

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

**Consolidated Interim Condensed Financial Statements**  
**and Review Report**  
**for the nine months ended September 30, 2024**

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

**Index**

	<b><u>Page</u></b>
Report on review of consolidated interim condensed financial information	-
Consolidated interim condensed statement of financial position as at September 30, 2024 - (Reviewed and unaudited)	1
Consolidated interim condensed statement of comprehensive income for the nine months ended September 30, 2024 - (Reviewed and unaudited)	2
Consolidated interim condensed statement of changes in equity for the nine months ended September 30, 2024 - (Reviewed and unaudited)	3
Consolidated interim condensed statement of cash flows for the nine months ended September 30, 2024 - (Reviewed and unaudited)	4
Notes to the consolidated interim condensed financial information for the nine months ended September 30, 2024	5-8

## Report on review of consolidated interim condensed financial information

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

### Introduction

We have reviewed the consolidated interim condensed statement of financial position of Middle East Pharmaceutical and Chemical Industries and Medical Appliances Company (Public Shareholding Company) and its subsidiaries, as at September 30, 2024, and the related consolidated interim condensed statements of comprehensive income, changes in equity and cash flows for the nine months period then ended. Management is responsible for the preparation and fair presentation of this consolidated interim condensed financial information in accordance with International Financial Reporting Standard no. (34) "Interim Financial Reporting". Our responsibility is to express a conclusion about this interim financial information based on our review.

### Scope of Review

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

### Conclusion

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

### Significant doubt to continue as a going concern

Without qualifying our conclusion, we would like to refer to note (5) of the consolidated financial statements, whereas the accumulated losses for the company amounted to JD 6,480,297 representing %518 of the company's capital, and also note that the company's current liabilities exceed its current assets by an amount of JD 5,683,702 in addition to existing accrued liabilities that were not paid to date. These matters cast significant doubt on the company ability to continue as a going concern and its continuation depends on providing sufficient funds to meet its obligations and the success of its operations in the future.

Based on the general assembly held an extraordinary meeting on April 10, 2023 and the following decisions were made to amortize the accumulated losses:

- Amortize an amount of JD 11,194,627 from the accumulated losses of the company in the shareholder balances.



MEMBER OF THE

FORUM OF FIRMS





Independent Auditors Report for the nine months ended September 30, 2024

- Amortize part of the accumulated losses amounted of 5 Million Jordanian Dinars by decreasing the company's capital to become amounted of JD 1,250,583 instead of JD 6,250,583.
- Use the statutory reserve amounted of JD 293,953 provision of article no. (136) of The Jordanian Company's Law to amortize part of accumulated losses.
- Increase the company's capital by capitalizing a portion of shareholders' payables amounted of JD 5,000,000 to become JD 6,250,583.

The legal procedures for quenching the accumulated losses and reducing the capital have been completed at the related authorities, but are not completed for increasing the capital till date knowing that it is in the final stages.

**Emphasis of matter**

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



Talal Abu-Ghazaleh & Co. International

Mohammad Al-Azraq  
(License # 1000)

Amman October 21, 2024

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

**Consolidated interim condensed statement of financial position as at September 30, 2024**  
**- (Reviewed and unaudited)**

		Septemeber 30, 2024	December 31, 2023
	Notes	(Reviewed and unaudited)	(Audited - after adjustment)
		JD	JD
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property and equipment	3	5,042,263	5,353,139
Intangible assets		11,575	15,435
<b>Total Non-Current Assets</b>		<u>5,053,838</u>	<u>5,368,574</u>
<b>Current Assets</b>			
Inventory		2,076,830	2,356,775
Other debit balances		216,498	403,448
Trade receivables	4	182,129	240,135
Cash and cash equivalents		2,025	80,351
<b>Total Current Assets</b>		<u>2,477,482</u>	<u>3,080,709</u>
<b>TOTAL ASSETS</b>		<u><u>7,531,320</u></u>	<u><u>8,449,283</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Capital		1,250,583	1,250,583
Foreign currency translation differences		154,186	144,474
Accumulated losses	5	(6,480,297)	(5,629,075)
<b>Deficit in Equity</b>		<u>(5,075,528)</u>	<u>(4,234,018)</u>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Shareholders' payable		3,570,009	3,460,009
Deferred checks- non current		-	86,070
Loan - non current	6	875,655	906,636
<b>Total Non-current Liabilities</b>		<u>4,445,664</u>	<u>4,452,715</u>
<b>Current Liabilities</b>			
Other credit balances		3,563,599	3,327,969
Trade payables		1,249,462	1,018,093
Due to related parties		2,228,051	2,441,009
Deferred checks - current portion		132,498	209,354
Loan	6	930,551	1,134,097
Bank overdraft		57,023	100,064
<b>Total Current Liabilities</b>		<u>8,161,184</u>	<u>8,230,586</u>
<b>Total Liabilities</b>		<u>12,606,848</u>	<u>12,683,301</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>7,531,320</u></u>	<u><u>8,449,283</u></u>

The accompanying notes constitute an integral part of these financial statements

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

**Consolidated interim condensed statement of comprehensive income for the nine months ended**  
**September 30, 2024 - (Reviewed and unaudited)**

	For the nine months ended on		For the three months ended on	
	Septemeber 30, 2024	Septemeber 30, 2023	Septemeber 30, 2024	Septemeber 30, 2023
	JD	JD	JD	JD
Sales	2,259,586	1,595,716	503,088	370,760
Cost of sales	(1,757,581)	(1,570,158)	(471,573)	(561,691)
Gross profit (loss)	502,005	25,558	31,515	(190,931)
Other income, net	781	25,826	379	6,487
Selling and marketing expenses	(658,312)	(437,982)	(256,933)	(92,644)
Administrative expenses	(525,000)	(792,437)	(182,415)	(323,268)
Finance cost	(170,696)	(42,230)	(88,426)	(42,230)
(Loss)	(851,222)	(1,221,265)	(495,880)	(642,586)
Other comprehensive income				
Foreign currency translation differences	9,712	20,533		
Total comprehensive income	(841,510)	(1,200,732)		
Weighted average number of shares	1,250,583	1,250,583		
Loss per share	JD (-/681)	JD (-/977)		

The accompanying notes constitute an integral part of these financial statements



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

Consolidated interim condensed statement of changes in equity for the nine months ended September 30, 2024 - (Reviewed and unaudited)

	Capital	Statutory reserve	Foreign currency translation differences	Accumulated losses	Deficit
	JD	JD	JD	JD	JD
<u>For the nine months ended on September 30, 2024</u>					
Balance as at January 1, 2024	1,250,583	-	144,474	(5,629,075)	(4,234,018)
Comprehensive income	-	-	9,712	(851,222)	(841,510)
Balance as at September 30, 2024	<u>1,250,583</u>	<u>-</u>	<u>154,186</u>	<u>(6,480,297)</u>	<u>(5,075,528)</u>
<u>For the nine months ended on September 30, 2023</u>					
Balance as at January 1, 2023	6,250,583	293,953	121,164	(20,830,331)	(14,164,631)
Amortization of accumulated losses	(5,000,000)	(293,953)	-	16,488,580	11,194,627
Comprehensive income	-	-	20,533	(1,221,265)	(1,200,732)
Balance as at September 30, 2023	<u>1,250,583</u>	<u>-</u>	<u>141,697</u>	<u>(5,563,016)</u>	<u>(4,170,736)</u>

The accompanying notes constitute an integral part of these financial statements

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

**Consolidated interim condensed statement of cash flows for the nine months ended September 30, 2024**  
**- (Reviewed and unaudited)**

	Septemeber 30, 2024	Septemeber 30, 2023
	JD	JD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss	(851,222)	(1,221,265)
<b>Adjustments for :</b>		
Depreciation and amortization	352,166	447,730
Finance cost	170,696	42,230
<b>Change in operating assets and liabilities:</b>		
Inventory	279,945	(313,097)
Other debit balances	186,950	261,777
Trade receivables	58,006	78,511
Other credit balances	235,630	(147,223)
Trade payables	231,369	(639,699)
<b>Net cash from operating activities</b>	<b>663,540</b>	<b>(1,491,036)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property and equipment	(37,430)	(28,837)
<b>Net cash from financing activities</b>	<b>(37,430)</b>	<b>(28,837)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Finance cost paid	(170,696)	(42,230)
Shareholders' payable	110,000	3,321,511
Deferred checks	(162,926)	(86,070)
Loan	(234,527)	1,031,715
Bank overdraft	(43,041)	527,487
Due to related parties	(212,958)	(3,255,227)
<b>Net cash from financing activities</b>	<b>(714,148)</b>	<b>1,497,186</b>
<b>Net change in cash and cash equivalents</b>	<b>(88,038)</b>	<b>(22,687)</b>
Cash and cash equivalents - beginning of period	80,351	3,336
Foreign currency translation differences	9,712	20,533
<b>Cash and cash equivalents - end of period</b>	<b>2,025</b>	<b>1,182</b>
<b>Information about non-cash transitions</b>		
Amortize part of accumulated losses from shareholders payables	-	11,194,627

The accompanying notes constitute an integral part of these financial statements



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

Notes to the consolidated interim condensed financial information

---

**1. Legal status and activity**

- Middle East Pharmaceutical and Chemical Industries and Medical Appliances Co. was established on October 25, 1993 and registered as a public shareholding company with the Ministry of Industry and Trade under the number (231).
- The main Company's activities are as follows:
  - Medical and laboratory testing equipment and solutions
  - Human medication liquid manufacturing
  - Human medication pills manufacturing
  - Human medication anal suppositories manufacturing
  - Veterinarian antibiotics manufacturing
  - Veterinarian antibacterial manufacturing
  - Veterinarian vitamins manufacturing
  - Gelatin capsules manufacturing
  - Human medication tablets manufacturing
- The Middle East Pharmaceutical- Algeria was established as a limited liability company under the number 607/2008 on October 11, 2008.
- The financial statements were approved by the Company's board of directors in its session held on October 21, 2024.
- There is a restraint on the company's registration bond due to the existence of executive lawsuits held against the company.

**2. Financial statements preparation framework and significant accounting policies**

- The interim condensed consolidated financial information for the company were prepared according to the International Accounting Standard (34) "Interim Financial Reporting".
- Accounting policies used in preparing the interim condensed consolidated financial statement are consistent with those policies used in preparing the financial statements for the year ended December 31, 2023.

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

Notes to the consolidated interim condensed financial information for the nine months ended September 30, 2024

**3. Property and equipment**

September 30, 2024	Land (*)	Building (*)	Machines and equipment	Transportation vehicles (*)	Factory equipment	Communication systems and programs	Electrical equipment	Furnitures	Solar energy system	Artesian well	Other	Total
Cost	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Beginning of period balance	200,606	6,947,671	3,526,297	397,586	5,941,786	316,751	423,983	393,169	529,020	50,785	70,605	18,798,259
Additions	-	10,500	13,688	11,500	-	-	1,164	578	-	-	-	37,430
End of period balance	200,606	6,958,171	3,539,985	409,086	5,941,786	316,751	425,147	393,747	529,020	50,785	70,605	18,835,689
Accumulated depreciation												
Beginning of period balance	-	3,407,657	3,500,050	397,585	4,931,059	276,273	406,917	377,774	26,386	50,785	70,604	13,445,120
Depreciation	-	104,567	27,096	1,725	185,969	3,769	2,703	2,638	19,839	-	-	348,306
End of period balance	-	3,512,224	3,527,146	399,310	5,117,028	280,042	409,650	380,412	46,225	50,785	70,604	13,793,426
Net	200,606	3,445,947	12,839	9,776	824,758	36,709	15,497	13,335	482,795	-	1	5,042,263
December 31, 2023												
Cost												
Beginning of year balance	200,606	6,946,901	3,519,510	397,586	5,899,762	303,541	420,687	393,169	526,120	50,785	70,605	18,769,572
Additions	-	770	6,787	-	2,024	13,210	3,296	-	2,600	-	-	28,687
End of year balance	200,606	6,947,671	3,526,297	397,586	5,941,786	316,751	423,983	393,169	529,020	50,785	70,605	18,798,259
Accumulated depreciation												
Beginning of year balance	-	3,266,156	3,405,687	394,822	4,676,357	263,998	398,811	370,770	5,264	50,785	70,604	12,903,554
Depreciation	-	141,201	94,363	2,763	254,702	12,275	8,136	7,004	21,122	-	-	541,566
End of year balance	-	3,407,657	3,500,050	397,585	4,931,059	276,273	406,947	377,774	26,386	50,785	70,604	13,445,120
Net	200,606	3,540,014	26,247	1	1,010,727	40,478	17,036	15,395	502,634	-	1	5,353,139

(\*) Land, building and transportation vehicles mentioned above are seized against legal reservations. Note that the company did not license its vehicles from 2016 and 2017 until the date of the financial statements.

4. Trade receivables

	Septemeber 30, 2024	December 31, 2023
	JD	JD
Trade receivables	1,908,352	1,847,462
Checks on hand	5,309	83,688
Governmental receivables	-	38,333
Less : Allowance for expected credit losses (*)	(1,731,532)	(1,729,348)
Net	182,129	240,135

(\*) Below is the movement of the expected credit losses provision during the period:

	Septemeber 30, 2024	December 31, 2023
	JD	JD
Balance at beginning of period/year	1,729,348	1,596,532
Transfer from lawsuit provision	2,184	132,816
Balance at end of period / year	1,731,532	1,729,348

5. Accumulated Losses

The company's accumulated losses amounted to JD 6,480,297 as at the date of consolidated financial position representing 518% of the company's capital, also note that the company's current liabilities exceeded its current assets by an amount of JD 5,683,702 which might effects the company's ability to continue and requires it to comply with article no.(266) of the company's law.

Based on the extraordinary meeting of the general assembly on April 10, 2023, the following decisions were taken to amortize the accumulated losses as follows:

- Amortize amount of JD 11,194,627 of the accumulated losses of the company in the main shareholder payables as follows:

Shareholder	Amortized amount (JD)
MR. Hamzeh Ahmad Yousef Tantash	5,823,421
Mrs. Maysar Hamed Yousef Tantash	2,049,695
Tantash Investement Group Co.	2,439,335
Arab Center for Pharmaceutical & Chemical Industries Co	882,176
Total	11,194,627

- Amortize part of the accumulated losses amounted of JD 5,000,000 by decreasing the company's capital to become amounted of JD 1,250,583 instead of JD 6,250,583.
- Use the statutory reserve amounted of JD 293,953 provision of article no. (136) of The Jordanian Company's Law to amortize part of accumulated losses.

Notes to the consolidated interim condensed financial information for the nine months ended September 30, 2024

- Increase the company's capital by capitalizing a portion of shareholders' payables amounted of JD 5,000,000 to become JD 6,250,583 as follows:

Shareholder	Amortized amount (JD)
MR. Hamzeh Ahmad Yousef Tantash	2,365,197
Mrs. Maysar Hamed Yousef Tantash	364,980
Tantash Investement Group Co.	1,875,806
Arab Center for Pharmaceutical & Chemical Industries Co	394,017
<b>Total</b>	<b>5,000,000</b>

- The legal procedures for quenching the accumulated losses and reducing the capital have been completed at the related authorities but are not completed for increasing the capital until the date of the consolidated interim condensed financial statements.

## 6. Loan

Lender	Loan objectives	Loan period	Guarantees	September 30, 2024		December 31, 2023	
				Current portion	Non-current portion	Total	Total
				JD	JD	JD	JD
Jordan Commercial Bank	To finance operating capital and to pay the company's obligations	The loan is repaid with interests for 60 monthly installments.	- A first-class mortgage on plots of lands.				
			- Endorse the insurance policy on the companies assets to the bank for an amount not less than JD 2,500,000. The company should be committed to the renewal of the policy upon expiration throughout the life of the facilities.				
				438,743	875,655	1,314,398	1,165,818
Jordan Commercial Bank	This facility is strictly used to finance 95% of (local / international) purchases of the company supported with invoices, and / or transfers, and / or bills of lading, and / or letters of credit (onsight or postponed 180 days)	Each financing facility through this loan is to be repaid within a period of 9 months from the date of the facility	- A first-class mortgage on plots of lands.				
			- Endorse the insurance policy on the companies assets to the bank for an amount not less than JD 2,500,000. The company should be committed to the renewal of the policy upon expiration throughout the life of the facilities.				
				491,808	-	491,808	874,915
<b>Total</b>				<b>930,551</b>	<b>875,655</b>	<b>1,806,206</b>	<b>2,040,733</b>

## 7. Subsidiary

The interim condensed consolidated statements include the subsidiary's financial statements for the nine months ended September 30, 2024 as follows:

Company name	Legal status	Paid-in Capital	Ownership	Total Assets	Total liabilities	Accumulated losses
		JD	%	JD	JD	JD
Middle East Pharmaceutical & Chemical Industries Co-Algeria	LLC	5,230	100	70,377	633,391	729,256

## 8. The potential effects of economic fluctuations

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