

SINIORA FOOD INDUSTRIES COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN

CONDENSED CONSOLIDATED INTERIM  
FINANCIAL INFORMATION FOR  
THE THREE MONTHS  
ENDED MARCH 31, 2022  
TOGETHER WITH THE REVIEW REPORT

SINIORA FOOD INDUSTRIES COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – JORDAN  
MARCH 31, 2022

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## Review Report

AM/ 006655

To the Chairman and Members of the Board of Directors  
Siniora Food Industries Company  
(A Public Shareholding Limited Company)  
Amman – Jordan

### **Introduction**

We have reviewed the accompanying condensed consolidated interim statement of financial position of Siniora Food Industries Company (A Public Shareholding Limited Company) (The Company) and its subsidiaries (together "The Group") as of March 31, 2022 and the related condensed consolidated interim statements of profit or loss, other comprehensive income, changes in owner's equity and cash flows for three-months period then ended, and a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial information in accordance with International Accounting Standard (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed consolidated interim financial information based on our review.

### **Scope of Review**

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

### **Conclusion**

Based on our review, nothing has come to our attention that the accompanying condensed consolidated interim financial information of Siniora Food Industries Company (A Public Shareholding Limited Company) are not prepared in all material aspects in accordance with International Accounting Standard No. (34) related to the Interim Financial Reporting.

### **Other Matter**

The accompanying condensed consolidated interim financial statements are a translation of the statutory condensed consolidated interim financial information in the Arabic language to which reference is to be made.

Amman - Jordan  
April 28, 2022

  
Deloitte & Touche (M.E.) – Jordan  
**Deloitte & Touche (M.E.)**  
ديلويت أند توش (الشرق الأوسط)  
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SINIORA FOOD INDUSTRIES COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN-JORDAN  
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

<u>ASSETS</u>	Note	March 31, 2022 (Reviewed)	December 31, 2021 (Audited)
Current Assets:		JD	JD
Cash on hand and at banks		4,524,767	3,028,541
Accounts receivable - net	5	22,970,658	19,997,744
Inventory – net	6	19,175,713	15,723,829
Due from related parties	15	2,616,366	983,304
Other debit balances	7	4,068,508	3,023,695
Total Current Assets		<u>53,356,012</u>	<u>42,757,113</u>
Non-Current Assets:			
Deferred tax assets		514,533	400,656
Intangible assets		13,104,909	13,397,450
Property and equipment – net	8	44,239,736	43,261,665
Right-of-use assets		856,139	922,802
Total Non-Current Assets		<u>58,715,317</u>	<u>57,982,573</u>
TOTAL ASSETS		<u>112,071,329</u>	<u>100,739,686</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Due to banks	9	7,169,470	4,485,436
Notes payable		1,875,270	1,599,043
Accounts payable		9,365,629	8,346,915
Due to related parties	15	247,340	269,425
Deposits and accrued expenses	10	8,565,341	6,488,139
Lease liabilities due within one year		533,265	488,922
Loans installments due within one year	11	13,929,609	11,547,310
Income tax provision	12	872,032	611,493
Total Current Liabilities		<u>42,557,956</u>	<u>33,836,683</u>
Non-Current Liabilities:			
Loans installments due within more than one year	11	24,915,279	24,167,279
Lease liabilities due within more than one year		556,222	678,367
Provision for end-of-service indemnity		3,852,282	3,651,637
Total Non-Current liabilities		<u>29,323,783</u>	<u>28,497,283</u>
TOTAL LIABILITIES		<u>71,881,739</u>	<u>62,333,966</u>
<u>OWNERS' EQUITY</u>			
Paid-up capital	1	28,000,000	28,000,000
Statutory reserve		5,992,223	5,992,223
Retained earnings		13,204,094	13,204,094
Effect of the purchase of non-controlling interest shares		(2,463,786)	(2,463,786)
Foreign currencies translation		(10,097,128)	(9,665,196)
Actuarial (losses) arising from the end of service indemnity		(9,618)	(5,749)
Profit for the period		2,368,360	-
TOTAL SHAREHOLDERS' EQUITY		<u>36,994,145</u>	<u>35,061,586</u>
Non-controlling interest	16	3,195,445	3,344,134
TOTAL OWNERS' EQUITY		<u>40,189,590</u>	<u>38,405,720</u>
TOTAL LIABILITIES AND OWNERS' EQUITY		<u>112,071,329</u>	<u>100,739,686</u>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.

SINIORA FOOD INDUSTRIES COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – JORDAN  
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

	<u>Note</u>	For the Three Months Ended March 31,	
		2022	2021
		(Reviewed)	(Reviewed)
		JD	JD
Net Sales		32,505,210	22,931,015
Cost of sales		<u>(22,212,106)</u>	<u>(14,611,361)</u>
Gross Profit		10,293,104	8,319,654
<u>Less:</u> Selling and distribution expenses		(3,573,779)	(2,693,921)
General and administrative expenses		(2,864,996)	(2,583,785)
Financing expenses		(799,235)	(515,382)
(Provision) for end of service indemnity		(259,876)	(92,504)
(Provision) for expected credit losses	5	(45,605)	(57,740)
(Provision) for slow-moving inventory	6	(40,886)	(21,300)
(Provision) for lawsuits and other commitments	10	(198,800)	-
Other revenue - net		123,168	111,954
Profit for the Period before Income Tax		<u>2,633,095</u>	<u>2,466,976</u>
<u>Less:</u> Income tax expense	12	<u>(283,247)</u>	<u>(288,130)</u>
Profit for the Period		<u><u>2,349,848</u></u>	<u><u>2,178,846</u></u>
Attributable to:			
Company's shareholders		2,368,360	2,136,835
Non-Controlling Interest		<u>(18,512)</u>	<u>42,011</u>
		<u><u>2,349,848</u></u>	<u><u>2,178,846</u></u>
Earning Per Share for The Period (Company's Shareholders)	13	<u><u>0.085</u></u>	<u><u>0.076</u></u>

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SINIORA FOOD INDUSTRIES COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – JORDAN  
CONDENSED CONSOLIDATED INTERIM  
STATEMENT OF COMPREHENSIVE INCOME

	For the Three Months Ended March 31,	
	2022 (Reviewed)	2021 (Reviewed)
	JD	JD
Profit for the period	2,349,848	2,178,846
<b><u>Other comprehensive income items which may be reclassified to profit or loss in the subsequent period</u></b>		
Foreign currencies translation	(560,953)	(1,139,653)
<b><u>Other comprehensive income items that will not be reclassified to profit or loss in the subsequent period</u></b>		
Actuarial (losses) arising from the end of service indemnity	(5,025)	(8,415)
<b>Total other comprehensive (loss) items for the period after tax</b>	<b><u>(565,978)</u></b>	<b><u>(1,148,068)</u></b>
<b>Total Comprehensive Income for the Period</b>	<b><u>1,783,870</u></b>	<b><u>1,030,778</u></b>
<u>Attributable to:</u>		
Company's shareholders	1,932,559	1,252,822
Non-controlling interest	(148,689)	(222,044)
	<b><u>1,783,870</u></b>	<b><u>1,030,778</u></b>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.

SINIORA FOOD INDUSTRIES COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – JORDAN  
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
(Reviewed not audited)

	Paid-up Capital	Statutory Reserve	Retained Earnings	Effect of the Purchase of Non- controlling Interest Shares	Foreign Currency Translation	Actuarial (losses) arising from the end of service Indemnity	Profit for the Period	Total Shareholders' Equity	Non- controlling Interest	Total Owners' Equity
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<u>For the Three Months Ended March 31, 2022</u>										
Balance at the beginning of the period (Audited)	28,000,000	5,992,223	13,204,094	(2,463,786)	(9,665,196)	(5,749)	-	35,061,586	3,344,134	38,405,720
Profit for the period	-	-	-	-	-	-	2,368,360	2,368,360	(18,512)	2,349,848
Other comprehensive income for the period	-	-	-	-	(431,932)	(3,869)	-	(435,801)	(130,177)	(565,978)
Total comprehensive income for the period	-	-	-	-	(431,932)	(3,869)	2,368,360	1,932,559	(148,689)	1,783,870
Balance at the End of the Period (Reviewed)	<u>28,000,000</u>	<u>5,992,223</u>	<u>13,204,094</u>	<u>(2,463,786)</u>	<u>(10,097,128)</u>	<u>(9,618)</u>	<u>2,368,360</u>	<u>36,994,145</u>	<u>3,195,445</u>	<u>40,189,590</u>
<u>For the Three Months Ended March 31, 2021</u>										
Balance at the beginning of the period (Audited)	27,000,000	5,254,021	11,173,660	(2,463,786)	-	-	-	40,963,895	-	40,963,895
Profit for the period	-	-	-	-	-	-	2,136,835	2,136,835	42,011	2,178,846
Other comprehensive income for the period	-	-	-	-	(877,533)	(6,480)	-	(884,013)	(264,055)	(1,148,068)
Total comprehensive income for the period	-	-	-	-	(877,533)	(6,480)	2,136,835	1,252,822	(222,044)	1,030,778
Non-controlling interest resulted from purchases a subsidiary	-	-	-	-	-	-	-	-	1,877,627	1,877,627
Balance at the End of the Period (Reviewed)	<u>27,000,000</u>	<u>5,254,021</u>	<u>11,173,660</u>	<u>(2,463,786)</u>	<u>(877,533)</u>	<u>(6,480)</u>	<u>2,136,835</u>	<u>42,216,717</u>	<u>1,655,583</u>	<u>43,872,300</u>

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CONSOLIDATED INTERIM FINANCIAL INFORMATION AND SHOULD BE READ WITH THE REVIEW REPORT.

SINIORA FOOD INDUSTRIES COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – JORDAN  
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

	Note	For the Three Months Ended March 31,	
		2022 (Reviewed)	2021 (Reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit for the period before tax		JD 2,633,095	JD 2,466,976
Adjustments:			
Depreciation of property and equipment		885,969	971,606
Amortization of right of use		195,674	63,299
Amortization of intangible assets		5,400	38,892
Provision for expected credit losses	5	45,605	57,740
Provision for end of service indemnity		259,876	92,504
Provision for slow-moving inventory	6	40,886	21,300
Provision for lawsuits and other commitments		198,800	-
Loss (gain) from sale of property and equipment	8	3,102	(51,945)
(Gain) / losses of foreign currency differences		(166,031)	88,990
Cash Flows from Operations before Changes in Working Capital items		4,102,376	3,749,362
(Increase) in accounts receivable		(3,018,519)	(1,339,039)
(Increase) in due from related parties		(1,633,062)	(1,010,692)
(Increase) decrease in inventory		(3,492,770)	1,146,534
(Increase) decrease in other debit balances		(1,044,813)	118,467
Increase (decrease) in notes payable		276,227	(235,572)
Increase (decrease) in accounts payable		1,018,714	(1,411,286)
(Decrease) increase in due to related parties		(22,085)	49,351
Increase in deposits and accrued expenses		1,878,402	832,905
Cash Flows (Used in) from Operating Activities before Tax and Provision of End of Service Indemnity Paid		(1,935,530)	1,900,030
Income tax paid	12	(141,156)	(250,842)
Provision of end-of-service indemnity paid		(14,909)	(121,277)
Net Cash Flows (Used in) from Operating Activities		(2,091,595)	1,527,911
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Purchase) of property and equipment	8	(2,156,924)	(1,369,589)
Payments to purchase a subsidiary		-	(16,348,787)
Proceeds from sale of property and equipment	8	11,232	51,945
(Purchase) of intangible assets		-	(12,769)
Net Cash Flows (Used in) Investing Activities		(2,145,692)	(17,679,200)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowed fund during the period	11	4,376,524	24,642,580
Loans installments paid during the period	11	(1,246,225)	(7,435,120)
Increase in due to banks		2,684,034	3,180,065
Lease liabilities payments		(80,820)	(168,493)
Net Cash Flows from Financing Activities		5,733,513	20,219,032
Net Increase in Cash		1,496,226	4,067,743
Cash on hand and at banks – Beginning of the Period		3,028,541	1,327,662
Increase in cash as a result of the acquisition of a subsidiary		-	131,781
Cash on Hand and at Banks - End of the Period		4,524,767	5,527,186

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CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.

SINIORA FOOD INDUSTRIES COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – JORDAN

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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1. General

- a. Siniora Food Industries Company was established and registered at the Ministry of Industry and Trade as a limited liability Company under No. (2890) on July 27, 1992 with an authorized and paid-up capital of JD 400,000. The Company's paid-up capital has been increased several times, the last increase was in the extraordinary meeting held on April 21, 2021, whereby the General Assembly decided to approve the increase of the Company's capital by JD 1 million / share to become JD 28 million / share. The Company has completed the legal procedures related to the capital increase with the regulatory authorities on June 20, 2021.
- b. According to the Ministry of Industry and Trade Letter No. MSH/2/2890/32377 dated November 11, 2008, which includes the approval of the Minister of Industry and Trade on converting the legal form of Siniora Food Industries Company from a limited liability company to a public shareholding limited company, the General Assembly approved in its ordinary meeting dated February 4, 2009, the procedures followed to convert the Company's legal form. Moreover, the Company has been registered as a public shareholding limited company in the Public Shareholding Companies Register under number (459) on January 8, 2009.
- c. The Company was registered under number 07/6315110301 to practice the industrial activity in King Abdullah II Development Area / Sahab.
- d. The Company is 65.6% owned by Arab Palestinian Investment Company, which is considered the main shareholder of the Company.
- e. The Company's main objectives are producing, selling and buying meat and its byproducts; importing and exporting the necessary raw materials; and producing food products and trading them.

2. Basis of Consolidation of the Condensed Interim Financial Statements

The condensed consolidated interim financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company has the power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affects its returns. Moreover the revenue and expenses transactions and balances between the company and its subsidiaries are eliminated.

The financial statements of the subsidiary companies were prepared using the same accounting policies adopted by the Company. If the accounting policies adopted by the subsidiary are different from those used by the Company, the necessary adjustments to the financial statements of the subsidiary company are made to comply with the accounting policies used by the Company.

- The Company owns the following subsidiaries as of March 31, 2022:

<b>Name of Company</b>	<b>Paid-up Capital</b>	<b>Percentage of Ownership</b>	<b>Business Nature of the Company</b>	<b>Location</b>	<b>Acquisition / Inception Date</b>
Siniora Food Industries Company- Palestine	USD 5,206,791	100%	Manufacturing	Palestine	January 25, 2006
Siniora Food Holding Limited Company	AED 60 million	100%	Holding	United Arab Emirates	February 25, 2016
Tarakya Company for the Manufacture and Trade of Meat and Dairy Products *	71.4 million Turkish Liras	77%	Manufacturing	Turkey	March 1, 2021

- Siniora Food Holding Limited company owns the following subsidiaries as of March 31, 2022 directly or indirectly:

<b>Name of Company</b>	<b>Paid-up Capital</b>	<b>Percentage of Ownership</b>	<b>Business Nature of the Company</b>	<b>Location</b>	<b>Acquisition / Inception Date</b>
Saudi Siniora Trading Company	SAR 10,000,000	100%	Trading	Saudi Arabia	August 17, 2009
Diamond Meat Processing Company	AED 300,000	100%	Manufacturing	United Arab Emirates	April 5, 2016
Siniora Gulf General Trading Company	AED 1,000,000	100%	Trading	United Arab Emirates	August 6, 2014

The results of operations of the subsidiary companies are consolidated into the condensed consolidated interim statement of profit or loss and comprehensive income from the effective date of acquisition, which is the date on which actual control over the subsidiary company is obtained. Moreover, the results of operations of the disposed subsidiaries are incorporated into the condensed consolidated statement of profit or loss and comprehensive income up to the effective date of disposal which is the date on which the Company loses control over the subsidiary companies.

- \* On first of March 2021, the Group completed all legal procedures to purchase 77% of Tarakya Meat Industry Company shares in the Republic of Turkey, with a total value of 165.4 million Turkish Liras equivalent to JD 16.35 million as that date, accordingly, the Group assumed control of Tarakya Company for the Manufacture and Trade of Meat and Dairy Products and consolidate its net assets up to date.

The invested Company's capital was also increased by 50 million Turkish liras, the Group's share of this increase was about JD 38.5 million Turkish liras, which is equivalent to about JD 3.8 million as of that date.

### 3. Significant Accounting Policies

The accounting policies used in the preparation of the condensed consolidated interim financial information for the period ended on March 31, 2022 are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2021. However, the Group has adopted the following amendments and interpretations that apply for the first time in 2022 and have not materially affected the amounts and disclosures in the condensed consolidated interim financial information for the period and prior years, which may have an impact on the accounting treatment of future transactions and arrangements.

#### **Amendments to IAS 1 – Classification of Liabilities as Current or Non-current**

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or noncurrent is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

#### **Amendments to IFRS 3 – Reference to the Conceptual Framework**

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

#### **Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

### **Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use**

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 “Inventories”.

The amendments also clarify the meaning of ‘testing whether an asset is functioning properly’. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity’s ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

### **IFRS Financial Enhancements 2018-2020**

#### IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16 (a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent’s consolidated financial statements, based on the parent’s date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16 (a).

#### IFRS 9 Financial Instruments

The amendment clarifies that in applying the ‘10 per cent’ test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

#### IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

4. Significant Accounting Judgments and key Sources of Uncertainty Estimates and Risk Management

The preparation of the condensed consolidated interim financial information and application of the accounting policies require the group management to make judgments, estimates, and assumptions that affect the amounts of financial assets and financial liabilities and to disclose the contingent liabilities. Moreover, these estimates and judgments affect revenue, expenses and provisions in general and the expected credit losses. In particular, the Group management requires judgments to be made to estimate the amounts and timing of future cash flows. These mentioned estimates are necessarily based on multiple hypotheses and factors with varying degrees of estimation and uncertainty. The actual results may differ from estimates due to the changes arising from the conditions and circumstances of those estimates in the future.

We believe that the estimates used in the preparation of these condensed consolidated interim financial information are reasonable and consistent with those used in the preparation of the consolidated financial statements for the year ended 2021.

5. Accounts Receivable - Net

a. This item consists of the following:

	March 31, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Trade receivables	22,806,920	19,705,316
Cheques under collection maturing within 3 months	<u>2,132,391</u>	<u>2,226,978</u>
	24,939,311	21,932,294
<u>Less: Provision for expected credit losses</u>	<u>(1,968,653)</u>	<u>(1,934,550)</u>
Net Accounts Receivables	<u>22,970,658</u>	<u>19,997,744</u>

The table below illustrates the determination of the risk of trade receivables based on the provision's matrix:

<u>As of March 31, 2022</u>	Current receivables (not past due) *	<u>Receivables are past due</u>				Total
		Less than 90 days	From 91 days to 180 days	From 181 days to 365 days	More than 365 days	
		JD	JD	JD	JD	
Total trade receivables	19,295,072	3,886,729	200,172	109,146	1,448,192	24,939,311
Expected credit loss	115,238	291,505	70,060	43,658	1,448,192	1,968,653
Expected credit loss rate	%0.05	%8	%35	%40	%100	%8

<u>As of December 31, 2021</u>	Current receivables (not past due) *	<u>Receivables are past due</u>				Total
		Less than 90 days	From 90 days to 180 days	From 181 days to 365 days	More than 365 days	
		JD	JD	JD	JD	
Total trade receivables	14,706,084	5,212,855	635,048	418,121	960,186	21,932,294
Expected credit loss	115,725	469,124	222,267	167,248	960,186	1,934,550
Expected credit loss rate	%1	%9	%35	%40	%100	%9

\* Current receivables include short-term checks due within 3 months.

b. The movement on the expected credit loss during the period / year is as follows:

	For the period ended March 31, 2022 (Reviewed)		
	Stage 2	Stage 3	Total
	JD	JD	JD
Balance – beginning of the period	974,364	960,186	1,934,550
<u>Add: Provision booked during the period</u>	(448,517)	494,122	45,605
Foreign currencies translation	(5,386)	(6,116)	(11,502)
Balance – End of the Period	<u>520,461</u>	<u>1,448,192</u>	<u>1,968,653</u>

  

	For the year ended December 31, 2021 (Audited)		
	Stage 2	Stage 3	Total
	JD	JD	JD
Balance – beginning of the year	496,190	1,053,890	1,550,080
<u>Add: Increase in provision due to acquisition of a subsidiary</u>	412,667	23,716	436,383
<u>Add: Provision booked during the year</u>	124,190	18,102	142,292
Foreign currencies translation	(58,683)	(135,522)	(194,205)
Balance – End of the Year	<u>974,364</u>	<u>960,186</u>	<u>1,934,550</u>

6. Inventory - Net

a. This item consists of the following:

	March 31, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Raw materials	11,035,224	8,992,977
Finished products	5,767,693	4,446,468
Detergents and uniforms	306,203	770,976
Spare parts	3,078,553	2,300,019
	<u>20,187,673</u>	<u>16,510,440</u>
<u>Less: Provision for slow-moving items</u>	(1,111,800)	(1,070,914)
	19,075,873	15,439,526
Goods in transit	99,840	284,303
	<u>19,175,713</u>	<u>15,723,829</u>

b. The movement on the provision for slow-moving items during the period/ year is as follows:

	For the Three Months Ended March 31, 2022 (Reviewed)	For the Year Ended December 31, 2021 (Audited)
	JD	JD
Balance - beginning of the period /year	1,070,914	963,945
<u>Add: Provision booked during the period / year</u>	40,886	111,120
<u>Less: Recovered from provision for the period / year</u>	-	(4,151)
Balance - End of the Period / Year	<u>1,111,800</u>	<u>1,070,914</u>

## 7. Other Debit Balances

This item consists of the following:

	March 31, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Advances to suppliers	2,068,944	1,392,569
Prepayments	1,625,855	1,274,658
Refundable deposits	96,996	193,214
Others	276,713	163,254
	<u>4,068,508</u>	<u>3,023,695</u>

## 8. Property and Equipment - Net

During the three-month period ended March 31, 2022 the Group acquired property and equipment with a total cost of JD 2,156,924 which mainly as result of additions to project under constructions from Siniora Food Industries – Jordan with an amount of JD 1,316,115 (JD 1,369,589 acquired property and equipment during the three months period ended March 31, 2021).

Property and equipment at net book value of JD 19,334 were disposed by the Group resulting in a net loss of JD 3,102 during the three months ended March 31, 2022 (Disposal of net book value with an amount of JD 4,529 during the three months ended March 31, 2021 resulting in a net gain amounted to JD 51,945 during the three months period ended March 31, 2021).

## 9. Due to Banks

This item consists of credit facilities/ overdraft as the following:

	Utilized Balance		Ceiling	Annual Interest Rate	Maturity Date
	March 31, 2022 (Reviewed)	December 31, 2021 (Audited)			
	JD		JD	%	
Arab Bank – Palestine	1,178,745	-	1,418,000	3.35%	June 30, 2022
Cairo Amman Bank – Palestine	888,712	1,017,742	1,418,000	4%	May 31, 2022
Bank of Palestine – Palestine	1,370,420	766,592	2,127,000	5%	October 23, 2022
				Libor 3 months +	
Bank of Jordan – Palestine	478,247	569,313	709,000	3.75%	September 23, 2022
National Bank – Palestine	1,809	1,783	354,500	5%	December 20, 2022
Arab Bank – Jordan (1)	131,026	-	500,000	8.625%	May 19, 2022
				Libor 3 months +	
Arab Bank – Jordan (2)	330,459	-	355,000	2.25%	May 19, 2022
Soiciate General – Jordan	607,414	585,937	1,000,000	7.25%	July 31, 2022
Jordan Kuwait Bank – Jordan	188,670	240,377	500,000	8.5%	June 22, 2022
Capital Bank – Jordan (1)	543,903	281,726	1,000,000	7%	August 18, 2022
Capital Bank – Jordan (2)	494,291	606,731	709,000	Libor month + 2.25%	August 18, 2022
Investment Bank – Jordan	324,808	17,425	250,000	8%	April 30, 2022
Bank of Jordan – Jordan	630,966	397,810	800,000	8.25%	April 30, 2022
	<u>7,169,470</u>	<u>4,485,436</u>	<u>11,140,500</u>		

- These facilities were granted to finance the working capital for the Group and are guaranteed by the Siniora Food Industries Company / Jordan.

10. Deposits and Accrued Expenses  
This item consists of the following:

	March 31, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Remunerations and accrued salaries	2,206,764	1,626,819
Income tax deposits	687,064	647,191
Provision for lawsuits and other commitments *	460,680	261,880
Accrued customer's sales commissions	549,775	355,192
Accrued insurance expenses	697,596	418,862
Provision for paid leaves	614,905	580,048
Sales return provision	493,362	398,985
Credit cards	122,972	130,394
Accrued utilities and phone expenses	49,942	5,087
Professional fees	193,203	137,704
Social security deposits	248,632	120,252
Media and advertising	140,581	166,209
Accrued interest expenses	576,041	371,505
Advanced payment from customers	78,341	158,985
Accrued rent	123,620	57,900
Board of directors' remuneration	45,000	45,000
Board members transportation and representation of committees	240,300	170,500
Other	1,036,563	835,526
	<u>8,565,341</u>	<u>6,488,139</u>

\* This item includes a provision booked by the Group against contingent liabilities that may arise, the movement on this provision during the year was as follows:

	For the Three Months Ended March 31, 2022 (Reviewed)	For the Year Ended December 31, 2021 (Audited)
	JD	JD
Balance – beginning of the period / year	261,880	564,255
Add: Increase in provision due to acquisition of a subsidiary company	-	56,817
Add: Expense / (Released from) during the period / year	198,800	(167,157)
Less: Paid during the period / year	-	(166,549)
Less: Foreign currencies translation	-	(25,486)
Balance – End of the Period / Year	<u>460,680</u>	<u>261,880</u>

## 11. Loans

This item consists of the following:

	March 31, 2022 (Reviewed)			December 31, 2021 (Audited)		
	Loans installment due within one year	Loans installment due within more than year	Total	Loans installment due within one year	Loans installment due within more than year	Total
	JD	JD	JD	JD	JD	JD
Arab Bank-First Loan (a)	212,700	-	212,700	283,600	-	283,600
Arab Bank-Second Loan (b)	1,134,400	1,137,600	2,272,000	1,134,400	1,421,600	2,556,000
Arab Bank-Third Loan (c)	318,450	-	318,450	636,900	-	636,900
Arab Bank-Fourth Loan (d)	220,893	94,236	315,129	220,893	170,569	391,462
Arab Bank-Fifth Loan (e)	255,240	319,050	574,290	255,240	382,860	638,100
Arab Bank-Sixth Loan (f)	496,300	1,116,675	1,612,975	496,300	1,240,750	1,737,050
Bank of Jordan-First Loan (g)	350,000	2,589,163	2,939,163	350,000	1,560,601	1,910,601
Bank of Jordan-Second Loan (h)	354,500	1,997,641	2,352,141	354,500	1,681,269	2,035,769
Bank of Jordan-Third Loan (i)	-	-	-	66,368	-	66,368
Capital Bank-First Loan (j)	169,481	-	169,481	275,073	-	275,073
Capital Bank-Second Loan (k)	279,766	-	279,766	416,463	-	416,463
Sociate General-First Loan (l)	326,854	-	326,854	46,706	-	46,706
Sociate General-Second Loan (m)	517,801	-	517,801	425,856	-	425,856
Cairo Amman Bank-First Loan (n)	2,500,000	12,500,000	15,000,000	1,875,000	13,125,000	15,000,000
Safa Bank-First Loan (o)	833,333	4,166,667	5,000,000	625,000	4,375,000	5,000,000
Jordan Kuwait Bank-First Loan (p)	127,800	511,200	639,000	-	-	-
Loans granted to the subsidiary in Turkey (q)	5,832,091	483,047	6,315,138	4,085,011	209,630	4,294,641
	<u>13,929,609</u>	<u>24,915,279</u>	<u>38,844,888</u>	<u>11,547,310</u>	<u>24,167,279</u>	<u>35,714,589</u>

- a. Siniora Food Industries Company – Jordan signed a loan agreement with the Arab Bank for USD 2 million in order to complete various capital expansions during the year 2018, at an interest rate of 2.25% + three months LIBOR with a minimum limit of 3.25%. The loan is guaranteed by Siniora Food Industries Company – Jordan. The loan is to be repaid in 20 quarterly installments, the first installment is due on June 4, 2018.
- b. Siniora Food Industries Company – Jordan signed a loan agreement with Arab Bank for USD 6 million in order to re-finance the properties and equipment's of the Company, in addition to financing the permanent working capital needs of the Company at an interest rate of three months LIBOR + margin rate of 2.5% annually. The loan is guaranteed by Siniora Food Industries Company – Jordan. The loan is to be repaid in 20 quarterly installments. During 2019 the Company has raised the loan ceiling during the period by an amount of USD 2 million to become USD 8 million. The first installment to be due on June 30, 2019, with the rest of the loan terms remain unchanged.

- c. Siniora Food Holding Limited - United Arab Emirates have signed a credit facility agreement with Arab Bank – United Arab Emirates for AED 33 million, (which is equivalent to JD 6,369,000), in order to finance 75% of the purchase deal for a factory located in Dubai - UAE, with an annual interest rate of 3% + three months EIBOR with a minimum limit of 4%. The facilities are guaranteed by the mortgage of Siniora Food Holding Limited shares, in additions to a bank guarantee from Arab Bank –Jordan amounted USD 2.25 million renewed annually until the full payment of facilities. Moreover, the facilities are to be repaid in 20 quarterly installments, the first installment was due on March 28, 2017. During the year 2020, two installments were postponed in March and June 2020 to be due in March and June 2022.
- d. Diamond Meat Processing Company – United Arab of Emirates signed an overdraft agreement with Arab Bank – Dubai for AED 3.5 million (equivalent to JD 675,500) to finance 80% of the value of the purchase of some property and equipment for the factory and the renovation of the factory and furniture, with an interest rate of six month EIBOR + 4%. The loan is guaranteed by Siniora Food Industries Company – Jordan. The loan is to be repaid in 16 quarterly installments. The first installment is due one month after the grant date of the overdraft or the full withdrawal, whichever is earlier.
- e. Siniora Food Industries Company - Palestine signed a loan agreement with Arab Bank for USD 1,800,000 to finance 85% of the cost of purchasing a plot of land that will be exploited in the with an interest rate of 3 months LIBOR + 2.75% annually and a commission of 0.5% for once, this loan was granted on the bail of Siniora Company Jordan's food industry is to be repaid in 20 quarterly installments. The first installment was due on May 21, 2019. During the year 2020, an installment was postponed in May 2020 to be due in May 2024.
- f. Siniora Food Industries Company - Palestine signed a loan agreement with Arab Bank for USD 3,500,000 to finance 100% of the cost of processing and preparing the factory building and importing modern production lines with an interest rate of 3 months LIBOR + 2.75% and a commission of 0.5% for one time, this loan was granted on the bail of a company Siniora Food Industries Jordan to be repaid in 20 quarterly installments. The first installment was due on April 30, 2020. During the year 2020, an installment was postponed in April 2020 to be due in April 2025.
- g. Siniora Food Industries Company - Jordan signed a loan agreement with Bank of Jordan for JD 3,500,000 to finance the Company's Property, Plants and Equipment's with an annual interest rate of 7%. This loan was granted by Siniora Food Industries Company – Jordan to be repaid in 20 equal quarterly installments, amount of each installment JD 175,000 for 5 years. The payment of first installment will start after 12 months from the loan execution date on June 30, 2022 which interest is paid monthly.
- h. Siniora Food Industries Company - Jordan signed a loan agreement with Bank of Jordan for USD 5 million to complete the Company's several Capital expenditure with an interest rate of three months LIBOR + 3% minimum limit of 3.25%. This loan was granted by Siniora Food Industries Company – Jordan to be repaid in 20 equal quarterly installments amount of each installment USD 250,000 for 5 years. The payment of first installment will start after 12 months from the loan execution date on June 30, 2022 which interest is paid monthly.
- i. The Company signed a revolving loan agreement with Bank of Jordan for JD 300,000 to finance the working capital for Company with an interest rate 8.25%. The loan is guaranteed by Siniora Food Industries Company – Jordan. Each withdrawal from the revolving loan is to be paid by maximum of 150 days from the date of the withdrawal transaction.
- j. The Company signed a revolving loan agreement with Capital Bank for JD 1 million to finance the working capital for Company with an interest rate 7%. The loan is guaranteed by Siniora Food Industries Company – Jordan. Each withdrawal from the revolving loan is to be paid by maximum of 150 days from the date of the withdrawal transaction.

- k. The Company signed a revolving loan agreement with Capital Bank for USD 1 million to finance the working capital for Company with an interest rate of six months LIBOR + 2.25%. The loan is guaranteed by Siniora Food Industries Company – Jordan. Each withdrawal from the revolving loan is to be paid by maximum of 150 days from the date of the withdrawal transaction.
- l. The Company signed a revolving loan agreement with Société General for JD 1.3 million to finance the working capital for Company with an interest rate 7.25%. The loan is guaranteed by Siniora Food Industries Company – Jordan. Each withdrawal from the revolving loan is to be paid by maximum of 150 days from the date of the withdrawal transaction.
- m. The Company signed a revolving loan agreement with Société General for USD 1 million to finance the working capital for Company with an interest rate six months LIBOR + 3%. The loan is guaranteed by Siniora Food Industries Company – Jordan. Each withdrawal from the revolving loan is to be paid by maximum of 150 days from the date of the withdrawal transaction.
- n. Siniora Food Industries Company - Palestine signed a loan agreement with Cairo Amman Bank for JD 15,000,000 during the first half of year 2021 to finance acquisition deal of Tarakya Meat Industry Company shares located in Republic of Turkey through Siniora Food Industries - Jordan with an interest rate of (JD Monthly CAB Prime + 1%). The loan is guaranteed by the mortgage of the factory's land, and by the possessory mortgage on the machinery and equipment related to the Company's factory in Palestine in additions to guaranteed by Siniora Food Industries Company – Jordan. The loan is to be repaid in 24 quarterly installments after a grace period of 12 months during which interest is paid, noted that the first installment is due on May 15, 2022.
- o. Siniora Food Industries Company - Palestine signed a loan agreement with Safa Bank (Palestine) for JD 5,000,000 during the first half of year 2021 to finance acquisition deal of Tarakya Meat Industry Company shares located in Republic of Turkey through Siniora Food Industries - Jordan with Morabaha 5.5%. The loan is guaranteed by the mortgage of the factory's land, and by the possessory mortgage on the machinery and equipment related to the Company's factory in Palestine in additions to guaranteed by Siniora Food Industries Company – Jordan. The loan is to be repaid in 24 quarterly installments after a grace period of 12 months during which Morabaha is paid, noted that the first installment is due in May 15, 2022.
- p. Siniora Food Industries Company – Jordan signed a loan agreement with Jordan Kuwait Bank for USD 6.150 million with an interest rate of three months LIBOR + 2.25% minimum limit of 3.25%. The loan is guaranteed by the mortgage of the factory's land, and by the possessory mortgage on the machinery and equipment related to the Company's factory in Jordan, addition to, the endorsement of an insurance policy on the mortgaged machinery and equipment to the banks' benefit which possessed by Arab Bank against the loans obtained by the Company. The loan is to be repaid in 20 quarterly installments for 5 years, noted that the first installment is due in June 30, 2022.
- q. Tarakya for the Manufacture and Trade of Meat and Dairy Products (Subsidiary Company) obtained several loans totaling 35 loans from several banks in the Republic of Turkey with total value 113.27 million Turkish Liras (Equivalent to JD 6.3 million as of March 31, 2022) to finance working capital of the Company. Interest rates range from 7.8% to 29.5% and the due installment range from April 5, 2022 to January 21, 2024.

The movement for lease obligations during the period/ year were as follows:

	March 31, 2022 (Reviewed)	December 31,2021 (Audited)
	JD	JD
Beginning balance period/ year	35,714,589	11,216,383
Additions due to acquisition of a subsidiary company	-	6,054,632
Borrowed funds during the period / year	4,376,524	25,314,986
Loans installments paid during the period / year	(1,246,225)	(5,111,421)
Foreign currencies translation	-	(1,759,991)
Ending balance for the Period/ Year	<u>38,844,888</u>	<u>35,714,589</u>

## 12. Income Tax Provision

### a. Income Tax Provision

The movement on the income tax provision is as follows:

	March 31, 2022 (Reviewed)	December 31,2021 (Audited)
	JD	JD
Balance - beginning of the period / year	611,493	606,634
Increase in provision due to acquisition of a subsidiary company	-	65,405
Income tax paid	(141,156)	(1,345,755)
Accrued income tax on current period / year profit	402,488	1,265,742
Foreign currency translation	(793)	19,467
Balance – End of the Period / Year	<u>872,032</u>	<u>611,493</u>

### b. The income tax expense shown in the condensed consolidated interim statement of profit or loss represent the following:

	For the Three Months Ended March 31,	
	2022 (Reviewed)	2021 (Reviewed)
	JD	JD
Accrued income tax on current period profit	402,488	420,109
Deferred tax assets for the period - net	(119,241)	(131,979)
	<u>283,247</u>	<u>288,130</u>

- Siniora Food Industries - Jordan has reached a final settlement for its income tax up to the end of the year 2018. The Company has submitted its tax return for the years of 2019, 2020, and 2021 and paid the declared tax. While a decision has not yet been issued by the Income and Sales Tax Department. In the opinion of the Company's managements and its tax advisor, the income tax provision booked in the condensed consolidated interim financial statements is sufficient to meet any future tax liabilities as at March 31, 2022.
- On February 9, 2012, Siniora Food Industries Company - Palestine obtained from Palestine Investment Promotion Agency a full exemption from income tax for five years from January 1, 2010 to December 31, 2014, in addition to a nominal exemption of 50% of income tax starting from January 1, 2015 to December 31, 2029 in which the company will pay taxes at a rate of 7.5%.  
  
Siniora Food Industries Company - Palestine (a subsidiary company) has reached a final settlement up to the end of the year 2018. The Company has submitted its tax return for the years of 2019, 2020, and 2021 and paid the declared tax. While a decision has not yet been issued by the Income and Sales Tax Department. In the opinion of the Company's managements and its tax advisor, the income tax provision booked in the condensed consolidated interim financial statements is sufficient to meet any future tax liabilities as at March 31, 2022.
- Siniora Food Holding Limited and its subsidiaries are not subject to income tax due to the fact that there is no income tax in the countries in which they operate.
- Tarakya for manufacture and Trade of Meat and Dairy Products (Subsidiary Company) has reached a final settlement up to the end of the year 2020.
- Income tax was calculated for the period ended March 31, 2022 in accordance with the effective income tax law in Jordan and other locations, and in the opinion of the management and the tax consultant of the Company, the provision allocated is sufficient to meet any tax obligations and there is no need to an additional provision for the period ended March 31, 2022.

### 13. Earnings per Share for the Period

This item consists of the following:

	<u>For the Three-Months Ended March 31,</u>	
	<u>2022 (Reviewed)</u>	<u>2021 (Reviewed)</u>
	JD	JD
Profit for the period	2,368,360	2,136,835
Weighted average number of shares *	<u>28,000,000</u>	<u>28,000,000</u>
Earnings per share / basic and diluted	<u>0.085</u>	<u>0.076</u>

- \* Weighted average has recalculated of shares number for the share portion from the prior period profit for the Company's shareholders on the basis of the number of authorized and paid-up capital shares for the period ended March 31, 2022, as the increase in paid-up capital was from distributing free shares in accordance with the requirements of IAS (33).

### 14. Contingent Liabilities

- a. There are several lawsuits filed against Siniora Food Industries Company – Palestine equivalent to JD 133,816 to cancel the Company's claims against others and labor claims. In the opinion of the Company's legal advisor and its management, no obligations will arise from these lawsuits. (JD 125,350 as of 31 December 2021).
- b. During the year 2021, the Siniora Food Industries Company – Kingdom of Saudi Arabia (subsidiary company) was subject to an audit by Zakat, Tax and Customs Authority in Kingdom of Saudi Arabia in respect of its customs information. The Authority has issued its final audit report claiming additional customs and VAT differences amounting to SAR 4.89 million and SAR 0.25 million, respectively. (which equal to JD 923 thousand and JD 47 thousand respectively) as at December 31, 2021, on March 15, 2022 a collection and payment order was issued by the Zakat, Tax, and Customs Authority in the Kingdom of Saudi Arabia with an amount of SAR 4.89 million (equivalent to JD 923 thousand), noting that the subsidiary company has the right to object within 30 days from the date of issuing the decision and in the event of the objection, the subsidiary company have to provide a cash or bank guarantee. Subsequent to the condensed consolidated interim financial statements, on April 10, 2022, an objection was submitted with guarantee which represents a bank guarantee and based on the opinion of the independent legal and tax opinions and Group management it is reasonably possible to issue a decision in favor of the Company to collection decision in the future and in the opinion of the Company's management, this matter does not affect the Company's position, accordingly, no provision for the additional customs claim was provided for the period ended March 31, 2022 and year ended December 31, 2021.
- c. There are several lawsuits filed against Tarakya Company for the Manufacture and Trade of Meat and Dairy Products (subsidiary Company) equivalent to JD 126,578. In the opinion of the Company's legal advisor and its management, no obligations will arise from these lawsuits. (JD 152,443 as at December 31, 2021).
- d. The Parent Company had contingent liabilities at the date of condensed consolidated interim statement of financial position, represented in bank guarantees equivalent to JD 107,825 and guaranteed bank withdrawals equivalent to JD 246,981 and unguaranteed bank withdrawals equivalent to JD 233,325 and bills of collection equivalent to JD 433,317 and letter of credit equivalent to JD 107,800. (Bank guarantees equivalent to JD 118,175 and guaranteed bank withdrawals equivalent to JD 383,641 and unguaranteed bank withdrawals equivalent to JD 445,108 and bills of collection equivalent to JD 729,183 and letter of credit equivalent to JD 86,563 as at December 31, 2021).

- e. Siniora Food Industries Company – Palestine (subsidiary company) had contingent liabilities at the date of the condensed consolidated interim statement of financial position, represented in bank guarantees equivalent to JD 424,217 and bills of collection equivalent to JD 104,846. (The Company had contingent liabilities as December 31, 2021 bank guarantees equivalent to JD 432,205 in addition to bills of collection equivalent to JD 109,965).
- f. Tarakya Company for the Manufacture and Trade of Meat and Dairy Products (subsidiary company) had contingent liabilities at the date of the condensed consolidated interim statement of financial position, represented in bank guarantees equivalent to JD 358,554. (The Company had contingent liabilities as December 31, 2021 bank guarantees equivalent to JD 569,605 and letter of credit equivalent to JD 882,812).
- g. The Group had unutilized overdraft and revolving loans limits at the date of the condensed consolidated interim statement of financial position amounted to JD 11,482,961 (As December 31, 2021, the unutilized overdraft ceiling was JD 13,743,165).
- h. As of March 31, 2022, the value of projects in progress amounted to JD 5,838,836 and the remaining cost of completion to complete the implementation of these projects is estimated to be amounted to JD 3,270,304 and is expected to be completed and to be ready for use by the Group during the year of 2022. (The estimated completion to complete the implementation of these projects to be amounted to JD 3,437,178 and is expected to be completed during the year of 2021).

## 15. Balances and Transactions with Related Parties

The Company enters into transactions with companies that fall within the definition of a related party as stated in International Accounting Standard No. 24: "Related Party Disclosures". Related parties consist of companies under common ownership and/or joint management and control and key management personnel. Transactions with these related parties were made on substantially the same terms that prevailed at the same time for similar transactions with customers and third parties. Balances and transactions between the Company and its subsidiaries, which are related parties, are eliminated on consolidation and are not disclosed in this note.

Condensed Consolidated Interim Statement  
of Financial Position:

	Relationship Status	March 31, 2022 (Reviewed)		December 31, 2021 (Audited)	
		Receivables	Payables	Receivables	Payables
		JD	JD	JD	JD
Unipal General Trading Company	Sister company	2,525,888	-	875,453	-
Medical Supplies and Services Company	Sister Company	81	-	-	-
Palestinian Automobile Company	Sister Company	528	-	-	-
Employee's receivables		65,238	-	107,851	-
SKY Advertising, Publication and Promotion Company	Sister Company	-	60,967	-	25,540
National Aluminum Industry Company	Sister Company	839	-	-	-
Arab Palestinian Investment Company	Holding Company	23,792	-	-	111,564
Arab financial leasing Company	Sister Company	-	6,390	-	6,391
Al Jihan General Trading	Sister Company	-	179,983	-	125,930
<b>Total</b>		<b>2,616,366</b>	<b>247,340</b>	<b>983,304</b>	<b>269,425</b>

### Condensed Consolidated Interim Statement of profit or loss

	Relationship Status	For the Three Months Ended March 31			
		2022 (Reviewed)		2021 (Reviewed)	
		Purchases	Sales	Purchases	Sales
		JD	JD	JD	JD
Unipal General Trading Company	Sister Company	-	4,889,618	-	1,393,515
Arab Palestinian Shopping Centers Company	Sister Company	-	-	-	44,002
SKY Advertising, Publication, and Promotion Company	Sister Company	78,169	-	43,258	-
Arab Palestinian Investment Company	Holding Company	40,200	-	40,200	-
Arab Financial Leasing Company	Sister Company	16,527	-	16,931	-

- b. The salaries of executive management amounted to JD 415,092 for the three-months ended March 31, 2022 (JD 384,345 as of March 31, 2021).

## 16. Non-controlling interests

This item represents the non-controlling interests of net assets of Trakia Meat and Dairy Products Company amounted to 23%.

## 17. Geographical Distribution Analysis

The following is information on the Company's activities inside and outside the Kingdom:

	<u>Inside the Kingdom</u>			<u>Total</u>	
				<u>For the Three Months</u>	
				<u>Ended March 31,</u>	
	<u>Inside the Kingdom</u>	<u>Outside the Kingdom</u>		<u>2022</u>	<u>2021</u>
	<u>Excluding Aqaba</u>	<u>Aqaba Branch</u>	<u>Kingdom</u>	<u>(Reviewed)</u>	<u>(Reviewed)</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
Net sales	9,093,018	321,810	23,090,382	32,505,210	22,931,015
Cost of sales	(5,727,009)	(220,884)	(16,264,213)	(22,212,106)	(14,611,361)
Gross Profit	3,366,009	100,926	6,826,169	10,293,104	8,319,654
Selling and distribution expenses	(1,290,462)	(55,929)	(2,227,388)	(3,573,779)	(2,693,921)
General and administrative expenses	(930,977)	(4,182)	(1,929,837)	(2,864,996)	(2,583,785)
(Provision) for end of service indemnity	-	-	(259,876)	(259,876)	(92,504)
(Provision) for expected credit losses	(39,048)	-	(6,557)	(45,605)	(57,740)
(Provision) for slow-moving inventory	(28,398)	-	(12,488)	(40,886)	(21,300)
(Provision) for lawsuits and other commitments	(86,000)	-	(112,800)	(198,800)	-
Income from operations	991,124	40,815	2,277,223	3,309,162	2,870,404
Financing expenses	(310,123)	-	(489,112)	(799,235)	(515,382)
Other revenue – net	6,548	-	116,620	123,168	111,954
Profit for the Period before Income Tax	687,549	40,815	1,904,731	2,633,095	2,466,976
Income tax expenses for the period	(139,437)	-	(143,810)	(283,247)	(288,130)
Profit for the Period	548,112	40,815	1,760,921	2,349,848	2,178,846
		<u>Inside the Kingdom</u>	<u>Outside the Kingdom</u>	<u>March 31,</u>	<u>December 31,</u>
		<u>JD</u>	<u>JD</u>	<u>2022</u>	<u>2021</u>
		<u>40,770,965</u>	<u>71,300,364</u>	<u>(Reviewed)</u>	<u>(Audited)</u>
Total Assets		<u>40,770,965</u>	<u>71,300,364</u>	<u>JD</u>	<u>JD</u>
Total Liabilities		<u>36,919,104</u>	<u>34,962,635</u>	<u>112,071,329</u>	<u>100,739,686</u>
		<u>36,919,104</u>	<u>34,962,635</u>	<u>71,881,739</u>	<u>62,333,966</u>

## 18. Fair Value Hierarchy

We believe that the carrying amount of financial assets and liabilities shown in the condensed consolidated interim financial information of the group approximate their fair value, due to the fact that its balances are due on short-term basis or the interest rates will be repriced during the year.

## 19. Approval of interim condensed financial information

These condensed consolidated interim financial information were approved by the Board of Directors and authorized for issue on April 28, 2022.

## 20. Subsequent event

The General Assembly of shareholders approved in its ordinary meeting held on April 20, 2022 to distribute cash dividends of 17% from Company paid in capital which is equivalent to JD 4,760,000.