

**INVESTMENTS & INTEGRATED INDUSTRIES COMPANY
(PUBLIC SHAREHOLDING COMPANY – HOLDING COMPANY)
AND ITS SUBSIDIARIES
AMMAN - JORDAN**

**CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED SEPTEMBER 30, 2023 (UNAUDITED)
TOGETHER WITH THE INDEPENDENT
REVIEW REPORT**

INVESTMENTS & INTEGRATED INDUSTRIES COMPANY
(PUBLIC SHAREHOLDING COMPANY – HOLDING COMPANY)
AND ITS SUBSIDIARIES
AMMAN – JORDAN

TABLE OF CONTENTS

Contents	Page
Report on Review of Consolidated Interim Financial Information	1-2
Consolidated Interim Statement of Financial Position	3
Consolidated Interim Statement of Income	4
Consolidated Interim Statement of Other Comprehensive Income	5
Consolidated Interim Statement of Changes in Shareholders' Equity	6
Consolidated Interim Statement of Cash Flows	7
Notes to Consolidated Interim Financial Information	8-14

8 - Al- Qayrawan St.
Al - Rabieh
P.O.Box 17906
Amman, 11195 Jordan
Phone +962 - 6 - 55 11 77 9
Fax +962 - 6 - 55 17 54 1
Email info@arabauditors.jo

Report on Review of Consolidated Interim Financial Information

To the Chairman and Members of the Board of Directors
Investments & Integrated Industries Company
(Public Shareholding Company – Holding Company)
Amman – Jordan

Introduction

We have reviewed the accompanying consolidated interim financial information of Investments & Integrated Industries Company (Public Shareholding– Holding Company) and its subsidiaries, “the Company,” which consist of a consolidated interim statement of financial position as of September 30, 2023, and the related consolidated interim statements of income, other comprehensive income, changes in shareholders’ equity and cash flows for the nine months then ended, and a summary of significant accounting policies and other explanatory notes.

Management Responsibility

Management is responsible for the preparation and fair presentation of this consolidated interim financial information in accordance with International Accounting Standard 34 (Interim Financial Reports). Our responsibility is to express a conclusion on this 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 Entity. A review of 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, and except for the effects of the matter described below, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information does not present fairly, in all material respects, the consolidated interim financial position of Investments & Integrated Industries Company as of September 30, 2023, and its financial performance and its cash flows for the nine months then ended in accordance with International Accounting Standard 34.

As stated in Note (9) to the consolidated interim financial information, there is a legal case filed against the Integrated Investments and Industries Company for a financial claim of JD 3,505,831 in its capacity as a guarantor of Nuqul Engineering and Contracting Company (sister company), which resulted in the issuance of a decision by the Court of Appeal to order the precautionary attachment of the funds of the Integrated Investments and Industries Company. The cassation of this decision was filed. The company's management did not make any provisions to meet the potential liabilities arising from this case.

Other Matter

The consolidated financial statements of the Investment and Integrated Industries Company and its subsidiaries for the year ended December 31, 2022, have been audited by another auditor.

Explanatory Paragraph

The Company's fiscal year ends on December 31 of each year. However, this consolidated interim financial information has been prepared to meet the requirements of the Jordan Securities Commission and for management purposes.

This Report is a translated version of the original review report on consolidated interim financial information issued in Arabic; in case of a discrepancy, the Arabic original will prevail.

UHY Arab Auditors

Nabil Haddad
License No. (561)

UHY Arab Auditors
Public Accountants & Consultants

Amman - Jordan

October 10, 2023

INVESTMENTS & INTEGRATED INDUSTRIES COMPANY
(PUBLIC SHAREHOLDING COMPANY – HOLDING COMPANY)
AND ITS SUBSIDIARIES
AMMAN – JORDAN

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

Jordanian Dinar

	September 30, 2023	December 31, 2022
Assets		
Current Assets		
Cash on hand and at banks	34,377	241,916
Trade receivables and checks under collection-net	2,290,107	2,664,272
Inventory	1,219,510	1,690,159
Other debit balances and due from related parties	144,987	156,087
Total current assets	3,688,981	4,752,434
Property and equipment	1,496,855	1,510,088
Investment property	300,511	300,511
Financial assets at fair value through other comprehensive income	16,052,566	18,601,302
Total Assets	21,538,913	25,164,335
Liabilities and Shareholders' Equity		
Current Liabilities		
Due to banks	101,046	162,450
Short-term portion of loans	1,524,242	2,115,076
Accounts payable	163,364	449,640
Other credit balances and due to related parties	349,217	455,733
Total current liabilities	2,137,869	3,182,899
Long term loans	5,547,215	5,972,615
Due to related parties	3,513,444	3,982,652
Total Liabilities	11,198,528	13,138,166
Shareholders' equity		
Capital	14,500,000	14,500,000
Statutory reserve	198,850	198,850
Fair value reserve	(2,453,250)	95,486
Accumulated losses	(2,253,537)	(3,122,619)
Shareholders' equity	9,992,063	11,671,717
Non-controlling interest	348,322	354,452
Net shareholders' equity	10,340,385	12,026,169
Total Liabilities and Shareholders' Equity	21,538,913	25,164,335

The accompanying notes from (1) to (9) are an integral part of this consolidated interim financial information.

INVESTMENTS & INTEGRATED INDUSTRIES COMPANY
(PUBLIC SHAREHOLDING COMPANY – HOLDING COMPANY)
AND ITS SUBSIDIARIES
AMMAN – JORDAN

CONSOLIDATED INTERIM STATEMENT OF INCOME

Jordanian Dinar

	For the nine months ended 30 September		For the three months ended 30 September	
	2023	2022	2023	2022
Sales – net	3,249,599	3,434,045	1,434,247	1,466,353
Less: Cost of sales	(2,665,405)	(2,824,543)	(1,162,739)	(1,177,196)
Gross Profit	584,194	609,502	271,508	289,157
Less: General, administrative, and marketing expenses	(583,905)	(566,799)	(195,840)	(201,233)
Add: Dividends received and other	1,303,976	842,065	9,723	15,086
Less: Interest expenses – net	(439,570)	(288,181)	(202,683)	(21,421)
Profit for the period before Income Tax	864,695	596,587	(117,292)	81,589
Less: Income tax	(1,743)	-	-	-
Profit for the period	862,952	596,587	(117,292)	81,589
Allocated as follows:				
Company's shareholders	869,082	590,295	(127,250)	68,463
Non-controlling interest	(6,130)	6,292	9,958	13,126
	862,952	596,587	(117,292)	81,589
Basic and diluted profit per share	%6,0	%4,1	(%0,9)	%0,5

The accompanying notes from (1) to (9) are an integral part of this consolidated interim financial information.

INVESTMENTS & INTEGRATED INDUSTRIES COMPANY
(PUBLIC SHAREHOLDING COMPANY – HOLDING COMPANY
AND ITS SUBSIDIARIES
AMMAN – JORDAN

CONSOLIDATED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME

<i>Jordanian Dinar</i>	For the nine months ended 30 September		For the three months ended 30 September	
	2023	2022	2023	2022
Profit for the period	862,952	596,587	(117,292)	81,589
Add Items of Other Comprehensive Income:				
Change in fair value of financial assets at fair value through other comprehensive income	(2,548,736)	1,797,929	(935,217)	(1,153,588)
Total Profit (Loss) and Other Comprehensive Income	(1,685,784)	2,394,516	(1,052,509)	(1,071,999)
Allocated as follows:				
Company's shareholders	(1,679,654)	2,388,224	(1,062,467)	(1,085,125)
Non-controlling interest	(6,130)	6,292	9,958	13,126
	(1,685,784)	2,394,516	(1,052,509)	(1,071,999)

The accompanying notes from (1) to (9) are an integral part of this consolidated interim financial information.

INVESTMENTS & INTEGRATED INDUSTRIES COMPANY
(PUBLIC SHAREHOLDING COMPANY – HOLDING COMPANY)
AND ITS SUBSIDIARIES
AMMAN – JORDAN

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

<i>In Jordanian Dinar</i>	Capital	Statutory reserve	Fair value reserve	Accumulated losses	Total	Non-controlling interest	Total Shareholders' Equity
<u>For the period ended 30 September 2023</u>							
Beginning balance	14,500,000	198,850	95,486	(3,122,619)	11,671,717	354,452	12,026,169
Profit and other comprehensive income for the period	-	-	(2,548,736)	869,082	(1,679,654)	(6,130)	(1,685,784)
Balance as of 30 September 2023	14,500,000	198,850	(2,453,250)	(2,253,537)	9,992,063	348,322	10,340,385
<u>For the period ended 30 September 2022</u>							
Beginning balance	14,500,000	139,332	(2,032,974)	(3,636,305)	8,970,053	332,615	9,302,668
Profit and other comprehensive income for the period	-	-	1,797,929	590,295	2,388,224	6,292	2,394,516
Balance as of 30 September 2022	14,500,000	139,332	(235,045)	(3,046,010)	11,358,277	338,907	11,697,184

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INVESTMENTS & INTEGRATED INDUSTRIES COMPANY
(PUBLIC SHAREHOLDING COMPANY – HOLDING COMPANY)
AND ITS SUBSIDIARIES
AMMAN – JORDAN

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

Jordanian Dinar

	September 30 2023	September 30 2022
Cash flows from Operating Activities:		
Profit for the period before income tax	864,695	596,587
Depreciation	28,644	30,305
Interest expenses – net	439,570	288,181
Changes in working capital items:		
Inventory	470,649	34,856
Trade receivables and checks under collection	374,165	(329,617)
Other debit balances and due from related parties	11,100	123,476
Accounts payable	(286,276)	454,744
Other credit balances	(74,734)	(148,794)
Income tax	(1,743)	-
Net Cash Flows from Operating Activities	1,826,070	1,049,738
Cash flows from Investing Activities:		
Acquisition of property and equipment	(15,411)	(2,674)
Net Cash Flows Used in Investing Activities	(15,411)	(2,674)
Cash Flows from Financing Activities:		
Due to related parties	(500,990)	79,728
Loans, due to banks, and interest	(1,517,208)	(1,128,504)
Net Cash Flows Used in Financing Activities	(2,018,198)	(1,048,776)
Net decrease in cash and cash equivalents	(207,539)	(1,712)
Cash and cash equivalents at the beginning of the period	241,916	24,048
Cash and Cash Equivalents at the end of the period	34,377	22,336

The accompanying notes from (1) to (9) are an integral part of this consolidated interim financial information.

NOTES TO CONSOLIDATED INTERIM FINANCIAL INFORMATION

1) General

a. Establishment and objectives:

Investments & Integrated Industries Company (public shareholding – holding company) “The Company” was established and registered in the Ministry of Industry and Trade of Jordan under no. (281) on April 20, 1995.

The Company’s main objectives include managing its subsidiaries, participating in managing other entities in which the Company has ownership, investing in equity and debt securities, and granting finance for its subsidiaries.

2) Basis of Preparation of the Consolidated Interim Financial Information

a. Statement of compliance

The accompanying consolidated interim financial information for the nine months ended September 30, 2023, has been prepared in accordance with International Accounting Standard 34 (interim financial reports).

This consolidated interim financial information does not include all information and disclosures required for the purpose of preparing annual financial statements in accordance with international financial reporting standards; accordingly, it should be read in conjunction with the Company’s consolidated financial statements for the year ended December 31, 2022. Moreover, the Company’s operating results for the nine months ended September 30, 2023, do not necessarily give an indication of the Company’s estimated operating results for the year ending December 31, 2023.

b. Basis of consolidation

The consolidated interim financial information comprises the financial statements of Investments & Integrated Industries Company (the “Parent Company”) and its subsidiaries, which are subject to its control.

The parent Company controls subsidiaries when it is exposed or has rights, to variable returns from its involvement with these subsidiaries and has the ability to affect those returns through its power over these subsidiaries. Balances, transactions, unrealized profits, and expenses resulting from transactions within the group are eliminated when preparing this consolidated interim financial information.

Consolidated financial information is prepared for the subsidiaries to the same financial period as the parent Company and using the same accounting policies adopted by the parent Company.

INVESTMENTS & INTEGRATED INDUSTRIES COMPANY
(PUBLIC SHAREHOLDING COMPANY – HOLDING COMPANY)
AND ITS SUBSIDIARIES
AMMAN – JORDAN

NOTES TO CONSOLIDATED INTERIM FINANCIAL INFORMATION

The financial information of the following subsidiaries is included in the accompanying consolidated interim financial information:

Company Name	Paid up Capital		Ownership %		Nature of Operation
	30/9	31/12	30/9	31/12	
	2023	2022	2023	2022	
Fa Kaf Consulting Company	3,000,000	3,000,000	98,20%	98,20%	Management, industrial, trading, consulting, and RE rental
Quality Printing Press	3,160,000	3,160,000	82,59%	82,59%	Stationery& accessories
Oran for Investments	10,000	10,000	100,00%	100,00%	Investment

c. Basis of measurement

The consolidated interim financial information has been prepared on a historical cost basis except for the financial assets and financial liabilities, which are measured at their fair value.

d. Functional and presentation currency

The consolidated interim financial information is presented in Jordanian Dinar, which is the Company's functional currency.

The accompanying notes from (1) to (9) are an integral part of this consolidated interim financial information.

NOTES TO CONSOLIDATED INTERIM FINANCIAL INFORMATION

e. Use of estimates

Preparing consolidated interim financial information in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

In particular, information about significant areas of estimation uncertainties and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated interim financial information includes the following:

- A provision for expected credit losses is taken according to management estimates of credit expected loss.
- A provision for inventory is taken if the net realizable value of inventory fall below its carrying amount.
- Management estimates the provision for income tax following the prevailing laws and regulations and International Financial Reporting Standards.
- Management periodically assesses the fair value of the Company's financial assets and financial liabilities based on their market prices.
- Management periodically reassesses the economic useful lives of tangible assets based on the general condition of these assets and the expectation for their useful economic lives in the future.
- Management frequently reviews the lawsuits raised against the Company based on a legal study prepared by the Company's legal advisors. This study highlights potential risks that the Company may incur in the future.

Management believes that its estimates and judgment are reasonable and adequate.

3) Financial Risk and Capital Management

The Company has exposure to risks from its use of financial instruments. These risks are credit risks, liquidity risks, market risks, and capital management risks.

The Company's objective and policy concerning risk management are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2022.

There have been no changes in the Company's approach to capital management during the period neither the Company is subject to externally imposed capital requirements.

4) Seasonality of Operations

The Company does not have operations that are affected by seasonality or cyclicity during the period.

The accompanying notes from (1) to (9) are an integral part of this consolidated interim financial information.

NOTES TO CONSOLIDATED INTERIM FINANCIAL INFORMATION

5) **Related Parties' Transactions:**

Parties are considered related parties when one party has control or significant influence over the other party. Following is a summary of related party transactions and balances:

a. Due from related parties:	Nature of Relationship	September 30, 2023	December 31, 2022
Jordanian Dinar			
Saueressig Jordan	Sister	9,663	39,663
Nuqul Engineering and Contracting	Sister	972	375
Nuqul Automotive	Sister	166	81
Ideal For Printing	Sister	373	-
ABC	Sister	328	-
Al Ahfad Company	Sister	-	73,122
Total		11,502	113,241
b. Due to related parties:	Nature of Relationship	September 30, 2023	December 31, 2022
Jordanian Dinar			
Short-term:			
Al Naseem Trading	Sister	60,577	76,205
Fine Hygienic Paper-HO	Sister	27,912	28,163
Masader Investments	Sister	260	2,830
Fine Hygienic Paper-Sahab	Sister	6,246	20,880
Fine Hygienic Paper-Dubai	Sister	561	561
Alsanouber Hygienic paper	Sister	1,950	600
Ideal For Printing	Sister	-	49
Total short-term		97,506	129,288
Long-term:			
Elia Nuqul & Sons	Shareholder	3,513,444	3,982,652
Total long-term		3,513,444	3,982,652

c. Management personnel:

Salaries and other benefits for key management personnel of the Group (General Managers and Financial Managers) for the nine months ended September 30, 2023, amounted to JOD 124,497 (JOD 104,402 for the nine months ended September 30, 2022).

NOTES TO CONSOLIDATED INTERIM FINANCIAL INFORMATION

6) Financial assets at fair value through other comprehensive income

Jordanian Dinar

	September 30, 2023	December 31, 2022
Shares listed in the local principal market	14,740,588	17,851,468
Shares traded in the local OTC market	1,090,518	528,374
Unlisted companies	221,460	221,460
Total	16,052,566	18,601,302

The movement on the fair value reserve during the period was as follows:

	September 30, 2023	December 31, 2022
<i>Jordanian Dinar</i>		
Beginning balance	95,486	(2,032,974)
Change in fair value of financial assets	(2,548,736)	2,128,460
Net	(2,453,250)	95,486

Valuation technique

a) Shares listed in the local principal market:

Fair values of shares listed in the local principal market have been determined by reference to the period-end closing price. Details of these shares as of September 30, 2023, are as follows:

Company	No. Shares	Book Value Before Valuation	Closing Price	Fair Value	Unrealized Loss
Capital Bank of Jordan	5,338,007	13,024,737	1/95	10,409,114	(2,615,623)
International Co-vegetarian oil	1,609,666	3,428,589	2/01	3,235,429	(193,160)
Delta Insurance Co.	1,251,331	1,376,464	0/86	1,076,145	(300,319)
AL Noor Real Estate Company	7,000	15,750	2/15	15,050	(700)
Jordan Press Al-Rai	53,889	5,928	0/09	4,850	(1,078)
		17,851,468		14,740,588	(3,110,880)

b) Shares traded in the local OTC market:

During 2016, and according to the Regulating Directives for Trading in Unlisted Securities at the ASE issued on 12/4/2016, the shares of Amwaj Real Estate Company and Amwal Invest Company became OTC traded. As a result, the Company's management has used its period-end closing prices in determining the fair value of investments in these shares as of September 30, 2023. Management believes that the quoted prices of these shares in the OTC market are appropriate to measure the fair value as they Provide sufficient data and maximize the use of relevant observable inputs. Details of these investments are as follows:

Company	No. Shares	Book Value Before Valuation	Closing Price	Fair Value	Unrealize d Profit
Amwaj Real Estate	3,514,727	527,209	0/31	1,089,565	562,356
Amwal Invest	10,588	1,165	0/09	953	(212)
		528,374		1,090,518	562,144

The accompanying notes from (1) to (9) are an integral part of this consolidated interim financial information.

INVESTMENTS & INTEGRATED INDUSTRIES COMPANY
(PUBLIC SHAREHOLDING COMPANY – HOLDING COMPANY)
AND ITS SUBSIDIARIES
AMMAN – JORDAN

NOTES TO CONSOLIDATED INTERIM FINANCIAL INFORMATION

c) Unlisted Companies:

Investment in equity securities of unlisted companies is evaluated at actual cost/book value. Details of investment in equity securities of unlisted companies are as follows:

Company	No. Shares	Book Value Before Valuation	Fair Value	Unrealized Loss
Kuwaiti Jordanian Holding Co.	174,000	43,960	43,960	-
Dead Sea Company for Truism Investments	177,500	177,500	177,500	-
		221,460	221,460	-

The total number of shares blocked against membership in the following investees' board of directors is 101,500 shares:

Company	No. Shares
International Company - vegetarian oil	20,000
Delta Insurance Co.	500
Capital Bank of Jordan	25,000
Amwaj Real Estate Company	50,000
AL Noor Real Estate Company	5,000
Jordan Press AL-Rai	1,000
Total	101,500

7) Basic and diluted profit per share

<i>Jordanian Dinar</i>	September 30, 2023	September 30, 2022
Profit for the period – Company's shareholders	869,082	590,295
The weighted average number of shares	14,500,000	14,500,000
Basic and diluted profit per share for the period	%6,0	%4,1

The accompanying notes from (1) to (9) are an integral part of this consolidated interim financial information.

NOTES TO CONSOLIDATED INTERIM FINANCIAL INFORMATION

8) Operating Segment

The Company operates its activities in major operating segments: investment, consulting, real estate leasing, and Printing. The following table presents information on the operating segments for the nine months ended September 30, 2023 (unaudited):

<i>Jordanian Dinar</i>	Investment	Consulting	Printing	Elimination	Total
Revenue and expenses:					
Revenue	-	-	3,249,599	-	3,249,599
Net financing expenses	(347,201)	-	(92,369)	-	(439,570)
Profit for the period	890,399	8,685	(36,132)	-	862,952
Assets and liabilities:					
Total assets	22,389,675	3,350,714	5,143,630	(9,345,106)	21,538,913
Total liabilities	13,706,439	32,804	3,491,664	6,032,379	11,198,528

9) Legal case against the Company

There is a legal case filed against the Integrated Industries and Investments Company by the plaintiff Cementra/Jordan for a financial claim of JD 3,505,831 in its capacity as a guarantor of Nuqul Engineering and Contracting Company (sister company), which resulted in the issuance of a decision by the Court of Appeal to order the precautionary attachment of the funds of the Integrated Investments and Industries Company. The subject matter of the above case, according to the confirmation of the Company's legal counsel, is summarized in a financial claim filed by Cementra/Jordan Company (Supplier) against both Nuqul Engineering and Contracting Company as a debtor and Integrated Industries and Investment and Integrated Industries Company in its capacity as guarantor of Nuqul Engineering and Contracting Company.

On 8/12/2022, a decision was issued by the judge of urgent matters (application 6948/I/2022) stating that the precautionary attachment was placed on the funds of the Integrated Investments and Industries Company, and the decision was appealed. On 22/12/2022, the appeal decision was issued with the judgment to place the precautionary attachment, and the cassation of the decision issued against the company was submitted. The company's management did not make any provisions to meet the potential liabilities arising from this case relying on the fact that the case is still in the stage of cassation and it is possible that the cassation decision is in favor of the Company.