used:

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

Projected sales: The quantities sold during 2023 were used to build up the projected 5 years future sales.

Projected costs: The costs incurred during 2023 except for raw material prices, were used to build up the projected 5 years cost.

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 16.8% (2022: 18.8%).

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 2023 amounted to JD 6,361 thousand (2022: JD 6,361 thousand) was recorded within new phosphate port terminal expenses (Note 34).

Movement on new phosphate port is as follows:

	2023	2022
	JD (‘000)	JD (‘000)
Balance at 1 January	108,107	114,468
Amortization for the year	(6,361)	(6,361)
Balance at 31 December	101,746	108,107

The asset deferral provision when the license to use and operate the new port expires is JD 18,785 thousand as 31 December 2023 (31 December 2022: JD 18,128 thousand). The obligation is measured at the present value of estimated future cash flows using an average interest rate of 8.3%.

The movement on the asset deferred provision is as follows:

	2023	2022
	JD (‘000)	JD (‘000)
Balance at 1 January	18,128	17,449
Present value discount (Note 28)	657	679
Balance at 31 December	18,785	18,128

*** NATURAL GAS STATION AND PIPELINE

During 2022, the Group capitalized the natural gas station and pipeline project in Aqaba as intangible assets in accordance with IFRIC 12 (Service Concession Arrangements), where the total cost of the project represents the license to use and operate the station until the end of 2033. The Group started to amortize the intangible assets related to the natural gas station and pipeline from 2023. The amortization expense amounted to JD 436 thousand was recorded within cost of sales for the year ended 31 December 2023 (2022: JD 655 thousand).

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

	2023	2022
	JD ('000)	JD ('000)
Balance at 1 January	5,025	-
Transfers from projects under construction	-	5,680
Amortization for the year	(436)	(655)
Balance at 31 December	4,589	5,025

(7) EMPLOYEES' HOUSING LOANS

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

	2023	2022
	JD ('000)	JD ('000)
Balance at 1 January	5,346	4,852
Net movement during the year	(271)	1,063
Present value discount (Note 28 and 29)	25	(569)
Balance at 31 December	5,100	5,346

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

	2023	2022
	JD (‘000)	JD (‘000)
Quoted shares	38	119
Unquoted shares	266	266
	304	385

The movement on the fair value reserve during the year is as follows:

	2023	2022
	JD (‘000)	JD (‘000)
Balance at 1 January	(276)	(276)
Net changes in financial assets valuation reserve	(81)	-
Balance at 31 December	(357)	(276)

(9) LOANS RECEIVABLE

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

		2023	2022
	Currency	Long-term loan payments	Long-term loan payments
		JD (‘000)	JD (‘000)
Jordan Abyad Fertilizers and Chemicals Company – net *	USD	3,564	3,564
Jordan Abyad Fertilizers and Chemicals Company – net*	JD	9,896	9,896
		13,460	13,460
Provision for expected credit loss**		(7,018)	(7,018)
		6,442	6,442

* 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:

	2023	2022
	JD ('000)	JD ('000)
Balance at 1 January	7,018	6,525
Provision for the year	-	493
Balance at 31 December	7,018	7,018

(10) INVENTORIES, SPARE PARTS AND SUPPLIES

	2023	2022
	JD ('000)	JD ('000)
Finished goods	58,066	72,431
Work in progress (Note 32)	12,803	10,877
Raw materials	25,182	43,517
Inventory held by contractors (Note 18)	2,338	7,874
Spare parts and supplies	97,202	92,353
	195,591	227,052
Provision for slow moving spare parts*	(29,229)	(29,398)
	166,362	197,654

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

	2023	2022
	JD ('000)	JD ('000)
Balance at 1 January	29,398	28,484
(Recovered from) provision for the year	(169)	914
Balance at 31 December	29,229	29,398

(11) ACCOUNTS RECEIVABLE

	2023	2022
	JD ('000)	JD ('000)
Trade receivables	65,828	83,909
Due from associates and joint ventures	54,182	47,896
Others	29,338	20,528
	149,348	152,333
Provision for expected credit losses*	(23,555)	(28,160)
	125,793	124,173
Current portion	123,272	121,652
Non-current portion	2,521	2,521
	125,793	124,173

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

	2023	2022
	JD ('000)	JD ('000)
Balance at 1 January	28,160	22,590
Transfers from provision for associates	-	1,151
Provision for the year	-	4,419
Recovered from the provision	(4,605)	-
Balance at 31 December	23,555	28,160

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)
2023	120,607	2,665	2,521	125,793
2022	116,086	5,566	2,521	124,173

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

(12) OTHER CURRENT ASSETS

	2023	2022
	JD ('000)	JD ('000)
Prepaid expenses	48,143	69,440
Payments on letters of credit	13,143	19,222
Accrued bank interest income	11,124	2,038
Advance payments on sales tax	6,005	5,613
Accrued debit loan and late payment interest revenue	4,660	8,552
Others	1,492	1,880
	84,567	106,745
Current portion	79,907	100,185
Non-current portion*	4,660	6,560
	84,567	106,745

* This item represents the net present value of the accrued interest of loans receivable related to Jordan Abyad Fertilizers and Chemicals Company and non-current portion of late payment of receivable interest of Jordan India Fertilizers Company.

(13) CASH ON HAND AND AT BANKS

	2023	2022
	JD ('000)	JD ('000)
Cash at banks*	978,168	802,754
Cash on hand	186	84
	978,354	802,838

For the purpose of the consolidated statement of cash flow, cash and cash equivalents consist of the following:

	2023	2022
	JD ('000)	JD ('000)
Cash on hand and at banks	978,354	802,838
Short-term deposits mature within 3 months and 1 year**	(800,215)	(333,803)
Due to banks (Note 20)	(1,204)	(433)
	176,935	468,602

* Cash at banks includes current accounts in US dollars with an annual interest rate not exceeding 4% for the year ended 31 December 2023 (2022: not exceeding 1.75%).

** Short-term deposits include deposits mature within three months and one year in Jordanian dinars with an annual interest rate ranging from 4.25% to 7% for the year ended 31 December 2023 (31 December 2022: between 3% and 6.4%), and deposits in US dollars with an annual interest rate ranging from 3.5% to 5.8% for the year ended 31 December 2023 (31 December 2022: between 3% and 4%).

(14) EQUITY ATTRIBUTABLE TO EQUITY HOLDERS

Paid-in capital

The Company's authorized, subscribed and issued capital amounted to JD 82,500 thousand which comprises of 82,500 thousand shares at par value of JD 1 per share as of 31 December 2022. The Company's General Assembly approved in its extra ordinary meeting held on 4 April 2023 the increase of Company's capital by capitalizing an amount of JD 165,000 thousand from retained earnings balance which represents 200% of authorized, subscribed and issued capital and to distribute it as stock dividends to the shareholders. the authorized, subscribed and issued capital balance become JD 247,500 thousand as of 31 December 2023.

Statutory reserve

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

Voluntary reserve

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

Special reserve

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

(15) LOANS

		2023		2022	
	Currency	Due within one year	Long-term	Due within one year	Long-term
		JD ('000)	JD ('000)	JD ('000)	JD ('000)
Arab Bank loan	USD	5,168	29,807	5,169	34,975
Housing Bank for Trade and Finance Loan	USD	-	-	426	-
ABC Bank loan	USD	-	-	6,879	-
		5,168	29,807	12,474	34,975

Arab Bank Loan -

Jordan Phosphate Mining Company signed a USD 96 Million loan agreement with Arab Bank. On 5 January 2016, the first part of the loan agreement with the amount of USD 50 Million was signed between the Group and Arab Bank. On 21 July 2016, the second part of the loan agreement with the amount of USD 46 Million was signed between the Group and the Arab Bank to finance 100% of Jordan Phosphate Mining Company's share in Jordan Industrial Ports Company to develop and update the industrial port in Aqaba. The loan holds an interest rate of 6 months LIBOR + 2.75% for the first 7 years of the loan period and interest rate of SOFR +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 mortgage 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 2023.

Housing Bank for Trade and Finance Loan -

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

Loans repayments schedule:

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

Year	Thousand JD's
2024	5,168
2025	5,168
2026	5,168
2027	5,168
2028 and there after	14,303
	34,975

(16) PROVISIONS FOR EMPLOYEES' BENEFITS

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

	2023 JD ('000)	2022 JD ('000)
Defined benefit plans (A)	84,723	99,227
Employees' compensations (B)	849	767
Employees incentives and retirees' grants (C)	735	735
	86,307	100,729
Current portion	37,521	44,865
Non-current portion	48,786	55,864
	86,307	100,729

A- Defined benefit plans

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

	2023			
	End of service bonus compensation*	Death and compensation fund**	Compensation bonus for six months	Total
	JD ('000)	JD ('000)	JD ('000)	JD ('000)
Balance as of 1 January	2,302	95,165	1,760	99,227
Service cost	100	10,761	170	11,031
Interest cost	100	4,915	-	5,015
Employees contributions	-	460	-	460
Paid benefits during the year	(118)	(29,752)	(222)	(30,092)
Employee share of payments during the year	-	(460)	-	(460)
Actuarial changes due to experience	-	(821)	(18)	(839)
Actuarial changes due to change in financial assumptions	-	310	71	381
Balance as of 31 December	2,384	80,578	1,761	84,723

	2022			
	End of service bonus compensation*	Death and compensation fund**	Compensation bonus for six months	Total
	JD ('000)	JD ('000)	JD ('000)	JD ('000)
Balance as of 1 January	2,204	113,573	235	116,012
Service cost	100	3,423	1,579	5,102
Interest cost	100	4,379	-	4,479
Employees contributions	-	541	-	541
Paid benefits during the year	(102)	(21,579)	(54)	(21,735)
Employee share of payments during the year	-	(541)	-	(541)
Actuarial changes due to experience	-	1,122	-	1,122
Actuarial changes due to change in financial assumptions	-	(5,753)	-	(5,753)
Balance as of 31 December	2,302	95,165	1,760	99,227

*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.

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.

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:

	2023	2022
Discount rate	6.95% - 7.09%	6.9% - 7.68%
Salary increase rate	3.5% - 6%	3.5% - 6%
Mortality rate	0.12%	0.12%
Resignation rate:		
Up to the age of 34 years	3% - 5%	3% - 5%
From the age of 35 to 49 years	2% - 5%	2% - 5%
Age of 50 years and over	0% - 5%	0% - 5%

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)	Percentage	Increase (Decrease)	Percentage	Increase (Decrease)
	%	JD ('000)	%	JD ('000)	%	JD ('000)
2023 -						
	+1	(3,945)	+1	4,168	+1	486
	-1	4,402	-1	(4,018)	-1	(519)
2022 -						
	+1	(3,910)	+1	4,241	+1	516
	-1	4,372	-1	(4,098)	-1	(553)

B- <u>Employees' compensations</u>

The table below illustrates the provisions for the defined contribution plans:

	2023		
	Compensation fund*	Engineers specialty allowances**	Total
	JD ('000)	JD ('000)	JD ('000)
Balance as of 1 January	749	18	767
Provision during the year (company's contribution)	68	-	68
Employees contributions	31	-	31
Payments during the year	(17)	-	(17)
Balance as of 31 December	831	18	849

	2022		
	Compensation fund*	Engineers specialty allowances **	Total
	JD ('000)	JD ('000)	JD ('000)
Balance as of 1 January	661	18	679
Provision during the year (company's contribution)	70	-	70
Employees contributions	31	-	31
Payments during the year	(13)	-	(13)
Balance as of 31 December	749	18	767

* Starting on 1 January 1981, all employees became entitled to be included in the Compensation Fund (ESCF). Amended starting 1 August 1999, to become JD 450 per year. The employer's share was amended to become JD 310 and the employee share JD 140. The Fund's balance as of 31 December 2023 represents the accumulated funds that have vested to the employees; the Company's contributions are recognized as an administrative expense on monthly basis.

** During 1999 the Company calculated the engineers specialty allowances provision, per a value form count of cassation that includes a final verdict to previous Company's employee that makes the Company pay a premium for spatiality for employees as part of end of service indemnity.

C- <u>Employees incentives and retirees' grants</u>

The details of employees' incentives and retirees' grants provision are as follows:

	2023	2022
	JD ('000)	JD ('000)
Employees' incentives provision*	275	275
Retirees' grants provision**	460	460
	735	735

* **<u>Employees incentives provision</u>**

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.

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.

There was no movement on employees' incentives provision during the years 2023 and 2022.

** **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)).

There was no movement on retirees' grants provision during the year 2023 and 2022.

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

	2023	2022
	JD ('000)	JD ('000)
Cost of Sale	12,811	6,712
Administrative expenses	1,879	793
Selling and marketing expenses	555	265
Russiefah mine expenses	499	102
Other provisions*	370	1,779
	16,114	9,651

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

	2023	2022
	JD ('000)	JD ('000)
End-of-service bonus compensation provision	200	200
Bonus compensation – six months for subsidiaries	170	1,579
	370	1,779

(17) ACCOUNTS PAYABLE

	2023	2022
	JD ('000)	JD ('000)
Due to foreign suppliers	29,950	50,651
Due to projects' and contractors	21,712	16,714
Due to associate companies (Note 36)	1,916	1,905
Electricity Company	1,749	1,645
Due to local suppliers	964	1,914
Others	6,174	7,107
	62,465	79,936

(18) ACCRUED EXPENSES

	2023	2022
	JD ('000)	JD ('000)
Accrued production bonus	7,491	17,680
Freight and transportation fees	6,084	5,229
Accrued medical insurance for retired employees	4,996	2,449
Accrued agriculture service fees	3,708	3,381
Inventory in transit in custody of contractor (Note 10)	2,338	7,874
Demurrage and unloading expense	1,426	1,468
Loan interest expense	1,214	938
Sales agents' commissions	790	790
Port fees	783	653
Sales rebates	473	356
Accrued medical insurance	313	647
Fuel, electricity and water expenses	287	1,881
Mining fees	-	1,989
Others	2,465	3,455
	32,368	48,790

(19) OTHER CURRENT LIABILITIES

	2023	2022
	JD ('000)	JD ('000)
Provision for settlements with contractors	15,000	15,000
Deposits and other provisions	12,380	12,679
Provisions for associate companies	7,267	7,267
Others	4,787	5,668
	39,434	40,614

(20) DUE TO BANKS

This balance represents the utilized amount of overdraft facilities granted by local banks. The ceiling amounted to JD 34,500 thousand as of 31 December 2023 (2022: JD 34,500 thousand) for the JD accounts, and USD 71,500 thousand which amounted to JD 50,622 thousand as of 31 December 2023 (2022: USD 71,500 thousand which amounted to JD 50,622 thousand) for the USD accounts. Average interest rates on those overdrafts facilities ranged between 6.5% to 10.9% in 2023 (2022: between 6.5% and 10.9%) for the JD accounts, and SOFR from 5% to 7.75% plus 2% for the USD accounts.

(21) INCOME TAX

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

	2023	2022
	JD ('000)	JD ('000)
Current year income tax	158,256	224,322
Amount released from deferred tax asset	12,024	4,603
Prior years income tax	-	3,105
Deferred tax assets additions	(3,460)	(5,247)
	166,820	226,783

(A) Income tax provision

Movement on the provision for income tax is as follows:

	2023	2022
	JD ('000)	JD ('000)
Balance at 1 January	157,404	85,838
Income tax expense for the year	158,256	224,322
Prior years income tax	-	3,105
Transfer to other debit balances	-	8,528
Exemptions from fees and fines	-	(1,584)
Income tax paid	(205,982)	(162,805)
Balance at 31 December	109,678	157,404

(B) Reconciliation of the accounting profit to taxable profit

The details of computed income tax are as follows:

	Phosphate	Fertilizer	Indo Jordan	Nippon Jordan	Al Ro'ya	Reconciliations between subsidiaries	Total
2023 -	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
Accounting profit	493,554	30,592	71,043	6,477	1,769	10,213	613,648
Non-taxable profits	(80,218)	(9,462)	(26,860)	(6,477)	-	-	(123,017)
Non-deductible expenses	93,892	8,427	-	-	-	-	102,319
Taxable income	507,228	29,557	44,183	-	1,769	10,213	592,950
Provision for income tax	148,725	1,756	7,420	-	355	-	158,256
Effective income tax rate	30%	6%	10%	-	20%	-	26%
Enacted income tax rate	31%	6%	18%	-	21%	-	6%-31%
2022-							
Accounting profit	696,432	117,971	126,553	8,696	1,239	(6,963)	943,928
Non-taxable profits	(103,449)	(7,823)	(73,815)	(8,696)	-	-	(193,783)
Non-deductible expenses	85,475	9,158	-	-	-	-	94,633
Taxable income	678,458	119,306	52,738	-	1,239	(6,963)	844,778
Provision for income tax	207,042	7,317	9,703	-	260	-	224,322
Effective income tax rate	30%	6%	8%	-	21%	-	24%
Enacted income tax rate	31%	6%	18%	-	21%	-	6%-31%

(C) Deferred tax assets

Movement on the deferred tax assets is as follows:

	2023	2022
	JD (‘000)	JD (‘000)
Balance at 1 January	38,890	39,138
Additions during the year	3,460	5,247
Released from other comprehensive income items	(267)	(892)
Released during the year	(12,024)	(4,603)
Balance at 31 December	30,059	38,890

(D) Tax Status

Phosphate Unit
The income tax provision for the years ended 31 December 2023 and 2022 was calculated in accordance with income tax law No. (34) for 2014 and it’s amendments. Noting that under the amended law the tax rate was adjusted starting from January 2020 to become 24% income tax + 7% national contribution. The Company submitted its’ tax declarations for the Phosphate Unit up to 2022. The Income and Sales Tax Department has not reviewed the records of the Phosphate Unit for the years 2022, 2021, 2020 and 2019 up to the date of the preparation of consolidated financial statements. A final settlement was reached up to the year 2018.

Fertilizer Unit
The income tax provision for the years ended 31 December 2023 and 2022 was calculated in accordance with the Aqaba Special Economic Zone Law No. (32) for 2000 and its amendments. The Company submitted its’ tax declarations for the Fertilizers Unit up to 2022. A final settlement was reached up to the year 2020. The Income and Sales Tax Department has not reviewed the records of the Phosphate Unit for the years 2022 and 2021 up to the date of the preparation of consolidated financial statements.

Indo Jordan Chemicals-
The income tax provision for the years ended 31 December 2023 and 2022 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 2022 and the company reached a final settlement with the Income Tax Department until the end of 2018.

Nippon
No income tax provision was calculated for the years ended 31 December 2023 and 2022 since the company is exempted from income tax in accordance with Aqaba Special Economic Zone Authority law.

Ro’ya for transportation
The income tax provision for the years ended 31 December 2023 and 2022 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 2022 and has a reached a settlement with income tax department until the end of 2018.

(22) NET SALES/ COST OF SALES

	2023		
	Net sales	Cost of sales	Gross profit
	JD ('000)	JD ('000)	JD ('000)
Phosphate unit	698,094	101,656	596,438
Fertilizers unit	261,757	227,045	34,712
Indo Jordan Chemicals Company	128,590	59,363	69,227
Nippon Jordan Fertilizers Company	127,810	118,175	9,635
Trading in raw materials	12,983	10,591	2,392
	1,229,234	516,830	712,404

	2022		
	Net sales	Cost of sales	Gross profit
	JD ('000)	JD ('000)	JD ('000)
Phosphate unit	914,092	124,453	789,639
Fertilizers unit	453,002	330,725	122,277
Indo Jordan Chemicals Company	205,713	77,618	128,095
Nippon Jordan Fertilizers Company	149,361	135,929	13,432
Trading in raw materials	26,097	23,615	2,482
	1,748,265	692,340	1,055,925

	2023	2022
	JD ('000)	JD ('000)
Finished goods as at 1 January (Note 10)	72,431	41,220
Production costs (Note 32)	502,465	723,551
Finished goods as at 31 December (Note 10)	(58,066)	(72,431)
Cost of sales for the year ended 31 December	516,830	692,340

Fertilizer unit's production costs include the amounts of JD 2,369 thousand and JD 2,404 thousand for 2023 and 2022 respectively, which represent mining fees on rock phosphate used in the fertilizer unit production (Note 26).

(23) SELLING AND MARKETING EXPENSES

	2023	2022
	JD ('000)	JD ('000)
Export department expenses	1,006	799
Loading and unloading expenses	760	884
Bank charges on letters of credit	597	836
Income tax on marine freight	486	654
Packaging materials	481	433
Demurrage marine late expenses	474	534
Governmental fees on agriculture services	292	350
Other sales and marketing expenses	2,161	1,830
	6,257	6,320

(24) ADMINISTRATIVE EXPENSES

	2023	2022
	JD ('000)	JD ('000)
Salaries and wages	7,706	8,536
Post-retirement health insurance contribution	7,180	4,215
The Company's contribution to the six-month compensation bonus	3,431	2,151
The Company's contribution to employees' benefits provisions	1,879	793
Social security contribution	736	970
Employees saving fund contributions	221	227
Medical expenses	312	209
Employees' health insurance fund contributions	144	120
Legal expenses and lawyer fees	704	1,497
Scientific research and development	633	586
Maintenance and administrative expenses	378	330
Fees, taxes and stamps	325	476
Travel and per-diems	319	281
Subscriptions and exhibitions	246	324
Depreciation (Note 3A)	168	385
Stationery and printings	131	58
Utilities	127	112
Hospitality	121	147
Advertising	74	61
Insurance fees	50	47
Post and telephone	48	51
Rent	38	217
Others	4,397	6,206
	29,368	27,999

(25) RUSSIEFAH MINE EXPENSES

	2023	2022
	JD ('000)	JD ('000)
Scientific research and development	1,156	990
Salaries and wages	74	325
Social security contribution	9	10
Depreciation (Note 3A)	7	6
Company's contribution in saving fund	3	4
Security and protection	-	83
Others	115	84
	1,364	1,502

(26) MINING FEES

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

Mining fees incurred for the years 2023 and 2022 are as follows:

	2023	2022
	JD ('000)	JD ('000)
Mining fees on sold phosphate	37,859	49,215
Mining fees on phosphate used by the Fertilizers unit (Note 22)	2,369	2,404
	40,228	51,619

(27) OTHER INCOME, NET

	2023	2022
	JD ('000)	JD ('000)
Income from settlement with contractors	5,544	-
Income from termination of lease contracts (Note 3B)	4,457	-
Recovered from accruals and provisions	3,899	1,716
Income from settlement of insurance claims	1,611	72
Dividends income	127	58
Gain on sale and liquidation of associates, net	-	2,819
Marine loading speed bonus	1,289	2,788
Income from sale of production waste	294	889
Net loss from sales of water and energy	(2,700)	(1,945)
Others	3,817	3,244
	18,338	9,641

(28) FINANCE COSTS

	2023	2022
	JD ('000)	JD ('000)
Interest on lease obligations (Note 3B)	3,802	4,113
Interest on loans	3,114	2,318
Bank interest and charges – due to banks	1,300	759
Present value discount for asset deferral cost (Note 6)	657	679
Present value discount on employees housing loan (Note 7)	-	569
	8,873	8,438

(29) FINANCE INCOME

	2023	2022
	JD ('000)	JD ('000)
Interest income on banks' current accounts and deposits	39,396	10,409
Interest on loans and accounts receivable	1,759	46
Present value discount on employees housing loan (Note 7)	25	-
	41,180	10,455

(30) EARNINGS PER SHARE

	2023	2022
Profit for the year attributable to Company's shareholders (thousand JD's)	445,533	715,406
Weighted average number of shares during the year (thousand shares)	247,500	247,500
	JD/Fils	JD/Fils
Basic earnings per share*	1/800	2/891

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

(31) SEGMENT INFORMATION

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

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

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

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

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

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

	Phosphate unit	Fertilizers unit	Indo-Jordan Chemicals	Nippon Jordan Fertilizers	Others	Trading in raw materials	Eliminations	Total
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
2023 -								
Revenues								
External sales	698,094	261,757	128,590	127,810	-	12,983	-	1,229,234
Inter-segment sales	106,472	18,250	76,775	-	-	19,555	(221,052)	-
Total Sales	804,566	280,007	205,365	127,810	-	32,538	(221,052)	1,229,234
Gross profit	596,438	34,712	69,227	9,635	-	2,392	-	712,404
Segment results								
Non-recurring profit	18,507	-	-	-	-	-	-	18,507
Profit before income tax	493,547	28,206	71,044	6,477	1,769	2,392	10,213	613,648
Profit for the year	336,458	26,250	63,624	6,477	1,414	2,392	10,213	446,828
Group share of profit from associates and joint ventures	29,669	-	-	-	-	-	-	29,669
Non-controlling interest	1,295	-	-	-	-	-	-	1,295
Capital expenditures	2,797	15,839	5,914	961	-	-	-	25,511
Depreciation	3,116	6,024	3,250	194	2	-	-	12,586
Depreciation of right of use assets	4,447	254	116	89	-	-	-	4,906

	Phosphate unit	Fertilizers unit	Indo-Jordan Chemicals	Nippon Jordan Fertilizers	Other	Trading in raw materials	Eliminations	Total
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
2022 -								
Revenues								
External sales	914,092	453,002	205,713	149,361	-	26,097	-	1,748,265
Inter-segment sales	118,861	26,746	102,799	-	-	38,562	(286,968)	-
Total Sales	1,032,953	479,748	308,512	149,361	-	64,659	(286,968)	1,748,265
Gross profit	789,639	122,277	128,095	13,432	-	2,482	-	1,055,925
Segment results								
Non-recurring profit	4,403	-	-	-	-	-	-	4,403
Profit before income tax	696,434	115,492	126,553	8,697	1,239	2,476	(6,963)	943,928
Profit for the year	486,863	108,243	116,850	8,697	979	2,476	(6,963)	717,145
Group share of profit of associates and joint ventures	76,784	-	-	-	-	-	-	76,784
Non-controlling interest	1,739	-	-	-	-	-	-	1,739
Capital expenditures	3,872	10,911	5,761	356	1	-	-	20,901
Depreciation	3,039	5,378	3,053	739	5	-	-	12,214
Depreciation of right of use assets	4,519	254	116	89	-	-	-	4,978

	Phosphate unit	Fertilizers unit	Indo-Jordan	Nippon	Other	Total
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
<u>Assets and liabilities as at 31 December 2023</u>						
Operating assets	1,136,502	249,504	369,000	45,591	8,941	1,809,538
Investment in associates and joint ventures	335,510	-	69	-	-	335,579
Liabilities	359,737	73,542	23,062	3,960	896	461,197

	Phosphate unit	Fertilizers unit	Indo-Jordan	Nippon	Other	Total
<u>Assets and liabilities as at 31 December 2022</u>	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
Operating assets	1,075,659	278,212	308,910	36,430	7,498	1,706,709
Investment in associates and joint ventures	365,104	-	23	-	-	365,127
Liabilities	455,633	97,933	28,382	4,218	1,188	587,354

Geographical segments

Following is a summary of sales by geographical areas:

2023	Phosphate unit	Fertilizers unit	Indo-Jordan	Nippon	Raw materials	Total
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
Asia	492,068	159,846	117,168	77,139	-	846,221
Australia	5,257	-	-	25,465	-	30,722
Europe	25,577	13,175	-	20,819	-	59,571
Africa	-	2,464	40	3,231	-	5,735
South America	24,801	-	-	-	-	24,801
North America	-	83,893	-	-	-	83,893
Associated and joint ventures companies	150,374	-	-	-	-	150,374
Others	17	2,379	11,382	1,156	12,983	27,917
	698,094	261,757	128,590	127,810	12,983	1,229,234

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

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

(32) PRODUCTION COSTS

	2023	2022
	JD ('000)	JD ('000)
Work in progress beginning balance	10,877	6,792
Add:		
Raw materials	193,327	367,900
Mining contractors	133,648	160,763
Salaries and other benefits	71,118	84,688
Utilities	24,952	18,987
Fuel and oil	22,136	15,085
Spare parts and consumables	13,741	21,833
Depreciation	12,348	11,765
Raw materials purchases	10,591	23,615
Others	22,530	23,000
Less: Work in progress ending balance (Note 10)	(12,803)	(10,877)
	502,465	723,551

(33) SALARIES AND EMPLOYEES BENEFITS

	2023	2022
	JD ('000)	JD ('000)
Salaries and allowances	51,980	55,845
End-of-service, indemnity fund, death fund and other compensations	15,744	14,530
Production bonus*	7,491	17,680
Social security contribution	6,839	7,635
Paid end-of-service indemnity	3,601	3,730
Employees medical expenses	2,353	2,652
Saving Fund	2,028	2,123
Employees family's health insurance	1,968	2,041
Employees meals subsidy	875	554
Present value of end-of-service bonus compensation	200	200
	93,079	106,990

* Production bonus was calculated at a percentage of 2% of adjusted net income for Jordan Phosphate Mines Company, Indo Jordan Chemicals Company and Nippon Jordan Fertilizers Company separately. Production bonus expense for the year 2023 amounted to JD 6,298 for Jordan Phosphate Mines Company, JD 1,066 thousand for Indo Jordan Chemicals Company and JD 127 thousand for Nippon Jordan Fertilizers Company.

(34) NEW PHOSPHATE PORT TERMINAL EXPENSES

	2023	2022
	JD ('000)	JD ('000)
Amortizations (Note 6)	6,361	6,361
Salaries, wages and other benefits	2,786	2,665
Water and electricity	1,755	1,911
Property and equipment insurance	1,351	937
Rent and workers' wages	77	406
Others	1,372	2,521
	13,702	14,801

(35) COMMITMENTS AND CONTINGENCIES

Guarantees and letters of credit

On the date of the consolidated financial statements, the Group has potential contingencies in the form of letters of credit and issued guarantees as at 31 December 2023 with an amount of JD 38,195 thousand and JD 15,445 thousand respectively (31 December 2022: JD 110,708 thousand and JD 14,983 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 2023 amounted to JD 13,688. On 16 November 2016, Jordan Ahli Bank recorded an amount of JD 7,639 thousand to the Company's account, which represents the syndicated bank loan installment and credit facilities granted and interest due on the Company, except that the company does not have active balances with Jordan Ahli Bank as at 31 December 2023 and 2022. Accordingly, an agreement between Jordan Abyad Fertilizers and Chemicals Company, and Jordan Ahli Bank has been reached to reschedule loans granted to the Company, also an agreement between the partners and the bank has been reached to consider the payment that the bank recorded on 16 November 2016 on the Jordan Phosphate company account as part of the debt that was rescheduled and due on the Jordan Abyad Fertilizers and Chemicals Company.

In addition, the group has taken a provision against its share of the Company's capital according to the requirements of IFRS (9) due to the substantial uncertainty about the ability of the Jordan Abyad Fertilizers and Chemicals Company to continue its operation as a going concern entity. Knowing that by the end of year 2019, the Jordan Abyad Fertilizers and Chemicals Company was unable to pay the interest due on loans.

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

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 2023, the value of the Groups shares amounted to JD 20,721 thousand.

The Group recorded provision against probable contingent liabilities that may raise from letters of credit and issued guarantees amounted to JD 32,500 thousand as of 31 December 2023 (2022: JD 32,500 thousand). There was no movement on the provision for the years ended 31 December 2023 and 2022.

Litigation

The Group is a defendant in a number of lawsuits and claims in the ordinary course of business totaling approximately to JD 665 thousand as of 31 December 2023 (2022: JD 739 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.

In December 2022, the Company filed a lawsuit against Manajem for Mining Development (Associate Company) as a claim on Company's share from dividends distributed in general assembly meeting dated 28 October 2020 in addition to the consequent delay benefits. The first instance court decided to obligate Manajem for Mining Development with the accrued amounts in addition to the legal interest. Subsequent to the consolidated financial statements date, the defendant paid an amount of JD 6,440 thousand which represents the Company's accrued dividends. The case is still pending at the appellate court.

The Group is defendant:

During November of 2019, Manajem filed a lawsuit against Jordan Phosphate Mines Company on the subject of a financial claim of JD 3,558 thousand. The court decided to dismiss the case. The plaintiff has submitted a request to appeal the decision. The case is still pending at the appellate court.

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 court decided to dismiss the case on 23 October 2023. The plaintiff has submitted a request to appeal the decision. 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 at the court.

During June 2021, Manjem for Mining Development Company filed a lawsuit against Jordan Phosphate Mines Company on the subject of a financial claim worth JD 19,917 thousand regarding value of works completed according to tenders. Subsequent to the consolidated financial statements date, The Company has handed the court a cheque for the plaintiff in an amount JD 13,800 thousand. The lawsuit is still pending at the court.

Manajem for Mining Development Company and Jordan Economic Development and Trading Company (Comedat) filed a lawsuit against Jordan Phosphate Mines Company on the subject of financial claim worth JD 50,000 thousand in compensation for breach of its obligation under the partners' agreement concluded between the Company and the plaintiffs. The case is pending at the court.

Jordan Ahli bank

Jordan Ahli bank filed lawsuits against Abyad Company (Associate Company) and its guarantor shareholders to claim due payments on the syndicated loan (Finance lease) worth JD 26,727 thousand, US dollars 23,554 thousand, JD 823 thousand and US dollars 15,266 thousand. During May 2023 the court decided to obligate the Company jointly and solidarity with Abyad Company (Associate Company) to pay JD 20,739 and US dollars 23,177 to Jordan Ahli bank within the limits of its share of the guarantee. The Company submitted a request to appeal the court decision. The lawsuit is still pending noting that precautionary seizure was placed on a part of the company's immovable funds. The Group maintains a provision of an amount of JD 13,688 thousand, which represents the group's share of the loan guarantee included within other provisions. Moreover, during December 2022 the court decided to obligate the Company jointly and solidarity with Abyad Company (Associate Company) to pay JD 453 thousand, JD 349 thousand, US dollars 4,368 and US dollars 10,814 thousand to Jordan Ahli bank within the limits of its share of the guarantee. The Company submitted a request to appeal the court decision and the case is still pending at the appellate court.

Jordan Economic Development and Trading Company (Comedat)

Jordan Economic Development and Trading Company (Comedat) filed a lawsuit against Jordan Phosphate Mines Company on the subject of a claim worth JD 300 thousand as a result of excluding the plaintiff from the proposed tenders and excluding the plaintiff offers to enter the proposed tenders. The lawsuit is still pending at the court.

Obligations related to rehabilitation of mines and factories

The Group's activities are represented in industrial and mining rights, which may have an impact on the environment. The Group performed the environmental impacts study, and in the opinion of the management, there are no impacts that may result in environmental obligations, as at 31 December 2023.

(36) RELATED PARTY TRANSACTIONS

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

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

The following is a summary of related parties' transactions for the years ended 31 December 2023 and 2022:

	Related parties			Total	
	Associate companies and joint ventures	Government of Jordan*	Others**	2023	2022
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
Consolidated statement of financial position items:					
Accounts receivable***	54,182	-	30,161	84,343	99,356
Accounts payable	1,916	-	-	1,916	2,981
Loans receivable ***	13,460	-	-	13,460	13,460
Accrued expenses	-	4,819	-	4,819	6,351
Other debit balances	-	29,834	-	29,834	50,000
Off consolidated statement of financial position items:					
Guaranteed loans	34,409	-	-	34,409	39,188
Consolidated statement of income items:					
Sales	150,374	-	316,936	467,310	663,387
Purchases	14,417	-	-	14,417	28,495
Mining fees	-	40,228	-	40,228	51,619
Port fees	-	5,035	-	5,035	5,135
Other income	6,260	-	-	6,260	5,851
Land lease	-	8,708	-	8,708	9,091

* 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 392,351 thousand and JD 402,269 thousand for the years ended 31 December 2023 and 2022 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 9,717 thousand and JD 7,018 thousand as of 31 December 2023 (2022: JD 14,322 thousand and JD 7,018 thousand). Expected future cash inflows from Jordan Abyad Fertilizers Company's loan was discounted using the market weighted average interest rate.

The following is a summary of the compensation (salaries, wages and other benefits) of the key management personnel, Departments managers and Group's board of directors:

	2023	2022
	JD ('000)	JD ('000)
Salaries and bonuses of senior executive management and departments managers	1,183	814
Bonuses and transportation of the Board of Directors	1,761	1,281

The value of end-of-service indemnity compensation paid to key management personnel whose service ended during 2023 amounted to JD 413 thousand (2022: JD 310 thousand).

Main transactions with the Government of Jordan:

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

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

(37) MATERIAL PARTLY OWNED SUBSIDIARIES

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

			Non-controlling interest	
Company name	Country of incorporation	Nature of activity	2023	2022
			JD ('000)	JD ('000)
Nippon Jordan Fertilizers Company Limited	Jordan	Production and sale of fertilizers and chemical by-products	20%	20%

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

Accumulated balances of non-controlling interest	2023	2022
	JD ('000)	JD ('000)
Nippon Jordan Fertilizers Company Limited	7,053	5,792

Profit attributable to non-controlling interest	2023	2022
	JD ('000)	JD ('000)
Comprehensive income of Nippon Jordan Fertilizers Company Limited	1,261	1,826

A. Financial position

	2023	2022
	JD ('000)	JD ('000)
Current assets	40,880	35,687
Non-current assets	5,563	4,886
Current liabilities	(8,224)	(9,060)
Non-current liabilities	(3,062)	(2,658)
Difference between book and market value at acquisition	107	107
Total equity	35,264	28,962
Non-controlling interest in equity	7,053	5,792

B. Profit and loss

	2023 JD ('000)	2022 JD ('000)
Sales revenue	127,810	149,361
Cost of sales	(118,462)	(135,207)
Gross profit	9,348	14,154
Sales and marketing expenses	(1,397)	(1,431)
Administrative expenses	(1,579)	(1,692)
Operating profit	6,372	11,031
Interest revenue	501	7
Finance cost	(438)	(162)
Other revenues	94	108
Death and compensation funds provision	-	(2,298)
Provision for Inventory impairment	(52)	10
Profit for the year	6,477	8,696
Other comprehensive income items	(172)	435
Total comprehensive income	6,305	9,131
Total comprehensive income attributable to non-controlling interest	1,261	1,826

C. Statement of cash flow

	2023 JD ('000)	2022 JD ('000)
Operating activities	16,991	5,122
Investing activities	(496)	(350)
Financing activities	(315)	(250)
Net increase in cash and cash equivalents	16,180	4,522

(38) ACQUISITION OF NON-CONTROLLING INTERESTS

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

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

(39) FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments include financial assets and financial liabilities.

Financial assets include cash on hand and at banks, accounts receivables, debit loans, employees housing loans, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and some other current assets. Financial liabilities include loans, 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.

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

	Level 1	Level 2	Level 3	Total
2023-	JD ('000)	JD ('000)	JD ('000)	JD ('000)
Financial assets				
Financial assets at fair value through other comprehensive income	38	-	266	304
Financial assets at fair value through profit or loss	374	-	-	374
2022-				
Financial assets				
Financial assets at fair value through other comprehensive income	119	-	266	385
Financial assets at fair value through profit or loss	434	-	-	434

(40) RISK MANAGEMENT

Interest rate risk

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

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

The sensitivity of the consolidated income statement is the effect of the possible assumed changes in interest rates on the group's profit for one year, and it is calculated on financial assets and liabilities bearing a variable interest rate as of 31 December 2023 and 2022.

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:

2023-	Increase in interest rates	Effect on profit
Currency	Basis points	JD'(000)
JOD	100	7,394
USD	100	296

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

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 or 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*
2023-	*%*	*JD ('000)*	*JD ('000)*
Index			
Amman Stock Exchange	5	19	2
2022-			
Index			
Amman Stock Exchange	5	22	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.

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.

<u>Accounts Receivables</u>
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 44% of outstanding accounts receivable as at 31 December 2023 (2022: largest 7 customers account for 72%).

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 2023 and 2022, based on contractual payment dates and current market interest rates.

As of 31 December 2023	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	36	1,349	-	-	1,385
Accounts payable	62,465	-	-	-	62,465
Accrued expenses	32,368	-	-	-	32,368
Employees' benefits provisions	-	36,211	15,380	143,874	195,465
Loans payable	1,396	4,187	36,183	4,277	46,043
Lease contracts liabilities	1,131	5,881	26,417	34,781	68,210
Total	97,396	47,628	77,980	182,932	405,936

As of 31 December 2022	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	12	469	-	-	481
Accounts payable	79,936	-	-	-	79,936
Accrued expenses	48,790	-	-	-	48,790
Employees' benefits provisions	-	44,865	10,624	110,050	165,539
Term loans	3,288	12,184	34,884	9,775	60,131
Lease contracts liabilities	1,121	6,099	36,100	42,631	85,951
Total	133,147	63,617	81,608	162,456	440,828

Currency risk

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

(41) CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. The Company's General Assembly approved in its extra ordinary meeting held during 2023 the increase of Company's capital by capitalizing an amount of JD 165,000 thousand from retained earnings balance which represents 200% of authorized, subscribed and issued capital and to distribute it as stock dividends to the shareholders. the authorized, subscribed and issued capital balance become JD 247,500 thousand as of 31 December 2023 (Note 14).

Capital comprises paid in capital, statutory reserve, voluntary reserve, special reserve, acquisition of non–controlling interest reserve and retained earnings, and is measured at JD 1,677,224 thousand as at 31 December 2023 (2022: JD 1,478,966 thousand).

(42) DIVIDENDS

The General Assembly approved in its ordinary meeting held on 4 April 2023 to distribute cash dividends to shareholders amounted to 300% of the stock par value from 2022 profits.

The General Assembly approved in its extra ordinary meeting held on 4 April 2023 to distribute free shares amounted to 200% of the stock par value. Also, the General Assembly approved the increase of Company's capital by capitalizing an amount of JD 165,000 thousand from retained earnings balance which represents 200% of authorized, subscribed and issued capital and to distribute it as stock dividends to the shareholders. the authorized, subscribed and issued capital balance become JD 247,500 thousand.

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

(43) Comparative figures

Some of 2022 figures have been reclassified in order to conform with the presentation of 2023 figures. Such classification does not affect previously reported profit or equity for the year 2022.

(44) STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied etrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed.

The amendments are not expected to have a material impact on the Group's consolidated financial statements.

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

In January 2020 and October 2022, 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

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

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's consolidated financial statements.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

The amendments are not expected to have a material impact on the Group's consolidated financial statements.

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