البوتاس العربية
Arab Potash

Partners in Food Security

ANNUAL REPORT 2022

His Majesty
King Abdullah II bin Al Hussein

His Royal Highness Crown
Prince Al Hussein bin Abdullah II

SIXTY SIX ANNUAL REPORT

of the Board of Directors and the Consolidated Financial Statements of the Company for the year ended 31 December 2022, presented at the Ordinary General Assembly Meeting held at 9:00 morning on Tuesday March 21, 2022, Shaban 29, 1444 H. by visual and electronic communication technology.

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MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

Greetings,

It is my outmost pleasure to share with you the outstanding achievements that the Arab Potash Company (APC) has made during 2022 despite the exceptional events the world witnessed, which greatly impacted the global fertilizer market.

During 2022, APC's business had to weather the storm, facing exceptional and unprecedented events, most notably the Russia-Ukraine War, the ongoing repercussions of the Covid-19 pandemic that affected supply chains, and the challenges hitting the economy, mainly the unrivalled hike of inflation rates. In spite of all these difficult circumstances and challenges that left no international company unaffected, APC's performance was extraordinary at the production and sales levels, evidenced by a record and historically unmatched profits standing at JOD (601) million, marking an increase by (112%) compared the highest profit the Company has ever witnessed since 2008. The well-thought-out strategic planning and implementation carried out by the

"APC was able to record historical performance on various levels.

Record and unmatched Profits

JOD **(601)** million

Record in Production Volume

(2.684) million ton

Company had a great role in realizing such a historically high profit. The key initiatives of APC's strategic plan have mainly created operational and marketing flexibility, enabling the Company to diversify its production. Not to mention the Company's flexibility in moving across markets, enabling a greater revenue by occupying a spot in global potash markets.

When highlighting the outstanding achievements of APC this year, it is imperative to elaborate on the challenges that the Company was able to overcome successfully by adopting a masterful approach in running its business. Year 2022 was like no other, marking a number of exceptional events globally, mainly the Russia-Ukraine War that cast a shadow over many countries across the globe at the economic, logistics, and political levels to name a few, particularly affecting key aspects like food security. This is mainly due to the disruption of food and fertilizers supply chains in Russia, Ukraine, and Belorussia. Food security was further threatened by the intensifying and frequent climate shocks, leading to an unprecedented drought in the Horn of Africa and the Two Americas that negatively affected food security. Floods have also destroyed houses and agricultural lands in many countries. At the same time, governments were facing food security challenges and the implications of climate change with their hands tied due to the extraordinary global economic pressure that coincided with the climate change. These mainly include the hiking inflation rates in many countries, the accumulation of debts, and the depreciation of major currencies, eventually increasing the risk of a global recession. Global trade was also hit at several fronts, including the transport sector due to the increasing costs of transport and extended time needed to transport goods to their final destination.

The above-mentioned key events of 2022 had a great impact on the global fertilizer trade, which directly impacted APC. This was evident by the significant volatility of prices in the fertilizer markets, mainly driven by the ongoing war in Ukraine. In a bid to mitigate the effects of volatile fertilizer prices, some countries and international institutions took decisions that created a state of stability, contributing to easing the food crisis during 2022. Such decisions have also backed taking measures to sustain food production by facilitating access to fertilizers and ensuring their affordable production, a goal that was achieved through lifting the restrictions imposed on the fertilizer trade and exports. Several governmental and private entities have continued to drive the efficient use of fertilizers, in addition to investing in innovations to foster the international best practices, seeking to increase productivity by leveraging cutting edge technology.

Amid all these exceptional circumstances globally, APC was capable of going above and beyond at all levels, as the production volume in 2022 amounted to (2.684) million tons, marking the highest figure ever since the Company's establishment. Such a volume was produced due to the Company's strategic initiatives, including the establishment of mega projects that increased the production efficiency of the Company. These include the APC's dikes reinforcement works that increased the efficiency and quality of production raw materials, accompanied by other projects in the Company's plants to increase the production capacity and diversify products, ultimately raising our production capabilities.

As for sales, the Company's marketing policies rose to the occasion, enabling APC to acquire a greater market share by penetrating the North American markets as well as the Brazilian market, which is one of the three largest markets consuming potash. Undoubtedly, this step will be a turning point for the Company's sales over the next years. The Company was able to respond to the needs of many clients in Europe as well, ensuring to build long-term strategic relations to meet their demands whether in terms of quality or logistics. Expanding sales in standard and granular potash markets has driven the increase of the Company's profits, as such markets are characterized by higher sale prices compared to our traditional markets, especially the contractual ones.

Strategically, the Company is proceeding with implementing its five-year strategic plan (2021 – 2025), as half of the initiatives have already been successfully executed during the first two years of launching the

> ***"APC's performance contributed positively to the Jordanian economy, as the Company's payments to the Kingdom's Treasury for the year 2022 amounted to about JOD (404) million.***

strategy. The executed initiatives include the infrastructure reinforcement works such as the reinforcement of dikes, the new pumping station, increasing the capacity of producing granular potash, and building the logistics capabilities. The Company will further proceed with the second and third phases of its strategic plan, manifested in private projects concerning product and market diversity, digital transformation, and scientific research & development. The initiatives of sub-strategies are also under implementation, such as the ten-year energy strategy, dredging strategy, marketing strategy, digital transformation strategy, human resources strategy, and the growth strategy that the Company is developing to identify investment opportunities in the area of producing fertilizers and chemicals using the Dead Sea salts. It is worth noting that the Board of Directors is following up on the implementation of strategies through periodic reports showing disbursement and progress rate along with KPIs.

Local challenges, on the other hand, were no less intense than the global ones, which the Company had to overcome in order to realize such distinguished profit margins. These mainly include securing the needed amounts of water for the production process given the rain shortage in Jordan during 2022, even though the Jordanian Government was keen on responding to all agricultural and household needs of water in parallel with the industrial needs. This promoted the Company to find innovative solutions to secure water, mainly relying on the rationalization of consumption and finding untraditional water sources to ensure the continuity of production process. At another front, APC had to also deal with transport issues driven by the global events and coupled with the high energy prices, leading to higher costs of transporting fertilizers from production sites to the export ports in Aqaba. With boosting its transport procedure structure, the Company was able to address this challenge professionally by relying on a fleet of APC's owned trucks, besides contracting with highly experienced transportation companies that have long-term strategic relations with APC. In the same vein, the operation of the new industrial port in Aqaba, which was inaugurated by His Majesty King Abdullah II, contributed to doubling the export capacity of the port, reaching (10) million tons of fertilizers. This contributed to achieving significant savings for the Company in terms of freight, speed of loading, and avoiding the fines imposed due to extended ships berthing.

APC's outstanding performance had an impact that extended far beyond its scope, as it positively contributed to Jordan's economy by supporting local communities. As for social responsibility, the Company pursued a systematic approach to support local communities through cooperation with official authorities. As part of its strategic plans, the Company is developing training centers, crystallizing the foundations of their work, and coordinating with several stakeholders to establish an incubator for qualifying and training human resources in Jordan, with the ultimate goal of advancing the national industries. Proceeding with its mission as a major component of the Jordanian society, especially in the southern regions, the Company has created a number of job opportunities in 2022 through its distinguished training program. APC has also supported the education sector by providing aids to official educational institutions, in addition to donating food parcels and supporting the health sector amongst other sectors, eventually spending JOD (7) million on social responsibility during 2022.

The Company's impact on the Jordanian economy was not only financial, as it partook in the preparation of the Economic Modernisation Vision for the Kingdom that is overseen by the Royal Hashemite Court. The Company also plays a key role in drawing the Kingdom's plan for economic modernization to help realize the targeted growth rates for the Jordanian economy. APC's payments to the Kingdom's Treasury in 2022 amounted to JOD (404) million, marking a 156% increase from 2021. This figure accounts for the Company's due income tax, mining fees, road and port fees, and the lease of concession lands, in addition to the expected dividends that are subject to the General Assembly's approval during their next meeting in March, 2023. As for hard currencies, the APC and its subsidiaries and affiliates continued to position itself as a leader in supporting foreign currency reserves in the Kingdom; with the Company's contribution to the Jordan's foreign exchange reserves, as a result of the sales by APC and its subsidiaries and affiliates, amounted to a total of USD (2.39) billion in 2022. Potash sales alone accounted for (13%) of national exports by the end of the third quarter of 2022, while potash sales over the past ten years accounted for nearly (10%) of the total value of Jordanian national exports.

The Company is eagerly aspiring for a future growth in its production capabilities and driving a diversity of specialized fertilizers. These two goals are particularly significant given their contribution to maximizing the Company's value and increasing expected revenues to shareholders, whose investments in APC constitute a unique and successful multinational partnership that brings together international and regional shareholders along with Jordanian partners.

Over the next years, the Company will continue to pursue its goals of maximizing shareholder value and returns, which also fall under the Company's responsibility towards the global community by seeking to strength the global food security. APC is also striving and keen on running its business in alignment with the sustainability principles and standards. In fact, it is expected that the commodity markets will be reshaped by the sustainability trends related to multiple policies and regulations, the net zero principles, and the impact of green technology developments on the fertilizer sector through the use of renewable energy, electric vehicles, and hydrogen as an energy source. By adapting to all these trends, the Company is aiming to successfully penetrate commodity markets.

Finally, speaking of myself and on behalf of the Board Members, we express our sincerest gratitude to Dr. Maen Nsour, the President & CEO of APC, as well as the Executive Management and all employees for their exceptional and distinguished efforts, which have been the main reason for reaping the fruits of our success in 2022. I also extend my thanks to the Jordanian government for the role it played in creating an investment-friendly environment through the laws and regulations governing investment in the Kingdom, which greatly contributed to enabling the Company to achieve its key objectives.

Yours Sincerely,

Eng. Shehadah Abu Hdaib
Chairman of the Board of Directors

MESSAGE FROM THE PRESIDENT & CEO

Dear Shareholders,

Greetings,

In spite of all the exceptional global events witnessed in 2022, the Arab Potash Company was able to adapt and even capitalize on these events for the interest of its shareholders, making a remarkable success through the implementation of a comprehensive and robust strategy to run our business in line with the international best practices. Not only did this increase the Company's competitive position globally, but it also resulted in making a record profit of JOD (601) million, a figure never previously witnessed throughout APC's history.

Add to this fact that APC's business was affected by the ongoing fluctuations that characterized year 2022 due to the political, economic, military, and health events amongst others, which, in turn, have also rattled all productive sectors globally. The global fertilizer sector and the Company's business were mainly threatened by risks and challenges associated with the global economic growth. The concerns of global central banks were on the rise amid the exceptionally high levels of inflation, driven by the lockdown measures of the COVID-19 pandemic with a persisting impact since 2020. This was even more evident in the disruptions of food and supply chains. Not to mention the Russian-Ukrainian war and the resulting energy crisis, which are deemed the major cause of the hiking inflation in the majority of industrial economies. The policies adopted to curb global inflation, mainly raising the interest rates, were among the key challenges affecting the global economy in 2022; as such policies increased the risks associated with a sharp decline in economic activity and the accompanying global economic downturn. The ongoing state of global geopolitical uncertainty was also among the key risks affecting the fertilizer sector and the Company's business continuity, in addition to the declining interdependence among countries with regard to economic and commercial activities and the gradual decoupling of major economies. This, at its entirety, affected supply networks and international cooperation, leading to exacerbating the challenges facing the global fertilizer markets.

Amid all these extraordinary circumstances, APC was able to live up to expectations with an unprecedented net profit margin that stood at JOD (601) million in 2022. Such an achievement is attributed to several reasons, most notably was the unrivalled hike of fertilizers prices in light of the military conflict between Russia and Ukraine, the two countries that greatly contribute to realizing and supporting global food security and on which many countries rely for fertilizers and grain imports. These events, coupled with other factors, drove the unprecedented increase of profit margins, including the Executive Management's efforts to foster the flexibility of operations by rapidly responding to the high demand for potash witnessed at a certain point of this year. This exceptional flexibility was manifested in increasing the production capacity to the maximum in order to capitalize on the high prices, reflecting a wise decision that also took into account the safety and sustainability of production operations. Other factors include the Company's strategic initiatives such as diversifying the products, penetrating new major markets, and rationalizing the costs of production operations, amongst other key initiatives that have been implemented since the Executive Management assumed its duties in 2019.

To gain a closer analytical look at the performance of the global fertilizer sector and the potash sector in particular, the input of specialized global reports was considered, which forecasts a drop in demand for potash fertilizer by up to (15%) in 2022 compared to the demand in 2021. This projection is backed by several causes, most notably the hiking prices of potash fertilizers, which affected the purchasing power of consumers. There was also a lack of sufficient quantities of potash due to the restrictions that undermined the export capabilities of the largest potash producers in Russia and Belarus, leading to a decrease in global demand for potash. Despite such a significant decline in the demand for potash during 2022, the key drivers for its demand will stimulate a growth even higher than 2022, mainly driven by the growing world population and the increasing focus on food systems that are highly dependent on fertilizers. This will augment the use of fertilizers to improve crops in agricultural lands that are relatively limited.

In the short term, it is expected that weather conditions and the purchasing power of farmers will affect the demand for fertilizers in the largest consumer markets in China, Brazil, the United States, India, Indonesia, Russia, and Malaysia, where these fertilizers are used in the production of main crops such as corn, soybeans, palm oil, and rice. Prices will also see significant changes in the short term in case the sanctions imposed on Belaruskali Company in Belarus remain effective, triggering a halving of its export capabilities. Not to mention the ongoing restrictions imposed on any parties who deal with the Russian companies producing potash.

The global potash market is in fact still characterized and dominated by oligopoly, which is a key factor for determining prices in the medium and long terms. Achieving a fair balance between the rates of potash operations and the demand for potash fertilizer is a great contributor to stabilizing potash prices so as to serve the interests of consumers and producers. In the long run, the emerging markets in Latin America and South Asia are expected to drive growing global demand for fertilizers due to growth of agricultural sectors in these markets in terms of size and the adoption of advanced agricultural production operations. At the same time, the use of fertilizers will remain limited across Africa due to the low affordability and slow growth of agricultural technology despite the great potential such agricultural products have in the African continent. In developed economies, the demand for potash fertilizer is expected to see a limited growth due to the use of near-ideal agricultural systems, leading to opportunities that foster less consumption of fertilizers.

Through its five-year strategy, APC has radically enhanced the flexibility of its production and marketing operations, mainly by diversifying its products to include standard and granular red potash, in addition to expanding its marketing network and penetrating major markets such as the European market, along with other new markets in Southeast Asia, Australia and Brazil, which is one of the three largest markets that consume potash in the world.

To translate achievements and work done into numbers, the Company's net profits of its sales in the new markets consuming red potash have amounted to JOD (71.5) million, accounting for (11.9%) of APC's overall net profits in 2022. As for the sales in Europe, profits amounted to JOD (69) million, constituting (11.5%) of the total net profits. The Company has been exerting efforts in parallel to control the costs of production and sales in various means, contributing to raising the profit margin and thus increasing net profits. The key step taken to cost control was realizing savings in the global freight market by switching between bulk and container shipment, in addition to boosting the production of larger quantities, which maximized the benefits achieved from economies of scale, and in turn resulted in reducing fixed costs per ton. The energy cost control is in fact still reaping fruits thanks to the plans that APC has developed and implemented, along with the new plans developed to secure lower-cost energy for the projects that will kick off soon, thus increasing the Company's needs for steam and electricity.

These achievements necessitate the development of long-term plans to maintain such a remarkable performance in the future and ensure a sustainable growth in the long run, a goal that can be realized through a mechanism balancing between production and marketing operations. This will then be reflected in achieving the stability required for the Company's profitability and competitiveness in the short, medium and long terms. To that end, the Company is implementing several major projects that would maximize its profit margin, most notably the dikes reinforcement projects that were completed in 2022, as their positive impact is becoming more tangible with the improvement of safety factors in these sites. This would minimize any risks associated with the leakage of brine from the Company's solar and salt evaporation ponds. Moreover, the Company reported savings on pumping costs due to the declining quantities of wasted brine owing to the dikes surrounding the Company's ponds. Dike reinforcement works also fostered preserving raw materials on sites after the concentration of potassium therein. This reflected positively on the effectiveness and availability of the raw materials needed for the production process. The Company is currently working on the new pumping station project, which is the principal source of raw material to the production process. Many other water and energy projects are also underway as part of the strategic plans developed specifically to rationalize costs at these two levels, thus cutting production costs and enhancing the Company's global competitiveness. One of the most important projects officially implemented during 2022 was the new industrial port project inaugurated by His Majesty King Abdullah II with an implementation cost amounting to JOD (140) million. This new port has a beneficial impact on the Company's business through achieving a high flexibility in ship loading operations, which significantly contributed to cutting costs and minimizing the fines imposed due to prolonged ship loading. This new port also enabled the Company to handle the loading of various products with great flexibility, without compromising the quality of the products exported to our clients across the globe.

As for marketing and sales, the Company was able to make headway by diversifying its global markets and gaining ground in markets that consume granular red potash, especially the Brazilian market where APC has opened a regional office as part of its plan to maximize its market share and boost sales there. The significance

of the Brazilian market stems from the fact that it is the world's largest importer of potash fertilizer, and one of the largest three markets that consume potash besides the Chinese and the US markets. The selling prices in the Brazilian market are also remarkably high compared to the traditional markets that APC used to target. The key outcome of entering the Brazilian market is achieving flexibility in selling as much as possible of the Company's products, since sales were previously confined to the markets consuming standard and fine potash. This made the Company's sales dependent on the purchase power and demand in these markets. Now, however, if the demand for standard or fine potash drops, it can be converted into granular potash and sold in larger markets such as the Brazilian market. This would undoubtedly enhance the Company's ability to maximize sales and ensure sustainability in the long run. It is worth noting that APC is approaching the end of a new plant project aimed at maximizing the Company's capabilities in granular potash production to reach (1.2) million tons annually, constituting more than (50%) of our production capabilities.

Year 2022 was indeed exceptional to APC. Besides the unprecedented profits we achieved, a record volume of potash production was also attained, amounting to (2.684) million tons. This historic production was the fruit of the projects implemented over the past four years, mainly the dikes reinforcement projects amongst other projects that contributed to improving the efficiency of plants, thus realizing a record production capacity. Seeking to achieve such a growth in production volume was a means to meet the demand for various types of fertilizers in global markets, especially in light of the global competitiveness among all producers and the strong demand for potash fertilizer driven by military conflicts and economic pressure.

The Company is operating amid a fierce competition when considering global competitors who have expansion plans with massive production capabilities at a lower cost compared to the cost that APC incurs. To maintain its business continuity, the Company has examined the structure of the global fertilizer industry and the main principles by which APC must operate to maintain its competitiveness in the long run. It became crystal clear to the Executive Management that steps must be taken to maintain and maximize the Company's current market share by entering new markets, in addition to keeping abreast of the growing global demand for potash fertilizer that increased by around (1% - 3%) annually. The Company also developed a mechanism for expanding production operations and specialized fertilizers in order to realize the Company's future plans and target projects. Our two projects to expand production include the Northern Expansion project, which will increase the Company's production capacity by around (140,000) tons; and the Eastern Expansion project, which will increase production capacity by (120,000) tons approximately; and these two projects are expected to kick-off in 2024 and 2025, respectively. Work is also underway to conduct the necessary studies for the Southern Expansion project, which, if implemented, would increase the production capacity by no less than (550,000) tons annually.

The Executive Management's vision to expand production is linked to solid grounds that have been extensively studied, including a market-specific mechanism based on the particularities of clients, along with responding to the needs of countries that consume massive quantities of potash. Such a step has a tangible impact on diversifying sales and minimizing the risks of sales that are exclusive to a specific set of countries. Since expansion projects require a relatively prolonged time, we also considered the optimal time for investment by analysing the potash price cycle. Since it is characterized by volatility, the price cycle was analysed by balancing between supply and demand and measuring their impact on prices, eventually selecting the optimal time for pumping into markets the newly produced quantities. The Company has also studied the expansion projects by analysing the needs of its main customers and their future expansion plans that will result in a growing demand for potash fertilizer. Our expansion vision also takes into account the optimal utilization of the Company's concession lands and maximizing the benefits yielded from the economies of scale, eventually achieving stable net profits in the event of a price drop in the future.

The APC's plan, therefore, was focused on ensuring alignment between the potash manufacturing and the business of our subsidiaries and affiliates on one hand, and the research, development and innovation efforts on the other hand. This is part of the Company's keen efforts on maximizing the diversification of revenues through many projects in the field of specialized fertilizers. Through its strategy, APC seeks to improve the added value of its products and enter new global markets, with a focus on strengthening the Company's position in existing markets. In line with this goal, work is underway to study major investment projects, most notably the specialized fertilizer complex, for which a feasibility study is being conducted in partnership with one of the leading companies in the field. The Company is also considering means for maximizing its revenues from subsidiaries and affiliate companies through scaling up the business of the Jordan Bromine Company, and expanding the production of potassium nitrate fertilizer through the Arab Fertilizer and Chemical Industries Company (KEMAPCO), in addition to examining opportunities for the production of ammonia. In terms of research, development and innovation (RD&I), the Company is about to complete the construction of an advanced RD&I Center in cooperation with the best international research centers. This is aimed at promoting the RD&I activity in the fields of fertilizers and their application to the agricultural sector. The Center also aims to keep abreast of the industrial developments and the various consumption patterns of the fertilizer sector globally.

APC's national success, driven by its relations with official authorities and the role it plays in local communities, is the key driver for the Company's global success. Evident by the great harmony between the Company's exceptional achievements and the Kingdom's vision of economic modernization, such a local success contributes to realizing the interests and goals of the Company by meeting its needs that serve its operations, especially in light of the alignment between APC's success and realizing the interests of its employees and shareholders on one hand, and achieving the desired objectives of the Jordanian economy on the other hand. In the same vein, the Company continued investing in its human capital by developing a Human Resources strategy derived from the general strategy of the Company, which focuses on workforce planning to regulate costs, develop the organizational structure, and drive cultural transformation. It is also skewed towards instilling positive principles in the work culture, developing the basic functions of the Company's business, and equipping human cadres with the best skills to ensure boosting performance.

To continue running its business successfully, the Company has laid the foundations that enable addressing any changes that may occur to the fertilizer sector. Considering the forecasted performance of the fertilizer sector during next year, the pressure experienced in 2022 is expected to ease, especially in terms of the disruptions that hit the supply chains and transport processes, in addition to the drop in air, sea, and land shipping rates, leading to a change in trade patterns and forcing the resort to longer sailing routes.

The growing world population, however, will remain the key and most significant factor in determining demand for fertilizers in the long run. Studies suggest that significant and countless changes have occurred. Not only is this attributed to the unprecedented large population, but also because of the unprecedented increase of average ages. At the same time, there has been a notable growth in the middle class of the world population, mainly driven by the middle class growth in Asia due to the economic development and increasing income, driving millions of Asians to change their consumption behaviours and consume larger amounts than ever. Undoubtedly, such major transformations have far-reaching effects on societies and industries across the globe, as the demand for health care will rise, accompanied by an increase in income and wealth. To sustain a better standard of living, ensure staying healthy, and prevent diseases, people will tend to spend more, which eventually drives the demand for fertilizers and agricultural products.

Today, APC has the needed management foundations to achieve its ambitious future plans during next year. The Company will implement its business operations within key frameworks, namely prioritizing the potash expansion works and manufacturing specialized fertilizers with high added value, in addition to addressing inflationary pressures and their impact on the Company's business. While seeking to diversify production processes and sources of supply chains, the Company will closely monitor the geopolitical developments and their impact on its business operations. This will be in parallel with continually supporting a flexible operational model that keeps up with the latest technological developments, an endeavour that would enable APC to adapt to and cope with the foreseeable and unforeseeable global changes.

Finally, I would like to extent thanks and appreciation to HE Chairman of the Board of Directors Eng. Shehadah Abu Hdaib and the Company's Board of Directors for their continuous support that played a key role in achieving the Company's distinguished successes. I would also like to thank all the employees and workers of the Arab Potash Company, who manifest a culture of hard and dedicated work and high productivity, thus yielding outstanding financial results to the Company. I also commend the continuous cooperation of the Jordanian ministries and directorates whose scope of work is relevant to the Company, as well as the local communities for their role in driving our success.

Yours Sincerely,

Maen Nsour

Dr. Maen Nsour
President & CEO

APC PERFORMANCE IN 2022

Net Consolidated Profits

JOD **(601)** Million

Operating Profits

JOD **(738)** Million

Net Revenues

JOD **(1.27)** Billion

Production Volume

(2.684) Million tons

of potash, which is the highest in the Company's history

APC supplies the Kingdom's Treasury with foreign currency exceeding

USD **(2.39)** Billion,

which is the highest in the Company's history

APC PERFORMANCE IN 2022

Tax and mining fees

JOD **(366)** Million

Group's Share of Profits from Affiliated Companies

JOD **(95)** Million

Total production volume of Red Granular potash

(295) Thousand tons

Total Assets

JOD **(2)** Billion

Capital Expenditures

JOD **(177)** Million

ARAB POTASH COMPANY QUALITY OF EARNINGS

The Arab Potash Company (APC) continued to achieve excellent results, making record profits thanks to the Company's steadfast progress in implementing its plans and projects. By maximizing revenues and minimizing the impact of rising costs, APC has increased the quality of its earnings and profitability margins using qualitative methods and approaches focused on the following:

1. **Responsible mining.**
2. **Setting up long term strategies for the Company's main departments.**
3. **Strengthening and bracing the Company's assets and operations.**
4. **Increasing efficiency of production and maintenance operations.**
5. **Expanding production, and increasing the Company's market share.**
6. **Added value chain analysis.**
7. **Strategic presence of APC in new markets.**
8. **APC's Product diversification.**
9. **Product diversification through the Company's subsidiaries and affiliates.**
10. **Freight cost optimization.**
11. **Applying sustainability best practices.**

1. Responsible Mining

Integrating sustainability into mining operations

MINING AND MARKETS RISK	ACTIONS TAKEN BY APC TO CONTROL AND MITIGATE RISK
Geological nature of the Dead Sea	Capital investments to deal with geological challenges and increase efficiency in utilizing the extracted natural resources
High electricity prices and water scarcity	Generate electricity from solar energy and natural gas and raise consumption efficiency Use water efficiently and responsibly and search for other sources of water
Environmental, social, and institutional impacts	Applying sustainability standards (ESG)
Prices fluctuations	Entering new markets with high price returns Product diversification through subsidiaries and affiliates in addition to the Company's plan in specialized fertilizers projects
Demand fluctuations for potash of all kinds in the global markets	Producing red potash (standard and granular) Flexibility in production by converting regular and fine potash into granular as needed

Quality of Earnings, Sustainability, and Business Competitiveness

Net Profits

Year	Net Profits
2020	JOD 127 million
2021	JOD 217 million
2022	JOD 601 million

2. Setting Up Long-Term Strategies for the Company's Main Departments

1 Develop the basis for the strategic long-term plans until 2058

2 Develop the five-year strategy on the medium term (2021 – 2025)

3 Develop the sub strategies for the following sections:

Dredging and Reclamation Strategy
- Achieve a cost-effective and sustainable dredging system
- Reinforce dredging and salt reclamation operations

Marketing & Sales Strategy
- Expanding and diversifying the customer base and maintain customers' satisfaction and product's quality
- Enhance channel mix and delivery network

Water Strategy
- Diversifying water sources with a focus on non-traditional resources
- Efficient and responsible use of water

Energy Strategy
- Reduce energy costs and diversifying its sources
- Provide renewable energy solutions to enhance sustainability

Human Capital Strategy
- Enhancing the utilization of the expertise and skills of employees and strengthening the organizational structure
- Motivate and build the capabilities of employees at all levels

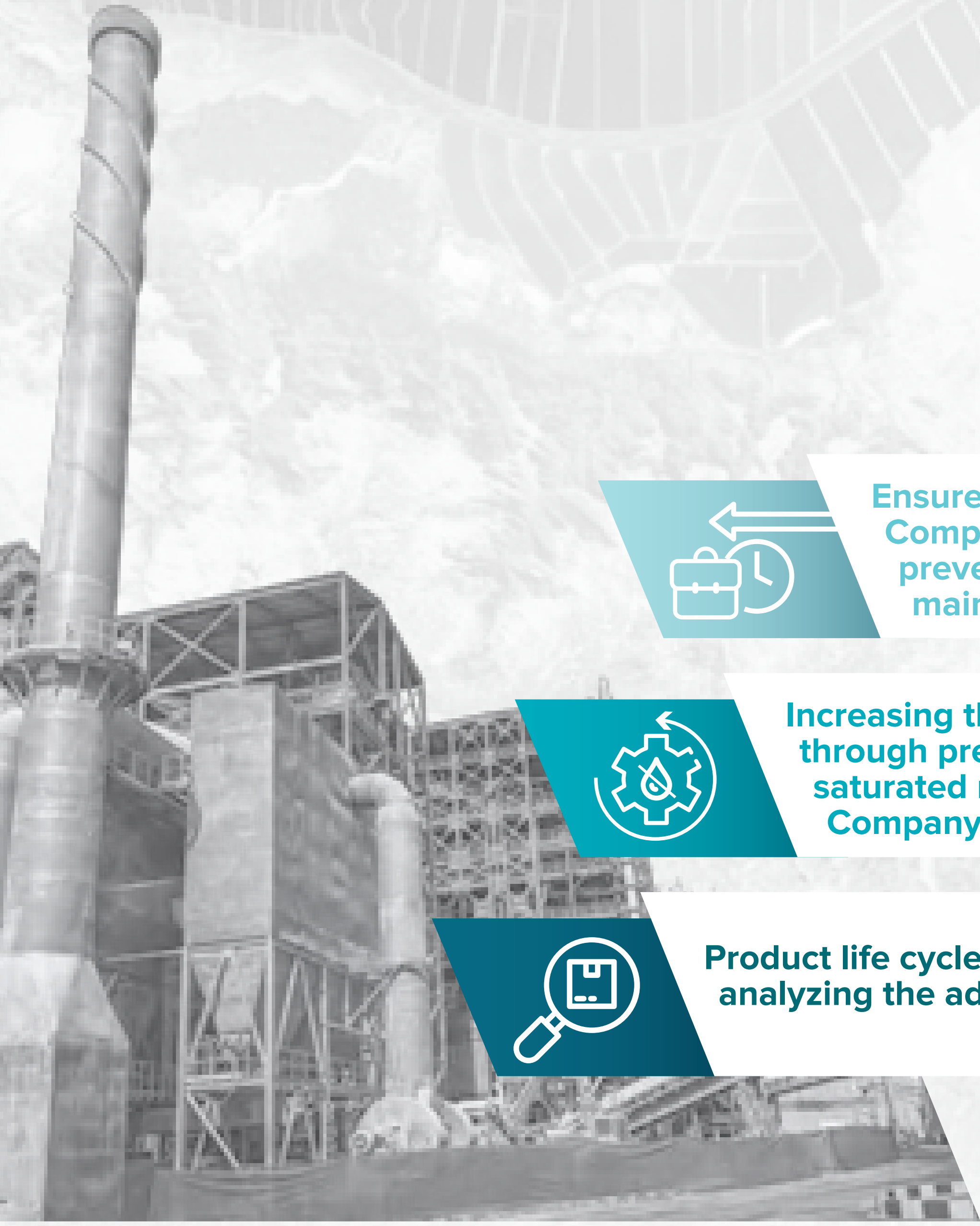
Digital Transformation Strategy
- Keeping pace with changing market demands
- Provide better customer service

Raising the efficiency of production, marketing operations, and the performance of human resources

Quality of Earnings, Sustainability, and Business Competitiveness

3. Strengthening and Bracing the Company's Assets and Operations

4. Increasing Efficiency of Production and Maintenance Operations



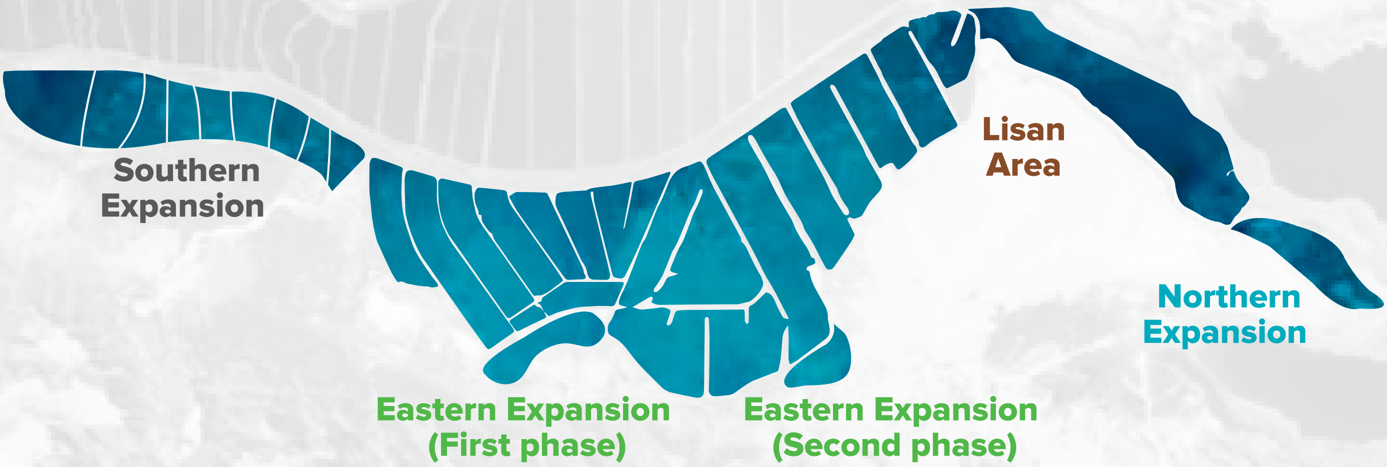
Ensure sustainability of the Company's works through preventive and predictive maintenance

Increasing the production efficiency through preventing the leakage of saturated raw material from the Company's ponds

Product life cycle management and analyzing the added value chain

Quality of Earnings, Sustainability, and Business Competitiveness

5. Expanding Production, and Increasing the Company's Market Share



Northern Expansion Project

Eastern Expansion Project, both phases

Studies on Southern Expansion Project

Studies on potential expansion of production in Lisan Area

Increase of production quantities

Economies of scale

Growth of the Company's market share in global markets and its exclusive markets

Increase of the Company's profits and profit margin of each ton produced

Quality of Earnings, Sustainability, and Business Competitiveness

6. Added Value Chain Analysis

1. Pumping brine from the Dead Sea into the solar panels
2. Produce the five types of potash in the hot leach and cold crystal plants
3. Handling, storage and loading
4. Shipping operations on ships or in containers

Reduce cost | **Resources efficiency** | **Product quality** | **Effective operations**

Quality of Earnings, Sustainability, and Business Competitiveness

7. Strategic Presence of APC in New Markets

Promoting the Company's products in new markets with high profit returns

Diversity and flexibility in production to match the demand in global markets

Opening a new representative office for the Company in Brazil, in addition to its offices in India and Malaysia

Quality of Earnings, Sustainability, and Business Competitiveness

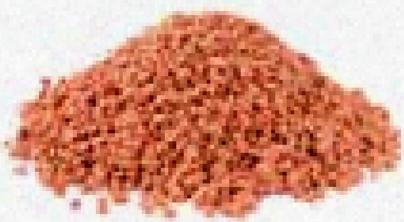
Partners in food security

8. APC's Product Diversification

White Standard Potash

White Fine Potash

White Granular Potash



Red Granular Potash

Red Standard Potash

Increase in average selling prices due to sales of red granular potash by

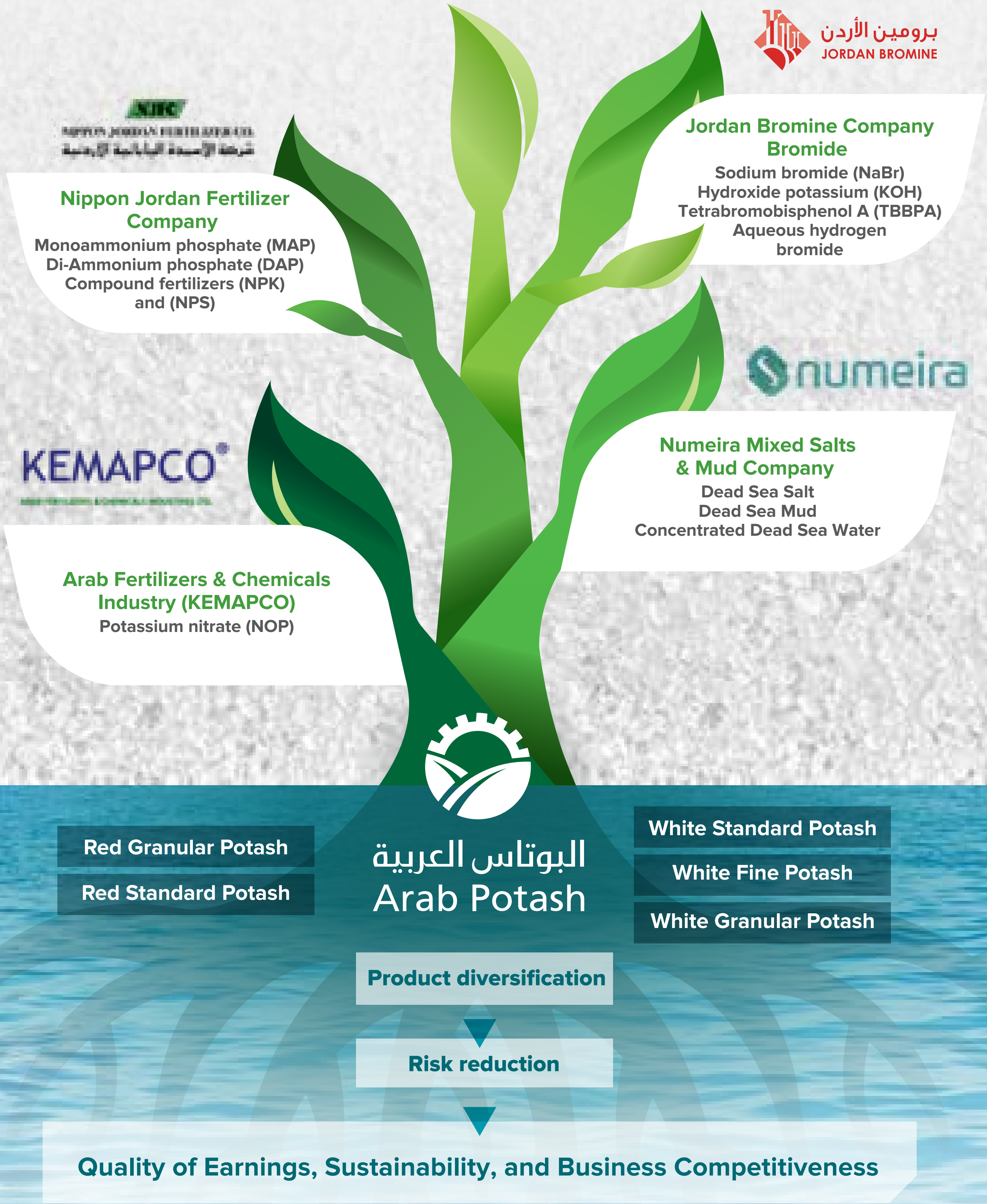
(27%) per ton

Achieving net revenues from sales of red granular potash amounting to

USD **(225)** million

Quality of Earnings, Sustainability, and Business Competitiveness

9. Product Diversification through the Company's Subsidiaries and Affiliates



10. Freight Cost Optimization

- Using potash warehouses in consumers countries outside of Jordan
- Joint shipping
- Shipping through big vessels to realize economies of scale
- Focusing on shipping through containers

Lower costs

Increase of profit margin

Quality of Earnings, Sustainability, and Business Competitiveness

11. Applying Sustainability Best Practices

The Company adopts the best practices of sustainability by focusing on the environmental, social, and economic aspects.

ENVIRONMENTAL ASPECTS

- Efficient use of resources to prevent waste and recycling of waste.
- Using the latest technology to reduce emissions and pollution.
- Effective use of energy and water in line with the international laws and standards.

SOCIAL ASPECTS

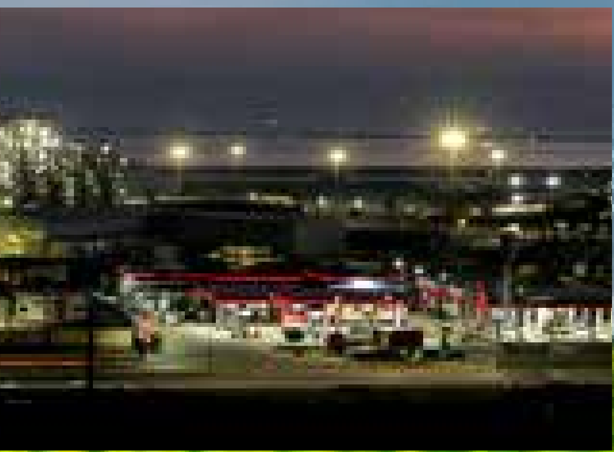
- Investing in empowering local communities through the social responsibility program and donations in order to achieve community development and create a sustainable model.
- The Company puts the safety of its employees, workers, and external contractors at the top of its priorities.

ECONOMIC ASPECTS

- Reducing production and operating costs while increasing revenues.
- Contribute to Kingdom's Treasury through mining fees and tax.

Enhancing the investors and stakeholders' confidence

Quality of Earnings, Sustainability, and Business Competitiveness



APC BUSINESS REPORT

BOARD OF DIRECTORS REPORT

Honorable shareholders,
The Board of Directors welcomes you to this ordinary annual General Assembly Meeting and presents to you the sixty-sixth APC Annual Report and the Consolidated Financial Statements for the year ended December 31, 2022, in accordance with the Companies Law, Jordan Securities Commission Law and APC by-laws.

Arab Potash Company Addresses

Head Office
Amman
Al Shmeisani - Al Jaheth St.
P.O. Box 1470 Amman
11118 Jordan
Tel.: +96265200520
Fax: +96265624441

Plant Site
Al Karak – Ghor Al Safi
Tel.: +96265200520
Fax: +96265200290

Aqaba Site
Aqaba
Southern Industrial Zone
Industrial Port
Tel: +96265200520
Fax: +96265200299

1. COMPANY ACTIVITIES

The Arab Potash Company (APC) was established on July 7th, 1956, and in 1958 the Government of the Hashemite Kingdom of Jordan granted APC an exclusive concession for the exploitation of Dead Sea salts and minerals. Upon termination of the concession, (100) years from the date it was granted, ownership of all plants and installations will be transferred to the Government of the Hashemite Kingdom of Jordan at no cost to the latter.

The operational objectives of the Company include the extraction of salts and minerals from the Dead Sea and establishing industries that use these salts and minerals.

The activities of APC and its subsidiaries concentrate on the production of potash, potassium nitrate and bromine and its derivatives and market them both domestically and internationally.

A. Number of employees by geographic location

Company	Ghor Al Safi	Aqaba	Amman	Total
Arab Potash Company (APC)	1,517	47	96	1,660
Arab Fertilizers and Chemicals Industries (KEMAPCO)	-	258	14	272
Numeira Mixed Salts and Mud Company	36	-	6	42
Dead Sea for Chemicals and Fertilizers Company	-	-	-	-
Total	**1,553**	**305**	**116**	**1,974**
Percentage	79%	15%	6%	100%

B. Capital Investment

The value of Property, Plant and Equipment amounted to JOD (1.71) billion in 2022, net book value of Assets after deduction of consolidated accumulated depreciation was JOD (634) million in 2022 compared with JOD (504) million at the end of 2021, an increase of (26%). This rise was in line with the Executive Management's directives to increase the volume of spending on capital projects, which contributes to the diversification of the Company's product of potash and increasing its quantities in a way that meets the needs of the global markets.

2. SUBSIDIARY AND AFFILIATE COMPANIES

A. Subsidiaries

1. Arab Fertilizers and Chemicals Industries (KEMAPCO)
Limited Liability Company, P.O. Box 2564,
Aqaba 77110 Jordan
www.kemapco.com

Arab Fertilizers and Chemicals Industries (KEMAPCO) was established in 1999 with a capital of JOD (29) million, and it is a wholly owned by the Arab Potash Company (APC), total number of employees is (272). The Company's sales in 2022 were around JOD (124) million, by selling around (130) thousand tons of potassium nitrate, which is the highest sales since the Company's establishment. The Company's net profit was about JOD (17) million.

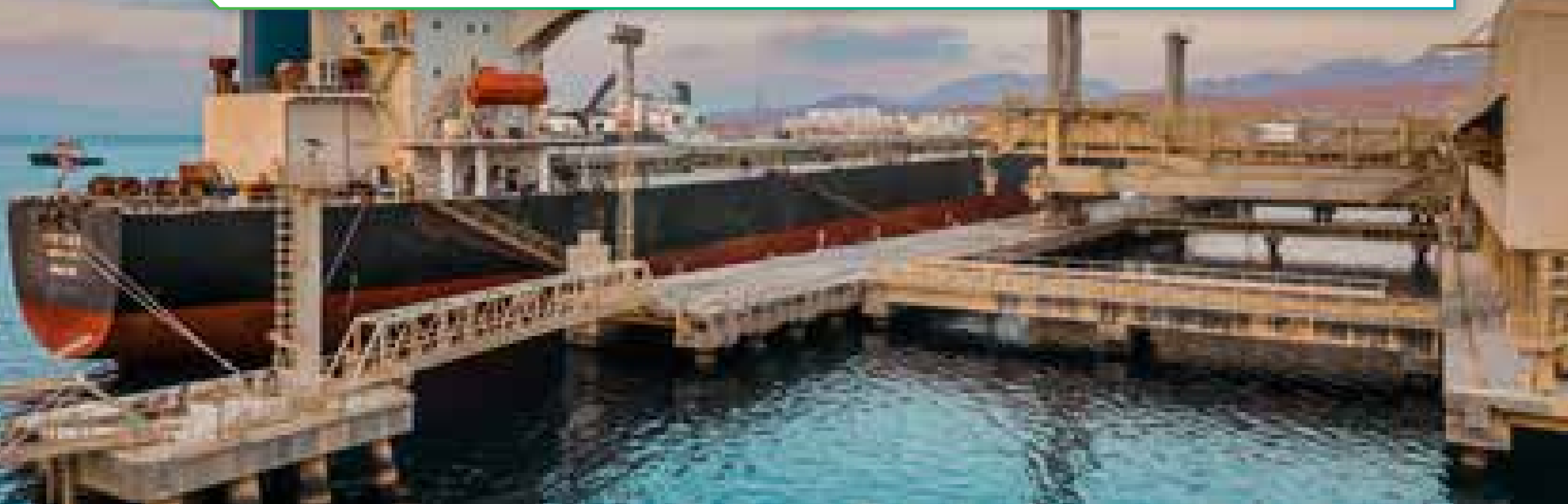
There are no subsidiary and affiliate companies for the Company.

2. Numeira Mixed Salts and Mud Company
Limited Liability Company, P.O. Box 941681,
Amman 11118 Jordan
www.numeira.com

Numeira Mixed Salts and Mud Company was established in 1997 to purchase and package carnallite and extract the Dead Sea mud for the cosmetics manufacture, with a capital of JOD (800) thousand, the Company is wholly owned by the Arab Potash Company (APC). Numeira Mixed Salts and Mud Company is one of the only two companies in the world specialized in extracting and exploiting raw materials from the Dead Sea. The Company recently implemented a strategic transformation plan in order to be among the first companies in the world working in the cosmetics and personal care industries related to Dead Sea raw materials.
There are no subsidiary and affiliate companies for the Company.

3. Dead Sea for Chemicals and Fertilizers Company
Private Liability Company, P.O. Box 1470, Amman 11118 Jordan

The Dead Sea Chemicals and Fertilizers Company was established on 10/14/2021, and work is underway to complete technical and financial studies to start implementing a new project to produce specialized fertilizers in Ghor Al-Safi. The Company's capital is JOD (50,000), and it is wholly owned by APC.



B. Affiliates

1. Jordan Bromine Company (JBC)
P.O.Box 941967, Amman 11194 Jordan
www.jordanbromine.com

Jordan Bromine Company (JBC) was established in 1999 to produce bromine and its derivatives. JBC's production is marketed by Albemarle Holdings Limited based on the marketing agreement between both companies. JBC's capital amount to JOD (30) million and an additional JOD (24.7) million paid in capital was distributed equally between the two shareholders, APC and Albemarle. The Company produces bromine and its derivatives such as tetra bromide, sodium bromide, calcium bromide, hydrogen bromide, and potassium hydroxide.

There are no subsidiary and affiliate companies for the Company.

2. Jordan Industrial Ports Company (JIPC)
B.O.Box 138, Aqaba 77110 Jordan
www.jipc-jo.com

In 2009, the Arab Potash Company (APC) and the Jordan Phosphate Mines Company (JPMC) established the Jordan Industrial Ports Company (JIPC) equally, with an initial capital of one million dinars, then it rose to reach JOD (140) million by the end of 2019. The value of the Company's capital assets reached (145) million at the beginning of 2022.

The establishment of the Jordan Industrial Ports Company aims to achieve the expansion goals of the Arab Potash Company pertaining to the production and export chains of potash products of all kinds and with the highest quality standards to meet the needs of current markets and the inclusion of new future markets. The Jordan Industrial Ports Company has played a vital role in the Jordanian economy, as it is an integrated fertilizer trading center that provides sea and land connectivity. The development work has had a positive impact on the industrial port by reducing shipping costs and enabling users to enter new global markets. The capital increase over the past years has also contributed to ensuring that the industrial port's production capacity is raised to (10) million tons annually, within the highest international standards that serve the quality of handling and considering the public safety and the environment.

There are no subsidiary and affiliate companies for the Company.

3 Nippon-Jordan Fertilizers Company (NJFC)
P.O.Box 926861, Amman 11190 Jordan
www.njfc-jo.com

Nippon-Jordan Fertilizers Company (NJFC) was established in 1992 to produce compound fertilizers (NPK), (MAP) and (DAP). APC and Jordan Phosphate Mines Company (JPMC) hold (20%) and (80%) respectively of the Company's capital amounting to JOD (16.7) million.

There are no subsidiary and affiliate companies for the Company.

3. BOARD OF DIRECTORS

A. Board of Directors

Name	Representative of	Position	Board Committees	Nationality
H.E. Eng. Shehadah Abdallah Alhamad Abu Hdaib	Ministry of Finance	Chairman of the Board	- Chairman of: - Remuneration, Nomination & Investments Committee - CSR and Donations Committee - Board Tendering Committee	Jordanian
Mr. "Ahmad Jamal" Nawaf Moh'd Bataineh	Government Investments Management Company (GIMC)	Board Member	- Chairman of Corporate Governance Committee - Vice Chairman of CSR and Donations Committee - Vice Chairman of Board Tendering Committee - Member of the Remuneration, Nomination & Investments Committee - Member of the Audit Committee	Jordanian
Eng. Mofareh Dakhilallah Jum'a Al-Tarawneh		Board Member	- Chairman of the Risk Management Committee - Vice Chairman of the Audit Committee - Member of the Remuneration, Nomination & Investments Committee - Member of the Corporate Governance Committee - Member of the Board Tendering Committee	Jordanian
Prof. Fayyad Melfi Aqil Al Qudah		Board Member	- Member of the Corporate Governance Committee - Member of the Board Tendering Committee	Jordanian
Mr. Zhou Weiliang	Man Jia Industrial Development Ltd.	Vice Chairman	- Member of the Audit Committee - Member of the Board Tendering Committee - Member of the Risk Management Committee	Chinese
Eng. Shen Yi		Board Member		Chinese
Mr. Zhao Jing		Board Member as of 18/03/2022	- Member of the Remuneration, Nomination & Investments Committee - Member of the Corporate Governance Committee	Chinese
Eng. Deng Hua		Vice Chairman until 18/03/2022	- Member of the Remuneration, Nomination & Investments Committee - Member of the Corporate Governance Committee	Chinese

Name	Representative of	Position	Board Committees	Nationality
Mr. Anmar Taleb Abd Allatif Al Abdujalil	Arab Mining Company	Vice Chairman	- Member of the Audit Committee	Kuwaiti
Mrs. Azza Mohammad Saeed Rashed Al-Suwaidi		Board Member	- Vice Chairman of the Risk Management Committee	Emirati
Mr. Ali Saleh Ali Al-Smadi	Social Security Corporation	Board Member as of 16/01/2022	- Chairman of Audit Committee	Jordanian
Dr. Bassam Ali Nayef Al-Subaihi		Board Member until 16/01/2022	- Chairman of Audit Committee	Jordanian
Mr. Ahmed Abd Al Jabbar Ali Al-Kareem	Government of Iraq	Board Member as of 27/11/2022	- Member of the Corporate Governance Committee	Iraqi
Eng. Yousif Mohammed Jasim Al -Janabi		Board Member until 27/11/2022	- Member of the Corporate Governance Committee	Iraqi
Mrs. Wafa Abdurrezagh Mohamed Abu Shkewa	Libyan Arab Foreign Investment Co.	Board Member as of 14/06/2022	- Vice Chairman of the Corporate Governance Committee	Libyan
Eng. Emhemmed Abdurrahman Emhemmed Ghula		Board Member until 14/06/2022	- Member of the Corporate Governance Committee	Libyan
Mrs. Reem Ali Abdullah Al Sughayer	Kuwait Investment Authority (KIA)	Board Member	- Vice Chairman of the Remuneration, Nomination & Investments Committee - Member of the Risk Management Committee	Kuwaiti

B. Biography of Board Members

H.E. Eng. Shehadah Abdallah Alhamad Abu Hdaib

Representative of	Ministry of Finance
Position	Chairman of the Board
Other positions in APC Group	Chairman of the Board of: - Arab Fertilizers & Chemicals Industries (KEMAPCO) - Numeira Mixed Salts & Mud Company - Dead Sea Chemicals and Fertilizers Company - Jordan Bromine Company (JBC)
Board Committees Chairman for	- Remuneration and Nomination & Investments Committee - CSR and Donations Committee - Board Tendering Committee
Date of birth	December 25, 1957

Chairman of the Board of Directors of APC as of December 12, 2021, and Board Member representing the Ministry of Finance as of December 18, 2020. H.E. Eng Shehadah. Abu Hdaib was appointed as a member of the twenty-sixth Senate. He served as Minister of Municipal and Rural Affairs during the period (2007 – 2009), Chairman of the Higher Organizing Council of the Ministry of Municipalities, Chairman of the Board of Trustees of the Hashemite Fund for the Development of Jordan Badia from the year 2011 till present, Chairman of the Board of Directors of Ma'an Development Company, Chairman of Jordan Heritage Revival Company, as well as Director General of the Housing and Urban Development Corporation (2005 – 2007), Director General of the Petra Development & Tourism Region Authority and Chairman of its the Board of Directors (2000 – 2004), and Vice-Chairman of the Board of Directors of Jordan Mortgage Finance Company during the year 2005. H.E. Shehadah Abu Hdaib also served as Assistant Secretary-General for Planning Affairs (1996 – 1999), Manager of the Tendering Department at Amman Municipality (1993 – 1996), member of the Government Tenders Committee in the Ministry of Public Works, Representative of the Social Security Corporation in the Board of the National Company for the Tourism Development, Lafarge Jordan Cement, and Vice-Chairman of Middle East University.

Eng. Shehadah Abu Hdaib holds a bachelor's degree in Civil Engineering from the University of Texas, USA in 1981, and he is a recipient of the Medal of Independence, First Class.

Mr. "Ahmad Jamal" Nawaf Moh'd Bataineh

Representative of	Government Investments Management Company (GIMC)
Position	Board Member
	Board Member of: - Arab Fertilizers & Chemicals Industries Company (KEMAPCO)
Board Committees	- Chairman of the Corporate Governance Committee - Vice Chairman of the Board Tendering Committee - Vice Chairman of the CSR and Donations Committee - Member of the Remuneration, Nomination & Investments Committee - Member of the Audit Committee
Date of birth	November 5, 1948

APC Board Member representing Government Investments Management Company (GIMC) as of August 12, 2012. Mr. Ahmad Bataineh attained the rank of Brigadier General at the Jordanian Armed Forces and held the position of Director of Military Intelligence until 2000 and Military Attaché of Jordan to the United Kingdom until 1999. He was also General Manager of the National Resources Development Company until 2007, founder and CEO of Al Salam Company for Security and Safeguarding until 2011, President of the Basketball League (2000 – 2003). Mr. Ahmad Bataineh received number of Jordanian medals of honor.

Eng. Mofareh Dakhilallah Jum'a Al-Tarawneh

Representative of	Government Investments Management Company (GIMC)
Position	Board Member
Other positions in APC Group	Board Member of: - Jordan Industrial Ports Company
Board Committees	- Chairman of the Risk Management Committee - Vice Chairman of the Audit Committee - Member of the Remuneration, Nomination & Investments Committee - Member of the Corporate Governance Committee - Member of the Board Tendering Committee
Date of birth	April 28, 1961

APC Board Member representing Government Investments Management Company (GIMC) as of June 20, 2017. Eng. Mofareh Al-Tarawneh Joined Jordan Arab Forces in 1978 where he served until his retirement with the rank of Major General. He held many posts that included Assistant to the Chairman of the Royal Jordanian National Defense College, Deputy General Manager of the King Abdullah II Design and Development Bureau (KADDB), Board Member of KADDB affiliated companies, Chief of Military Cooperation Strategic Planning, and Assistant Defense Attaché in Pakistan. Eng. Mofareh Al-Tarawneh was also Project Manager of the transfer of Challenger CD1 tanks from the UK to Jordan project, and he participated internationally in the peace keeping mission in Croatia (UNPROFOR) as well as several military cooperation missions.

Eng. Mofareh Al-Tarawneh holds a BSc in Mechanical Engineering from the UK, and an Executive MBA from Pakistan. Eng. Al-Tarawneh also received Military and Technical training at national military schools and international military academies in the USA and the UK.

Prof. Fayyad Melfi Aqil Al Qudah

Representative of	Government Investments Management Company (GIMC)
Position	Board Member
Board Committees	- Member of the Corporate Governance Committee - Member of the Board Tendering Committee
Date of birth	May 01, 1960

APC Board Member representing Government Investments Management Company (GIMC) as of November 09, 2020. Prof. Fayyad Al Qudah Joined the teaching staff of the Faculty of Law – the University of Jordan in 1993 till now. He was promoted to Full-Professor in 2010. Prof. Fayyad Al Qudah held several academic and administrative positions at the University of Jordan. He served as a full-time Lecturer at law during the years (1992 – 1993), Assistant Dean of the Faculty of Law for student and administrative affairs (1993 – 2003), as well as Head of Private Law Department and Vice Dean of the faculty. During the period (2016 – 2018), Prof. Fayyad Al Qudah was also appointed Dean of the Faculty of Law at the University of Jordan. In addition, he served as Legal Advisor for Executive Privatization Unit at the Prime Ministry and the Executive Privatization Commission, as well as Legal Consultant and Lawyer for the University of Jordan, the Jordan University of Science and Technology and the King Abdullah University Hospital. Prof. Fayyad Al Qudah was appointed Board Member of the Jordan Judicial Institute as well as Member of King Abdullah Design and Development Bureau (KADDB)'s Board of Directors, and the Hashemite Fund for Development of Jordan Badia's Board of Trustees.

Prof. Fayyad Al Qudah has acquired vast expertise, both globally and locally, and is considered a certified trainer and expert in Intellectual Property, accredited by the World Intellectual Property Organization (WIPO) in Geneva, United Nations-affiliated organization. Prof. Fayyad Al Qudah is also a certified trainer and expert in global trade issues accredited by the World Trade Organization (WTO) in Geneva, an organization concerned with the global trade issues among nations, certified as a trainer and expert by several regional organizations and institutions in the Arab World in the fields of intellectual property, international trade, commercial law, banking, and corporate law.

Prof. Fayyad Al Qudah has been active as a practicing lawyer since 1995 in the fields of commercial, corporate law, banking, and international construction contracts in addition to being an accredited international business arbitrator in different jurisdictions.

Prof. Fayyad Al Qudah was appointed as a Member of the Higher UN Anti-Corruption Commission in Vienna, July 2020, and is a certified expert in combating corruption at national and global levels.

Prof. Fayyad Al Qudah has multiple publications and research published in Arabic and English, addressing different domains, from trade law to the roles and responsibilities of BODs in public shareholding companies and their governance, and has written a book on commercial law that is taught at several Jordanian universities.

Professor Fayyad Al Qudah holds PhD degree from Edinburgh University in cooperation with the University of Houston, an LL.M degree in law (with distinction) from the University of Edinburgh in the UK, LL.B degree in private law from the University of Jordan.

Mr. Zhou Weiliang

Representative of	Man Jia Industrial Development Limited
Position	Vice-Chairman
Board Committees	- Member of the Audit Committee - Member of the Board Tendering Committee - Member of the Risk Management Committee
Date of birth	March 4, 1966

APC Board Member representing Man Jia Industrial Development Ltd. as of November 1, 2018. Mr. Weiliang currently holds the post of General Manager of SDIC Mining. He has also held many posts; Vice General Manager of SDIC High Technology Investment Company, Deputy Director of Operation Management SDIC, General Manager of SDIC Xinjiang Subsidiary, Chief Delegate of SDIC Representative Office in Xinjiang, and Operational Researcher at SDIC Research Center. Mr. Weiliang also worked as Deputy Director of Technology Development Department of Xinjiang University, and Manager of Nisang Advertisement Company, Xinjiang University and Deputy General Manager of SDIC Mining. He was also a Principal Staff Member of Politics and Law School of Xinjiang University and an instructor at the Chinese Department of Xinjiang University.

Mr. Weiliang holds BA degree in Journalism from Xinjiang University.

Eng. Shen Yi

Representative of	Man Jia Industrial Development Limited
Position	Board Member
Date of birth	July 31, 1969

APC Board Member representing Man Jia Industrial Development Ltd. as of January 13, 2020. Eng. Shen Yi started his career in December 1994, and successively served as Assistant Engineer at Huajin Charred Coal Company; Sales Manager at Flip Inc. in the United States; Project Manager at SDIC Coal Company; Project Manager, Senior Project Manager, and Deputy Manager of Coal Procurement and Supply Management Department of Coal Transportation and Marketing Company of SDIC Logistics Investment Co. Ltd; Deputy Manager of Coal Procurement and Supply Management Department of SDIC Coal Co. Ltd; Deputy Manager of General Affairs Department (Legal Affairs Department) of SDIC Mining Investment Co. Ltd, General Manager of Investment Department (fertilizer) at SDIC Mining Investment Co. Ltd.

Eng. Shen Yi holds master's degree in Technical Education from Marshall University, United States, and bachelor's degree in Architecture from China University of Mining.

Mr. Zhao Jing

Representative of	Man Jia Industrial Development Limited
Position	Board Member as of 18/03/2022
Board Committees	- Member of the Remuneration, Nomination & Investments Committee - Member of the Corporate Governance Committee
Date of birth	March 20, 1980

APC Board Member representing Man Jia Industrial Development Ltd. as of March 18, 2022. Mr. Zhao Jing currently holds the post of General Manager of the Planning and Finance department of SDIC Mining Investment Co. Ltd since November 2021. He has also held many posts of which Deputy General Manager of the Planning and Finance Department at SDIC Mining Investment Co. Ltd. during the period from April 2017 until November 2021, Senior Manager of Consolidated Statement Accounting of SDIC Mining Investment Co. Ltd. during the period from December 2015 until April 2017, Senior Manager of Consolidated Statement Accounting of SDIC Coal Co. Ltd. during the period from April 2013 until December 2015, Senior Audit Manager of SDIC Logistics Investment Co. Ltd during the period from April 2012 until April 2013, Project Manager of the Audit Department of ShineWing International Certified Public Accountants firm and Assistant Auditor of Baker Tilly China Certified Public Accountants firm until March 2012.

Mr. Zhao Jing completed his bachelor's degree in Radio Technology and Information System from Tsinghua University in the year 2002 and he holds a Certified Public Accountant Certificate (CPA).

Eng. Deng Hua

Representative of	Man Jia Industrial Development Limited
Position	Vice Chairman of the Board until 18/03/2022
Board Committees	- Member of the Remuneration, Nomination & Investments Committee - Member of the Corporate Governance Committee
Date of birth	April 12, 1963

APC Board Member representing Man Jia Industrial Development Ltd. from November 1, 2018 and Vice Chairman from April 23, 2019 until March 18, 2022. Eng. Deng Hua, Senior Engineer, was a Staff Member of Ministry of Water and Electricity, Deputy Director of Electric Power Project Department and Power Engineering Department in State Energy Investment Corporation. He was also a Director of the First Division of Power Business Department in SDIC, Deputy Director of Assets Management Department in SDIC, Vice-General Manager of SDIC-Chuangxing Assets Management Company, Vice-General Manager of SDIC High Technology Venture Capital, Vice-General Manager of SDIC Power, Chairman of SDIC Huajing power holding Co Ltd. (Stock code:600886), General Manager of SDIC High Technology Investment Company, President of China National Investment Consulting Co. Ltd., Head of SDIC Disciplinary Inspection Team, and Chairman of SDIC Mining.

Eng. Deng Hua holds BA degree in Power System & Automation from Tianjin University and BA degree in Business Administration from University of International Business and Economics.

Mr. Anmar Taleb Abd Allatif Alabduljalil

Representative of	Arab Mining Company
Position	Vice Chairman of the Board
Board Committees	- Member of the Audit Committee
Date of birth	August 17, 1962

APC Board Member representing Arab Mining Company since September 9, 2019 and Vice Chairman from October 29, 2019. Mr. Anmar Alabduljalil joined Kuwait Investment Authority in 1987 and was promoted for many posts; currently holds the post of Sr. Investment Director – Shareholdings Dept. – General Reserve Sector.

Mr. Anmar Alabduljalil is a Board Member at Gulf Stone Company – Oman and he served as Deputy Chairman of the Board at Public Utilities Management Company – Kuwait, Deputy Chairman of Kuwait Public Transport Company, Chairman of SAMIA Co., Mauritania, and Member at SAMIA Co. Audit Committee.

Mr. Anmar Al-Abduljalil holds a BA in Management Information Systems (MIS), and post-secondary education in Commerce from Chapman University, California, USA in 1976.

Mrs. Azza Mohammad Saeed Rashed Al Suwaidi

Representative of	Arab Mining Company
Position	Board Member
Board Committees	- Vice Chairman of the Risk Management Committee
Date of birth	July 2, 1978

APC Board Member representing Arab Mining Company as of June 2, 2016. Mrs. Azza Al Suwaidi has worked since 2012 as Director of Revenue Development Department at Ministry of Finance (MoF) of the United Arab Emirates (UAE), where Mrs. Azza Al Suwaidi has served since 2003 in numerous positions that included: Deputy Director of Revenue Development Department, Head of the General Taxes Division, Project Manager of Taxes Systemization in the UAE, and Member of the Country Team for the Project on Implementation of VAT in the UAE and GCCC.

Mrs. Azza Al Suwaidi holds BSc in Business Administration and a Higher Diploma in Business Administration, and she graduated from the United Arab Emirates Leaders Program (UAEGLP Future Leaders Program).

Mr. Ali Saleh Ali Al-Smadi

Representative of	Jordan Social Security Corporation
Position	Board Member as of 16/01/2022
Board Committees	- Chairman of the Audit Committee
Date of birth	April 1, 1963

APC Board Member representing the Social Security Corporation as of January 16, 2022. Mr. Ali Al-Smadi is currently holds the position of Director of Financial Affairs Department from December 2017; as he joined the Social Security Corporation since 1987, since then he has promoted in several positions within the Corporation, where during the period (1991 – 1993) where he served as Head of the Financial Analysis Division, then promoted to Head of Financial Analysis during the period (1994 – 2002), after which and during the period (2003 – 2005) Mr. Ali Al-Smadi worked as Assistant Director of the Financial Directorate of the Corporation.

Mr. Ali Al Smadi served on several Boards of Directors of Public Shareholding Companies, most notably, member of the National Co. for Tourism Development in 2007, Board Member of Al Rai Newspaper in 2012, member of the Board of Directors of Al Dustour Newspaper in 2015, member of the Board of Directors of the National Portfolio of Securities in 2020, as well as a member of the Board of Directors of Al Daman for Development Zones Company since June 2021.

Mr. Ali Al-Smadi holds a master's degree in Accounting from the Arab Academy of Financial and Banking Sciences in 2004, and a bachelor's degree in Accounting from the University of Jordan in 1985.

Dr. Bassam Ali Nayef Al-Subaihi

Representative of	Jordan Social Security Corporation
Position	Board Member until 16/01/2022
Other positions in APC Group	Board Member of: - Numeira Mixed Salts & Mud Company
Board Committees	- Chairman of the Audit Committee
Date of birth	January 5, 1962

APC Board Member representing Jordan Social Security Corporation from December 9, 2019 until 16/01/2022.Dr. Bassam Al-Subaihi is currently Director General Deputy of Studies and Information, Jordanian Social Security Corporation, from 2019. He joined Jordanian Social Security Corporation in 1988. Dr. Bassam Al-Subaihi also worked as a Teacher Assistant – Coventry Technical College, UK (2004 – 2008), Director of Risk Management Department, Jordanian Social Security Corporation (2008 – 2013), Director of Studies Department, Jordanian Social Security Corporation (2013 – 2014), Liaison Officer/ International Social Security Association (ISSA) – Jordan (2013 up to date), Training Coordinator and Visiting Lecturer at International Labor Organization (ILO) (2016 up to date), and Pensions and Labor Advisor/ Consultant, World Bank (2017 up to date).

Dr. Bassam Al-Subaihi served as Board Member at Cairo Amman Bank (2009 – 2013), Board Member at Jordanian Electric Power Company (2013 – 2017), Board Member at Shareco Brokerage Company (SHBC) (2017 – 2018), and previous Board Member at Zara Investment Holding.

Dr. Bassam Al-Subaihi holds PhD in Economics from Coventry University, UK, MBA in Business Administration from the University of Jordan, and BA degree in Business Administration from Yarmouk University, Jordan.

Mr. Ahmed Abd Al Jabbar Ali Al-Kareem

Representative of	Government of Iraq
Position	Board Member as of November 27, 2022
Board Committees	- Member of the Corporate Governance Committee
Date of birth	July 23, 1976

APC Board Member representing the Iraqi Government as of November 27, 2022. Mr. Ahmed Al-Kareem currently holds the position of General Secretary of Ministry of Industry and Minerals for Planning as of November 2022. Prior to that, he held the position of Chairman of Salah Al-Din Governorate Council during the period (2009 – 2013) and Senior Vice Governor during the same period, where he worked as Acting Governor for almost two years.

Mr. Ahmed Al-Kareem is chairing the Coordination Committee for Managing the Displaced Crisis and Coordinating with International Organizations, as well as his membership in the Reconstruction Fund for the liberated territories and governorates. He worked with international community organizations and local organizations to aid displaced families, in addition to coordinating with diplomatic bodies to provide assistance in the reconstruction of destroyed cities and villages in Iraq.

Mr. Ahmed Al-Kareem participated in many training courses, lectures, and workshops, most notably; senior leadership course, the art of negotiation course, local government management course, federalism and local government course, strategic decision-making course, and planning and policy-making course.

Mr. Ahmed Al-Kareem holds a master's degree in Business Administration majoring in Finance in 2021 from Al-Jinan University - Tripoli, Lebanon, and bachelor's degree in Commercial and Banking Sciences in 2003 from Al-Mansour University College – Baghdad, Iraq.

Eng. Yousif Mohammed Jasim Al-Janabi

Representative of	Government of Iraq
Position	Board Member until November 27, 2022
Board Committees	- Member of the Corporate Governance Committee
Date of birth	May 1, 1960

APC Board Member representing Government of Iraq from November 18, 2020 until November 27, 2022. Eng. Yousif Al-Janabi is currently holding the position of Undersecretary for Planning at the Ministry of Industry and Minerals since 07/24/2020, General Manager of the General Company for Mining Industries and General Manager of the Rubber Industries and Tires Company since 02/02/2020, and the General Company for Electronic Systems in 2016. Eng. Yousif Al-Janabi also assumed many positions as he previously held the membership of board of directors of several companies, most notably: The General Company for Construction Industries for the period (2000 to 2003), That al Sawari for Chemical Industries for the period (1997 – 2000), and the General Company for Systems for the period (2008 – 2011).

Eng. Yousif Al-Janabi was Chairman of the Board of a number of companies, including The Light Industries Company for the period (2009-2016), and the Cartoon Company for the period (2005-2009). He also managed the General Company for Mining Industries (7/10/2019 – 2/5/2020), in addition to assuming management of several companies as Acting General Manager. Eng. Yousif Al-Janabi has many achievements, most notably: Executing a number of contractual projects with the Ministry of Electricity in the constructing field and assembling power stations, operating, maintaining, supervising operation, supervising the rehabilitation of a number of generating units in power stations, implementing a number of e-government projects, and establishing a large number of specialized laboratories in cooperation with international companies.

Eng. Yousif Al-Janabi has joined and participated in many training courses that enhanced his experiences and qualifications such as industrial project management and preparing business plans for industrial services sector companies course, diplomatic etiquette course, developing leadership skills course, managing small and medium enterprises course, negotiation skills course, inspection and measurement of oil tanks and pipes course, and the application of the HCCP system course, which is an advanced ISO food products industry system.

Eng. Yousif Al-Janabi holds a bachelor's degree in Chemical Engineering from the University of Technology in Baghdad in 1981.

Mrs. Wafa Abdurrezagh Mohamed Abu Shkewa

Representative of	Libyan Company for Foreign Investment
Position	Board Member as of June 14, 2022
Board Committees	- Vice Chairman of the Corporate Governance Committee
Date of birth	October 24, 1976

APC Board Member representing Libyan Foreign Investment Company as of June 14, 2022. Mrs. Wafa Abu Shkewa is currently the Office Manager for the General Manager of the Libyan Foreign Investment Company. She previously served as Office Manager for the General Manager of Libya Africa investment Portfolio during the years (2019 – 2021). Prior to that, she held the position of the Head of the Internal and External Issues Unit of Libya Africa investment Portfolio during the years (2015 - 2019), and Office Manager of the Economic and Social Development Fund's General Manager during the years (2014 - 2015). Mrs. Wafa Abu Shkewa also worked for Libya Africa Investment Portfolio during the years (2011 - 2014), and also worked at the National Housing Company during the years (2009 - 2011).

Mrs. Wafa Abu Shkewa is a Board Member of LabTech IT Services and Board Member of the United Libyan Tourist Investment Company.

Mrs. Wafa Abu Shkewa holds the bachelor's degree in law (2012 - 2013) from the Africa University, Tripoli, Libya, and the Diploma degree in Mathematics from Fatih University, Tripoli, Libya in 2005.

Eng. Emhemmed Abdurrahman Emhemmed Ghula

Representative of	Libyan Company for Foreign Investment
Position	Board Member until June 14, 2022.
Board Committees	- Vice Chairman of the Corporate Governance Committee
Date of birth	December 19, 1967

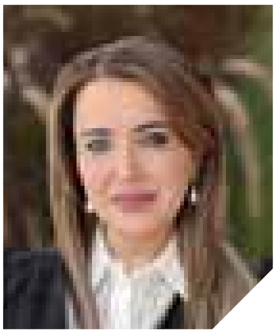
APC Board Member representing Libyan Company for Foreign Investment from August 26, 2021 until June 14, 2022. Eng. Emhemmed Ghula was appointed as Group Head of the Development and Strategic Planning at Libyan Foreign Investment Co. (LAFICO) during the period June 2020 until present, bringing with him more than (25) years of experience in the fields of engineering, real estate and tourism investments, engineering arbitration and project management engineering.

Eng. Emhemmed Ghula worked as Head of Saraya Aqaba Project Marsa Zayid (Eagle Hills Jordan) during the period (September 2015 – December 2019), Development Program Director at Al Maabar Jordan “Marsa Zayed” during the period (September 2013 – September 2015). “Marsa Zayed” is the largest mega mixed-use development project ever envisioned in both Jordan and the region, and has a wide array of facilities, including residential neighborhoods, commercial outlets and amenities, entertainment venues, financial and business facilities, and several world-class branded hotels. Eng. Ghula also worked as Country Director (Libya) & Joint Venture General Manager for Al Maabar Project, Abu-Dhabi, UAE during the period (August 2008 – September 2015), he also worked as the General Manager of Libyan Foreign Investment Company (LAFICO), Libya (August 2002 – July 2008), and he also worked as Estate Development Director for the Arab Union Contracting Co. (January 1992 – July 2002).

It’s worth mentioning that Eng. Emhemmed Ghula held many memberships and executive positions; as he is currently the Member of Executive Management Committee at the Arab Authority for Engineering Arbitration, Board Member of Medina Tower Joint Stock Company from 2013 until now, Board Member of the Arabic Company for Touristic Projects, Egypt (2013 – 2018), Board member of the Arab Union Contracting Company, Libya from 2012 till Present, Chairman of the Oyia Real Estate & Tourism Investment Co., Libya (2011 – 2013), Chairman of LAFICO – Sudan (2009 -2016), General Manager of Al Maabar – Libya Joint Venture Company (2008 – 2013), and he also held the position of General Manager and Board Member of LAFICO – Sudan (2003 – 2008).

Eng. Emhemmed Ghula holds master’s degree in Construction from Loughborough University, United Kingdom in 1991, and bachelor’s degree/higher diploma in Civil Engineering from Aliant International University, USA in 1990.

Mrs. Reem Ali Abdullah Al Sughayer



Representative of	Kuwait Investment Authority (KIA)
Position	Board Member
Board Committees	- Vice Chairman of the Remuneration and Nomination & Investments Committee - Member of the Risk Management Committee
Date of birth	February 14, 1976

APC Board member representing Kuwait Investment Authority (KIA) as of April 21,2021. Mrs. Reem Al Sughayer was appointed as a legal advisor at Kuwait Investments Authority in 2003, bringing with her more than (15) years of experience in variety of legal fields, litigation procedures, and attending various courts through her work at several noticeable and reputable law firms in Kuwait. Mrs. Reem Al Sughayer also worked as a judicial liquidator during the period (2008 – 2013) by Kuwait Investments Authority.

As a lawyer, Mrs Reem. Al Sughayer attended and participated in many training courses during her career bath, which influenced her profession, including Modern strategies in preparing, drafting, and implementing contracts, litigation procedures, instituting lawsuits, requesting rights and implementing judgments, the art of drafting legal notes, regulations and meeting minutes, the art of defense in cases, and Strategies Role of the legal researcher in the modern organization.

Mrs. Reem Al Sughayer published a number of articles and research in the legal field during the period (1998 – 2003) in a number of newspapers and journals, she also authored a number of novels during the period (2018 – 2020) which were published by different publishing houses.

Mrs. Reem Al Sughayer holds BA degree in Law from Kuwait University in 1998.

C. Secretary of the Board

Mr. Suhaib “Adnan Wahbi” Yousif Al-Tal, CFA

Position	Secretary of the Board of Directors
Date of birth	June 24, 1986

Secretary of APC’s Board of Directors since May 1, 2019. Mr. Suhaib Al-Tal joined APC in 2016 and held the position of Business Development Advisor – Chairman’s Office during the period (2016 – 2017), he worked as Budgeting and Forecasting Manager (2018 – 2020). Currently, Mr. Suhaib Al-Tal holds the post of Treasury and Investment Director since 2020.

Mr. Suhaib Al-Tal worked in many reputable organizations including the Palestine Investment Fund – Sovereign Wealth Fund as an Assistant Portfolio Manager, he also worked in AB Invest (the Investment Arm of the Arab Bank) as a Senior Financial Analyst in the Asset Management Department and worked at Amman Stock Exchange as a Trading Analyst in the Listing and Operation Department.

Mr. Suhaib Al-Tal holds BA degree in Finance from the University of Jordan in 2008. In 2015, he became a CFA charter holder after obtaining the designation from the CFA Institute, USA. In 2013, he completed the Islamic Finance Qualification (IFQ) certificate from the Chartered Institute for Securities and Investment (CISI).

4. MEMBERS OF THE EXECUTIVE MANAGEMENT

A. MEMBERS OF THE EXECUTIVE MANAGEMENT

Name	Position	Membership of Board Committees
Dr. Maen Fahed Abdel Karim Nsour	President & CEO	- Risk Management Committee - Corporate Social Responsibility (CSR) and Donations Committee - Board Tendering Committee
Mr. Mohammed Abd Al Rahman A. Al Razem	Senior VP Finance and Support Services	- Risk Management Committee
Eng. Mohammad Abd Al Fattah Mohammad Abu Gheyab	VP Operations	
Eng. Rashid Tawfiq Rashid Lubani	VP Sales & Marketing	
Eng. Adnan Sulaiman Faris Al Ma'aitah	VP Human Recourses and Corporate Affairs	
Dr. Samer Ibrahim Ahmad Al Mofleh	VP Strategic Planning, Excellence and Growth	- Risk Management Committee

B. Biography of Executive Management

Dr. Maen Fahed Abdel Karim Nsour

Position	President & CEO
Other positions in APC Group	Board Member of: - Arab Fertilizers & Chemicals Industries Company (KEMAPCO) - Numeira Mixed Salts & Mud Company – Vice Chairman - Dead Sea Chemicals and Fertilizers Company– Vice Chairman - Jordan Bromine Company (JBC) - Jordan Industrial Ports Company – Chairman - Nippon Jordan Fertilizers Company
Board Committees	- Member of the Risk Management Committee - Member of the CSR and Donations Committee - Member of the Board Tendering Committee
Date of birth	November 1, 1961

President and CEO of APC since April 23, 2019. Before his current position, Dr. Maen Nsour was Senior Advisor for Business Development and Strategies at APC since September 2017. Dr. Maen Nsour was a Member of the Board of Directors of APC for the period (August 2013 – August 2017) representing Social Security Investment Fund.

Dr. Maen Nsour currently chairs the Board of Directors of the Jordan Industrial Ports Company (JIPC) and a Member of the Board of Directors of the following subsidiary and affiliated companies of APC: Arab Fertilizers & Chemicals Industries Company (KEMAPCO), Jordan Bromine Company (JBC), Numeira Mixed Salts & Mud Company, Nippon Jordan Fertilizers Company, and Dead Sea Chemicals and Fertilizers Company.

Dr. Maen Nsour is also a Member of the Board of Directors of the Jordan Electricity Company, representing the Social Security Investment Fund (SSIF), and a Member of the Board of Trustees of Mutah University.

Dr. Maen Nsour worked as General-Director of the Jordanian Social Security Corporation (SSC) and Deputy-Chairman of its Board of Directors. He also was Acting President of the Social Security Investment Fund (SSIF).

Dr. Maen Nsour was Special Advisor to the Prime Minister of Jordan and a Member of the Economic and Financial Ministerial Committee where he was offering strategic and tactical advice to the Prime Minister on the political matters and on the implementation of the Government's strategic plans and programs.

Dr. Maen Nsour was Chief Executive Officer (CEO) of the Jordan Investment Board (JIB), which is the Government's agency responsible for attracting investments, supporting exports, and creating an investment-conducive economic environment.

Dr. Maen Nsour worked as Senior Regional Programs Advisor at the United Nations Development Program (UNDP) in New York. He also was Director of Policy Planning and Economic Studies at the Ministry of Planning and International Cooperation in Jordan. Dr. Maen Nsour worked as a Researcher at the United States Institute of Peace in Washington.

Dr. Maen Nsour holds a PhD in Public Policy/Political Economy from George Mason University in Fairfax, Virginia, USA in 1998, a master's degree in Management from the University of Jordan, and a B.Sc. in Civil Engineering with a concentration on Projects Management from the University of New Haven in Connecticut, USA. In 2010, George Mason University granted Dr. Nsour the Alumni of the Year Award.

Dr. Maen Nsour fulfilled his military service in the Jordanian Public Security Directorate.

Mr. Mohammed Abd Al Rahman A. Al Razem

Position	Senior VP Finance and Support Services
Other positions in APC Group	Board Member of: - Dead Sea Chemicals and Fertilizers Company - Jordan Bromine Company (JBC)
Board Committees	- Member of the Risk Management Committee
Date of birth	December 22, 1979

Senior VP Finance and Support Services of APC since April 23, 2019. He joined APC in 2011 as Finance Director/ Controller, and he became VP Finance and Support Services from April 19, 2017 until February 23, 2019. He also worked as Acting President and CEO from February 1, 2019 until April 23, 2019.

Mr. Mohammed Al Razem has over (20) years of experience in many fields: mining, real estate, public accounting, telecommunication, financial services, and investments.

Mr. Mohammed Al Razem started his career in the telecommunication sector where he worked for Zain Jordan as an Accountant. Later, he worked for Ernst & Young Middle East specializing in External Audit, Due Diligence, Valuations, and other special assignments.

Mr. Mohammed Al Razem also acted as the Secretary of the Board from April 26, 2015 until November 1, 2018.

Mr. Mohammed Al Razem holds a bachelor's degree in Accounting from the University of Jordan. He is a Chartered Financial Analyst (CFA) and a Certified Public Accountant (CPA) in the United States of America.

Eng. Mohammad Abd Al Fattah Mohammad Abu Gheyab

Position	VP Operations
Other positions in APC Group	Board Member of: - Dead Sea Chemicals and Fertilizers Company
Date of birth	December 17, 1955

VP Operations of APC since April 25, 2018. Eng. Mohammad Abu Gheyab joined the APC's management team as Acting VP Operations on December 20, 2017 until April 25, 2018, after 36 years of service at the Company, where he started as a Mechanical Engineer at the Maintenance Department in 1981.

Eng. Mohammad Abu Gheyab worked in different areas; as a Maintenance Supervisor, and was promoted to Offsite (harvesters, pump stations, utilities) Maintenance Superintendent, and was promoted to Assistant Maintenance Manager for Engineering (Development and Inspection), and Assistant Maintenance Manager for mechanical works in all plants, and Deputy Maintenance Manager. In 1999, he was promoted to Maintenance Manager. In 2004, Eng. Mohammad Abu Gheyab was promoted to Maintenance Director. In December 2007, he was relocated to the Production Department and assumed charges as Production Director. He assumed charges as Maintenance Director in addition to his post as Production Director from 2014 until 2016. In 2015, Eng. Abu Gheyab was promoted to Senior Production Director.

Eng. Mohammad Abu Gheyab holds B.Sc. & Diploma d'état in Mechanical Engineering from Boumerdes, Algeria. He is also a member of the Jordanian Engineering Association (JEA).

Eng. Rashid Tawfiq Rashid Lubani

Position	VP Sales and Marketing
Other positions in APC Group	Board Member of: - Arab Fertilizers & Chemicals Industries Company (KEMAPCO) - Numeira Mixed Salts & Mud Company
Date of birth	June 26, 1972

VP Sales and Marketing of APC since April 23, 2019. Eng. Rashid Lubani joined APC in 1998 and he worked as Sales Director from 2008 until April 23, 2019. Eng. Rashid Lubani has long and extensive experience in the management, marketing, logistics and promotion of potash and fertilizers. Eng. Rashid Lubani has held several positions, including General Manager of the Regional Office of APC in Malaysia, and Sales Manager – Asia. Eng. Rashid Lubani has been serving as a Member of the Strategic Advisory Team (SAT) of the Agricultural Committee of the International Fertilizer Association (IFA) since 2014. He is also the Convenor of IFA's Fertilizer Demand Forecasts Working Group. Eng. Rashid Lubani also served as the President of the Agricultural Committee of the Arab Fertilizer Association (AFA) during 2015-2017. Eng. Lubani worked as a Member of the Technical Committee of the International Potash Institute (IPI) in Switzerland, and a coordinator of IPI's projects in West Asia and North Africa. He also worked for a long time as a Shareholders' Committee Member and a Member of the Marketing Committee of Nippon Jordan Fertilizer Company.

Eng. Rashid Lubani worked as APC's Secretary of the Board from November 1, 2018 until May 1, 2019.

Eng. Rashid Lubani holds master's degree in Agricultural Sciences from the American University of Beirut (AUB) and BSc. in Agricultural Engineering from University of Jordan. In 2017, Rashid completed the Executive Development Program at Kellogg School of Management at the Northwestern University in the USA.

Eng. Adnan Sulaiman Faris Al Ma'aitah

Position	VP Human Recourses and Corporate Affairs
Other positions in APC Group	Board Member of: - Numeira Mixed Salts & Mud Company
Date of birth	December 16, 1971

VP Human Recourses and Corporate Affairs of APC since November 11, 2012. Eng. Adnan Al Ma'aitah has more than 23 years of experience in human resources management, and he worked as an HR Manager in several international companies in Jordan and Saudi Arabia.

Eng. Adnan Al Ma'aitah holds MBA in Human Resources Management from New York Institute of Technology and BSc. in Industrial Engineering (Engineering Management) from the University of Jordan.

Dr. Samer Ibrahim Ahmad Al Mofleh

Position	VP Strategic Planning, Excellence and Growth
Other positions in APC Group	Board Member of: - Arab Fertilizers & Chemicals Industries Company (KEMAPCO) - Numeira Mixed Salts & Mud Company - Dead Sea Chemicals and Fertilizers Company
Board Committees	- Member of the Risk Management Committee
Date of birth	December 6, 1978

VP Strategic Planning, Excellence and Growth of APC since August 11, 2020. Dr. Samer Al Mofleh held the position of Advisor to the Director General for Strategic Planning and International Cooperation at the Social Security Corporation (2011 – 2020) where he was managing three core functions (Strategic Planning and Performance Management, Operations and Quality, and International Cooperation). Dr. Samer Al Mofleh is also a Lecturer at the Graduate School of Business Administration at the German Jordanian University since 2010.

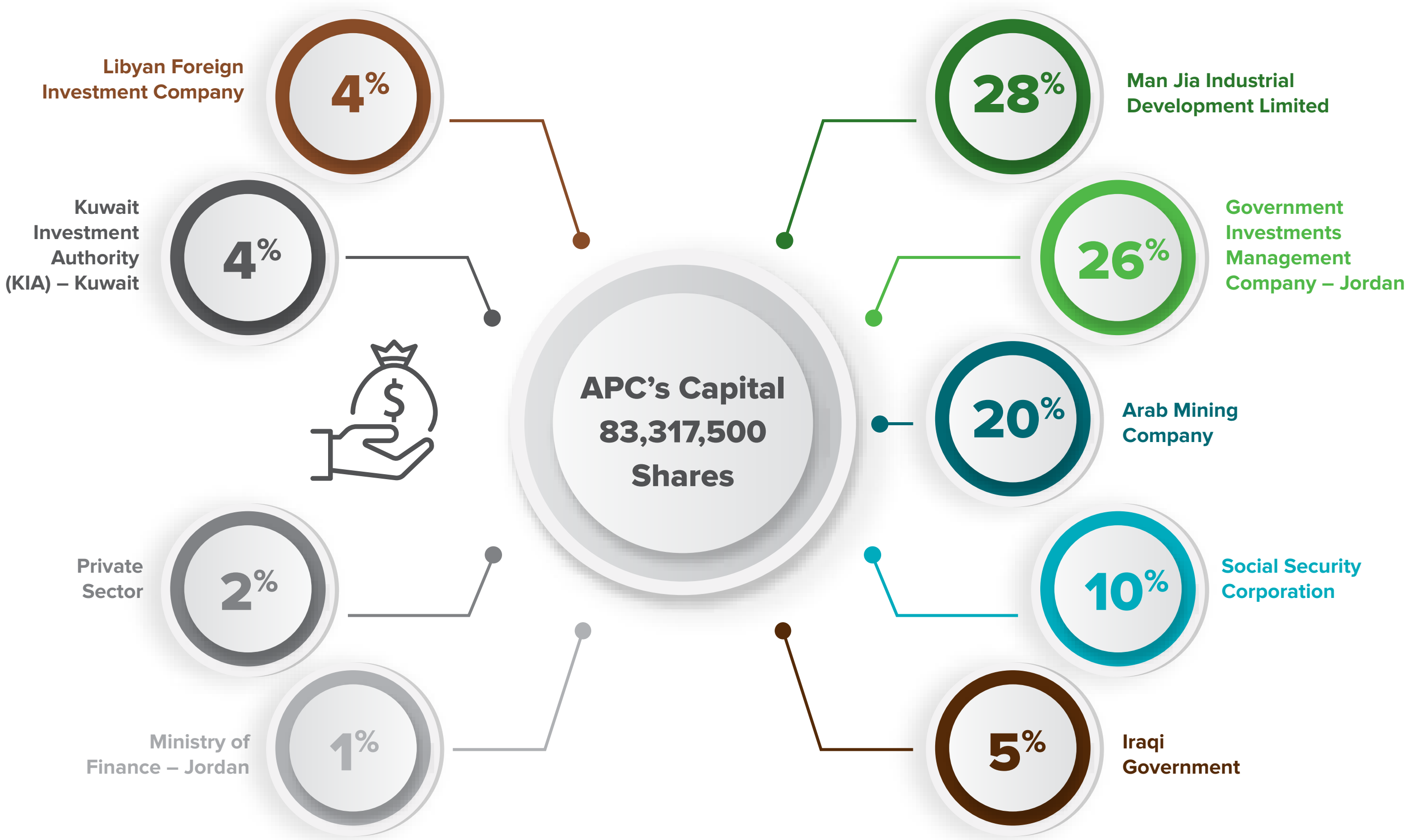
Dr. Samer Al Mofleh was a Board Member in several institutions including the: Jordan Petroleum Refinery Company, Jordan Petroleum Products Marketing Company, Hydron Energy (Gulf), Orange/Jordan Telecom Group, Graduate School of Business Administration/German Jordanian University, and Jordan Economic Forum.

Dr. Samer Al Mofleh worked as an Economic Expert at The Prime Ministry of Jordan/Prime Minister's Office in the years (2010 – 2011), an Economic Expert at The Jordan Investment Board (2008 – 2010) and worked as a part-time Expert with the World Bank Group on some projects in the region.

Dr. Samer Al Mofleh holds PhD in Engineering Management from the University of Bristol (2008), M.Sc. Degree in Engineering Business Management from Coventry University (2004), and B.Sc. in Computer Engineering from Applied Science University (2002). Dr. Samer Al Mofleh also holds some professional certifications (PMP, PBA, EFQM) and published several research papers related to e-government and e-services development.

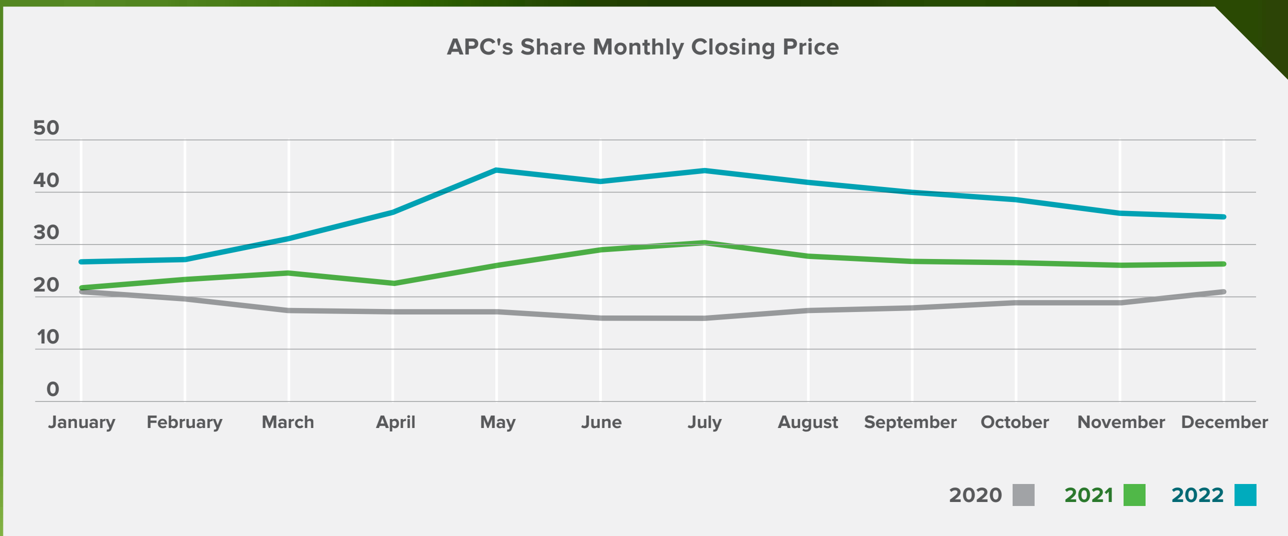
5. MAJOR SHAREHOLDERS

Shareholder	31/12/2022		31/12/2021	
	No. of Shares	Percentage	No. of Shares	Percentage
Man Jia Industrial Development Limited	23,294,614	28%	23,294,614	28%
Government Investments Management Company – Jordan	21,782,437	26%	21,782,437	26%
Arab Mining Company	16,633,897	20%	16,633,897	20%
Social Security Corporation	8,679,641	10%	8,679,641	10%
Iraqi Government	3,920,707	5%	3,920,707	5%
Libyan Foreign Investment Company	3,386,250	4%	3,386,250	4%
Kuwait Investment Authority (KIA) – Kuwait	3,286,095	4%	3,286,095	4%
Private Sector	1,709,887	2%	1,709,387	2%
Ministry of Finance – Jordan	623,972	1%	624,472	1%
Total	**83,317,500**	**100%**	**83,317,500**	**100%**



6. APC'S SHARE PRICE PERFORMANCE AT AMMAN STOCK EXCHANGE

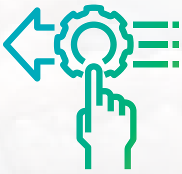
The closing price of APC share increased to JOD (35.17) by the end of the trading in 2022, compared to JOD (26.22) in 2021 and JOD (21.00) in 2020. The below figure shows the monthly APC share closing price during the years (2020 – 2022).



The closing price of the Company's share recorded its highest-level during May 2022 transactions, reaching JOD (44.50).

7. APC'S STRATEGIC PLAN (2021 – 2025)

The Arab Potash Company's strategic plan comprises three main themes:



Strengthen the core

Expand through diversification

Prepare for the inevitable change

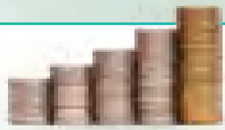
To that end, the strategic planning directorate is following up on implementing strategic plans and initiatives to achieve the strategic objectives listed under each theme, developing secondary strategies for the Company's key directorates, and monitoring the full implementation of these strategies.

Vision Statement

Be the most trusted partner in the global upstream and downstream Dead Sea minerals industry.

Mission Statement

Create value for our shareholders, customers, employees, and other stakeholders by transforming Dead Sea minerals into a widespread of high quality, innovative and sustainable products.



Shareholders

Responsibly realize more value to shareholders

Employees

Continuously ensure the well-being of the Company's employees

Jordan Economy

Proudly improve Jordan's economy and nurture local communities

Natural Resources

Sustainably benefit from natural resources

The Globe

Collectively contribute to global food security

Agricultural Businesses

Innovatively provide solutions for persistent agricultural issues

Core Values

IMAGE VALUES

Integrity
Is our compass in every single behavior.

Innovation
We believe in the collective thinking and the value of diverse perspectives.

Customer Centricity
Our customers success is our success, we do not compromise their trust.

Working Together
The sum is better than its individual parts, so we work together with result-oriented mindset.

Sustainability & CSR
We care about the environment and local community surrounding us.

PERFORMANCE VALUES

Safety First
Safety is a key priority for us; we think, plan and act safely.

Continuous Improvement
Is a practice we adopt in everything we do.

Cost Consciousness
Steer all of our decisions.

Productivity
We make use of all the available time to be productive.

Think like Owners
APC is our second home, its prosperity is our prosperity as well.

APC's strategic plan is set to achieve the Company's vision and objectives defined in 2019 as a long-term strategy, serving as a roadmap for all strategic initiatives that can be used as a tool for the Company to pave its path towards achieving its aspirations, amongst which growth is its primary objective, eventually enhancing its ability to make progress, excel and compete with major companies. To ensure continuity in implementing this plan, the strategic planning directorate has continued to implement and follow up on all the tasks assigned to it for the second consecutive year to foster effective internal communication that leads to strategic awareness across all the company's levels and increases long-term efficiency and effectiveness.

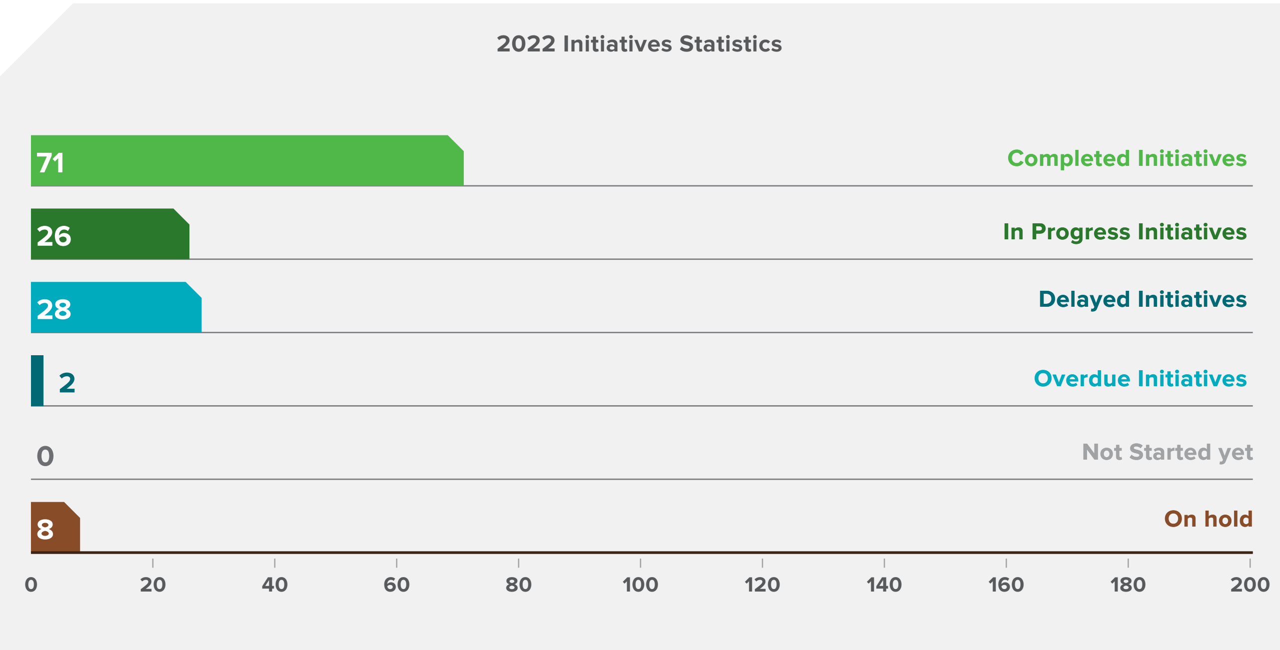
Furthermore, the strategic planning directorate has developed a set of policies and procedures to ensure the continued successful implementation of the strategic plan efficiently and effectively, and to achieve its objectives and initiatives, including strategic plan implementation governance policy, KPIs measurement procedures, strategic initiative follow-up procedures, request-for-change follow-up procedures to strategic initiatives, and the strategic planning policy.

Cover of the APC Strategic Plan (2021 – 2025)

To ensure the monitoring and documentation of the Company's performance in implementing its strategies comprehensively by its aspirations, the strategic planning directorate continues to draft and issue several reports about monitoring and evaluating the progress made in implementing the strategic plan. Some of these reports are published monthly, while others are issued quarterly. They are then reviewed by senior management and administrative employees from various administrative levels, including the strategic KPIs measurement report, strategic initiatives progress report, and strategic initiatives spending report.

Progress of strategic initiatives (2022)

Stemming from the Company's desire to implement its strategic plan (2021 – 2025), and two years after the implementation of this plan that comprises (193) strategic initiatives, the Company has completed the implementation of (71) strategic initiatives, while (54) strategic initiatives are currently in progress, (8) are overdue and (2) strategic initiatives are delayed to the following year. The strategic planning directorate also holds a quarterly meeting with the higher steering committee for the implementation & follow-up of the strategic plan to present the strategic initiatives progress report.



Sample of the strategic initiatives progress report

On a separate note, task forces and committees have been formed, stemming from the strategic plan, and seeking to develop comprehensive long-term plans that are aligned with the Company's main strategy and include all vital Company activities, such as water and energy, dredging management, marketing and sales, and human capital.

Below is a summary of the key achievements of the formed committees:

APC Growth Strategy

Work is underway to develop the Company's growth strategy and a committee was formed to follow up on the development of this strategy.

APC Water Strategy (2021 – 2030)

After the strategic planning team completed the water strategy development and its circulation to all directorates, a monthly report was drafted to measure water KPIs and a quarterly report to follow up on the implementation of water strategy initiatives.

APC Dredging & Reclamation Strategy (2021 – 2030)

After the strategic planning team completed the development of the long-term strategy and roadmap for the management of salt reclamation resulting from dredging processes and following the strategy circulation to all directorates, a monthly report was drafted to measure KPIs of the Dredging Directorate and disposal of dredged material, as well as a quarterly report to follow up on the implementation of the comprehensive dredging plan.

APC Energy Strategy (2021 – 2030)

The plan was officially launched for implementation in the second half of 2022. A committee comprising various departments was formed to monitor the implementation of the plan initiatives and improve APC's energy mix. The implementation of several initiatives has also commenced, including initiatives to study the implementation of solar energy (PV) projects, in addition to drafting a quarterly report to follow up on the implementation of the comprehensive energy plan.

Digitalization Strategy (2023 – 2028)

تIn collaboration with the IT & Digitalization Directorate and concerned directorates at the Company, such as production, maintenance, and technical directorates, the Digitalization Strategy (2022 – 2028) was developed in cooperation with SIEMENS. The strategy has defined digitalization objectives and the method of achieving them by conducting a baseline assessment for the Company from a digitalization perspective to identify gaps and areas of improvement related to the Company's various operations. The initiatives required to achieve digitalization were identified along with implementation priority and the timeline for each initiative.

Communication & Outreach Strategy (2023 – 2028)

Through this strategy, systematic principles were in place to identify the optimal method of communication with stakeholders and create media content to ensure the outreach of desired messages to various stakeholders and partners while also ensuring that these messages are consistent and aligned with the Company's main strategy.

MOP Marketing & Sales Strategy (2021 – 2025)

The (2021 – 2025) Marketing Strategy was developed to achieve the Company's plans which include developing APC's regular and red potash production, enhancing its presence in untraditional markets, such as Brazil, Australia, Vietnam, and others, and working on maximizing its leverage of spot and contract markets.

Human Capital Strategy

The Human Capital Strategy was developed in line with the objectives of the APC's (2021 – 2025) strategic plan, which focuses on the importance of managing the Company's human capital.

Optimal Business Model for the Operation and Maintenance of Dredgers

An APC team has collected data, and analysed dredging processes activities and maintenance, then conducted the necessary studies. The following deliverables and recommendations were reached regarding each of the study's themes:

- Study on carrying out maintenance activities internally for the (8) dredgers that owned by APC.
- Existing dredger maintenance agreements with external contractors and recommendations on future agreements.
- Study the needs of the Dredging Directorate for human resources and the average annual cost per employee.
- Study the forecasted costs of internally carrying out salt reclamation and landfill management activities.
- Providing electricity to booster pumps, dredgers, and infrastructure.

Bischofite Production Project

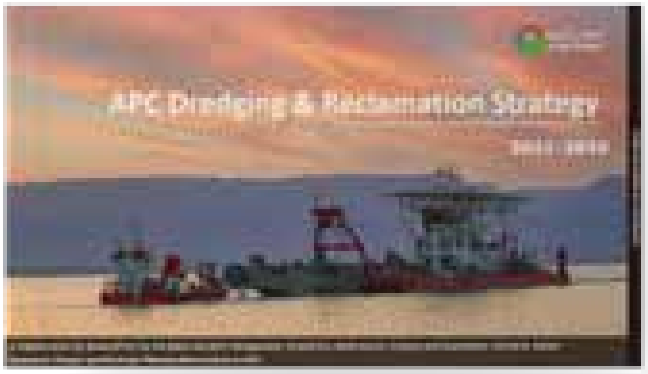
The external consultant Novopro has been contracted in cooperation with Numeira Mixed Salts and Mud Company to conduct the Bischofite production feasibility study.

Creation of a follow-up software for managing of the main strategy and secondary strategies

In cooperation with the IT & Digitalization Directorate, the strategic planning directorate contracted QBS to create a follow-up system for managing the main strategy and secondary strategies, issuing relevant reports, and following up on the progress of strategic and secondary initiatives in addition to the follow-up on KPIs. The system shall be launched at the onset of 2023.

Preparation of APC's Second Sustainability Report

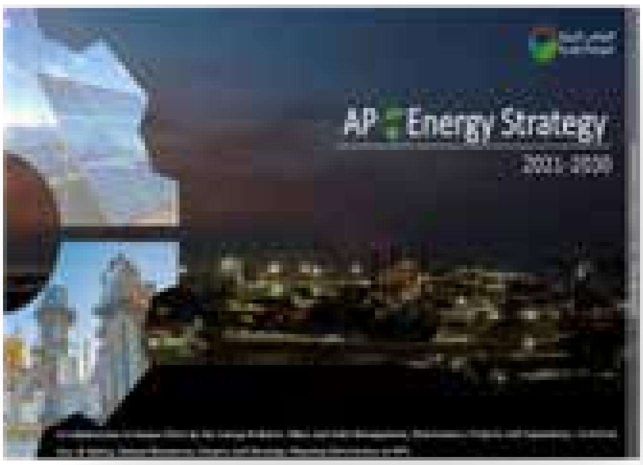
The Company developed its second sustainability report for the year 2021 in cooperation with the global consultant KPMG. The report was launched at the end of 2022.



APC Dredging & Reclamation Strategy (2021 – 2030) cover page

APC Water Strategy (2021 – 2030) cover page

APC MOP Marketing & Sales Strategy (2021 – 2025) cover page



APC Energy Strategy (2021 – 2030) cover page

APC Digitalization Strategy (2023 – 2028) cover page

APC Human Capital Development Strategy cover page

APC Communication & Outreach Strategy (2023 – 2028) cover page

APC Second Sustainability Report 2021 cover page

Partners in Food Security

8. ARAB POTASH COMPANY'S BUSINESS CONTINUITY PLAN (BCP)

APC continued to implement the BCP during the year 2022, which proved its success during the previous years. The decisions and actions of APC's management ensure that all production operations and other business activities operate smoothly without disruptions, especially in light of the complexities of the market and the disruption of logistical support in the world after the Russian-Ukrainian war.

The agility and resilience practiced by APC were translated to actions and decisions to ensure employees' safety and comply with government laws and regulations while achieving targeted goals.

The safety of workers is at the top of the Company's priorities and beliefs. The implementation of all procedures aimed at enhancing the safety of workers was monitored through the application of the occupational safety and health management system and the identification of appropriate control procedures such as engineering safety procedures, administrative procedures and instructions, correct behaviour practices, and full compliance with laws and regulations.

Top management perceived the growing need to raise the efficiency of the Company's risk management process during any emergency and make it a fundamental part of its strategic planning scheme. APC's solid Management Response Plan (RMP) and accurate evaluation model keep track of preventive and precautionary measures by analysing the resulting impacts, identifying new challenges, and discovering gaps, whether in the planning or implementation stage.

APC supports the continuity of all necessary production elements. Such elements are carnallite, processed water, steam, natural gas, energy, quality supplies, product quality control, maintenance equipment, and job-related safety equipment.

The water remained a major challenge in 2022, so management directed all efforts toward securing the needed quantity. APC implemented the water strategy developed in 2021 that aligns with the company strategy and continuity plans. Besides, Executive Management continues its constant support and encouragement for its human capital by providing all the necessities and keeping all communication channels open at all worksites.

Furthermore, to maintain the smooth flow of the decision-making process across the different administrative hierarchies, the RMP significantly contributed to managing extended crises and finding a relatively early solution that reflected on managing the surrounding risks. APC's systematic actions and procedures continue to enhance the Company's experience and build practical knowledge of emergencies. The Company-developed procedures manual reflects best practices and resourceful responses with an accurate mapping to concerned functional departments, ownership of responsibility, and the proper delegation. These management plans and evaluation approaches significantly backed APC in achieving remarkable performance during extraordinary circumstances.

9. SUSTAINABILITY

The strategy of APC to manage performance and seek continuous improvement at all its operational levels is based on a comprehensive, sustainable and evolving process. Therefore, sustainability has become a fundamental pillar in the main strategy of APC for the years (2021 – 2025), through which the Company aspires to excellence while maintaining its firm commitment to welfare of future generations.

Accordingly, in the year 2020, APC prepared its first Sustainability Report in accordance with the principles of global reporting (Global Reporting Initiative - GRI), which shows the Company's performance on the various economic, environmental, and societal levels, while highlighting its commitments to what was stated in Jordan's vision 2025, and its contributions to achieving sustainable development goals. This report presented the sustainability performance of the Company to all stakeholders and concerned parties, and highlighted the main challenges, achievements and updates on APC's sustainability strategy. Reports were issued annually based on the instructions of the Amman Stock Exchange for listed companies to issue sustainability reports for the years 2020 and 2021.

In 2021, APC launched its second Sustainability Report, in which the Company highlights the improvements it has made in performance and effectively reports on its progress in integrating the concept of sustainability within the Company. Focusing on the societal theme (employees and society) by improving the level of services and privileges provided to employees, in addition to reviewing and improving human capital programs such as training and rehabilitation programs, occupational safety and health, employment and community service policy.

APC is also committed to its responsible role towards local communities, based on the foundations of sustainable development and its core values, which include strengthening partnership with local communities. The Company provided an amount of JOD (7) million in the year 2022 to contribute to supporting vital sectors such as health, social development, water and environment, education, sports, and culture.

10. FUTURE PLAN AND KEY FUTURE DEVELOPMENTS FOR THE YEAR 2023

The Arab Potash Company (APC) has formulated the long-term plans that extend up until the year 2058, which is the year of the expiration of the concession granted to the Company by the government of the Hashemite Kingdom of Jordan. These plans aim to establish a precise roadmap for all the Company's upcoming endeavors, including the necessary operational and capital costs required to bring these projects to start and operate. The Company's primary objectives are outlined in the five-year business plan, which presents a summary of the goals that have been based on the Company's strategic plan.

Increasing potash production capacity

APC has set its sights on increasing its potash production capacity in order to increase shareholders returns, strengthen its competitive advantage on a global scale, and effectively meet the demands of its key customers worldwide. Additionally, the Company seeks to expand its presence by penetrating into a new markets across the globe. To achieve these goals, the Company is working on a number of projects, which include:

1. **Northern Expansion Project**

   Expanding in the northern area of the concession lands that will increase the production by (140) thousand tons of per year.

2. **Eastern Expansion Project (Two Stages)**

   Expanding in the eastern area of the concession lands in two phases. Upon completion, the project will increase the production by (120) thousand tons of per year.

3. **Southern Expansion Project**

   Expanding in the northern area of the concession lands, where final studies are underway to determine the feasibility of expanding in that area, which is expected to increase the production capacity by nearly (550) thousand tons per year.

Expanding the Downstream Fertilizers industries

As part of its strategic plan, APC aims to increase the added value of its products and penetrate new global markets, while also strengthening its competitive advantage in existing markets. To achieve these plans, the Company is currently studying several projects, with the most important ones listed below:

1. **Specialty Fertilizers Industrial Complex**

   APC is currently studying the feasibility and design of a specialty fertilizers complex that will be established in Ghor Al Safi, in a partnership with one of the leading companies in this field.

2. **Expanding the production of the Potassium Nitrate**

   The Company is exploring the opportunity to expand its current production of the Potassium Nitrate fertilizer, which is currently being produced by its fully owned subsidiary, KEMPACO, at its plant in Aqaba city.

Perimeters Dikes Reinforcemen (Sheet Piling)

As part of the initial aspect of the Company's strategy to strengthen its infrastructure, APC's management conducted a comprehensive study that examined the conditions the perimeter dikes surrounding the evaporations ponds, which considered as the backbone of the operational system of the Company. The study identified the investment needed to maintain and ensure the sustainability and reliability of the dikes that span an area of (100) square kilometers.

Based on the results of the study, APC has contracted with one of the leading companies globally to execute the reinforcement works at the highest engineering and safety standards that ensure the sustainability of Company's operations, in addition to achieving cost efficiencies and increasing production capabilities by preventing the leakage of the carnallite outside the ponds.

New Pumping Station Project

APC depends on the Dead Sea water to feed salt water to the Company's solar and salt evaporation ponds. The Dead Sea's water is pumped through a massive specialized pumping station dedicated for this purpose. The Company is working on establishing a new pumping station as a replacement for the current one, which was established in 2010 and will soon be decommissioned. The cost of the new pumping station is expected to exceed USD (231) million.

New Compacting Unit Project

The Company has begun working on the preparation of the infrastructure at APC's plants in order to enable increasing the Company's granular and red granular potash production capability, which is consumed in the Brazilian and USA markets, in addition to the Australian market and other markets in Asia, as the production of this type of potash enables the Company to increase its share of these markets at high profit margins.

In this regard, work is underway on a new compacting unit plant, the works on which are to be done in the year 2023, and the new unit will uplift the Company's red granular potash production capabilities by an equivalent of (1.2) million tons per year. This project will contribute in enhancing the Company's presence in the high price yield markets of granular potash and increasing flexibility of production through the production of granular potash based on fine and regular potash, which greatly boosts the Company's flexibility through the diversification of global potential markets and according to the quantities in terms of the required grade of potash.

Cost Control and Optimization - Energy, Water, and Dredging

The Executive Management foresaw the challenges that were expected to face the Company in terms of water, energy, and dredging, given the scarcity of water in Jordan and the rising energy costs, as controlling these elements are crucial in maintaining the Company's profit margins.

In terms of energy, the Company has started to execute the initiatives that were a part of a strategic plan. This plan includes conducting feasibility studies for the generation of power from solar energy or gas from various entities at the possible lowest prices, in addition to establishing a new gas turbine project to ensure covering the additional electricity consumption resulting from the additional production. Furthermore, the Company has set an ambitious plan to raise the efficiency of electricity consumption, which will reduce electricity consumption and financial costs, as a result of the efficiency and enhancement of the equipment at the Company's plants.

As for water, the Company fully financed the Wadi Ibn Hammad Dam project, at a value of JOD (51.5) million, at a capacity of more than (4) million cubic meters. The Company is also working on obtaining water from other sources, such as wells, and the exploitation of valley water, in coordination and cooperation with the relevant government entities on these regards.

The Company's Executive Management leads the implementation of projects that contribute to reducing water consumption during the production operations in the Company's plants, in addition to the water recycling and reuse projects in a way that reduces total water needs. Additionally, The Company has started a new projects to build water ponds in various places in the concession area.

In regard to salt dredging operations, which are considered among the Company's primary operations to ensure the flow of water in the Company's ponds, by preventing the formation of salt lumps inside the Company's solar and salt evaporation ponds, due to the nature of these ponds. The Company has established a detailed plan that includes the detailed dredging operations, through the Company's internal teams, and through the investment in dredgers with high international specifications, where these plans will be systematically implemented over the short, mid, and long terms. The Company has bought new dredgers for the implementation of the Company's plans in these regards, which would increase the Company's potash production capabilities, after the salt lumps are removed. The Company is also working on converting the dredgers to operate using the electricity instead of fuel. This direction will contribute to controlling the operational costs of dredging operations after setting up a long-term excavation plans in a manner that prevents or limits the lumping of salts at large quantities and for long durations.

As for trucking of the potash, the Company is considering replacing potash trucks that operate on fuel with others that operate on electricity, due to its positive impact on the environment and reducing transportation costs to the export port.

Establishing Logistics and Operations Terminal

As part of the Company's efforts to enhance its competitiveness at the global level and reach the largest base of customers consuming potash fertilizers, the Company is completing the implementation of the storage and packaging warehouses project according to the latest international specifications in Ghor Al Safi and Aqaba. This project will enable the Company to meet the needs of customers in many global markets and be able to enter new markets with special packaging requirements, using the latest technologies for filling potash of various weights and sizes. This project also includes the separation of storage operations for fertilizers of different types and colours, which works to ensure product quality and adherence to internationally required specifications, and in turn will enhance the Company's competitiveness at the global level.

Management of Affiliated and Subsidiary Companies

Arab Fertilizers and Chemicals Industries (KEMAPCO)

APC's objective is to facilitate the growth of Arab Fertilizers and Chemicals Industries (KEMAPCO) Potassium Nitrate (NOP) fertilizer product line. Currently, a feasibility study is being conducted to determine the viability of doubling KEMAPCO's production, which stood at (152,000) tons in 2022. If feasible, the increased production of NOP fertilizer would significantly enhance the company's profitability, particularly given that KEMAPCO produces the highest quality NOP fertilizer worldwide.

Numeira Mixed Salts & Mud Company

The Executive Management set up an ambitious plan for the subsidiary Numeira Mixed Salts & Mud Company to boost its business. Work has begun on implementing the initiatives of this plan, as it is expected that the set goals will be achieved on the mid-term, which will enable this company to achieve profits that will positively affect the profitability of APC.

Jordan Industrial Ports Company

In 2022, the new industrial port project, managed by the Jordan Industrial Ports Company, equally and jointly owned by APC and the Jordan Phosphate Mines Company, was completed. This port will play a major role in developing the operations of APC's logistics and achieving the following:

1. Saving time in docking the ships and thus reducing costs resulting form the demurrage, which contributes to enhancing the profitability of the Company.
2. Raising the export capacity to (10) million tons per annum, which enables the port to accommodate the export of any additional quantities resulting from future production expansions.
3. Raising the flexibility and efficiency of loading operations and ensuring the quality of exports to various customers around the world.

Dead Sea Chemicals & Fertilizers Company

At the end of 2021, the Dead Sea Chemicals & Fertilizers Company was founded to undertake APC's downstream industry expansion projects..

11. RISK MANAGEMENT

Enterprise Risk Management Vision and Strategy

APC's ambitious vision of risk management extends beyond maintaining risk registers, as it also integrates best practices of risk management in all its practices and operations. APC recognizes that managing risks is a practical process which underpins all our key decisions.

The following are the pillars of the risk management strategy in APC:

- Manage risks effectively across all APC activities and ensure all risk exposures are pro-actively identified, measured, and mitigated.
- Promote risk management based decision-making during business planning, strategy implementation, and exploration of investment opportunities.
- Utilize the Company's understanding of its risk to leverage opportunities and develop a unique competitive advantage, eventually contributing to fostering the Jordanian economy.
- Build a strong infrastructure based on best practices to facilitate effective functioning of ERM processes.
- Protect and enhance the image and reputation of APC as a world-class Potash producer.
- Establish effective and transparent communication and reporting lines, ensuring that information relating to key risks is provided to decision-makers in a timely manner, so that the interests of APC are better protected through more informed decision-making.
- Instill a risk management and performance-based culture across APC.

Enterprise Risk Management Framework

APC defines risk as: "The possibility that foreseen and/or unforeseen events could negatively or positively impact APC's performance and achievement of its mandate and/or objectives". Risk management activities are, therefore, based on the adoption of consistent processes across the Company to ensure the effective and efficient management of any risks affecting the achievement of APC's objectives.

Accordingly, APC's ERM Framework comprises the following four main elements:

- Purpose and Key Components of the ERM Framework: Best practices to enable an effective ERM process across APC.
- Risk Governance: The pillars that enable, orchestrate, and help oversee the implementation of the process.
- Enterprise Risk Management Guidelines: Guidelines for effective management of risk activities across APC.
- Enterprise Risk Management Procedures: The steps and activities that APC uses to identify, prioritize, and manage risks. The objective of such procedures is to create a universal and consistent risk management approach and practices across APC, and provide clear and detailed guidance on how to conduct risk management activities.

Purpose and key components of the ERM framework

The ERM framework is a key building block to:

- Increase the confidence that APC's objectives will be achieved.
- Provide practical guidance on how to identify, analyze, evaluate, and treat risks in an environment of continuous monitoring, review, and communication.
- Establish consistent risk management processes and practices to enable meaningful executive reporting and decision-making using appropriate and comparable data.
- Align risk management with other relevant processes and practices.
- Assure external and internal stakeholders that risk management is active, fit-for-purpose, and aligned with the global industry standards.

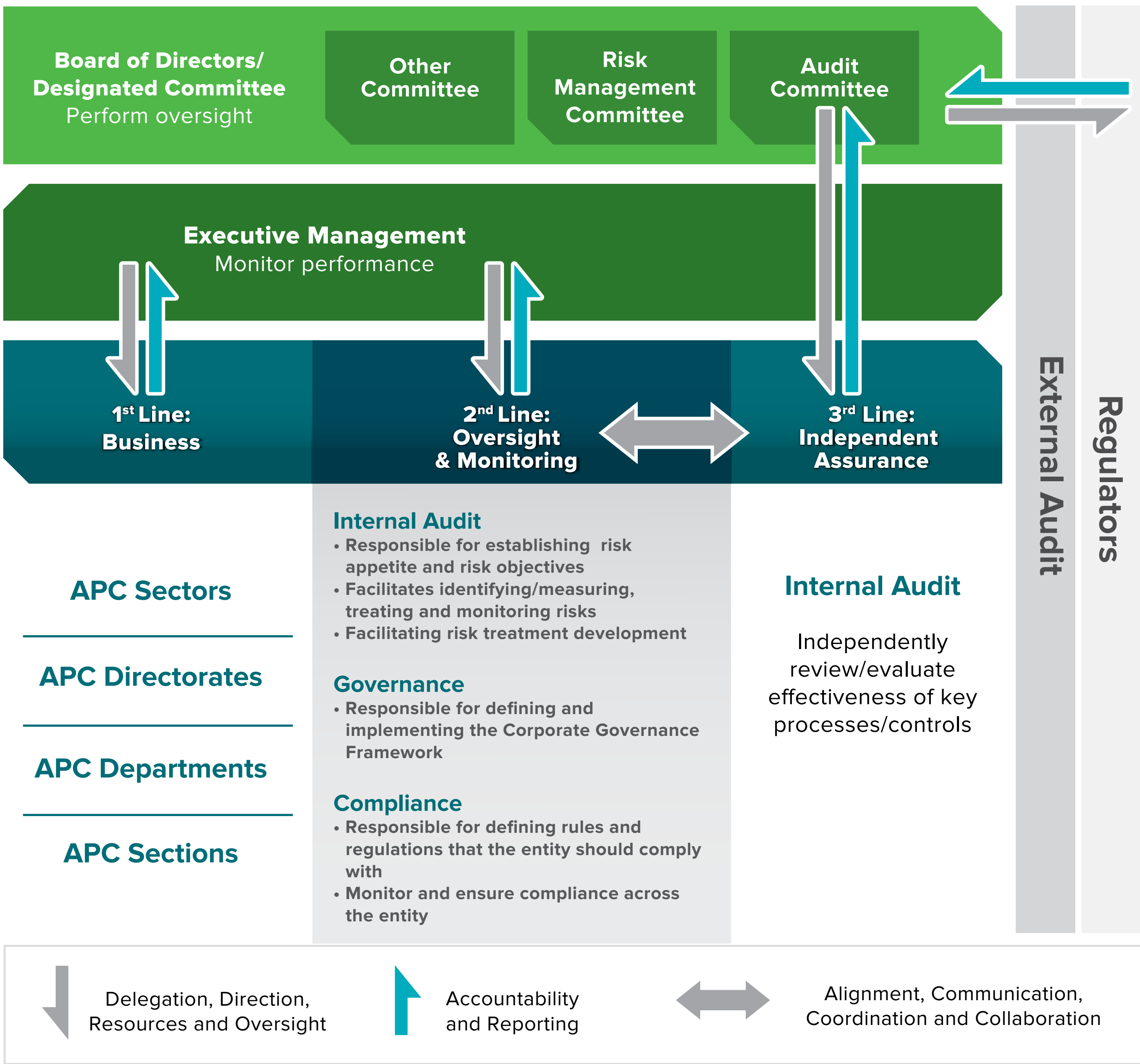
Risk Governance

The (3) lines model helps to clarify the roles and responsibilities of:

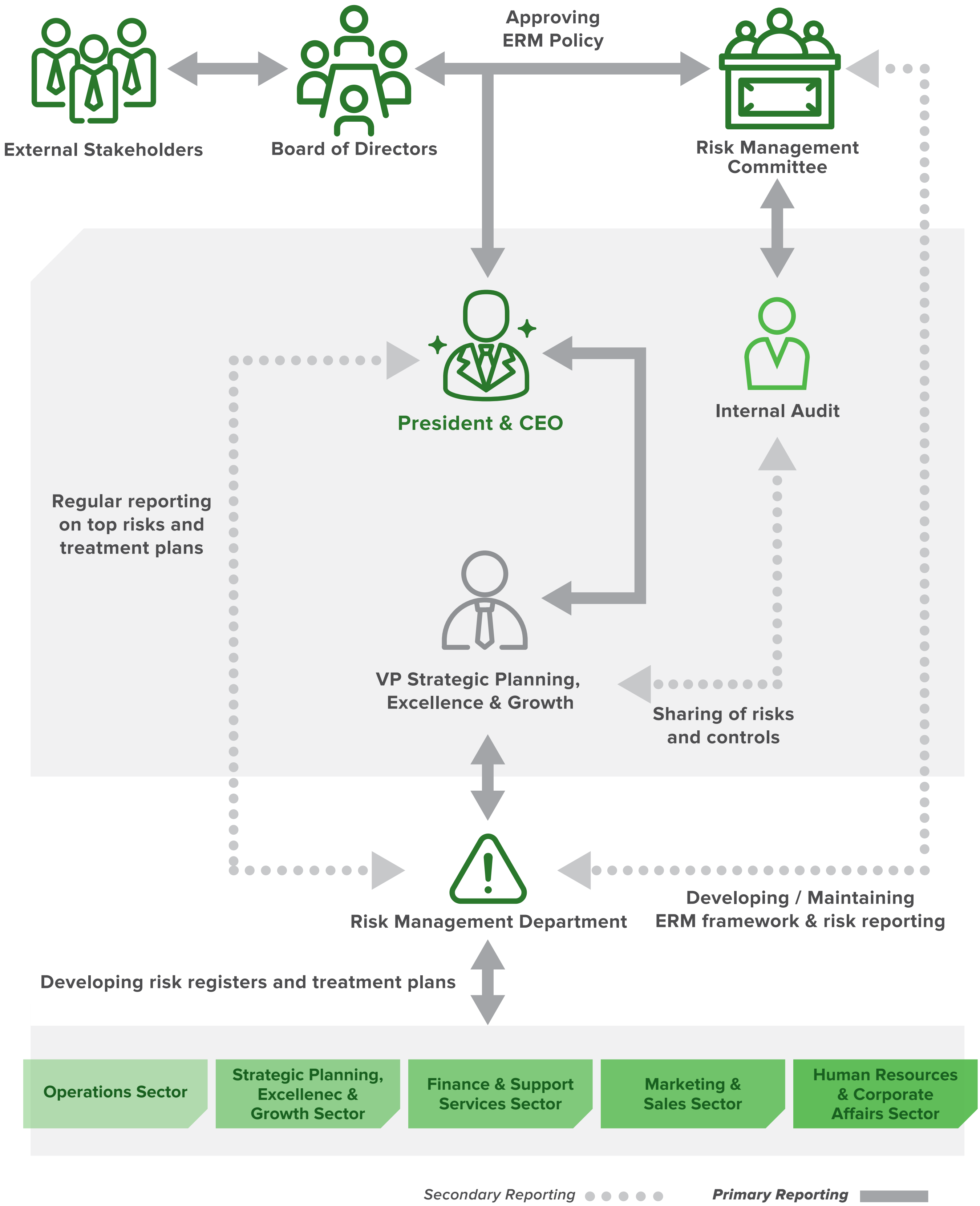
1. Management 2. Risk, governance, and compliance activities 3. Internal audit.

The model also demonstrates the collaboration among the (3) lines of business, in addition to its integration with communication and reporting to the Board of Directors, Executive Management and external stakeholders.

APC (3) Lines Model



Risk Governance Structure



Key Risks

Factors affecting potash sales

These factors include price volatility in global markets and the slowdown of the global economy, which may lead to decreased demand for potash. Since potash is mainly used as a fertilizer, any changes may impact this sector such as the decline in production volume and weather-related events such as drought and floods, or any other events that may lead farmers to plant less and consequently reduce their use of fertilizers, including potash.

Changes and amendments to laws and legislations

There are risks associated with the national laws and regulations, including any amendments to the taxation and customs laws or the legislations that may affect the Company's business, activities, or rights. This includes legislations affecting the regulatory requirements related to the Company and its business.

Moreover, amendments or changes made to governmental policies and legislations in potash-importing countries may also affect the quantities and/or selling prices in these countries.

High cost of electricity and water scarcity

The process of potash production consumes large quantities of energy and water, prompting APC to constantly seek alternative options for securing both sources at a lower cost.

In terms of providing electrical and thermal energy for plant operations, the Company has taken the following actions:

- The Company started using natural gas in its operations since January 2017, which is more efficient and less expensive than heavy fuel oil.
- Installing gas turbine in December 2018 to produce electricity at a lower cost.
- Installing a Heat Recovery Steam Generator (HRSG) by the end of 2020, which is a system generating steam for free due to utilizing the lost heat from the gas turbine.
- Installing an emergency diesel generator with a capacity of (3.75) MVA. This generator is used to restart the gas and steam turbines in APC in case of breakdowns of the national electricity grid that lead to sudden stoppage of the Company's electrical generators, so it operates the plants to maintain the continuity of potash production. In addition, a new steam and electricity generation project has been approved, and the implementation is expected to start in early 2023. The main equipment used for this project include: gas turbine with a capacity of (57) MWe and Heat Recovery Steam Generator (HRSG) with an implementation period of (18) months each, as well as a steam turbine with a capacity of (15) MWe and a steam boiler with an implementation period of (24) months each.

As for water, the Company has taken the following measures to provide water for its plants:

- Drilling and developing five wells in Ghor Al-Safi and Ghor Al-Mazra'a regions, utilization of the surplus water from irrigation in the areas of Al-Samar and Ain Younes, and utilization of water from valleys and overflow water from Ain Maghara.
- Exploiting the natural water flow of Wadi Bin Hammad.
- Increasing the storage capacity of ponds, as a new pond was constructed with a storage capacity of (80,000) cubic meters.

- Utilization of wastewater from treatment operations and the rejected water streams from the two reverse osmosis desalination plants in APC Township and Al-Hussein Housing.
- Rehabilitation of existing water lines to avoid any breakdowns.

Dependence on seaport for loading and transporting

APC is heavily dependent on the Aqaba seaport for the loading and shipping of potash in addition to the transportation of some quantities by land routes to supply nearby markets.

Labour disputes and the political situation

APC's Executive Management ensures maintaining open communication channels with professional associations, unions, and worker representatives, as well as signing a labour agreement to meet the legitimate demands and requests of workers and unions. In fact, APC's employee benefit packages are among the best in the region.

Perimeter dikes

Over the past years, the drop and receding level of the Dead Sea water led to the emergence of sinkholes, a phenomenon that affected some of the Company's main dikes. APC's concerned departments carry out daily site inspections to monitor the dikes and ensure their safety, in addition to the installation of many geological monitoring instrumentations distributed across the dikes to monitor and record data and readouts in an integrated geographical information system (GIS) to ensure the safety of dikes. The Company is currently performing remedial and rehabilitation works to these dikes.

Vulnerability to environment and natural disasters

The area of Ghor Al Safi, where APC plants are located, is subject to occasional flash floods, in addition to being susceptible to earthquakes and the formation of sinkholes. Consequently, all buildings and structures at site were built in accordance with the safety building codes of construction. As for sinkholes, APC is applying all the necessary preventive and corrective measures to mitigate their effect on existing structures (especially dikes). These measures were agreed upon with international firms specialized in this field. Furthermore, APC has a full property insurance on its buildings and facilities to mitigate risks. The Company's Management has also recently developed an emergency and response plan.

Research, Development, and Innovation (RD&I)

12. RESEARCH, DEVELOPMENT, AND INNOVATION (RD&I)

In line with the strategy of the Arab Potash Company approved by the Board of Directors, which aims to promote scientific research and innovation in order to achieve the Company's development goals, in addition to developing work and production mechanisms for the industrial sector working in the field of fertilizers and Dead Sea chemicals in the Hashemite Kingdom of Jordan, the Company began working on establishment of the Research, Development and Innovation (RD&I) Center, where more than fifty engineering offices were invited to participate in the RD&I center design competition in coordination with the Jordanian Engineers Association. The first three winning designs were selected and honored, and then the structural design necessary to implement the required architectural design was followed up.

All procedures related to preparation of design, tendering, and Awarding were completed in 2021, and the contractor was able to achieve a completion percentage estimated to (63%) of the overall works of the project, where it is expected to complete the construction and equipping the building by the end of 2023.

The Research, Development, and Innovation (RD&I) Center under construction

The Research, Development and Innovation Center design was chosen to meet the required architectural and functional ambitions, with an area of more than (6,000) m^2 that will include the following parts:

- **Board Tower:** The tower consists of (7) floors which include (2) training labs, (2) training halls, library, offices, services rooms, meeting room, restaurant, VIP rooms, and all needed services facilities. The last floor will be devoted as Board meeting room and this floor provides panoramic view for the plants.

  The construction works for the Board Tower were completed during 2022 with completion percentage of (65%).
- **Main Building:** Consists of (2) floors that include reception and gallery, (6) laboratories (hydraulic lab, rock and soil lab, chemical/physics lab, AV lab, wet/dry shared lab, fertilizer lab), chemical and general storage rooms, and admin offices.
- **Educational-multipurpose Hall:** The hall will be equipped with the latest audio and video systems, and the ceiling of the hall will be used as a panoramic terrace for the Center's visitors.

  The construction works for the Main Building and Educational-multipurpose Hall were completed during 2022 with completion percentage for these two parts of (69%).
- **The project** also includes external landscaping works, including the execution of car parks for visitors and employees, in addition to agricultural and decorative works and asphalt works in line with the current ongoing landscaping activities that reflect the bright image of the Arab Potash Company.

APC's RD&I Center Main Objectives

I. Development & the enhancement of operational efficiency for the production process and waste management

- Developing APC's management practices for the various ongoing industrial processes in terms of efficiency and effectiveness in a way that will positively affect the production costs and competitiveness.

- Obtaining the access to cutting-edge technological solutions associated with energy and water usage, developing more sustainable sources, and rationalizing the industrial consumption of such sources.
- Adopting the circular economy strategic approach and converting by-products such as the mountains of salt accumulated from production processes into products with feasible economic returns.
- Providing the Company with innovative solutions to some of its challenges such as the stoppage of the production of the raw material in the solar system due to low levels of evaporation in the winter, water leakages, and corrosion of metals and equipment due to the chemical properties of the brine (raw material).

II. Product development and entering specialized and related industries

- Developing existing products and improving their quality to raise the Company's competitiveness in global markets.
- The possibility of expanding mining techniques to include solution mining with the aim of maximizing the utilization of all concession areas and neighbouring areas.
- Maximizing the use of natural resources and available minerals that the Company extracts from the concession areas.
- Increasing the Company's products' added value by introducing new products related to the specialized fertilizer and advanced chemical industries.
- Assessing the possibility of extracting and employing the various elements located within the concession area in the Company's industries.

III. Research and innovation

- Raising working capital efficiency through tailored training programs, scholarships, research funding, sabbatical, and scientific exchange that serves the Center's objectives.
- Assisting the Company in forming strategic partnerships with specialized research centers and companies to support related products and industries' research, exploration, and commercial development process.
- Contribute to introducing the Company to advanced automation processes and adoption of data and modern technologies.
- Preparing the Company to engage with the fourth industrial revolution and related technologies and integrate artificial intelligence into the Company's operations.

Design of the Research, Development, and Innovation (RD&I) Center

APC continuous achieving outstanding results and record unmatched profits.

Safety and Occupational Health

13. SAFETY AND OCCUPATIONAL HEALTH

1. Safety Performance in 2022

The Arab Potash Company puts the safety of its employees, workers, and external contractors on top of its priorities, as the Company harnesses all its capabilities to provide safe working conditions through its continuous improvement of safety performance and focusing on areas in which safety risks are related to production and transportation operations, in addition to working to reduce risks and reduce the potential impact of any accident.

APC complies with all Jordanian labor laws, instructions related to occupational safety and health, and international standards that govern its operations. Therefore, occupational health and safety policies and procedures have been developed in the Company that comply with these laws and instructions. The environment and safety department in the Company is committed to protecting employees and contractors from exposure to health and safety risks in all the Company's sites from Amman to Aqaba, passing through the plants in Ghor Al-Safi, and accordingly work is done to identify the risks that accompany all activities and operations and try to reduce and overcome them wherever possible.

In order to achieve this goal, APC provided its employees in the year 2022 with opportunities to join many training activities in the field of safety, including training on working at heights, natural gas safety, safe lifting, energy isolation, forklift safety, and educating supervisors about occupational safety and health.

APC works with the massive number of contractors and suppliers, so they understand our safety requirements. Together we seek to improve safety performance by awareness training such as induction, toolbox talks and spotting unsafe behaviors, correcting, and reporting them.

1.1 Occupational Health and Safety Section

The occupational safety and health section places a top priority on maintaining the safety of employees, contractors, and visitors at the Company's sites in Ghor Al-Safi, Aqaba, and the administration in Amman, by focusing on providing a safe environment in work areas through the application of the Occupational Safety and Health Management System (OSHMS) and the relevant laws and instructions issued by the Ministry of Labor and other relevant authorities. The commitment is made by defining appropriate control procedures, starting from eliminating risks and ending with the use of personal protective equipment (PPE), through preventive engineering, preparing tools and resources such as administrative procedures and instructions, and supporting positive behaviors in accordance with the values of the Arab Potash Company.

Main duties of occupational health and safety section:

1. Assure full compliance with the legal requirements of Jordanian Labour law.
2. Managing safety & PPE storage to provide suitable personal protective equipment for all APC employees.
3. Increase the APC employee's safety awareness & safety training.
4. Maintain effective motivation incentive program.
5. Assure proper incidents reporting & investigations.
6. Develop and maintain performance statistical databases, data analysis, and issuing regular reports.

1.2 Safety Inspection Section

Safety Inspection Objectives:

The safety inspection section ensures that the production resources (workers, tools and product) are carried out within safe conditions and standards at workplaces as stipulated in the policy of the Arab Potash Company's policy, laws and requirements for occupational safety and health, in addition to ascertaining the commitment of the employees and contractors.
In 2022, the safety inspection section developed a work plan to cover all plants and units of APC and worked to identify risks within the work environment and follow-up with other relevant departments, to create a safe work environment, through the inspection tours carried out by the inspectors, databases of potential risks and behaviors that may result in accidents have been added and updated.

The following table shows the comparison between achievements in 2022 compared to previous two year.

#	Objective	KPIs			
		Plan	2022	2021	2020
1	Spot and correct/report at-risk behaviors.	Two / Daily	1,076	792	468
2	Spot and correct/report at-risk Conditions.	Two / Daily	2,181	1,317	456
3	Safety performance compliance assessment (PTW & PP).	Three /Weekly	312	276	9
4	Evaluation of workplace shutdowns activities	One /Monthly	For all SD	For all SD	For all SD

Safety Inspection statistics during Shutdowns

During maintenance shutdowns, maintaining the work environment free of accidents is a major challenge due to the nature of maintenance operations that carry high risk and a large number of workers inside a workplace. To achieve a safe work environment, the inspection section work with the work teams and their supervision to identified risks and correct any unsafe conditions or behaviors.

Tools are widely used during maintenance and operation work in plants, based on the repeated accidents recorded during the past years, resulting from poor maintenance of equipment or misuse of it. Inspections were expanded during the year 2022 to include all maintenance departments, workshops, and garages. Hand tools, lifting tools, generators, and tools operated by electric, hydraulic, and pneumatic power were inspected to ensure their safety and safety of use.

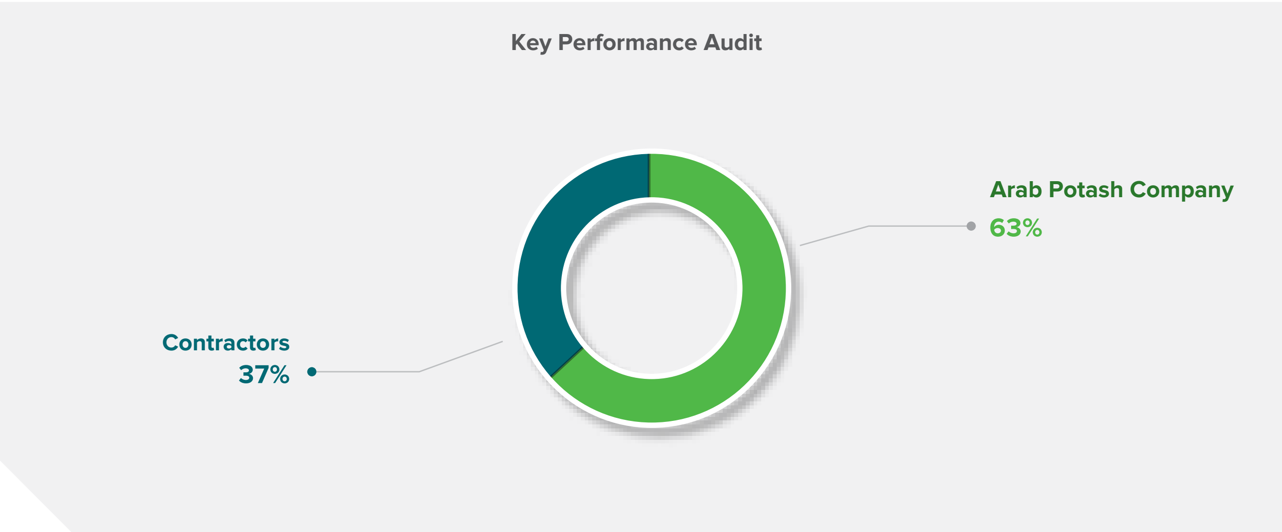
The table below shows a comparison of tools inspections in 2021 and 2022.

Year	2021	2022
Tools type	Hand tools, lifting tools	Hand tools, lifting Tools, electrically powered tools, hydraulic power tools, pneumatic tools, generators.
Locations	10	30
Area	- Mechanical maintenance: - HLP, CCP1, CCP2. - Workshops: fabrication, mechanical constructions, and manufacturing. - Garages: general, heavy-duty garages, and trucking garage.	- All mechanical maintenance sections: HLP, CCP1, CCP2, power plant, offsite maintenance, Aqaba site. - All workshops: HLP mechanical workshops, fabrication, mechanical constructions, manufacturing, sand blasting, scrap workshops, and dredging workshop. - Some of electrical maintenance sections: HLP, CCP2, power plant, offsite, electrical maintenance workshops. - Instrument: HLP, CCPs, power plant, offsite. - Garages: general & heavy-duty garages, trucking garage. - Warehouses: Western and main warehouses. - Cranes section.

Safety Key Performance Audit

In year 2022, (312) audit tours were conducted, compared to (276) audit tours in 2021 to measure compliance with PPE and work permits using KPA form, (386) work permits were audited, and measuring compliance of (1,270) workers with PPEs.

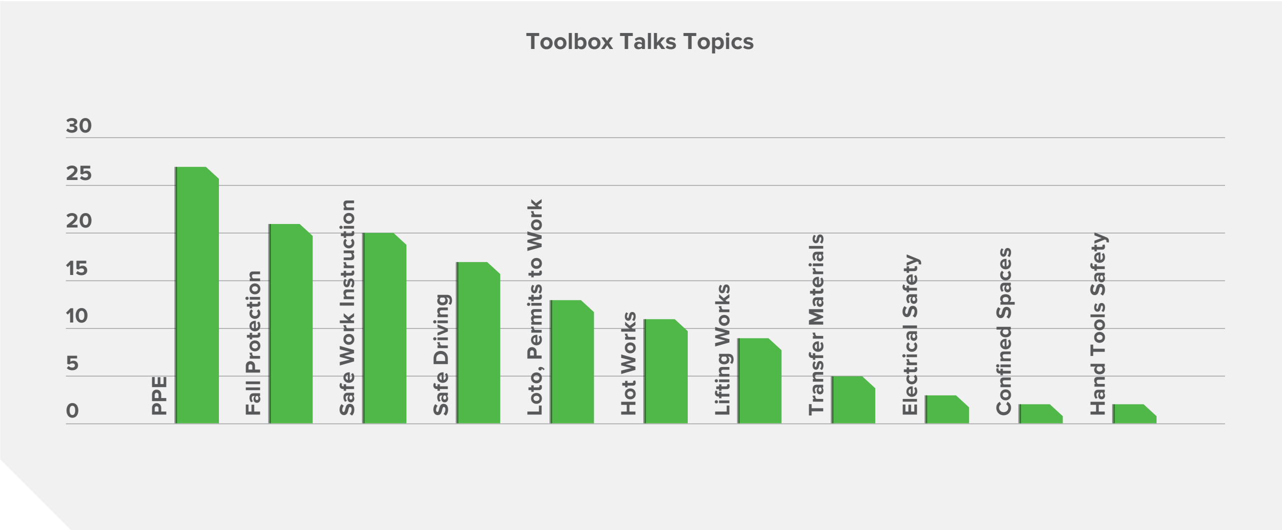
The percentage of tours on APC work teams is (63%) of the total numbers of tours, while the contractors work teams have (37%), the figure below shows the number of tours for APC compared with contractors.



Safety Awareness via Toolbox Talks

Toolbox talks are a great way to improve workplace safety, educate employees and lower the risk of injuries and fatalities. In 2022, (130) TBTs were conducted, compared to (106) in the previous year by inspectors after safety violations.

The figure below shows the number and topics of toolbox talks covered during 2022.



1.3 External Contractors Safety Section

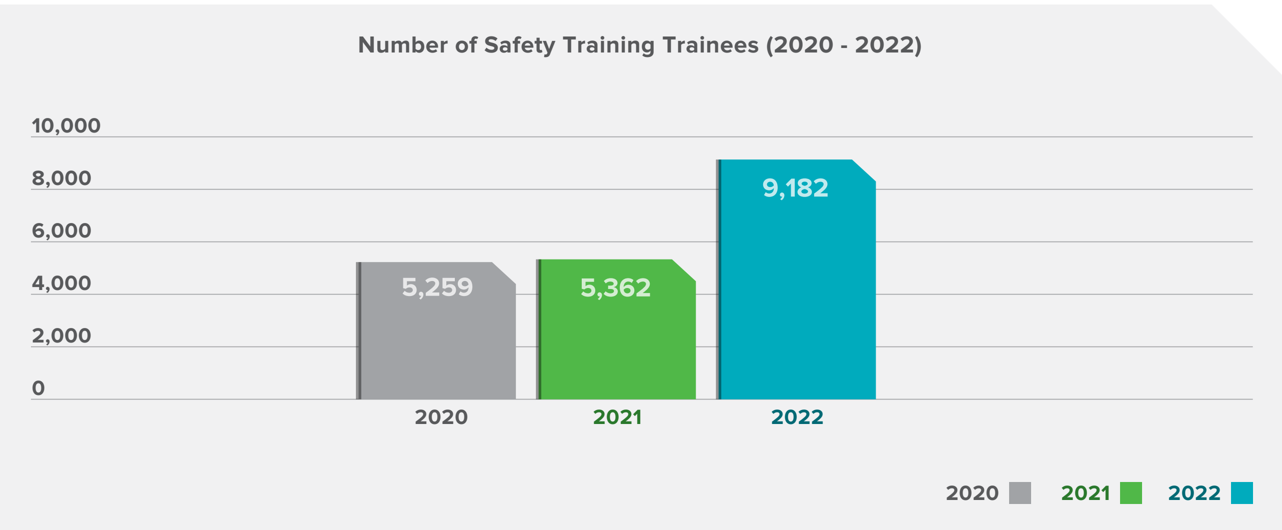
APC is seeking to ensure the contractors safety and educate and apply quality standards and manage occupational safety systems by contractors and suppliers.

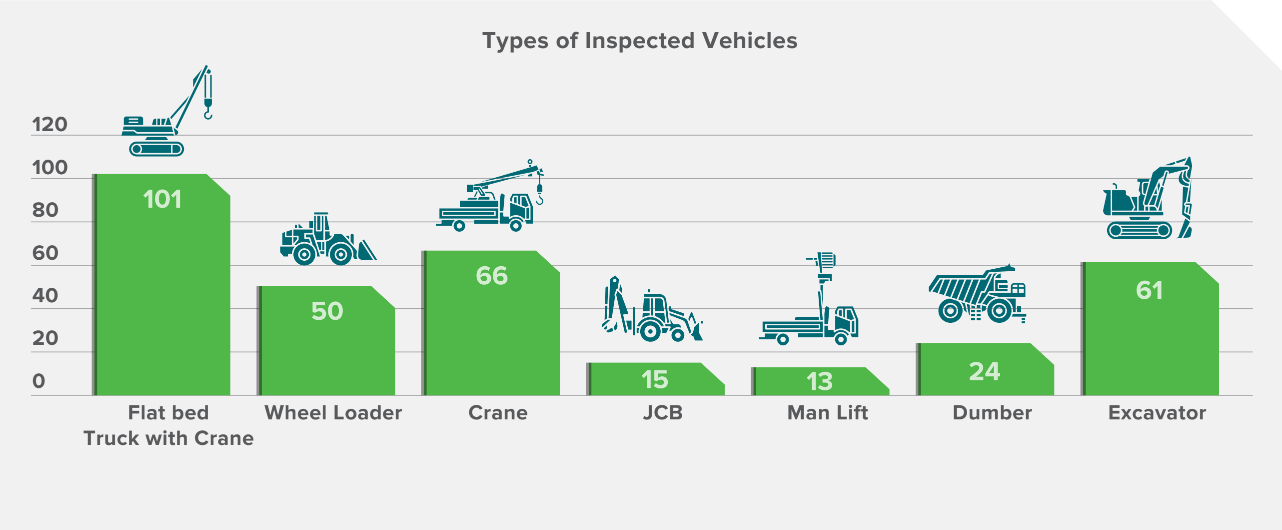
Contractors no longer work alone or within remote areas; but rather they work hand in hand with APC's employees. The external contractor's safety section reviews the safety performance of the contracting companies that will be contracted to carry out jobs in the Company's sites before placing them on the list of approved contractors.

The main duties of the external contractor's safety section:

1. Providing contractors and service providers with adequate safety induction prior their entry to Company's sites.
2. Evaluate and assess contractor's safety team abilities and legal registration and competencies before they join the site.
3. Evaluate risk assessments and its adequacy to the tasks intended to be performed.
4. Site inspection tours to evaluate safe condition of work.
5. Performance evaluation during and post contract accomplishment.
6. Use safe equipment and tools during performing the tasks.
7. Conduct regular and ad-hock meetings with contractors.
8. Review contractor competencies and training level and availing needed emergency arrangements such as firefighting and first aid equipment.
9. Review registration and certification of work equipment.
10. Assure shutdown safe performance by contractors.
11. Record keeping and analysis.

Below are charts for the external contractor safety section accomplishments.





1.4 Emergency and Road Safety

APC's Achievements in firefighting and emergency:

1. Preparation works for the site visit by the insurance company, including (Flushing works for fire hydrant equipment and Inspection).
2. Inspection works as scheduled with maintenance contract on all APC gas suppression systems.
3. Perform inspection and operational testing for fire pumps station.
4. Follow-up false alarm signals and take suitable action.
5. Response to the fire water leaks and isolate fire service pumps which have leaks.
6. Provide the buildings of Al-Hussein Camp with extinguishing systems and fire hoses.
7. Provide Numeira Mixed Salts and Mud Company, offsite area, with workshops for using fire hose cabinet.
8. Equipping the rooms of substations with a voltage of (11) kilovolts with safe rescue hooks to prepare to respond to electric shock accidents in the transmission center.
9. (25) Mobile self-contained safety showers units have been provided, which will soon be distributed within work sites that are not equipped with a water source.

10. Provide fire exit signs in the various location of the Company.
11. Provide Aqaba site with more emergency mask stations and renewal escape masks and full-face masks filters.
12. Completion of the Civil Defense's approval on the design phase of the project to provide fire sprinklers in the warehouses of the Company.
13. Hydrostatic testing of fire networks.
14. Provide a test line in Aqaba fire pump station to make performance tests applicable in order to comply with insurance recommendations.
15. According to the continuous development and modernization plan for the APC Civil Defense vehicles and equipment, the center was supplied with a new supply tanker and an ambulance this year.
16. The Aqaba emergency plan has been updated and approved by the Civil Defense.
17. Four emergency exercises were carried out with civil defense in the year 2022, such as: hypotheses of a garage building fire, a tank fire, and a water rescue.

> ***"Arab Potash Company puts the safety of its employees, workers, and external contractors on top of its priorities.***

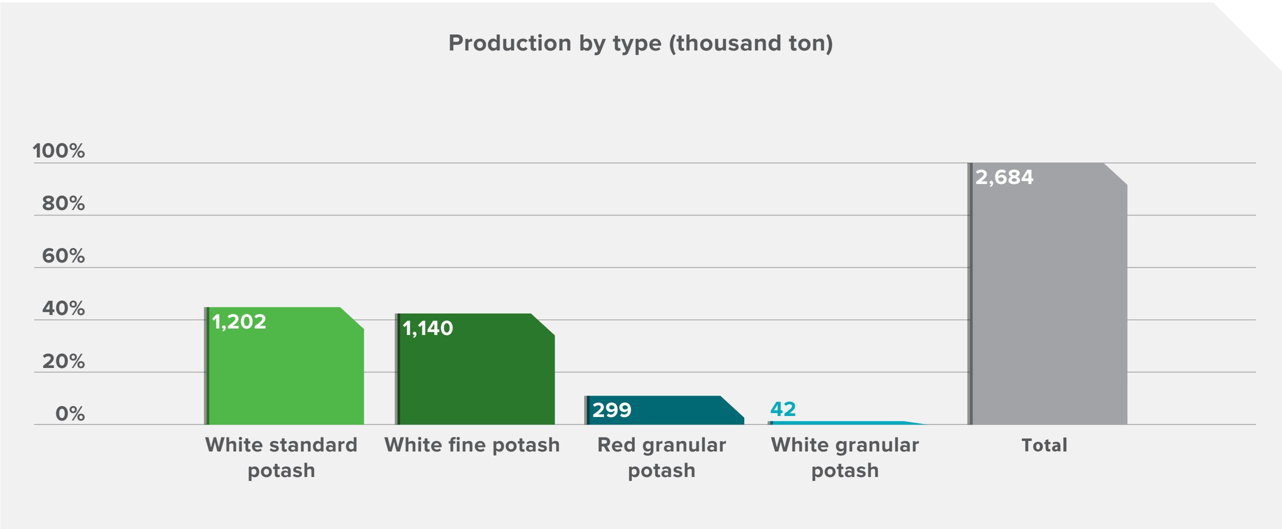
Production

14. PRODUCTION

APC's total production in 2022 was (2,684,000) ton which is (107.36%) of the annual production plan of (2,500,000) ton, an increase of (184,000) ton.

The following table and chart show the quantities of potash produced by type and the corresponding ratios.

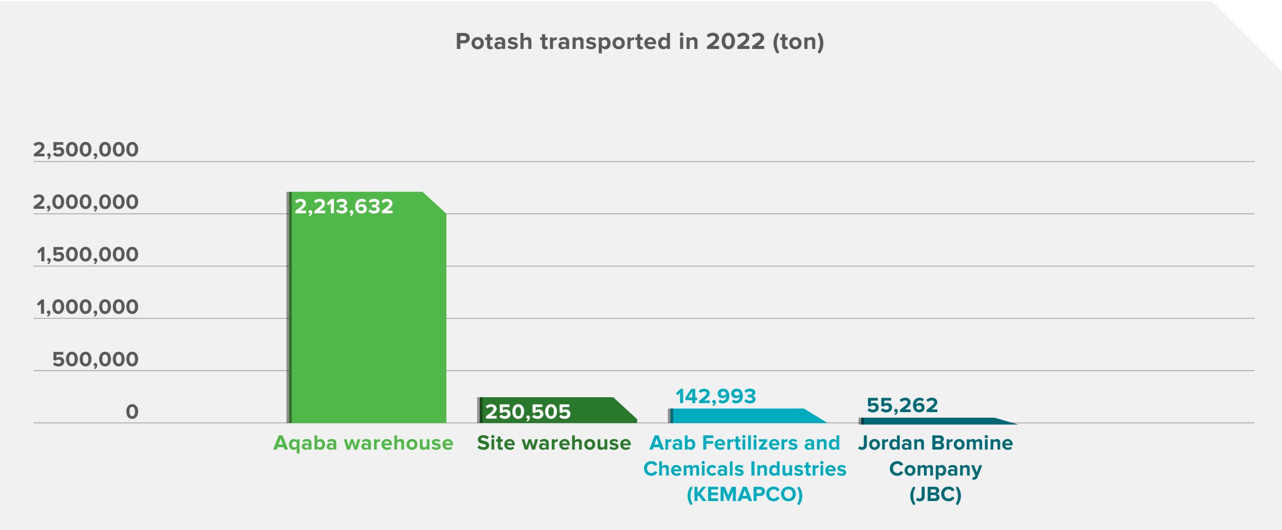
Type	Quantity (ton)	Ratio (%)
White standard potash	1,202,054	45%
White fine potash	1,140,676	42%
Red granular potash	299,230	11%
White granular potash	42,040	2%
Total	**2,684,000**	**100%**



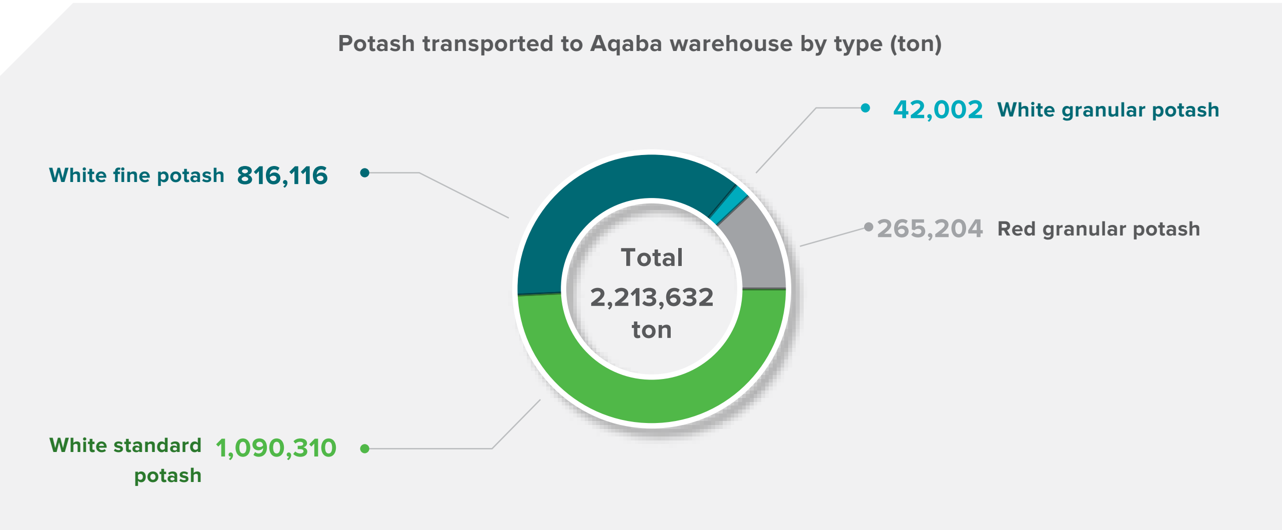
Potash is transported to Aqaba warehouse, Jordan Bromine Company, and Arab Fertilizers and Chemicals Industries (KEMAPCO) by APC fleet of trucks. While products for Nippon-Jordan Fertilizers Company and from Site warehouse are loaded at Safi site by the buyers' trucks.

Quantities transported in 2022 are shown in the following table and chart:

Destination	Quantity (ton)	Ratio (%)
Aqaba warehouse	2,213,632	83.1%
Site warehouse\ Direct sale from Safi site	250,505	9.4%
Arab Fertilizers and Chemicals Industries (KEMAPCO)	142,993	5.4%
Jordan Bromine Company (JBC)	55,262	2.1%
Total	**2,662,392**	**100%**



The following chart shows the quantity of potash transported to Aqaba warehouse, which was (2,213,632).



Sales and Marketing

15. SALES & MARKETING

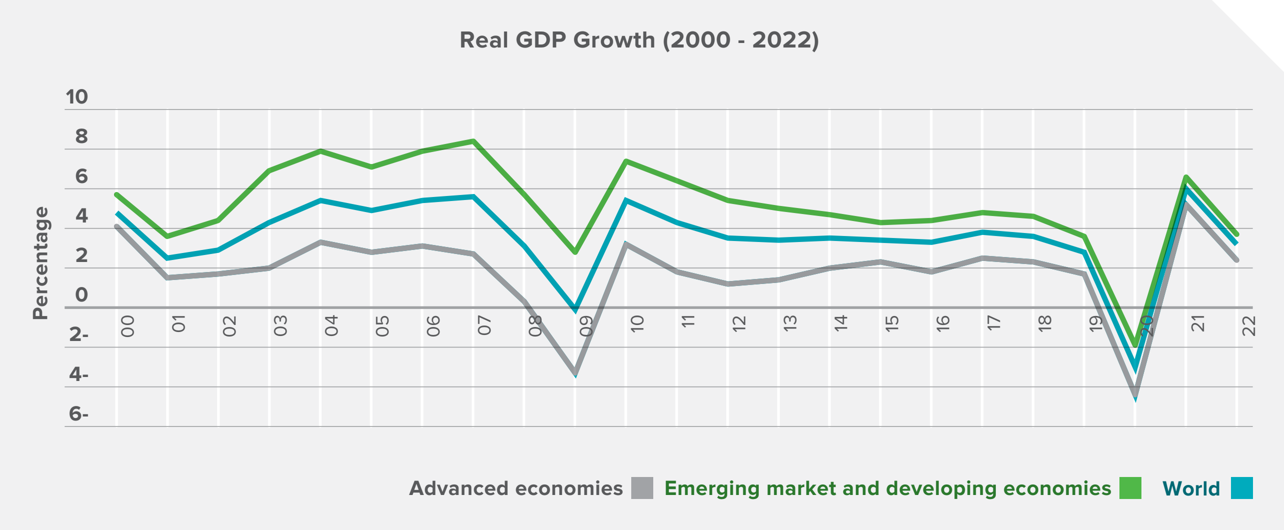
Global Overview

The year 2022 witnessed a geopolitical conflict due to Russia's military intervention in Ukraine and lingering COVID-19 supply disruptions. Consequently, inflation reached exceptionally high levels not seen in several decades.

The International Monetary Fund (IMF) reported that global inflation rose from (4.7%) in 2021 to approximately (8.8%) in 2022. The IMF stated that global growth is forecasted to slow from (6%) in 2021 to (3.2%) in 2022 and to (2.7%) in 2023. They have regarded this slowdown as the weakest growth profile since 2001, except for the global financial crisis and the critical stage of the COVID-19 pandemic. Food prices were considered a prime driver of this global inflation.

Extreme weather events and rising commodity prices, such as oil and gas, led to rising food prices. The United Nations reported that the global food import bill was set to climb to a record USD (1.94) trillion in 2022 as production costs soar and supply chains are disrupted.

The chart below shows annual GDP growth over the years (2000 - 2022).



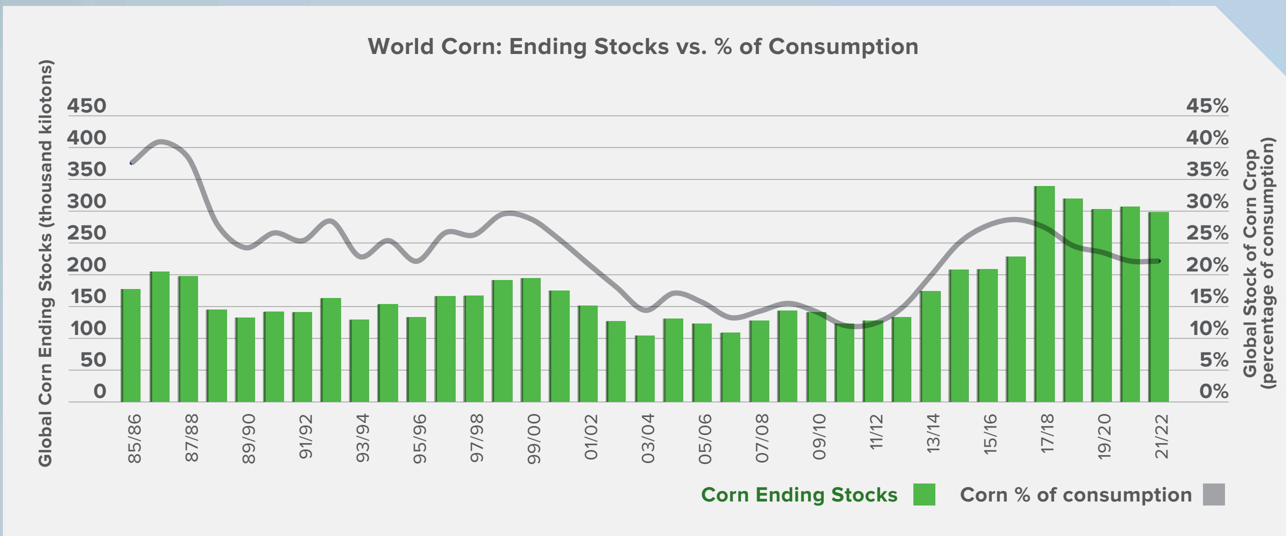
The fertilizer market was uncertain regarding Russia's ability to export and interact with international markets. The US and EU implemented sanctions on Russian entities and individuals. A lack of Belarussian potash also exacerbated this uncertainty due to ongoing sanctions implemented in 2021. Furthermore, China's export restrictions on nitrogen and phosphate and record-level natural gas price increases in Europe contributed further to this uncertainty.

Fertilizer affordability for farmers experienced a decreasing trend from the beginning of 2022. This decrease was driven by rapid increases in fertilizer prices (outpacing crop price rises), increased energy prices, weakening exchange rates against the dollar, and limited government support amid rising input prices.

Global crop prices rose at the beginning of the year due to extreme weather events, which led to reduced crop yields, and the uncertainty of wheat and corn supply from Ukraine amidst the ongoing conflict. Both these factors added upward pressure on crop prices and reduced downward pressure on fertilizer affordability.

The period from May 2021 to May 2022 also witnessed an increase in the prices of Soybean, Corn, Palm Oil, and Wheat by (5.44%), (9.73%), (75%), and (45.10%) respectively. Most of these crop prices eventually corrected downwards towards the end of the year.

According to the United States Department of Agriculture (USDA), the world stock-to-use ratio for Soybean, Corn, Palm Oil, and Wheat declined consistently. This decline indicates a tight supply situation and relatively higher prices.



Fertilizer prices, including those of potash, reached record levels around May 2022 as the threat of reduced global fertilizer supply was at its peak. However, as the year progressed, record nitrogen and phosphate output were achieved in Russia. Furthermore, Europe and the US clarified that sanctions on Russia would not interrupt fertilizer and food flows to global markets to preserve food security. This clarification led to easing price pressure on fertilizers towards the end of the year.

During the second half of 2022, potash inventory carryover reached very high levels as buyers began delaying, and sometimes skipping, potash purchases in major markets such as Brazil and the US. Consequently, potash prices fell during this period.

The International Fertilizer Institute (IFA) estimated that global fertilizer consumption has dropped by approximately (5%) in 2022. IFA also reported that the most concerning issue of the short-term impact of reduced fertilizer use is the threat of a significant reduction in crop yields in the next harvest, prompting lower food production and ultimately increasing the number of people at risk of hunger.

World Production

In 2022, global potash production decreased to (61.4) million Mt compared to (72.4) million Mt in 2021. A reduction in production levels from Belarus and Russia mainly drove this.

At the beginning of 2022, the Lithuanian government announced that it would prevent Belarus, including the Belarusian Potash Company (BPC), from using its railway system to transport potash through its borders to Klaipeda port. BPC historically exported significant amounts of potash through Klaipeda to global markets, reaching almost (11) million Mt per year.

Furthermore, the Russia-Ukraine conflict, which ignited in February 2022, led to a significant decrease in Russian potash exports. Russian suppliers faced various logistical challenges, including finding ship owners who would accept transporting their products and insurance. Furthermore, US and EU sanctions on Russian financial institutions led to difficulties securing financial transactions to and from Russian entities.

The table below shows potash production by country (million tons).

Country	2022	2021	2020	2019	2018
North America	22.8	23.4	23	21.5	23.2
Russia	9.5	14.8	13.5	12.2	11.8
Belarus	6.2	13.1	12.1	11.9	12.1
Israel/UK/Spain	4.7	4.5	4.5	4.2	4.9
China/Laos/Uzbek	9.2	8	8.4	8.6	7.9
Jordan	2.7	2.6	2.6	2.5	2.4
Germany	4.6	4.2	4.2	3.6	4
Latin America	1.7	1.8	1.8	1.4	1.9
Total	**61.4**	**72.4**	**70.1**	**65.9**	**68.2**

Throughout 2022, Russian and Belarussian potash suppliers attempted to find solutions for their challenges. However, despite their efforts, they could not export their typical quantities during the year. Belarus was able to export relatively small quantities globally through Russian ports successfully. They also exported some quantities via rail to several countries, of which the most significant was China. On the other hand, Russia overcame many logistical and financial challenges it faced in the year's second half. According to reports, there have been no potash exports from Klaipeda port since March 2022. Additionally, potash exports from the Russian port of St. Petersburg, typically used by Russian potash producer Uralkali, reached approximately (50%) of the quantities exported in 2021.

Reduced exports from Russia and Belarus led to uncertainty over global potash supply amongst buyers during the first half of 2022. As a result, Canadian potash producer Nutrien announced plans to gradually increase production from their current operational capacity of (13.8) million Mt to (18) million Mt by 2025. Nutrien also declared its intention to increase output by up to (15) million Mt by the end of 2022. As for Mosaic, the producer announced they would reach record-level output after completing remediation works on both their Esterhazy and Colonsay mines.

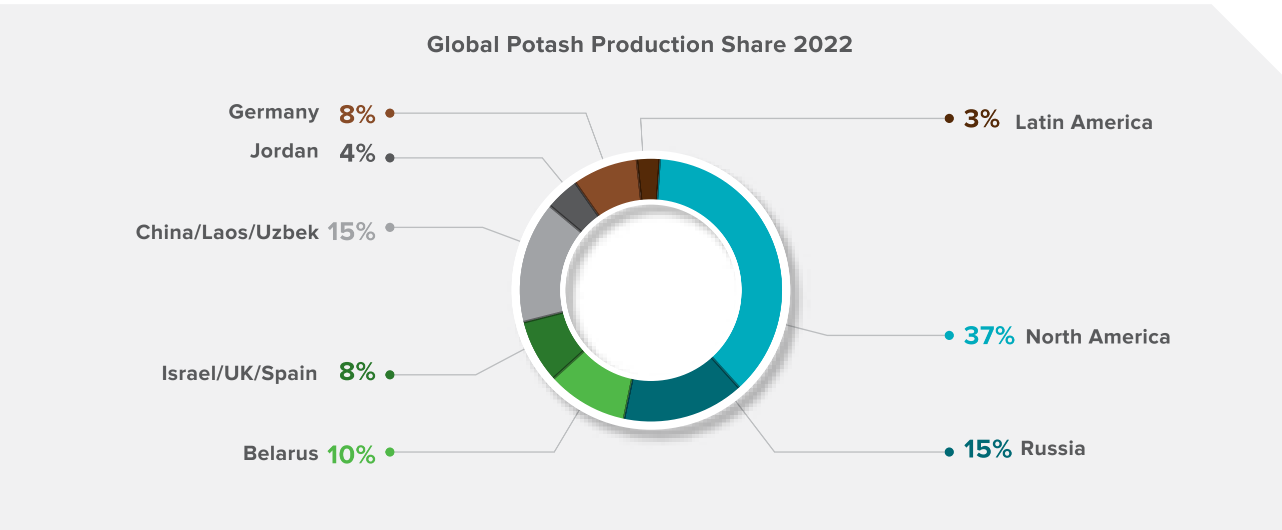
Moving on to further developments in 2022, ICL increased their production capacity to (4.7) million Mt per year. Additionally, Eurochem expects an increase of (400) thousand Mt per year in operational production levels compared to 2021. Loas have also increased their production by approximately (650) thousand Mt in 2022. As for China, potash production has increased by approximately (12.5%) in comparison to 2021. This implies a total figure of (7.4) million Mt for 2022. On the other hand, Chilean potash producer SQM has announced that they intend to halt potash production at the earliest until mid-2023. This is due to their preferred focus on lithium production.

It is also worth mentioning that, by the end of 2022, Canadian potash producers revised their expectations for production levels downwards due to a fall in demand by the end of the year.

It is expected that Russian and Belarussian potash production for 2022 will have fallen by approximately (5.2) and (6.7) million Mt, respectively. The International Fertilizer Association (IFA) also reported, in their latest short-term outlook report for (2022 – 2023), which considers both Russia and Belarus's potential future output, that future global potash production is estimated to increase by a maximum of (5.3) million Mt by 2023.

As for BHP Mining, the company has reported steady progress of the Jansen project in Canada since it decided to proceed with the venture in third quarter of 2021. The company also announced that it may accelerate the development of its Jansen's mine to start producing potash one year earlier than previously planned in 2026, at (4.35) million Mt per year.

The chart below shows the global potash production share of in year 2022.



World Potash Deliveries and Demand

Global potash deliveries reached approximately (61) million Mt, a sharp reduction of (10.6) million Mt compared to 2021 levels.

In 2022, Brazil experienced a decrease of approximately (8%) in MOP deliveries in comparison to 2021. As for the United States, MOP deliveries decreased by (24%) in comparison to 2021. The country saw significantly low imports during the second half of 2022.

In Indonesia and Malaysia, demand decreased by (20%) and (10%) respectively, in comparison to 2021. As for China, MOP deliveries for 2022 increased compared to 2021, reaching (15.5) million Mt. On the other hand, potash deliveries in India in 2022 decreased by (17%) compared to 2021 and (48%) compared to 2020. Moving on to Europe, which stopped importing Russian and Belarussian potash, demand fell sharply, during 2022, by an estimated (28%) in comparison to 2021.

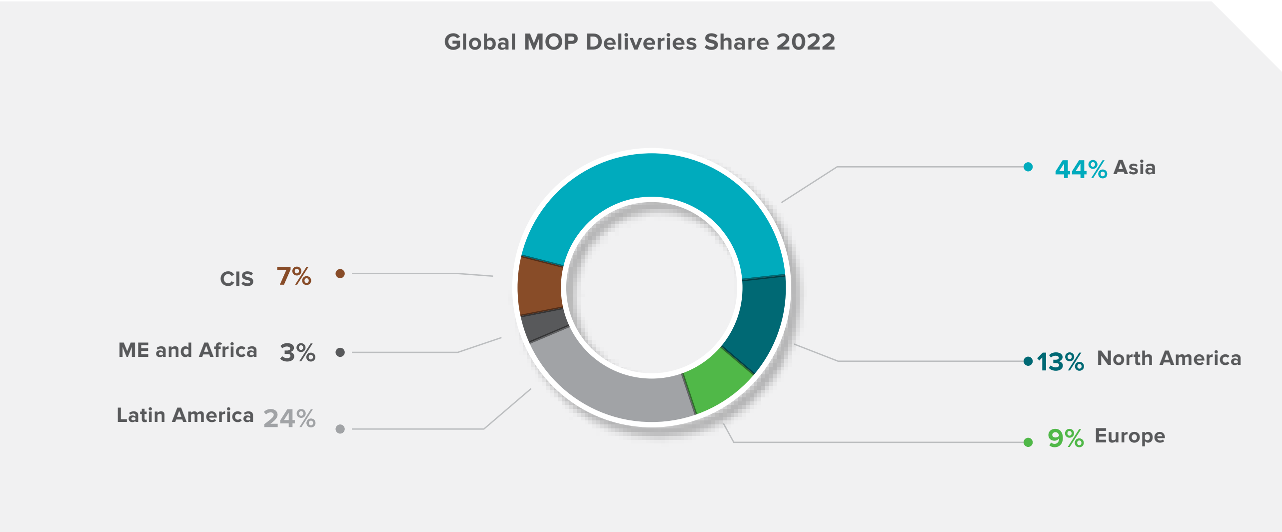
It is also worth mentioning that many (NPK) and Sulphate of Potash (SOP) plants in the world reduced their potash consumption as high potash and other input prices led to uncompetitive pricing of the end products. Also, potash demand by their plants was reduced due to the overall slowdown in fertilizers consumption.

The main factors that contributed to the significant reduction in global demand and deliveries in 2022 were the reduced supply from Russia and Belarus in the first half of the year, the decreasing crop prices, increased fertilizer inventories, and weaker fertilizer affordability during the second half of the year.

In addition to the above, global potash and fertilizer demand were also impacted by poor weather conditions and rising energy prices, especially in Europe. This was exacerbated by weakening global exchange rates against the dollar. As a result, several countries faced shortages in dollar reserves required to import fertilizers. Furthermore, the geopolitical conflict in Europe led to lower fertilizer consumption in many agricultural countries such as Ukraine.

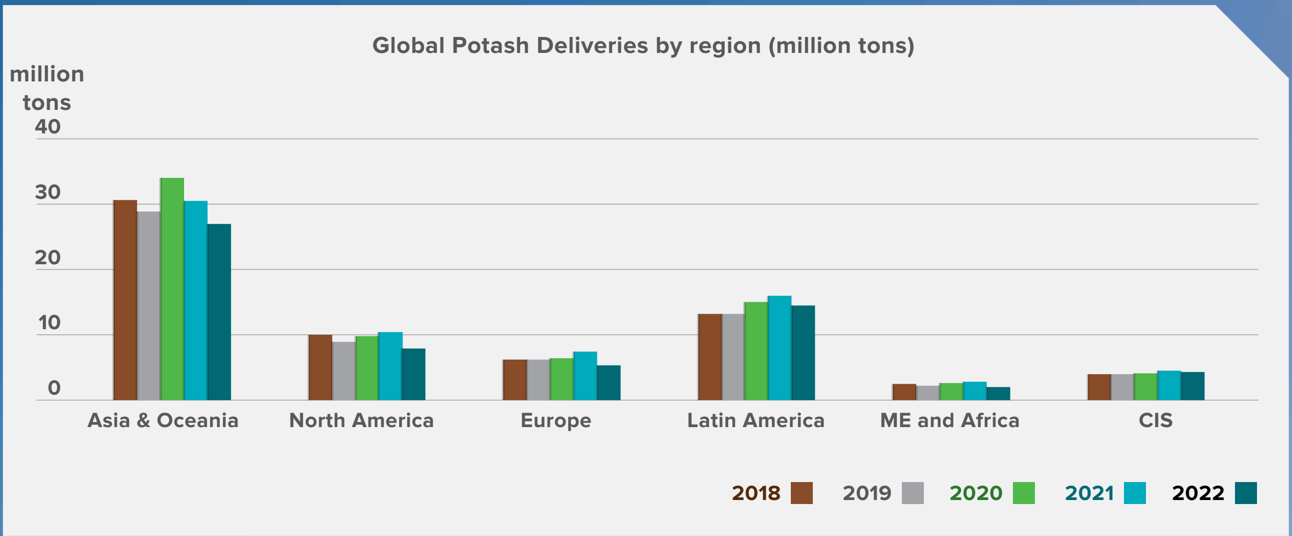
As for 2023, it is anticipated that global potash demand will improve. This is due to the rapid decline in potash and fertilizer prices experienced during the fourth quarter of 2022. Additionally, crop prices remained relatively high, and a strong barter ratio (between crops and fertilizers) was prominent. Furthermore, a need to add fertilizers to arable land became evident, given that many farmers decided to skip fertilizer application during the previous planting season.

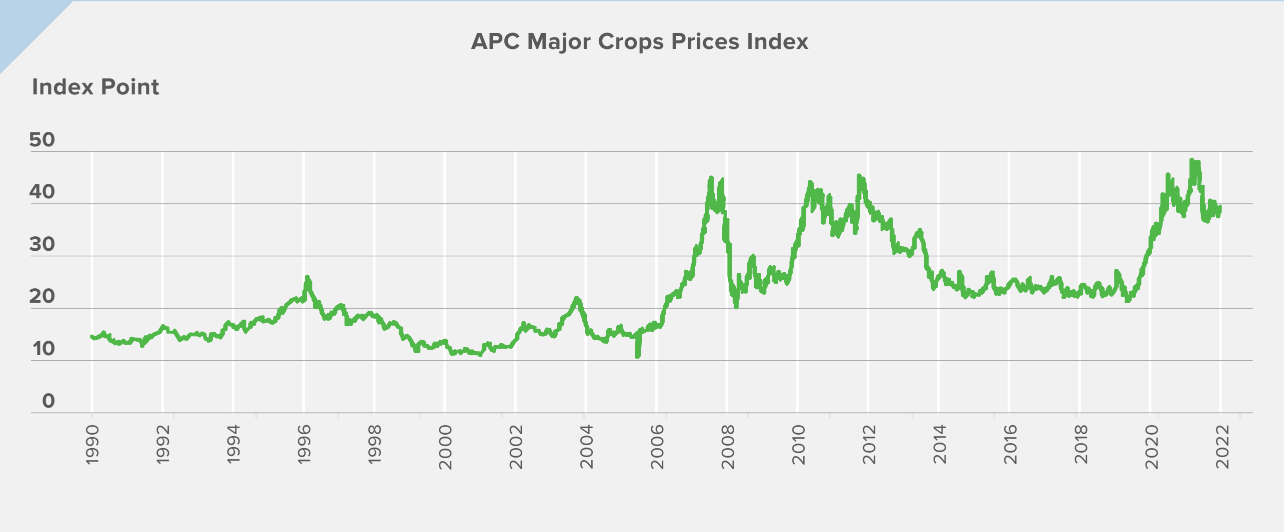
The chart below shows the global potash deliveries in the year 2022.

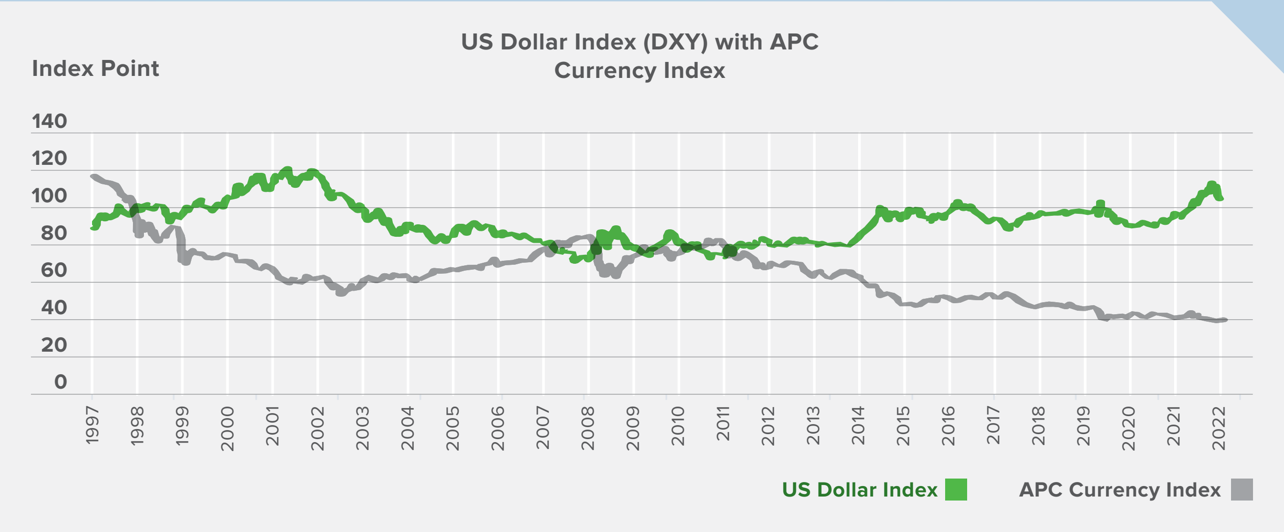


Potash shipments and demand (million tons).

Region	2022	2021	2020	2019	2018
Asia & Oceania	27	30.5	34	28.9	30.6
North America	7.9	10.4	9.8	8.9	10
Europe	5.3	7.4	6.4	6.2	6.2
Latin America	14.5	16	15	13.2	13.2
ME and Africa	2	2.8	2.6	2.2	2.5
CIS	4.3	4.5	4.1	4	4
Grand Total	**61**	**71.6**	**71.9**	**63.4**	**66.5**







APC Major Crop Price Index (MCP) is a commodity index that includes the price of corn, wheat, soybean, and palm oil (i.e., major potash-consuming crops). A rising index reflects favorable crop fundamentals and higher potash affordability to farmers.

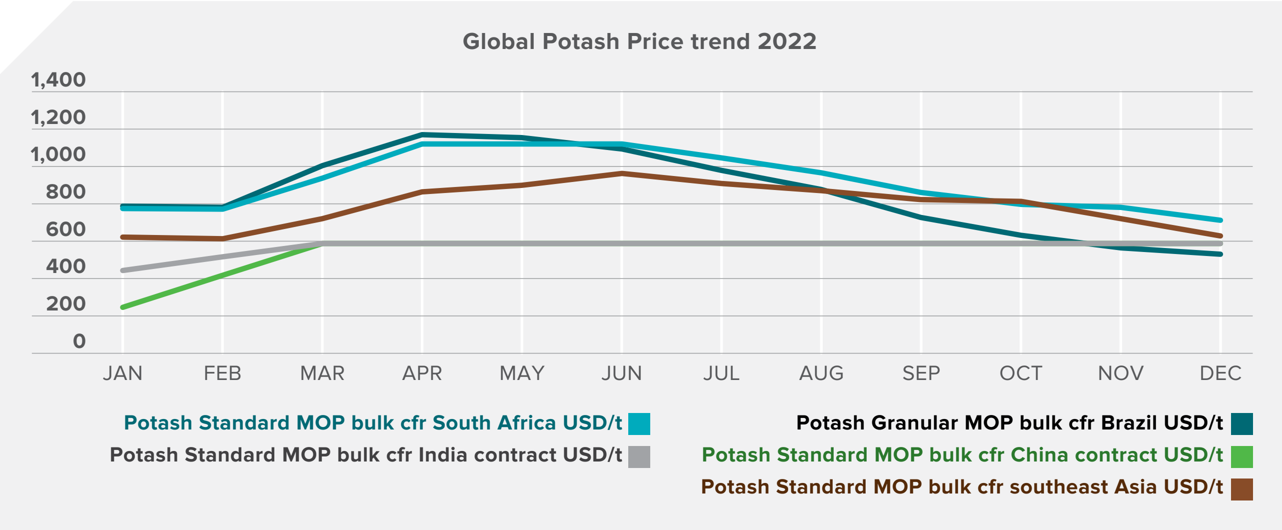
APC Currency Index (CI) assesses exchange rate fluctuations of major potash importing countries. As the US dollar appreciates against the local currency, the price of potash increases in local currency terms and vice versa. A rising CI (i.e., appreciation against the US dollar) indicates better potash affordability in local terms to the farmers.

Prices

The year 2022 was characterized by potash prices which rose to record levels. This was mainly driven by lower supply from Belarus and Russia and a rise in major crop prices.

At the beginning of 2022, India settled their first potash contract with the Canadian supplier at a price of USD (590) per Mt. This represented an increase of USD (145) per Mt over the previously agreed Indian contract price in 2021. Then, just as the war broke out between Russia and Ukraine, China concluded its seaborne contracts with suppliers at the same price as India. This represented a USD (343) increase per Mt over the previously agreed China contract price in 2021.

The chart below shows global potash price trend for the year 2022.

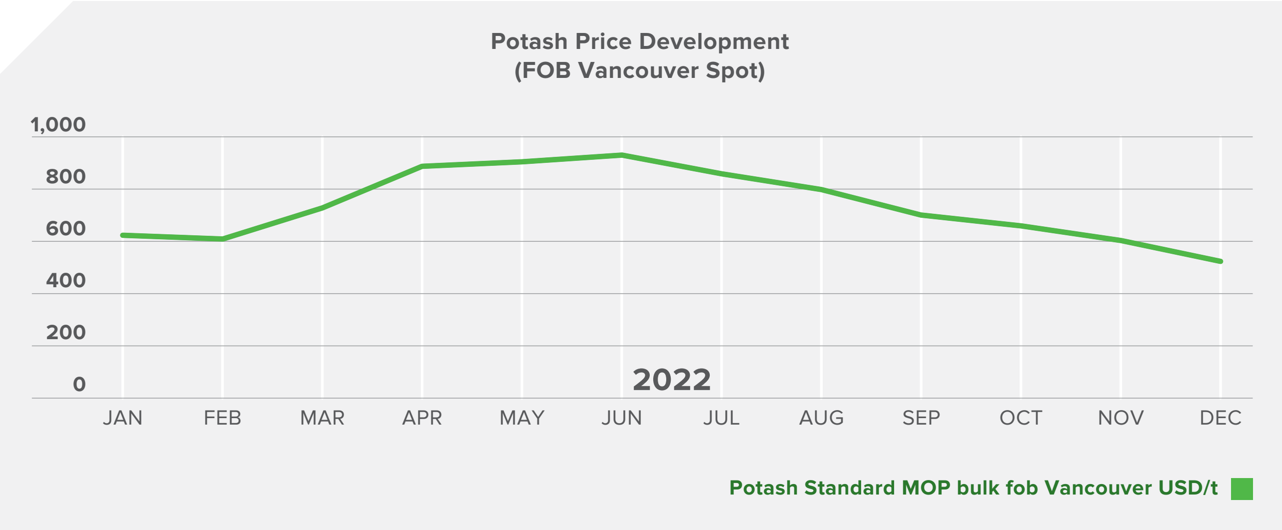


During the first half of the year, geopolitical tensions began to rise. Additionally, global food security has become a major concern. Farmers were also worried that they could not secure the required fertilizer quantities for their needs. All these factors contributed to a sharp rise in global potash prices. During April/May 2022, prices in Brazil and the US reached USD (1,200) and more than USD (900) per Mt, respectively. As for Indonesia and Malaysia, palm oil prices rose, which consequently drove potash prices to USD (950) per Mt. It should be noted that some tenders in Southeast Asia reached levels of more than USD (1,100) to secure large, bigger volumes for longer shipment periods.

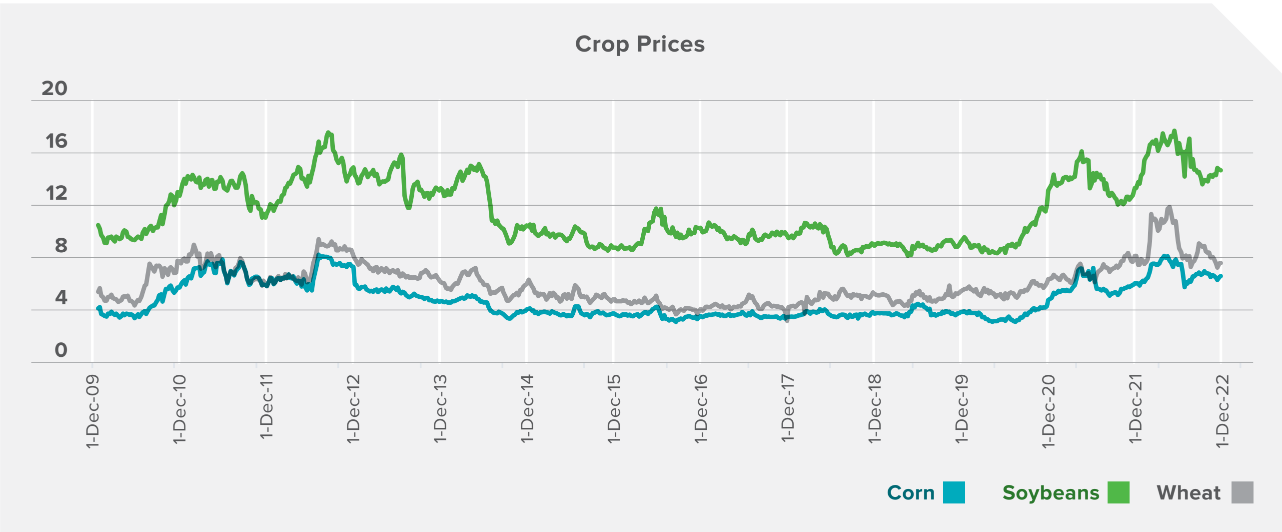
It is also worth mentioning that many suppliers decided to direct their shipments away from contract markets toward higher-priced spot markets during the first half of the year. Additionally, Europe, having stopped its Russian and Belarussian imports, began purchasing potash from several other suppliers. As a result, European buyers had to pay higher prices, reaching approximately EUR (950 – 1000) per Mt.

As we approached the third and fourth quarters of the year, global spot prices began to fall. The potash market was eventually met with lower affordability, a reduction in crop prices, and improved supply, which led to a downward price trend. It was reported that Russian suppliers were able to ship significant quantities to Brazil throughout the year. Additionally, Belarus was able to ship quantities through Russian ports to global markets at lower than prevailing market prices. Furthermore, high potash inventory levels led farmers to halt purchases, especially in Brazil, contributing to a fall in demand. All these factors significantly drove prices down to USD (520 – 500) per Mt in Brazil and the US and USD (550 – 550) per Mt in Malaysia and Indonesia.

The chart below shows the development of potash prices during the year 2022.



However, despite downward pressure on global potash prices, Europe was still seen as paying a premium, compared to other spot markets, to secure its potash needs from countries other than Russia and Belarus.



Potash prices hit a record levels in the year 2022.

Developments in APC's main markets

CHINA

The main reason China settled on a significant increase in its contract price for 2022, compared to 2021, was low inventories coupled with pressures from soaring domestic and global prices at the beginning of the year. The country was also concerned about its ability to secure its potash needs from Russia and Belarus.

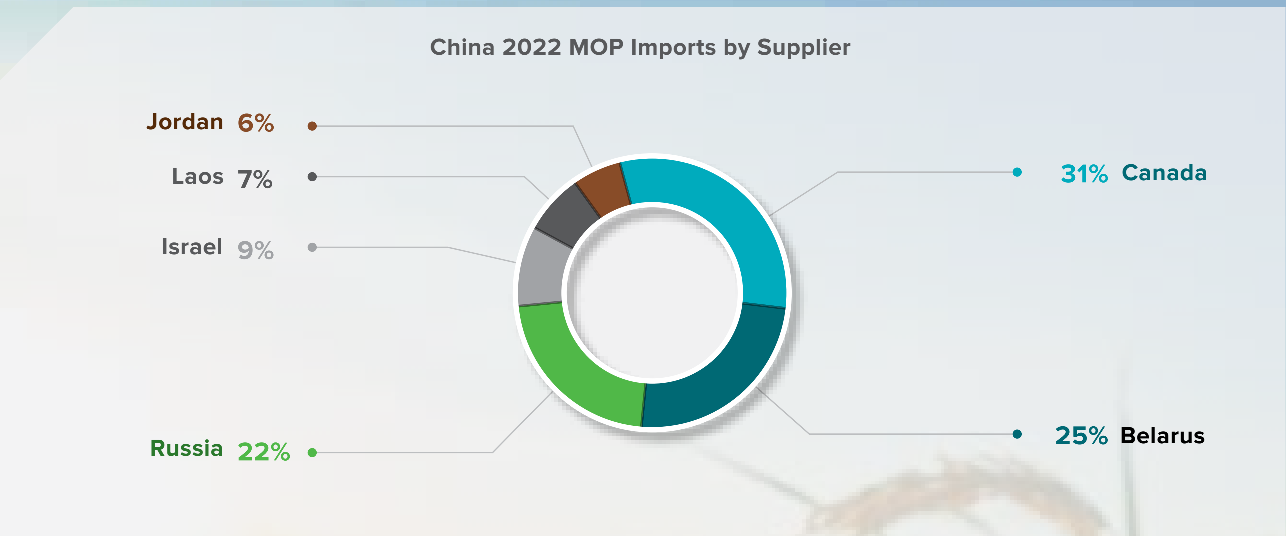
Despite the sharp rises in domestic fertilizers prices, especially during the first half of 2022, the Chinese government sought to maintain affordable prices for farmers. Accordingly, China upheld export restrictions on fertilizers in 2022.

During the year's second half, domestic potash prices fell gradually until they became lower than the Chinese seaborne contract price. This was a consequence of low domestic demand and improved global supply. Belarus also shipped significant quantities to China via rail through Russia. Additionally, neighboring country Loas was seen increasing its potash exports to China.

It is also worth mentioning that by the end of 2022, China began experiencing increased domestic demand for potash. This was mainly driven by falling domestic prices and increased sales for the coming season.

It is expected that China will begin negotiations over their next seaborne contract price by the end of the first quarter of 2023. Market experts predict that the upcoming contract prices will be lower than those seen in 2022.

The chart below shows China's potash imports for the year 2022 by supplier.



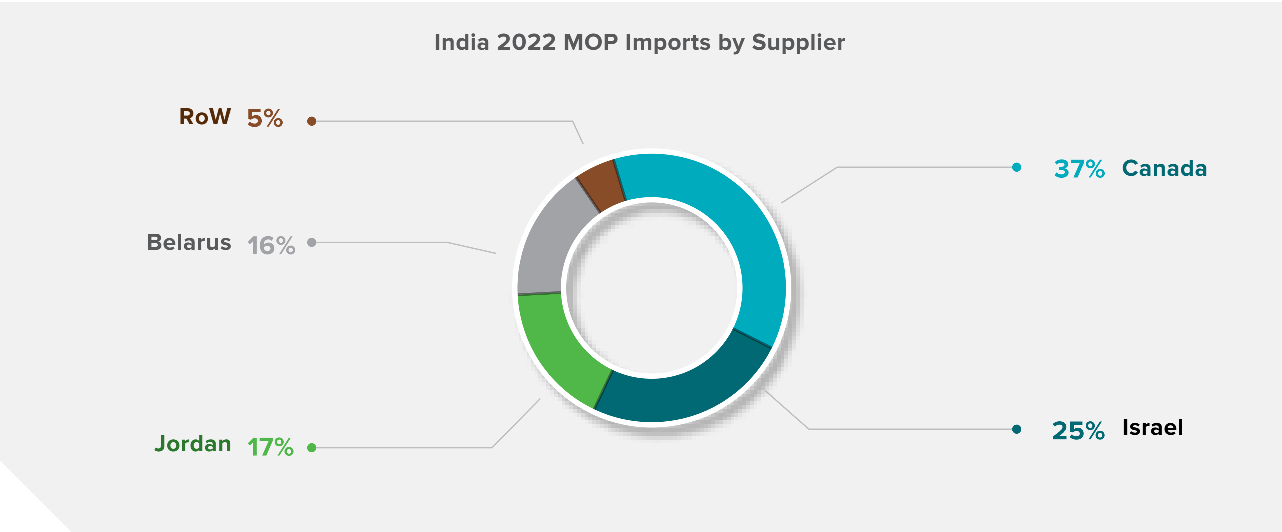
INDIA

Soon after India settled its potash contract for 2022, the Indian government increased its support to local farmers by increasing the Nutrient Based Subsidy (NBS) for potash from USD (79) to USD (198) per Mt. Despite the noticeable increase in the Indian contract price, importers could not secure the entirety of their potash needs during the first half of the year. Suppliers preferred shipping to higher-priced spot markets to achieve better margins. The situation eventually changed by the year's second half when suppliers began fulfilling their contracted quantities to India. However, the relatively high contract price and insufficient support from the Indian government negatively impacted farmers' affordability. This also meant NPK products were no longer affordable once potash was added to the mix. Consequently, The NPK plants reduced the amount of potash in their end product. Furthermore, potash inventories began accumulating heavily in India by the end of the year. This came in conjunction with the government's decision to reduce the subsidy on potash by approximately (7%).

Potash shipments to India in 2022 were mainly sourced from Canada, Jordan, and the producer ICL. However, it should be noted that Belarus was also able to successfully ship some quantities to India during the second half of the year. On the other hand, Russian supplier Uralkali did not settle any contract with Indian buyers in 2022.

By the end of 2022, India began negotiations over the price and quantities for its 2023 potash contracts. These negotiations are expected to conclude by the first quarter of 2023. Market experts predict the upcoming contract price to be lower than in 2022.

The chart below shows India's potash imports for the year 2022 by supplier.



SOUTHEAST ASIA

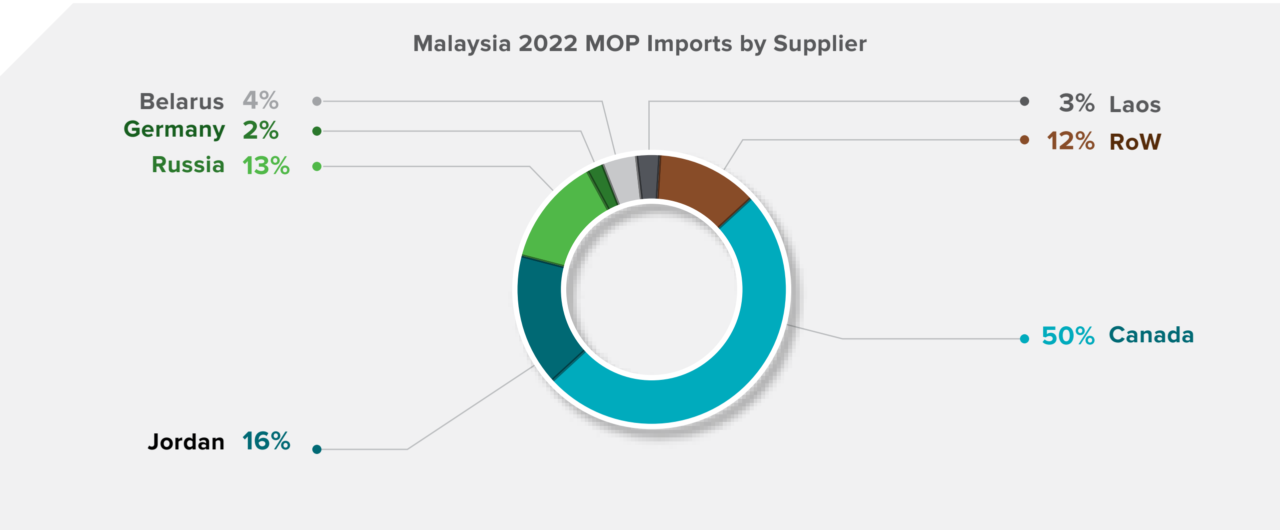
During the first half of 2022, Crude Palm Oil (CPO) prices rose to record levels. The high reliance on potash for palm oil crops led to increased demand, which was also suffering from a general lack of supply. Consequently, potash prices saw significant increases, especially in Malaysia and Indonesia.

On the other hand, potash prices and demand in Thailand and Vietnam did not rise to the same levels as those in Malaysia and Indonesia. This was predominantly driven by the fact that both countries depend highly on rice crops which did not experience as much of a rise in value compared to CPO.

In April 2022, the Indonesian government placed restrictions on CPO exports to protect domestic consumers. This contributed to increasing the global price of CPO. The Indonesian government decided at a later stage to remove the export restrictions. As a result, CPO prices plummeted below their previous levels seen earlier in the year.

Moving on to the fourth quarter, potash supply began to improve. This was followed by falling CPO and local plantation tender prices. Moreover, it is anticipated that potash consumption in Malaysia and Indonesia will increase in 2023, especially if CPO prices remain at their current levels.

The chart below shows Malaysia's potash imports for the year 2022 by supplier.



The chart below shows Indonesia's potash imports for the year 2022 by supplier.

BRAZIL AND THE UNITED STATES

During the first half of 2022, distributors began importing large quantities of potash to Brazil due to fears over supply constraints from Russia and Belarus. This occurred in parallel to a rise in crop prices, such as corn and soybeans, which drove potash prices to unprecedented levels.

By the end of the year's first half, Brazil had imported approximately (37%) more fertilizers than it had during the same period in 2021. It was also evident that Russia could still ship significant quantities to Brazil without any presiding issues. Additionally, crop prices began to fall, and farmers decided to halt fertilizer purchases. This contributed to a buildup in warehouse inventories amongst distributors in the region. Therefore, the distributors decided to stop any further imports, resulting in a dramatic fall in Brazil's fertilizer prices, including potash which fell by approximately (60%) from its previous peak.

Official statistics indicate that fertilizer consumption in Brazil for 2022 has fallen from (46) million Mt to almost (41.5) million Mt.

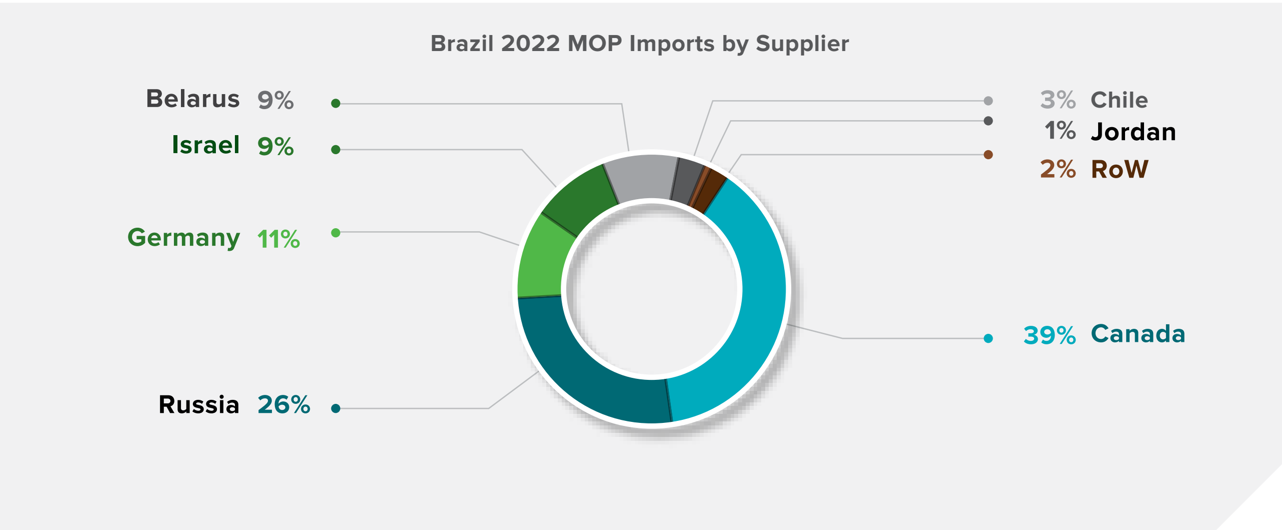
It is anticipated that fertilizer demand in Brazil will return to typical levels by 2023, especially if crop prices maintain their current price levels.

In the United States, continuous rainfall (which prevented machinery from accessing farmlands) led to lower fertilizer application rates during the spring season and increased inventories. As a result, potash demand in the US began to fall in conjunction with a rise in its prices in Brazil. This situation led suppliers and traders to divert and re-export shipments from the United States to Brazil.

As for the second half of 2022, buyers became aware of falling fertilizer prices. They, therefore, decided to consume all remaining inventories but withheld from importing new quantities.

It is anticipated that potash demand in the United States will pick up during the first half of 2023 due to the current low inventory levels.

The chart below shows Brazil's potash imports for the year 2022 by supplier.



EUROPE AND AFRICA

In 2022, European buyers stopped all purchases from Russia and Belarus. This drove major European fertilizer manufacturers to initiate contracts with new potash suppliers to secure their needs. Before these events, Russia and Belarus had been the largest potash suppliers to Europe. It is worth mentioning that potash prices in Europe sprung to unprecedented levels in 2022. However, these price rises were eventually quelled during the last few months of the year. Despite this ease in upwards price pressure, Europe still pays a price premium compared to other spot markets. As for European farmers, most had decided not to apply fertilizers during the 2022 application season due to the sharp rise in prices.

Moving on to Africa, the market typically consumes around (1.6 – 1.8) million tons of potash per year during a regular year. In 2022, demand decreased due to a lack of fertilizers availability, poor affordability, and high fertilizer prices.

LOCAL AND REGIONAL

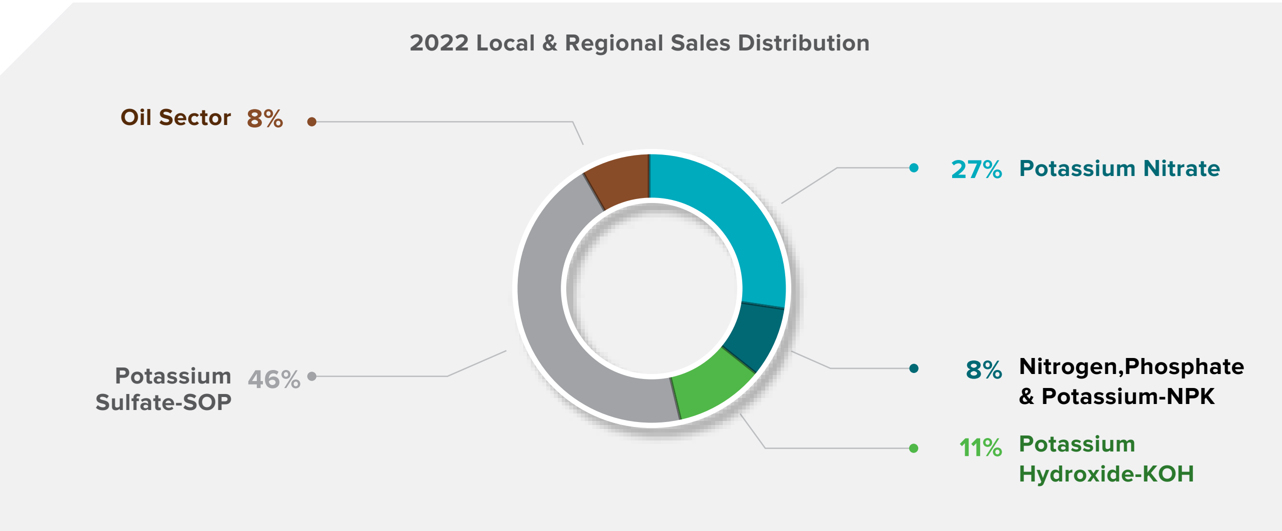
In 2022, total APC sales to the local and regional markets reached (522) thousand Mt, down by (19%) compared to 2021. The decrease was driven by lower regional sales due to reduced potash demand by the NPK and SOP producers, especially in Saudi Arabia and Egypt, as the prices of these end products were not competitive due to the high input costs and due to the slowdown in the consumption of their products in the second half of 2022.

As for sales to APC’s subsidiaries, KEMAPCO and Jordan Bromine Company recorded slightly lower levels than those seen in 2021. It is worth mentioning that APC is the only potash producer in Jordan and has a (100%) share in the local market.

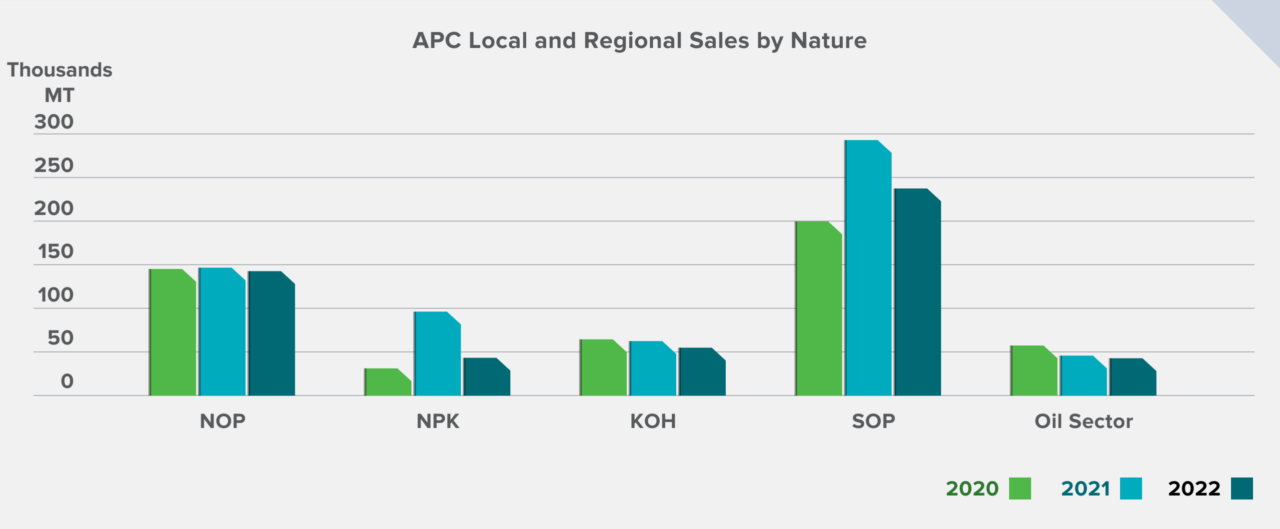
APC expects to see growth in volumes to the regional markets’ fertilizer sector in 2023 due to an anticipated increase in SOP production rates and capacities. This growth is also supported by the planned increases in production levels by NPK plants for 2023.

APC 2022 sales to the oil drilling sector in the region fell by (8%) year on year to (40) thousand Mt. This is primarily due to the lower consumption levels of potash in oil drilling fields and the use of cheaper alternatives given the high potash prices.

The chart below shows the distribution of sales to the local and regional markets according to the nature of consumption.



The chart below shows APC's sales by nature of consumption to the local and regional markets.



APC Sales, Marketing, and Logistics

In 2022, APC sales reached (2.62) million Mt, almost touching the previous record of (2.63) million Mt registered in 2021.

APC sold more quantities in Europe and China and maintained their sold quantities in Oceania and Africa in 2022, similar to 2021. For the same period, lower quantities were sold to its customers in India, Local and Regional markets, the Americas, and some spot markets in Asia. In 2022, the top ten markets for APC accounted for (84%) of the total sales compared to (86%) the year before.

In 2022, global potash markets faced several challenges due to the geopolitical conflict between Russia and Ukraine and the lack of supply from Russia and Belarus due to sanctions. Despite these factors, APC's sales and marketing performance was characterized by agility as it seamlessly penetrated new profitable markets such as North and Western Europe. Among the important factors that played a major role in achieving higher revenue in 2022 were the company's ability to forecast fertilizer market dynamics, preparations for the change in the traditional potash trading routes, and the flexibility to take advantage of the unprecedented rise in red granular potash prices.

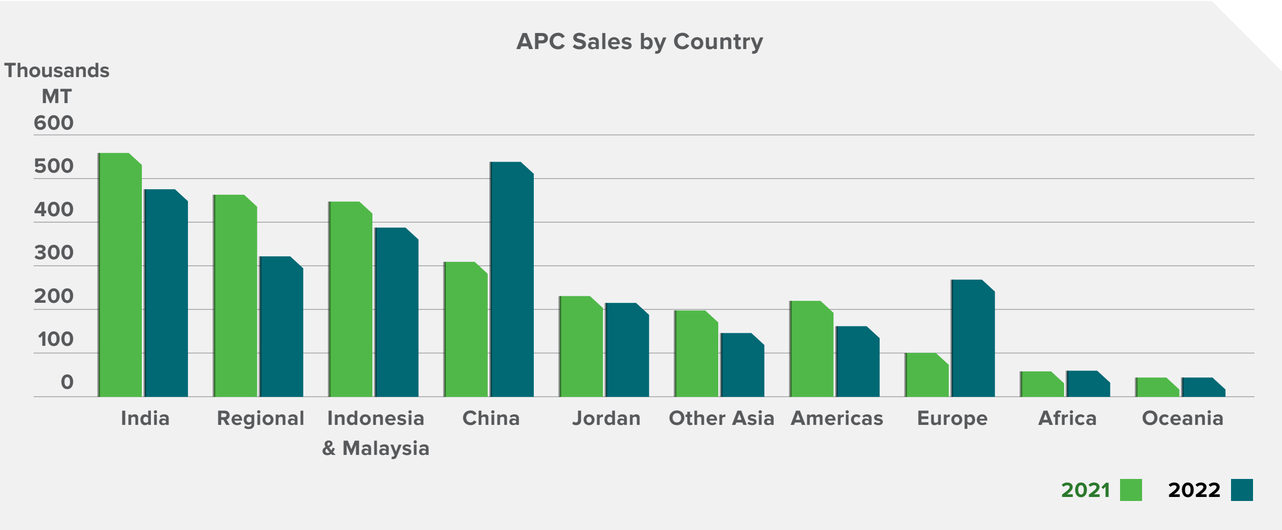
During the first half of the year, the political climate drove buyers to panic as they were uncertain of their ability to secure their potash needs for the year. Through this turmoil, APC was able to maintain close relationships with its traditional clients and provide them with the assurances and shipments they required on time. This increased the client's confidence in APC and allowed it to maintain its strategic positions in its main markets.
In 2022, APC built new sales channels and client networks in many countries to support its strategic objectives of maximizing the Company's returns through diversifying products and markets.

APC was also able to conclude supply agreements with new customers in Brazil, Australia, and Thailand to secure future red granular sales. In addition, the company has carried out all preparations necessary to establish its overseas representative office in Brazil, which will be responsible for managing APC's granular sales in this important region, especially after the two new compactors start production in 2023.
Furthermore, APC has developed a supply agreement with a large Indonesian customer who will also represent

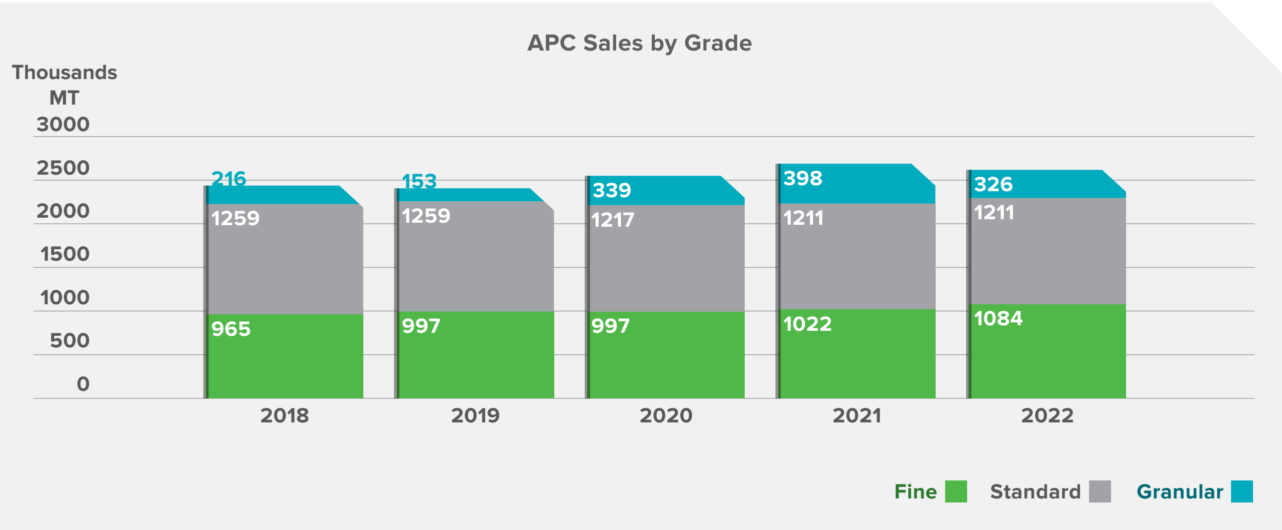
APC in this vital market. As for Europe, APC has established new sales channels and relationships with some of the biggest buyers in the region. It should also be mentioned that the company has also renewed its long-term supply agreement in China with Sinochem for the next three years.

APC also increased its red-standard grade production, which allowed it to penetrate and sell to new markets at premium prices and strengthen its presence in traditional markets.

The chart below shows APC's sales in tons by country.



The graph below shows APC sales by grade.



APC's direct sales to the non-fertilizer customers reached approximately (140) thousand Mt, representing (5.4%) of total sales.

APC overseas offices played an important role in maintaining the Company's positions, entering new markets, and expanding its customer base through partnering with global and reputable entities.

On the logistical side, global bulk vessel freight rates increased during the first seven months of 2022. Increases in fuel costs drove this. Brent crude oil rose by over USD (100) for a large part of the year and surpassed the USD (120) mark at the beginning of the Russia-Ukraine conflict. This situation changed later in the year as global freight rates began to decline in conjunction with the falling global economic growth.

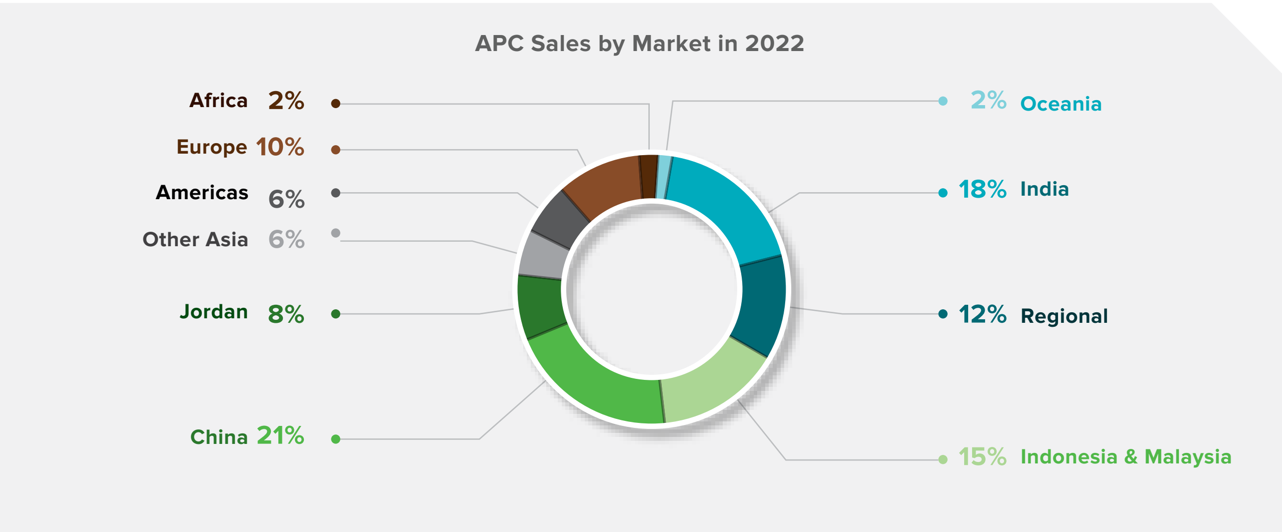
For APC's shipments in bulk vessels in 2022, freight rates increased by approximately (7%) compared to 2021. This was driven by a significant increase in fuel costs and the higher freight rates to APC's new markets, which, at the same time, were characterized by higher returns.

APC shipped approximately (2.14) million Mt in bulk vessels via Aqaba port on board (87) vessels.

As for the shipping by containers, APC was determined to decrease the quantities shipped via containers by more than half compared to 2021, reaching a total of (200) thousand Mt. This was due to high container freight rates. Alternatively, these quantities were shipped via bulk vessels, ultimately contributing to considerable savings in shipping costs.

APC successfully faced all the logistical challenges to effectively serve its customers and achieve the best savings possible in shipping costs. This was achieved through diversifying methods of shipments, utilizing larger bulk vessels, and making combinations with other products and to several customers.

The chart below shows the sales of the Arab Potash Company during the year 2022.



APC's Top Ten Markets Sales Distribution in 2022 vs. 2021.

Rank	2022	Country	2021	Country
1	538,154	China	558,371	India
2	476,125	India	309,521	China
3	245,533	Malaysia	254,212	Indonesia
4	218,890	Egypt	251,350	Egypt
5	215,666	Jordan	230,509	Jordan
6	161,533	Americas	219,100	Americas
7	142,935	Indonesia	193,415	Malaysia
8	87,450	Netherlands	127,064	Saudi Arabia
9	67,000	Finland	69,250	Spain
10	56,687	Saudi Arabia	52,410	Morocco
	2,209,973	**Top Ten Total**	**2,265,202**	**Top Ten Total**
	84%	**% of Total Sales**	**86%**	**% of Total Sales**
	2,620,966	**Total Sales**	**2,630,697**	**Total Sales**

China
538,154
%26

India
476,125
%21

Malaysia
245,533
%11

Egypt
218,890
%10

Jordan
215,666
%10

APC's Top Ten Markets Sales Distribution in 2022

%7
161,533
Americas

%6
142,935
Indonesia

%4
87,450
Netherlands

%3
67,000
Finland

%2
56,687
Saudi Arabia

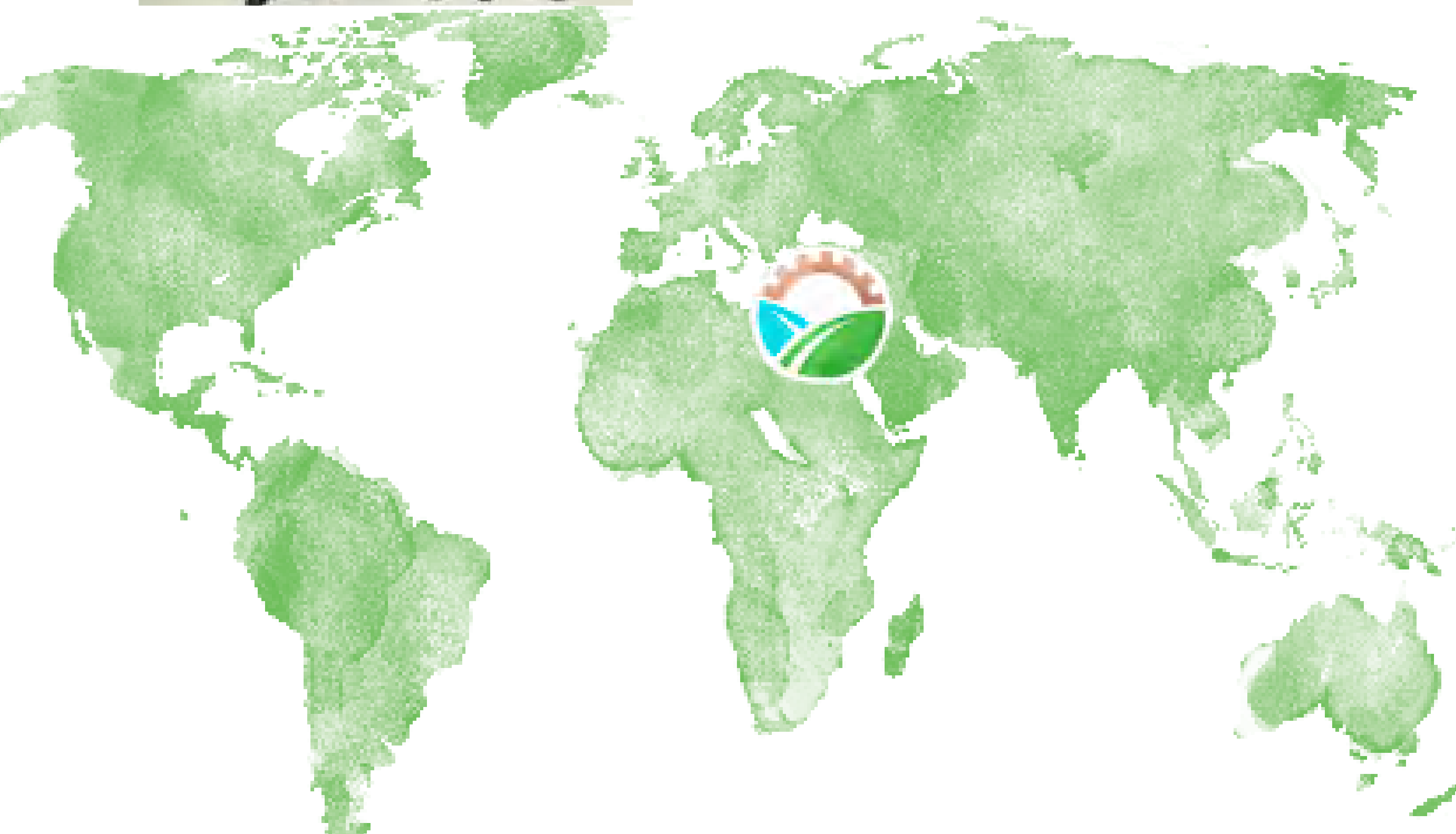
International Activities and Promotion

APC is an active participant in the International Fertilizer Association (IFA) and The Arab Fertilizer Association (AFA) and their committees.

In 2022, APC supported several programs and activities promoting the responsible and scientifically-sound application of fertilizers in many regions, including Pakistan, Africa, and the Middle east.

On this note, APC has organized several agricultural training workshops in Mozambique in partnership with the African Fertilizer Volunteers Program (AFVP) and the African Fertilizer and Agribusiness Partnership (AFAP). The company also organized workshops that demonstrated the use of fertilizer and fertigation technology in farming. These workshops were held in Jordan and were attended by several researchers and experts from the Middle East. APC has also maintained its cooperation with several of its customers in agricultural research in several countries, such as Egypt and Pakistan.

APC is developing and establishing a model farm in Ghor Al-Safi, close to its production plants, to demonstrate and transfer innovative knowledge and technologies to the farmers and agricultural entities in Jordan and the region, also to serve research, development and innovation purposes.



Compliance with National and International Quality Standards

16. COMPLIANCE WITH NATIONAL AND INTERNATIONAL QUALITY STANDARDS

APC recognizes the importance of customer satisfaction as the basis for enhancing productivity and profitability, in addition to recognizing that quality represents optimal value for the performance of all production and supporting processes. It is also vital to achieving products aligned with international and national specifications that meet the customers' needs and exceed their expectations. Accordingly, the Company continues to adhere to the implementation of a Total Quality Management System and remains in compliance with the certificate requirements of (ISO-9001:2015).

APC is consistent with Compliance with the Product Stewardship Protocol requirements of the International Fertilizer Association (IFA). The certification was renewed with distinction by (SGS) on behalf of the Association. This program focuses on product stewardship and highlights APC's role in maximizing KPIs linked to productivity, quality, safety, occupational health, security, and sustainable environment throughout the product life cycle, starting from its extraction from the Dead Sea until it reaches consumers across the globe.

APC ensures the adoption of international best practices for the quality of its chemical laboratory to enhance the accreditation of its test certificates. The Company is consistent with Compliance to Certification requirements of (ISO-17025:2017) by the Jordanian Accreditation System that is an associate member of the International Laboratory Accreditation Cooperation. Such a certificate enhances the customers' trust in the quality of potash products during manufacturing and as a final product delivered to customers.

APC is consistent with compliance with the Jordan Quality Mark (JQM) requirements for the quality of potash products given their contribution to the global market for agricultural purposes. The JQM is granted by the Jordan Standards and Metrology Organization, where APC ensures to apply of the highest standards during manufacturing, handling, storage, transport, and shipping processes. This mark backs the legal standing of the quality of potash products locally, in addition to strengthening potash contribution to achieving global food security.

APC is consistent with compliance to quality certificate requirements of the Indonesia National Standard. This reinforces the Company's position regarding the entry of its product into the Indonesian market, in addition to increasing customers' trust in Jordanian potash products.

To support APC's position in exporting its potash products to the Australian market, which is one of the strictest markets regarding the quality of products used for agricultural purposes as free of organic substances, APC is consistent with compliance with the requirements of Australian Quarantine and Inspection Service (AQIS) protocol. This is evident in subjecting logistical processes - including handling, storage, transport, and shipping in both the plant and Aqaba sites - to an external audit carried out by the Australian accreditation entity, which assesses all risks and ensures the continued compliance with the certification requirements.

The occupational safety and health of employees, contractors, service providers and visitors is a priority and topping the list of APC's core values. The Company, as part of its corporate social responsibility, seeks to spread the values of occupational safety and health across Jordan by fostering all necessary requirements as part of the contracting terms prior to working at Company sites, in addition to verifying compliance therewith throughout all stages of implementation. The Company continues to implement a comprehensive occupational safety and health management system at all worksites to ensure the provision of a sound environment for secure production, as well as ensuring that risks undergo analysis, assessment, and control so that the Company maintains the (ISO45001:2018) certification.

APC ensures the reduction of pollution that may result from its operations across all sites by controlling the impact of all environmental aspects to ensure secure surrounding environment in accordance with the legal requirements. Accordingly, APC has continued implementing a sustainable environmental management system and maintains the (ISO14001:2015) certification.

APC continues to implement an energy management system that covers all the Company's sites, which contributes to maintaining the (ISO50001:2018) certification. The Company ensures the implementation of comprehensive energy cost rationalization and reduction of emissions without negatively impacting production operations and relevant KPIs.

APC is committed to applying best practices related to national and international quality standards.

17. APC'S DEPENDENCE ON A LOCAL OR FOREIGN SUPPLIER OR CUSTOMER

Suppliers of APC's total purchases who constitute (10%) or more of the Company's total sales

	Supplier	Percentage
1	BAUER International FZE	8%
2	Chevron Eastern Mediterranean Marketing Limited	7%
3	Jordan Modern Oil & Fuel Company	6%
4	ILK Construction (ILK İnşaat ve Taahhüt A.Ş)	6%

Customers who constitute (10%) or more of APC's total sales

	Customer	Percentage
1	SINOCHEM Fertilizer Company Limited/ China	16%
2	Indian Potash Limited (IPL)/ India	12%

18. GOVERNMENT PROTECTION OR CONCESSIONS GRANTED TO THE COMPANY OR ITS PRODUCTS

APC, a public shareholding Company, was established on July 7, 1956. In 1958, the government of the Hashemite Kingdom of Jordan granted the Company concession rights for a period of (100) years to extract and invest salts and minerals from the Dead Sea and the concession area, provided that the ownership of plants and facilities would be transferred to the government of the Hashemite Kingdom of Jordan after the end of the concession period at no charge.

One of the Company's objectives is to extract salts and minerals from the Dead Sea and the concession area and to establish related industries. The Company and its subsidiaries' activities include the production of potash, potassium nitrate and other downstream industries and selling them in the global markets.

The rights and concessions granted to the company and its products were granted under the concession agreement signed with the government of the Hashemite Kingdom of Jordan and its amendments, ratified by the concession ratification law no. 16 of 1958 and includes the following:

- The Company's right to lease land within the concession area for the entire term to achieve the Company's objectives.
- The exclusive right of the Company throughout the concession period to exercise mining rights and the rights to extract salts and minerals from the Dead Sea and make them suitable for display and sale in the local and international markets as stated in article 2A of the Concession Law, as well as the exclusive rights of the Company in article 2b from the Concession Law to establish industries derived from salts and minerals extracted from the Dead Sea and the concession area without the government or any party, body or company exercising those rights unless the Arab Potash Company approves and waives that right, with the approval of the Council of Ministers.
- The Company's priority right to extract salts and minerals from the Dead Sea or from the concession area, other than the exclusive rights mentioned in Article (2) of the Concession Law, according to extraction licenses offered by the Government to the Company. If the Company refuses these licenses, the licenses are granted to other parties.

- APC is granted import licenses for all devices, equipment, transport equipment, machines, and construction materials it needs for erecting the entire project, its expansion, continuation of its work or relocation. In addition, APC is exempted from import and customs fees and all additional fees and other fees imposed on the above-mentioned imported goods, provided they are used for the Company, but if the Company sells any fee-exempted goods, said goods would be subject to taxation according to the customs law.
- The Company's products are exempted from issuing export licenses and from all fees imposed on any exported products.
- The Company is entitled to obtain all the required pure water from the Jordan River, Mujib, Ma'in, and Sweimah for use in the process of extracting minerals and salt, for drinking, cleaning, health issues and all that is necessary for the project.
- The Company has the right to dig wells in the concession area to get pure water, and the right to use spring water outside the concession area, unless registered as private property, and it has the right to request expropriation at the Company's expense.
- The Company has the right to build quarries on state-owned lands with exemption from any related fees and/or licenses.

19. PATENTS

There are no patents registered in the name of the Arab Potash Company with any official authority in the Hashemite Kingdom of Jordan or additional concessions obtained by the Company.

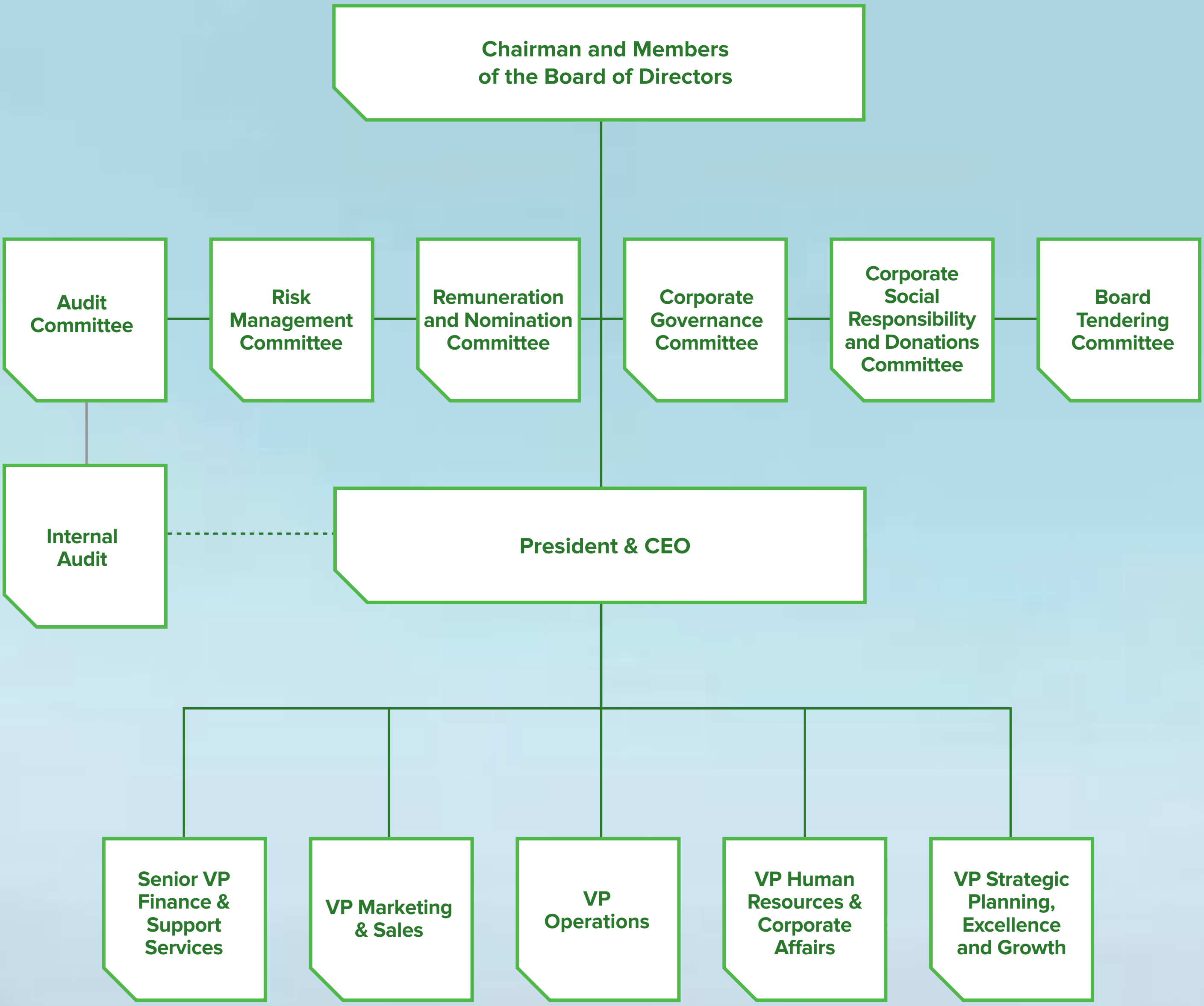
20. DECISIONS BY THE GOVERNMENT OR INTERNATIONAL ORGANIZATIONS THAT HAD A MATERIAL EFFECT ON THE COMPANY'S OPERATIONS OR ITS COMPETITIVENESS

There were no decisions made by the Government or international organizations that had a material effect on the Company's operations or its competitiveness during the year 2022.

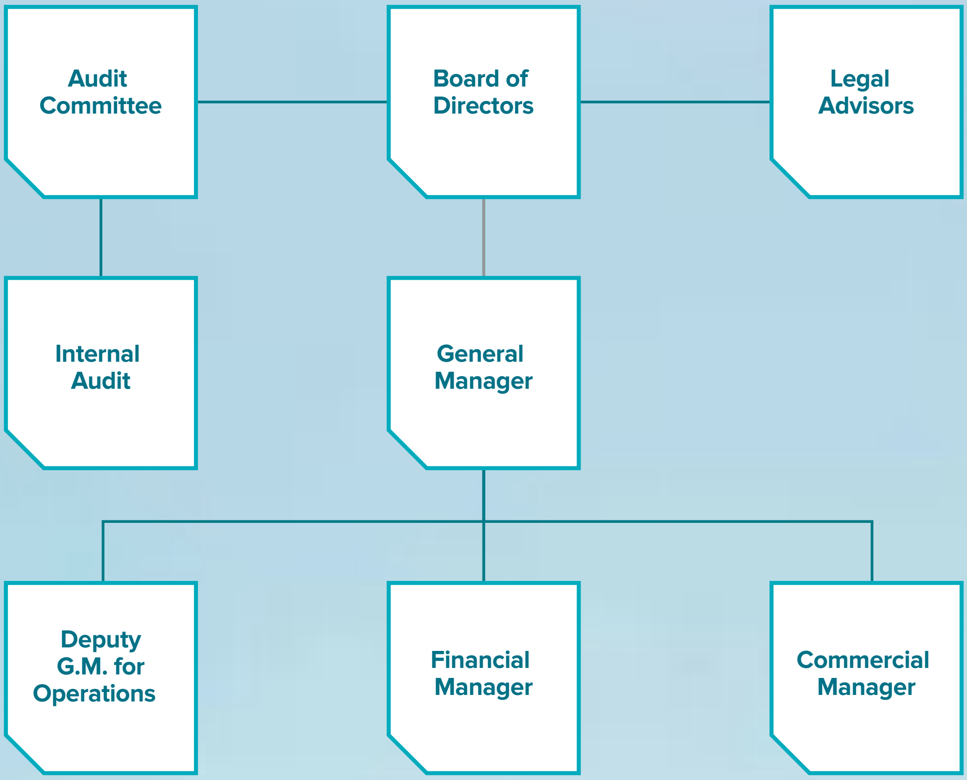
21. ORGANIZATIONAL STRUCTURE

A. Organizational Charts for APC and its Subsidiaries

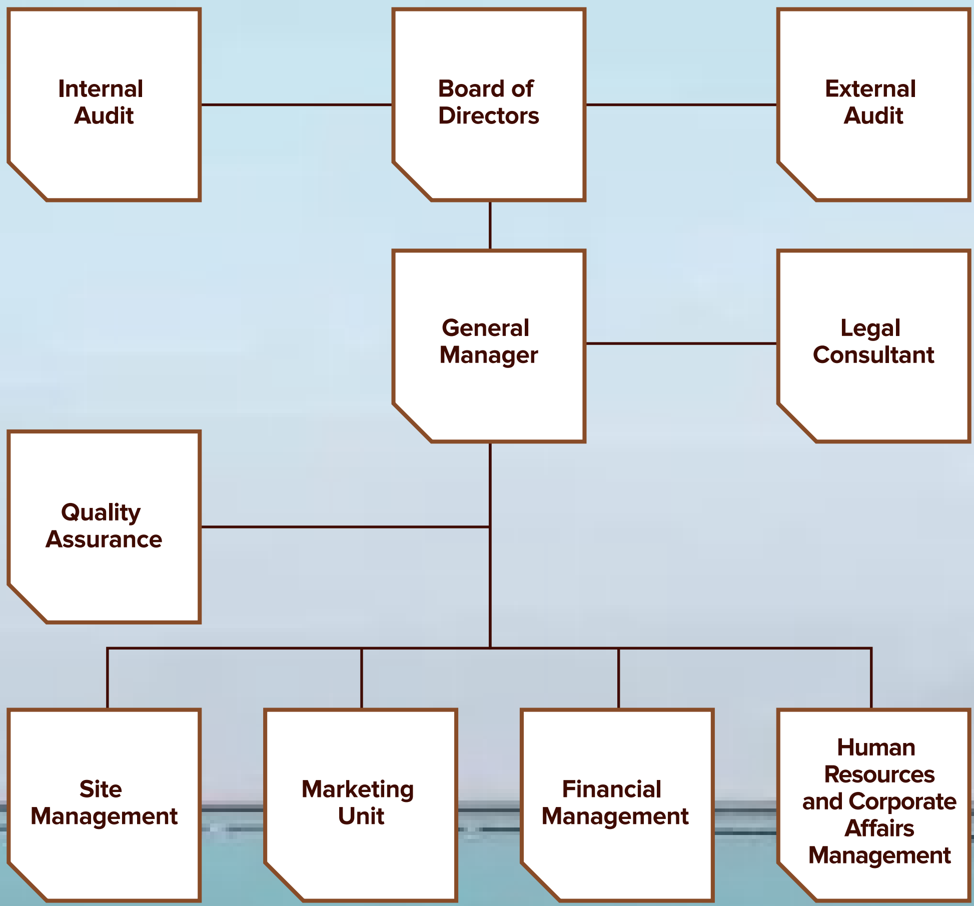
I. Arab Potash Company (APC)



II. Arab Fertilizers and Chemicals Industries (KEMAPCO)



III. Numeira Mixed Salts and Mud Company



b. Number and Qualifications of the Company's and its Subsidiaries' Employees

APC's total number of employees stood at (1,660), Arab Fertilizers and Chemicals Industries (KEMAPCO) total number of employees was (272), and (42) employees for Numeira Mixed Salts and Mud Company at the end of 2022.

Distribution of APC and its Subsidiaries' Companies Employees by Academic Qualifications in 2022

Qualification	Arab Potash Company (APC)	Arab Fertilizers and Chemicals Industries (KEMAPCO)	Numeira Mixed Salts and Mud Company	Dead Sea Chemicals and Fertilizers	Total	Percentage
PhD	9	1	-	-	10	0.5%
MA/ MSc	50	13	3	-	66	3.3%
High Diploma	2	-	-	-	2	0.1%
BA / BSc	392	94	4	-	490	25.3%
Diploma	410	44	2	-	456	23.4%
High School or less	797	120	33	-	950	47.4%
Total	**1,660**	**272**	**42**	**-**	**2,018**	**100%**

The employees' turnover rate in APC at the end of 2022 was (4.25%).

C. Training Courses for APC Employees

Training Courses for APC Employees during 2022

Activity	No. of Activities	No. of Participants	No. of Subjects
Internal Training	127	1,929	42
Training in Jordan	46	168	45
Training Abroad	0	0	0
Research Projects for Graduate Students	7	7	7
Local Community Training	4	136	13
Caliber Trainee Training	-	111	22
Field Exams and Interviews	160	217	-
Other Activities (Field Visits)	4	148	1
Total	**348**	**2,716**	**130**

D. Other Benefits and Housing for APC Employees

APC continues to provide housing loans to its employees. The total number of beneficiaries reached (2,125) employees. The total housing loans granted in 2022 increased by JOD (1.7) million to a total of JOD (68) million.

22. APC'S MAIN ACHIEVEMENTS IN 2022

Revenues:

During the year 2022, the Company achieved revenues that exceeded the one billion dinars, amounting to (1.27) billion dinars, with an increase of (96%) compared to 2021. These numbers were driven by the increase in the global selling prices of potash, in addition to the Company's entry into new markets with high profit returns.

Profits:

APC achieved the highest record of the Company's history of net profits; as the Company's profits reached JOD (601) million after deducting the taxes and mining fees, compared to JOD (217) million in 2021, with an increase of (177%).

Record numbers in production quantities:

In the year 2022, APC set a record in terms of production, and this is the highest number that has been achieved since the establishment of the Company, as the Company was able to produce up to (2.684) million tons in the year 2022.

23. FINANCIAL IMPACT OF NON-RECURRING ACTIVITIES THAT OCCURRED DURING THE FINANCIAL YEAR AND ARE NOT PART OF THE COMPANY'S CORE ACTIVITY

There is no financial impact of non-recurring activities that occurred during the financial year and are not part of the Company's core activity.

24. DESCRIPTION OF ANY IMPORTANT EVENTS FOR THE COMPANY THROUGHOUT THE YEAR

The world witnessed instability as a result of the Russian-Ukrainian war, which affected the markets and led to some disturbances in shipping and logistical support, but the Arab Potash Company took all necessary measures to continue the production and activities of the Company smoothly and without interruption.

APC sales were up to (2.62) million tons

25. TREND OF MAJOR FINANCIAL INDICATORS FOR THE PERIOD (2018 – 2022) IN THOUSAND DINARS EXCEPT FINANCIAL RATIOS, SHARES DATA, PRODUCTION AND SALES

Details	2022	2021	2020	2019	2018
Potash Production – thousand ton	2,684	2,563	2,620	2,486	2,436
Potash Sales – thousand ton	2,621	2,631	2,553	2,408	2,439
Consolidated Sales Revenue	1,268,192	648,010	456,169	504,608	482,727
Potash Sales Revenue	1,206,224	583,937	395,113	459,824	427,156
Gross Profit	913,402	316,556	179,355	226,179	166,697
Profit from Operations	738,012	238,654	102,293	150,483	106,033
Financing Charges	5,671	5,027	5,822	8,499	10,838
Other Revenues	95,532	60,556	54,578	53,602	34,888
Net Profit After Tax	601,228	216,717	126,890	151,695	124,874
Net Fixed Assets	396,480	331,994	254,863	214,869	243,267
Loans & Other access to infrastructure Obligations	0	8,928	18,347	26,435	31,795
Shareholders' Equity	1,575,328	1,067,410	932,777	891,701	845,095
Debt: Equity Ratio	0	1%	2%	2%	3%
Return On Assets	38%	18%	11%	14%	13%
Return On Shareholders' Equity	46%	22%	14%	17%	15%
Current Ratio	2.7	2.4	3.6	3.8	5.2
Closing Share Price/JOD	35.17	26.22	21.00	20.45	16.02
Dividends	*	99,981	83,317	83,317	99,981
Dividends Percentage	*	120%	100%	100%	120%
Earnings per Share/JOD	7.216	2.60	1.52	1.82	1.50
Market Price/Earnings Ratios	4.9	10.1	13.8	11.2	10.7
Royalty JOD/ton produced	47	15	6	10	6

* Dividends ratio for 2022 will be determined at the Annual General Assembly Meeting.

26. FINANCIAL PERFORMANCE ANALYSIS

#	Ratio	2022	2021
1	Gross Margin	72%	49%
2	Profit Margin	47%	33%
3	Total Liabilities to Assets Ratio	22%	19%
4	Inventory Turnover	11	12
5	Asset Turnover	0.76	0.53
6	Account Receivable Turnover	6.3	7.4

A. Property, Plant and Equipment

The value of property, plant, and equipment after deducting the accumulated depreciation amounted to JOD (634) million in 2022, compared to JOD (504) million at the end of 2021, an increase of (26%). This was due to the increase in capital expenditure aiming to increase the Company's production capacity and product diversification in a way that meets the needs of the global fertilizer markets.

B. Inventory

Potash ending Inventory in 2022 amounted to JOD (42) million compared to JOD (21) million in 2021. The reason for the increase in the inventory value are attributed to the increase in the prices of raw materials globally, mainly the increase in the prices of ammonia, which is part of the production of potassium nitrate in the Arab Fertilizer and Chemical Industries Company (KEMAPC) – subsidiary.

C. Investments

The Company's investments in affiliates and joint ventures stood at JOD (237) million in 2022 compared to JOD (210) million in 2021, while the income from affiliates around JOD (95) million.

D. Loans

The entire balance of the loans owed by the Company was paid during the year 2022, as the Arab Potash Company previously obtained bank facilities to finance the purchase of the gas turbine in November 2017.

E. Consolidated Sales Revenues

The Company's sales increased in the year 2022 to reach JOD (1.27) billion compared to JOD (648) million in the year 2021, with growth rate of (96%), which is mainly attributed to the high selling price of potash in the global fertilizer markets in conjunction with the Company's tendency to sell potash on spot contracts and entering new sales markets with higher returns through diversifying its products to meet the needs of the global fertilizer market.

Sales revenues of potash constituted (90%) of total revenues, while the revenues of Arab Fertilizers and Chemicals Industries (KEMAPCO) accounted for (9.8%). As for the Numeira Mixed Salts and Mud Company, its sales accounted for (0.2%) of total revenues.

F. Total Cost (JOD million)

Details	2022	2021	2020	2019	2018
Consolidated Cost of Goods Sold	355	331	277	278	316
Selling and Distribution Expenses	17	15	16	20	21
Royalty	127	39	15	25	15
General and Administrative Expenses	19	17	16	19	15
Consolidated Gross Cost	**518**	**402**	**324**	**342**	**367**

G. Profits

The Company recorded net profits that are considered the highest since the Company's establishment, as the Company's profits after deducting taxes and mining fees amounted to JOD (601) million in 2022, compared to JOD (217) million in 2021, an increase of (177%).

H. Shareholders' Equity

The Company's shareholders' equity stood at JOD (1.575) billion at the end of 2022, compared to JOD (1.067) billion at the end of 2021. The book value per share of the Company's equity amounted to JOD (19) as of the end of 2022 compared to JOD (13) as of the end of 2021.

27. AUDITORS, LEGAL AND CONSULTANTS' FEES FOR THE COMPANY AND ITS SUBSIDIARIES

A. External Auditors and Consultants' Fees for the Company and Subsidiaries

External Auditor's Fees for the year 2022 (thousands of Dinars)

APC	KEMAPCO	Numeira	Total
63	20	3	86

B. Internal Audit and Consultants' Fees for the Company and Subsidiaries

Internal Auditor's Fees for the year 2022 (thousands of Dinars)

APC	KEMAPCO	Numeira	Total
111	9.8	2	122.8

C. Legal Fees

Legal Fees for the year 2022 (thousands of Dinars)

APC	KEMAPCO	Numeira	Total
170	43.2	3.6	216.8

28. NUMBER OF SHARES OWNED BY MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

A. Shares Owned by Members of the Board of Directors

Name	Representative of	Title	Nationality	Number of Shares as of 31/12/2022	Number of Shares as of 31/12/2021	Companies Controlled by BOD
H.E Eng. Shehadeh Abdullah Al-Hamad Abu Hdeib	Ministry of Finance	Chairman	Jordanian	0	0	None
Mr. "Ahmad Jamal" Nawaf Moh'd Bataineh	Government Investments Management Company	Board Member	Jordanian	0	0	None
Eng. Mofareh Dakhilallah Jum'a Al Tarawneh	Government Investments Management Company	Board Member	Jordanian	0	0	None
Prof. Fayyad Melfi Aqil Al Qudah	Government Investments Management Company	Board Member	Jordanian	0	0	None
Mr. Zhou Weilliang	Man Jia Industrial Development Ltd.	Vice Chairman of the Board	Chinese	0	0	None
Eng. Shen Yi	Man Jia Industrial Development Ltd.	Board Member	Chinese	0	0	None
Mr. Zhao Jing	Man Jia Industrial Development Ltd.	Board Member as of 18/03/2022	Chinese	0	0	None
Eng. Deng Hua	Man Jia Industrial Development Ltd.	Vice Chairman until 18/03/2022	Chinese	0	0	None
Mr. Anmar Taleb Abd Allatif Alabduljalil	Arab Mining Company	Vice Chairman	Kuwaiti	0	0	None
Mrs. Azza Mohammad Saeed Rashed Al Suwaidi	Arab Mining Company	Board Member	Emirati	0	0	None

Name	Representative of	Title	Nationality	Number of Shares as of 31/12/2022	Number of Shares as of 31/12/2021	Companies Controlled by BOD
Mr. Ali Saleh Ali Al-Smadi	Social Security Corporation	Board Member as of 16/01/2022	Jordanian	0	0	None
Dr. Bassam Ali Nayef Al-Subaihi	Social Security Corporation	Board Member until 16/01/2022	Jordanian	0	0	None
Mr. Ahmed Abd Al Jabbar Ali Al-Kareem	Government of Iraq	Board Member as of 27/11/2022	Iraqi	0	0	None
Mr. Yousif Mohammed Jasim Al Janabi	Government of Iraq	Board Member until 27/11/2022	Iraqi	0	0	None
Mrs. Wafa Abdurrezagh Mohamed Abu Shkewa	Libyan Foreign Investments Company	Board Member as of 14/06/2022	Libyan	0	0	None
Eng. Emhemmed Abdurrahman Emhemmed Ghula	Libyan Foreign Investments Company	Board Member until 14/06/2022	Libyan	0	0	None
Mrs. Reem Ali Abdullah Al- Sughayer	Kuwait Investment Authority - Kuwait	Board Member	Kuwaiti	0	0	None

B. Shares Owned by Members of the Executive Management

Name	Title	Nationality	Number of Shares as of 31/12/2022	Number of Shares as of 31/12/2021	Companies Controlled by Executive Management
Dr. Maen Fahed Abdel Karim Nsour	President & CEO	Jordanian	0	0	None
Mr. Mohammed Abd Al Rahman A. Al Razem	Senior VP Finance and Support Services	Jordanian	0	0	None
Eng. Rashid Tawfiq Rashid Lubani	VP Marketing and Sales	Jordanian	0	0	None
Eng. Mohammad Abd Al Fattah Mohammad Abu Gheyab	VP Operations	Jordanian	2,085	2,085	None
Eng. Adnan Sulaiman Faris Al Ma’aitah	VP Human Resources and Corporate Affairs	Jordanian	0	0	None
Dr. Samer Ibrahim Ahmad Al Mofleh	VP Strategic Planning, Excellence and Growth	Jordanian	0	0	None

29. SHARES OWNED BY RELATIVES OF MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT AND COMPANIES THEY CONTROL

A. Relatives of Members of the Board of Directors

Name	Nationality	Number of Shares as at 31/12/2022	Number of Shares as at 31/12/2021	Companies Controlled by BOD
H.E. Eng.Shehadah AbdallahAlhamad Abu Hdaib Chairman of the Board				
Spouse	Jordanian	0	0	None
Minors	Jordanian	0	0	None
Mr. “Ahmad Jamal” Nawaf Moh’d Bataineh Board Member				
Spouse	Jordanian	0	0	None
Minors	Jordanian	0	0	None
Eng. Mofareh Dakhilallah Jum’a Al-Tarawneh Board Member				
Spouse	Jordanian	0	0	None
Minors	Jordanian	0	0	None
Prof. Fayyad Melfi Aqil Al Qudah Board Member				
Spouse	Jordanian	0	0	None
Minors	Jordanian	0	0	None
Mr. Zhou Weiliang Vice Chairman of the Board				
Spouse	Chinese	0	0	None
Minors	Chinese	0	0	None
Eng. Shen Yi Board Member				
Spouse	Chinese	0	0	None
Minors	Chinese	0	0	None
Mr. Zhao Jing Board Member as of 18/03/2022				
Spouse	Chinese	0	0	None
Minors	Chinese	0	0	None
Eng. Deng Hua Vice Chairman of the Board until 18/03/2022				
Spouse	Chinese	0	0	None
Minors	Chinese	0	0	None
Mr. Anmar Taleb Abd Allatif Al Abdujalil Vice Chairman of the Board				
Spouse	Kuwaiti	0	0	None

Name	Nationality	Number of Shares as at 31/12/2022	Number of Shares as at 31/12/2021	Companies Controlled by BOD
Minors	Kuwaiti	0	0	None
Mrs. Azza Mohammad Saeed Rashed Al-Suwaidi Board Member				
Spouse	Emirati	0	0	None
Minors	Emirati	0	0	None
Mr. Ali Saleh Ali Al-Smadi Board member as of 16/01/2022				
Spouse	Jordanian	0	0	None
Minors	Jordanian	0	0	None
Dr. Bassam Ali Nayef Al-Subaihi Board member until 16/01/2022				
Spouse	Jordanian	0	0	None
Minors	Jordanian	0	0	None
Mr. Ahmed Abd Al Jabbar Ali Al-Kareem Board Member as of 27/11/2022				
Spouse	Iraqi	0	0	None
Minors	Iraqi	0	0	None
Eng. Yousif Mohammed Jasim Al-Janabi Board Member until 27/11/2022				
Spouse	Iraqi	0	0	None
Minors	Iraqi	0	0	None
Mrs. Wafa Abdurrezagh Mohamed Abu Shkewa Board Member as of 14/06/2022				
Spouse	Libyan	0	0	None
Minors	Libyan	0	0	None
Eng. Emhemmed Abdurrahman Emhemmed Ghula Board Member until 14/06/2022				
Spouse	Libyan	0	0	None
Minors	Libyan	0	0	None
Mrs. Reem Ali Abdullah Al- Sughayer Board Member				
Spouse	Kuwaiti	0	0	None
Minors	Kuwaiti	0	0	None

B. Relatives of Executive Management

Name	Nationality	Number of Shares as at 31/12/2022	Number of Shares as at 31/12/2021	Companies Controlled by Executive Management
Dr. Maen Fahed Abdel Karim Nsour President & CEO				
Spouse	Jordanian	0	0	None
Minors	Jordanian	0	0	None
Mr. Mohammed Abd Al Rahman A. Al Razem Senior VP Finance and Support Services				
Spouse	Jordanian	0	0	None
Minors	Jordanian	0	0	None
Eng. Rashid Tawfiq Rashid Lubani VP Marketing and Sales				
Spouse	Jordanian	0	0	None
Minors	Jordanian	0	0	None
Eng. Mohammad Abd Al Fattah Mohammad Abu Gheyab VP Operations				
Spouse: Alia Mustafa Abdel Fattah Nassar	Jordanian	155	155	None
Minors	Jordanian	0	0	None
Eng. Adnan Sulaiman Faris Al Ma'aitah VP Human Recourses and Corporate Affairs				
Spouse	Jordanian	0	0	None
Minors	Jordanian	0	0	None
Dr. Samer Ibrahim Ahmad Al Mofleh VP Strategic Planning, Excellence and Growth				
Spouse	Jordanian	0	0	None
Minors	Jordanian	0	0	None

30. COMPENSATIONS AND BENEFITS MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT

Compensations and Benefits to Members of the Board of Directors

Name	Title	Nationality	Total Annual Salaries	Annual Transportation and Committees Allowances	Representation Fees	Annual Bonus	Per diem	Other Allowances
Ministry of Finance *(Paid directly to the Ministry of Finance)*			**0**	**18,000**	**36,000**	**5,000**	**0**	**0**
H.E. Eng. Shehadah Abdallah Alhamad Abu Hdaib	Chairman of the Board	Jordanian	246,400	0	0	77,300	27,750	0
Government Investments Management Company *(Paid directly to the Ministry of Finance)*			**0**	**54,000**	**18,000**	**15,000**	**0**	**0**
Mr. “Ahmad Jamal” Nawaf Moh’d Bataineh	Board Member	Jordanian	0	0	0	0	0	0
Eng. Mofareh Dakhilallah Jum’a Al-Tarawneh	Board Member	Jordanian	0	0	0	0	0	0
Prof. Fayyad Melfi Aqil Al Qudah	Board Member	Jordanian	0	0	0	0	0	0
Man Jia Industrial Development Limited *(Paid directly to Man Jia Industrial Development)*			**0**	**54,000**	**0**	**15,000**	**0**	**0**
Mr. Zhou Weiliang	Vice Chairman of the Board	Chinese	0	0	0	0	2,500	0
Eng. Shen Yi	Board Member	Chinese	0	0	0	0	2,500	0
Mr. Zhao Jing	Board Member as of 18/03/2022	Chinese	0	0	0	0	2,500	0
Eng. Deng Hua	Vice Chairman of the Board until 18/03/2022	Chinese	0	0	0	0	0	0
Arab Mining Company *(Paid directly to Arab Mining Company)*			**0**	**0**	**0**	**10,000**	**0**	**0**
Mr. Anmar Taleb Abd Allatif Al Abdujalil	Vice Chairman of the Board	Kuwaiti	0	18,000	0	0	13,500	0
Mrs. Azza Mohammad Saeed Rashed Al-Suwaidi	Board member	Emirati	0	18,000	0	0	5,000	0

Name	Title	Nationality	Total Annual Salaries	Annual Transportation and Committees Allowances	Representation Fees	Annual Bonus	Per diem	Other Allowances
Jordan Social Security Corporation *(Paid directly to Jordan Social Security Corporation)*			**0**	**18,000**	**375**	**5,000**	**0**	**0**
Mr. Ali Saleh Ali Al-Smadi	Board Member as of 16/01/2022	Jordanian	0	0	0	0	0	0
Dr. Bassam Ali Nayef Al-Subaihi	Board Member until 16/01/2022	Jordanian	0	0	0	0	0	0
Government of Iraq			**0**	**0**	**0**	**0**	**0**	**0**
Mr. Ahmed Abd Al Jabbar Ali Al-Kareem	Board Member as of 27/11/2022	Iraqi	0	1,650	0	465	2,500	0
Eng. Yousif Mohammed Jasim Al -Janabi	Board Member until 27/11/2022	Iraqi	0	16,350	0	4,535	5,000	0
Libyan Arab Foreign Investment Company			**0**	**0**	**0**	**0**	**0**	**0**
Mrs. Wafa Abdurrezagh Mohamed Abu Shkewa	Board Member as of 14/06/2022	Libyan	0	9,850	0	2,740	5,000	0
Eng. Emhemmed Abdurrahman Emhemmed Ghula	Board Member until 14/06/2022	Libyan	0	8,150	0	2,260	2,500	0
Kuwait Investment Authority- Kuwait *(Paid directly to Kuwait Investment Authority- Kuwait)*			**0**	**18,000**	**0**	**5,000**	**0**	**0**
Mrs. Reem Ali Abdullah Al- Sughayer	Board Member	Kuwaiti	0	0	0	0	10,000	0

Compensations and Benefits of the Members of the Executive Management

Name	Title	Nationality	Total Annual Salaries
Dr. Maen Fahed Abdel Karim Nsour	President & CEO	Jordanian	258,000
Mr. Mohammed Abd Al Rahman A. Al Razem	Senior VP Finance and Support Services	Jordanian	176,000
Eng. Rashid Tawfiq Rashid Lubani	VP Marketing and Sales	Jordanian	136,000
Eng. Mohammad Abd Al Fattah Mohammad Abu Gheyab	VP Operations	Jordanian	138,080
Eng. Adnan Sulaiman Fari Al Ma'aitah	VP Human Recourses and Corporate Affairs	Jordanian	150,400
Dr. Samer Ibrahim Ahmad Al Mofleh	VP Strategic Planning, Excellence and Growth	Jordanian	104,000

Name	Title	Nationality	Per diem	Representation Fees	Annual Performance Bonus
Dr. Maen Fahed Abdel Karim Nsour	President & CEO	Jordanian	21,750	36,000	82,800
Mr. Mohammed Abd Al Rahman A. Al Razem	Senior VP Finance and Support Services	Jordanian	3,600	12,000	55,300
Eng. Rashid Tawfiq Rashid Lubani	VP Marketing and Sales	Jordanian	14,000	12,000	42,800
Eng. Mohammad Abd Al Fattah Mohammad Abu Gheyab	VP Operations	Jordanian	0	6,000	43,450
Eng. Adnan Sulaiman Fari Al Ma'aitah	VP Human Recourses and Corporate Affairs	Jordanian	0	5,150	47,300
Dr. Samer Ibrahim Ahmad Al Mofleh	VP Strategic Planning, Excellence and Growth	Jordanian	6,200	18,000	32,800

Other Benefits:

- Transportation, committee allowance, annual bonus, and representation allowance to the representative of Ministry of Finance and the representative of Government Investments Management Company are paid directly to Ministry of Finance.
- Transportation, committee allowance, annual bonus, and representation allowance to the representatives of Man Jia Industrial Development Limited are paid directly to Man Jia Industrial Development Limited.
- The Chairman has two chauffeur-driven cars. In 2022, JOD (239) thousand has been paid as other annual bonuses.
- Annual bonus to the representatives of Arab Mining Company is paid directly to Arab Mining Company.
- Transportation, committee allowance, annual bonus, and representation allowance to the representative of Jordan Social Security Corporation are paid directly to Jordan Social Security Corporation.
- Transportation, committee allowance, annual bonus, and representation allowance to the representative of Kuwait Investment Authority is paid directly to Kuwait Investment Authority – Kuwait.
- The CEO has two chauffeur-driven cars. In 2022, JOD (256) thousand has been paid as other annual bonuses.
- Senior VP Finance & Support Services has one chauffeur-driven car. In 2022, JOD (138) thousand has been paid as other annual bonuses.
- VP Sales & Marketing has one chauffeur-driven car. In 2022, JOD (106) thousand has been paid as other annual bonuses.
- VP Operations has one chauffeur-driven car. In 2022, JOD (108) thousand has been paid as other annual bonuses.
- VP Human Resources and Corporate Affairs has one chauffeur-driven car. In 2022, JOD (118) thousand has been paid as other annual bonuses.
- VP Strategic Planning, Excellence & Growth has one chauffeur-driven car. In 2022, JOD (81) thousand has been paid as other annual bonuses.

31. DONATIONS AND GRANTS PROVIDED BY THE ARAB POTASH COMPANY IN THE FISCAL YEARS (2018 – 2022)

During the year 2022, the Arab Potash Company continued to implement its social responsibility strategy based on its conviction of the importance of its responsible societal role that supports its distinguished economic and investment roles in the Kingdom.

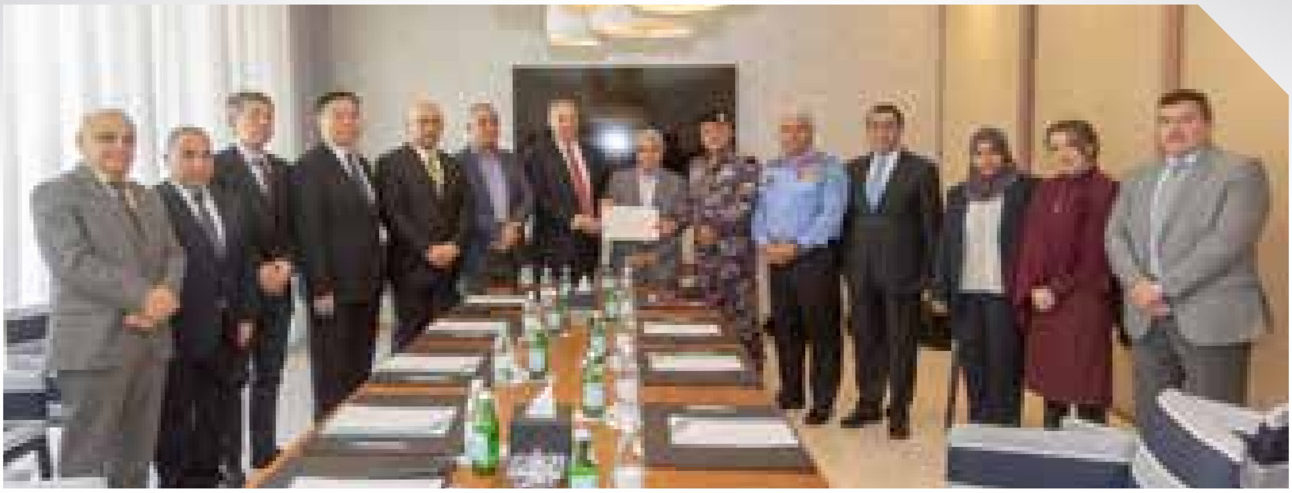
Its community contribution was also based on its insightful vision through which it defined the foundations of sustainable development. Over the past five years (2018 – 2022), it provided nearly JOD (43) million distributed to many sectors, most notably education, health, social development, water, environment, and sports, and culture.

APC has provided the social development sector in the past five years around JOD (11) million, to support the achievement of welfare for citizens and integrate the disadvantaged and less fortunate groups into society. While the total amount that granted for the education sector during the same period amounted to JOD (10) million, at a rate of (2) million dinars annually.

Over the past years, the Arab Potash Company has also paid great attention to the health sector, as it provided during the period (2018 – 2022) about JOD (9) million, of which JOD (4.8) million in the year 2020 was directed to support the Government, led by the Ministry of Health, in order to enable it to confront Covid-19 pandemic crisis that the Kingdom suffered from.

The following table shows the amounts of donations made by APC in (2018 – 2022) and the key sectors benefiting from these donations.

Sector	2022	2021	2020	2019	2018	Total 2018 - 2022	Average	%
Education	1,461,442	2,022,500	2,121,087	2,757,937	1,893,936	10,256,902	Average	%
Social Development	1,672,813	1,124,500	1,976,715	4,666,800	1,722,860	11,163,688	2,232,737.60	18%
Official Organizations	1,394,954	1,300,000	191,600	1,633,230	3,292,344	7,812,128	1,562,425.60	12%
Water & Environment	731,763	50,000	558,000	55,225	12,500	1,407,488	281,497.60	2%
Health	184,469	300,000	4,828,842	1,132,600	2,186,246	8,632,157	1,726,431.40	14%
Sports	348,650	35,000	130,000	392,500	349,807	1,255,957	251,191.40	2%
Houses of worship	942,834	10,000	156,225	305,904	35,000	1,449,963	289,992.60	2%
Culture	174,275	124,000	66,090	147,000	37,000	548,365	109,673.00	1%
Trade Union	88,800	34,000	10,000	172,464	135,000	440,264	88,052.80	1%
Hemat Watan Fund	-	-	20,000,000	-	-	20,000,000	4,000,000.00	32%
Total	**7,000,000**	**5,000,000**	**30,038,559**	**11,263,660**	**9,664,693**	**62,966,912**	**12,593,382**	**100%**



APC contribution in financing the construction of a specialized civil defense center in Aqaba

32. CONTRACTS, PROJECTS, AND COMMITMENTS THAT THE COMPANY HAS WITH THE AFFILIATED OR SUBSIDIARY COMPANIES, CHAIRMAN OF THE BOARD, BOARD MEMBERS, CEO, OR ANY EMPLOYEE OF THE COMPANY OR THEIR RELATIVES

APC does not have any contracts, commitments, or affiliations with the Chairman, the members of the Board of Directors, the CEO, or any employee of the Company or their relatives.

As for APC's affiliated and subsidiary companies' contracts and commitments, they are as shown below:

- Potash supply contract to Jordan Bromine Company – Affiliated Company.
- Potash supply contract to Arab Fertilizers and Chemicals Industries (KEMAPCO) – Subsidiary Company.
- Potash supply contract to Nippon Jordan Fertilizers Company – Affiliated Company.
- Utilization of handling services for the industrial port in Aqaba through Jordan Industrial Ports Company – Affiliated Company.

33. APC CONTRIBUTIONS TO THE PROTECTION OF THE ENVIRONMENT AND LOCAL COMMUNITY

I. APC CONTRIBUTIONS TO THE PROTECTION OF THE ENVIRONMENT

APC believes that its environmental priorities are the best way to achieve a meaningful positive impact through its operations and the way it conducts its business. the Company strives to assess its environmental impact continuously and directly deal with the effects of various production processes on the surrounding environment, especially concerning its core issues. to achieve this commitment, the Company has undertaken the following administrative matters:

• Environmental Management

APC dealt professionally with several factors that had a very limited impact on the environment, whether this impact resulted from conditions beyond control, such as climate, mineral properties, or land surface properties, or from conditions that can be controlled such as mining methods, equipment used and methods of waste disposal and scale of operations.

APC, a leading Company in the production of potash, believes that it is responsible to the environment and aims to reduce the environmental impacts associated with the production of potash using the latest technologies and adherence to the environmental guidelines and policies to reduce emissions in addition to the efficient use of energy and water in line with local environmental laws and international standards.

The environmental policy of APC urges it to identify and manage the environmental impacts resulting from its activities and to continuously strive to reduce pollution through effective management of solid and liquid waste, as well as the reduction of gas emissions. In addition, the Company realizes the importance of spreading environmental awareness between its employees and therefore it is committed to preparing environmental training plans and programs for all of them.

Out of APC's concern to protect the environment and evaluate and improve its environmental performance, it applies an environmental management system that helps in assessing and defining the environmental objectives, goals, purposes, and action plans according to (ISO 14001:2015). This system is based on a set of evidence, operating procedures, and models which are constantly reviewed by management.

Considering the Company's commitment to reducing adverse environmental impacts, it works with the royal scientific society to conduct environmental performance assessments, which include air quality tests,

wastewater quality tests, vehicle pollution levels, and noise levels resulting from activities. These assessments demonstrate the Company's commitment to managing environmental impacts and continuous improvement of its environmental performance with leading industry practices and local legal requirements.

The Company also conducts annual internal and external audits of its environment and energy management systems to maintain its previously obtained ISO certifications, where external audits are carried out by independent external auditors with the requirements of those standards.
As a result of the Company's tireless efforts, no environmental non-compliance and no impractical penalties were recorded for the last three years (2019 – 2022).

• Energy Management

APC is committed to managing energy consumption and improving energy performance, as stipulated in the energy management policy approved by the CEO. The policy sets out both the energy management methodology and the minimum requirements for compliance with relevant local legislation when implementing systems that meet the requirements of (ISO 50001:2018). The policy is circulated to employees, suppliers, contractors, and other relevant stakeholders.

The Company understands the importance of managing energy consumption and has developed a (10)-year energy strategy (2021 – 2030) to help achieve the Company's long-term goals, in addition to enhancing energy efficiency management and focusing on the exploitation of renewable energy and it has established a dedicated energy committee to follow-up on the implementation, review, evaluate and update the energy strategy, and it has an implementation plan that includes evaluating the current energy situation in the kingdom, as well as aligning with local and regional agendas, and planning for future energy management with leading practices and available technologies.

APC has also implemented a Company-wide energy management system to meet the requirements of (ISO 50001:2018), where realistic targets have been set in the areas of energy use and consumption, including natural gas consumption in the power plant, electricity consumption in the intake station, harvesters, plants, Aqaba site, and other facilities, fuel oil for backup generation, salt dredgers, and vehicles. The majority of the Company's employees have been trained on (ISO 50001:2018) and an internal audit of the energy management system has been conducted.

To achieve the Company's energy management objectives, several energy management initiatives have been undertaken, such as:

- The use of a steam generation system by recovering wasted energy from combustion gases for a gas turbine (HRSG) to take advantage of the waste heat from gas turbines, thus reducing energy consumption and carbon emissions.
- APC started studying the conversion of salt dredgers to be operated by electrical power. Salt dredgers are considered one of the largest sources of fuel consumption (diesel) during the Company's production operations.
- Starting the implementation of solar energy initiatives, which will be proceeded based on three categories of application and with various generation capacities aimed at covering part of the Company's electrical loads, taking into account future expansion scenarios.
- the direct pumps were also modified through frequency converters (VFD) to operate at variable speeds, and the modifications and upgrades contributed to reducing the pumps' energy consumption compared to the previous process with constant speeds, where works are in progress to expand the scope of this imitative to include the rest of plants.
- Executing a detailed study concerned with the electrical transformation of the Company's fleet of trucks, as the results of this study will be included in the Company's plans and study the possibility of the application accordingly.
- In addition, all mercury, metal halide, and HPS lamps were replaced by LEDs, and the lighting was switched to automatic. The total savings achieved by switching to led lighting was approximately (467,565) kWh per year.

- Eliminating the last old halon extinguishing system (1301) and replacing it with clean gas (FM 200) within a gradual replacement plan.

The environment and safety directorate also identifies and evaluates energy rationalization activities, evaluates energy consumption patterns in the Company, and identifies rationalization requirements that reduce unnecessary costs and contribute to the preservation of natural resources. The operation and maintenance team conducted the necessary work to prevent energy leakage and loss in systems and processes such as reducing compressed air leakage, insulating hot surfaces, modernizing steam traps, and reusing condensing boilers.

The transformation to the use of clean energy is one of the priorities of the Company, for that it's looking forward to diversifying energy sources using renewable energy such as photovoltaic systems, and on the other hand, there are initiatives on the Company's agenda such as replacing the fleet of vehicles with electric or hybrid vehicles.

The energy consumption amounted to (7,151,811.7) GJ during the year 2022, and the energy intensity amounted to (2.7) GJ per metric ton of potassium chloride produced in 2022, which is (6%) increase compared to the energy intensity in 2021.

• Greenhouse Gas Emissions

Climate change is a global challenge, and the potential impacts resulting from climate-related risks are important to the operations of APC. For this reason, the Company is committed to reducing environmental emissions from various sources and using the latest technologies to do so. It is also aware that energy consumption leads to greenhouse gas emissions and other emissions such as sulfur dioxide, nitrogen oxides, and other particulate matter suspended in the air. In the third global risks report of the world economic forum published in 2020, failure to reduce and adapt to climate change is one of the main concerns facing the world today, and therefore the Company is committed to reducing its environmental emissions and adopting the latest technologies to combat climate change.

For the purposes of assessing and managing greenhouse gases and carbon performance, the Company started with a carbon footprint monitoring and reporting project, and it assessed the emissions from main sources (first scope) such as fixed energy sources, mobile sources, and indirect emissions sources (second scope) from importing electricity. The project calculates the carbon footprint according to the methodologies for calculating greenhouse gases and emission factors according to international standards such as the Intergovernmental Panel on Climate Change (ipcc) and the US Environmental Protection Agency (EPA).

The Company adopted several initiatives to reduce emissions as mentioned in the energy management topic, and the Company's efforts also contributed to improving the carbon footprint during the reporting period, and the air conditioning systems in the Company's township were replaced with new energy-saving systems that use environmentally friendly refrigerant gas (R410-A), which contributes to reducing emissions.

Oximeters have also been installed to measure and monitor oxygen levels in the flue gases, which are the pollutants resulting from combustion, which include residual materials such as suspended particles, sulfur oxides, nitrogen oxides, and carbon monoxide, and then flue gas analysis reports are sent to the relevant executive departments to ensure that optimum combustion is achieved. In all steam boilers and dryers, monitoring and tracking oxygen levels to keep them from rising has contributed to achieving a complete combustion process with higher efficiency. The Company also cooperates with the Royal Scientific Society (RSS) to measure air quality and ensure its compliance with environmental laws and regulations where the society conducts its measurement basis every quarter.

APC has also installed dust extraction systems in all its plants, including the Hot Leach Plant (HLP), the first Cold Crystallization Plant (CCP 1), and the new second Cold Crystallization Plant (CCP 2) to reduce potash dust emissions and meet relevant environmental and legal requirements. The system uses bag filter technology that collects dust and removes potash dust emitted from its operations, where the final product is taken from the drying unit to the leaching unit and the recovered potash is sent back to the production line, where this system contributes to improving product quality, improving production, and recycling processes.

• Water and Wastewater Management

Water scarcity in Jordan is a major challenge that affects all sectors if effective solutions are not found, and water is an essential element in mining and production operations, which prompted the Company to think about water reclamation to reduce the depletion of water resources, so it cooperates and works with its stakeholders to overcome the water challenges in Jordan, and invest in projects that contribute to enhancing the water reserves from different resources, as the Company believes that water is a common resource that must be used efficiently, rationally and responsibly.

APC has developed a (10)-year water strategy (2021 – 2030) to rationalize water consumption and ensure the optimal use of water and diversify water resources and define the vision and goals related to the Company's water management fields. The strategy summarizes our vision and goals in water management to overcome water management challenges and improve its performance, and it is based on internal studies and evaluations and comparisons with industry peers to identify ways to manage water and set business goals.

These studies and evaluations have concluded the importance of diversifying the Company's water resources to reduce its dependence on government water resources and to establish a safe and stable water supply during dry seasons. The strategy resulted in (54) strategic initiatives that would contribute to achieving the desired goals in the short and long term for the Company's production operations.

The water resources of APC in 2022 consisted of (54%) groundwater, (19%) surface water, and (11%) recycled water.

In 2022, the capacity of the tank was increased to reach (160,000) m3, an increase of (44%). The Company also drilled new wells to compensate the depleted wells, replacing and rerouting water pipelines running through farmers' lands to address community claims.

In addition, waterworks control panels have been upgraded to work with the new water management and automation system. The Company also monitors oil and grease concentrations before returning brine to the dead sea to ensure it is within acceptable limits, conducts water management risk assessments, and analyzes scenarios for future water requirements. The agreement with the Ministry of Water and Irrigation concluded the supply of water for the Company's operations. However, the Company faced technical challenges related to the increased demand for potash, the reliability of the existing assets (Ghor Al-Safi pumps and corroded pipeline network), as well as the problems of using surplus agricultural wastewater due to poor water quality, in addition to some natural challenges such as drought, which led to a decrease in surface water resources and the diversion of water for agricultural purposes after crop yields were affected. This year, the water needs for the Company's operations were met through the currently available water resources such as groundwater, surface water, dams, and surface drainage. In the context of risk management and planning activities, the Company is currently working on studying future challenges in meeting water demand due to water depletion of underground wells and low rainfall.

This year, the Company started replacing the existing sewage treatment units in the plants, and Aqaba with new units that use the latest treatment technologies to increase the use of treated water for irrigation and land greening purposes, and in manufacturing operations.

• Waste Management

APC is committed in to managing the causes of waste in a way that minimizes the impact of its operations on the environment. In this context, the Company has followed all legal requirements related to waste management, in addition to responding to all international agreements related to the safe disposal of waste, as it has prepared procedures and operational instructions to deal with oil, medical waste, chemicals, batteries, radioactive waste, and loading of waste containers at the plants.

To spread awareness among employees about waste management, the Company held specialized courses for employees concerned with waste management and placed warning signs in all work areas. In addition, the Company provides its employees with courses related to waste management and on-site guidance on different fields of waste management. APC is (ISO 14001) certified and is subject to external waste management audits conducted by certification bodies by the requirements of (ISO 14001) standards for environmental management systems, which enables it to track and improve its waste management efforts.

The Company applies the (5s) management system to maintain the organization of the workplace and the disposal of waste in its facilities, which is a Japanese management system based on five stages: Sort, Set in order, Shine, Standardize, and Sustain. A management committee has been established to support the implementation and evaluation of this system in the Company's operations.

APC is committed to dispose of all waste resulting from production operations in safe ways. In the year 2022, the total waste generated amounted to (4,772.7) metric tons, of which (129.6) tons of hazardous waste and (4,500.6) tons of non-hazardous waste, and about (0.5) metric tons of hazardous medical waste were disposed of by incineration. The rest of the hazardous waste which amounted to (142) metric tons consisted of tires, batteries, battery acids, and other waste. The Company sells all metal waste, wood, oils, tires, batteries, and battery acids to contractors approved by the Ministry of Environment, while the other waste is sent to the landfill in the Swaqa area, and it coordinates with the Ministry of Environment regarding all activities related to the safe disposal of unused chemicals and other hazardous waste.

The Company has prepared policies for the management of radioactive sources and radiological equipment by the laws of radiation protection, nuclear safety and security, and radioactive waste management measures to ensure the protection of the environment and the safety of individuals and society as radioactive waste is disposed of in cooperation with the Jordan Atomic Energy Commission, which is the authority authorized to dispose of this type of waste.

APC has established a new scrap yard to improve the sorting and management of industrial waste and conducted a study to verify the impact of salt on the surrounding community, check the quality and effectiveness of storage, and recover a larger amount of brine to be used in production.

• Environmental Projects in 2022

Among the most important capital and operational environmental projects implemented by APC to preserve the environment, raise the level of product quality, and reduce energy and water costs in the year 2022:

- Starting the execution of part (2) of the salt tails management project, for JOD (151,000).
- Issuing the second Sustainability Report for the year 2021, for JOD (44,776).
- Concluding an annual agreement with the Royal Scientific Society to measure gas emissions from plants and vehicles, and to examine wastewater in plants and the township, for JOD (29,000).
- Starting the implementation of the project of planting (3,000) palm trees in front of the plants of the Arab Potash Company, in addition to managing the farm at a cost of JOD (810,000).

II. APC's Contribution to Serving the Local Community

APC has assumed the responsibility of contributing to raising the standard of living of Jordanians and providing them with a better life, as it is one of the largest industrial companies operating in Jordan, where the Company worked to contribute to financing and strengthening the work of a number of sectors in various regions of the Kingdom, among the most prominent of them; Health sector, education, sports, social development, water and environment, houses of worship, cultural activities, and trade unions.

In response to this responsibility, APC provided, during the years (2018 – 2022), around JOD (9) million annually for the social responsibility strategy, which aimed to invest in empowering local communities in order to achieve the sustainability of projects and initiatives supported by the Company within its strategy, and thus leads to achieving community development and creating sustainable model.

34. GENERAL ASSEMBLY MEETINGS

The Company is generally committed to the general rules of the general assembly meetings where meetings are arranged in a way that allows shareholders to actively participate and express their views freely, to get answers to their questions and receive sufficient information to make their decisions.

APC's General Assembly Meeting was held this year on Wednesday March 30, 2022, via visual and electronic communication means, in pursuant to the provisions of the Defense Law No. (13) for the year 1992 and Defense Order No. (5) for the year 2020 and the procedures issued by HE the Minister of Industry, Trade and Supply on April 9, 2020 in accordance with the above-mentioned Defense Order.

35. BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT MEMBERS TRANSACTIONS

There are no contracts, projects or engagements concluded by the Company with its subsidiaries, sister companies, affiliates or with the Chairman of the Board of Directors, members of the Board of Directors, the CEO, any employee of the Company or relatives thereof except as disclosed in the Consolidated Financial Statements.

36. DECLARATIONS AND RECOMMENDATIONS

A. Declarations of the Board of Directors

APC's Board of Directors hereby declares that according to the best of its information and in its opinion, there are no substantial matters that may affect the Company as a going concern entity during the year 2023.

The Company's Board of Directors hereby declares its responsibility for the preparation of the financial statements and an effective control system in the Company.

Chairman of the Board
Eng. Shehadah Abdallah Alhamad Abu Hdaib

Board Member
"Ahmad Jamal" Nawaf Al Bataineh

Board Member
Azza Mohammad Saeed Al Suwaidi

Board Member
Eng. Mofareh Dakhilallah Jum'a Al Tarawneh

Vice Chairman of the Board
Zhou Weiliang

Vice Chairman of the Board
Anmar Taleb Abd Allatif Al Abdujalil

Board Member
Eng. Shen Yi

Board Member
Prof. Fayyad Melfi Aqil Al Qudah

Board Member
Reem Ali Abdullah Al-Sughayer

Board Member
Ali Saleh Ali Al-Smadi

Board Member
Zhao Jing

Board Member
Wafa Abdurrezagh Mohamed Abu Shkewa

Board Member
Ahmed Abd Al Jabbar Ali Al-Kareem

The chairman of the Board of Directors, the Chief Executive Officer, and the Senior Vice President for Finance and Support Services of the Arab Potash Company further declare that all the data and statements in the Annual Report 2022 are correct, accurate and complete.

Chairman of the Board
Eng. Shehadah Abdallah Alhamad Abu Hdaib

President & CEO
Dr. Maen Fahed Abdel Karim Nsour

Senior VP Finance and Support Services
Mohammed Abd Al Rahman Al Razem

B. Recommendations

The Board would appreciate the General Assembly's ratification of the following:

1. Reciting of Minutes of Meeting of the previous Ordinary General Assembly Meeting.
2. To vote on the Board of Directors' Report on the Company's activities for the year 2022 and its future plan.
3. To vote on the report of the Company's Auditors on the consolidated financial position statement, other consolidated year-end accounts and its financial status for the year 2022.
4. To vote on the Consolidated Financial Position and Consolidated Income Statement for the year 2022.
5. Reporting the activities of the Committees of APC's Board of Directors in accordance with Clause (6/h) of the Instructions of Corporate Governance for Shareholding Listed Companies for the year 2017.
6. To vote on the election of auditors of the Company accounts for the financial year ending December 31, 2023 and determining their fees.
7. To vote on discharging the Company's Board of Directors of any liabilities for the year 2022 within the limits of the law.
8. To vote on the dividends distribution ratio.

In conclusion, APC's Board of Directors highly appreciates all the efforts made by the Government of the Hashemite Kingdom of Jordan, and the Governments of the Arab and foreign countries for their contribution, support, and assistance to the Company in implementing its plans and achieving its goals.

The Board of Directors also extends thanks to all Arab and International institutions and organizations which contributed to facilitating the Company's activities, and to our clients for their trust in our product and services, we also commend the efforts exerted by APC's Executive Management and its employees at all their locations.

CORPORATE GOVERNANCE REPORT

1. GOVERNANCE REPORT

The governance report is considered to be one of the most important platforms for transparency and communication with shareholders, current and potential investors, and the public, as it allows them to understand the company's performance in order to assist them with their investment decisions, accordingly, the governance report for the year 2022 dealt with the formation of the Board of Directors, its tasks, responsibilities, achievements, and meetings during the year 2022, and it also includes the outcomes of the Ordinary General Assembly Meeting, the meetings of its Board Committees that were held during the year 2022, the rights of the Company's Stakeholders and Shareholders, the disclosure and transparency mechanism implemented in the Company, the tasks, and responsibilities of the external auditor and the transactions of related parties.

This report provides an overview of the Corporate Governance procedures adopted by the Arab Potash Company during the period from 01/01/2022 to 31/12/2022.

During the year 2022, there was no conflict between the recommendations of any of the Board Committees and the decisions adopted by the Board of Directors, and therefore there is material issued should be included in this report.

The Governance Committee did not receive any violations related to the implementation of the Corporate Governance instructions during the year 2022. The Arab Potash Company affirms its constant keenness on continuous improvement and the implementation of the principles and rules of Corporate Governance as an organizational and practical culture at all of its operational levels in line with the best practices applied in this field and in a manner that enhances ethical leadership and the good reputation of the Company which ensures the satisfaction of all stakeholders. The Company submits this report to the APC Board of Directors for review and action as it deems appropriate.

2. GOVERNANCE FRAMEWORK IN APC

The implementation of Corporate Governance instructions has become one of the most important requirements for public shareholding companies, accordingly, the Arab Potash Company was keen to become one of the leading companies in adopting and implementing the best practices of Corporate Governance, as the Company strengthened the principles of disclosure and transparency and worked to adopt the policy of regulating the relationship with stakeholders. Furthermore, the APC Board of Directors and its Executive Management are keen to adhere to Corporate Governance standards based on the instructions of the regulatory authorities in accordance with the legislative and legal frameworks.

APC continues to abide by the rules of the company's corporate governance manual approved by the Board of Directors in accordance with the Corporate Governance Instructions in a manner consistent with the 2017 Jordanian Corporate Governance Code for Listed Shareholding Companies as issued and amended by the Jordan Securities Commission. APC emphasizes its constant keenness to continuously improve the corporate governance principles as an organizational and practical culture at all operational levels in line with the best practices applied in this field.

During 2022, the APC Board continued to work in accordance with the policies required and recommended by its Governance Committee, such as approving the Avoiding Conflicts of Interest Policy, and the Policy of Regulating the Relationship with Stakeholders and continued to implement other policies such as the Disclosure and Transparency Policy, the Board & Committee Performance Assessment Policy, and a mechanism for adding an item to the agenda of the Ordinary General Assembly Meeting for those who own at least (5%) of the Company's subscribed capital, adopting a Mechanism to Receive Suggestions and Complaints from the Shareholders, activating and publishing all the Company's financial and non-financial disclosures on the Company's website, as well as following up on and resolving complaints from the Company's shareholders and other achievements mentioned in this report.

The appointment of a Governance Liaison Officer is one of the tasks and responsibilities of the Company's Board of Directors, accordingly, Mrs. Ghadeer Dawood Ahmed Qassem continued as the Company's Governance Liaison Officer for the year 2022 regarding following up on matters related to governance applications in the Company and following up with the Securities Commission.

The Board of Directors and the Executive Management are keen to comply with the Corporate Governance Instructions issued by the Jordan Securities Commission for the year 2017, not only at the level of the Board of Directors but also to promote this as an institutional culture at the executive level to include all operations, the Governance and Quality Assurance Department, represented by Eng. Sultan Mohammed Abdulrahman Al-Ja'afareh, under the guidance of the APC VP Strategic Planning, Excellence and Growth, continues to ensure the implementation of the Governance framework approved by the Board of Directors as represented by the Governance Manual, in addition to his role in attending meetings and supporting the Governance Committee in carrying out its tasks, ensuring the effectiveness of self-assessment of compliance with governance instructions and reviewing the annual governance report.

3. BOARD OF DIRECTORS

The main role of the Board of Directors is to protect and support the rights of the Shareholders as the Board of Directors is considered to be the supreme body of Corporate Governance in the company. the APC Board of Directors is composed of thirteen members with a four-year term from the date of their election date on 15/06/2020, of whom twelve are Non-Executive Members. Members also include three Independent Members, among them are three women. All Board members nominated natural persons to be their representatives on the Board in accordance with the legislation in force in the Hashemite Kingdom of Jordan. The Board members are elected by the General Assembly by way of cumulative voting by secret ballot. All members of the APC Board boast diverse experiences, qualifications, and knowledge of administrative and financial matters and familiarity with relevant legislation and the rights and duties of the Board.

While exercising their powers and implementing their duties, APC Board members pledge to act honestly and faithfully taking into consideration the interests of the Company and its shareholders. All members observe the necessary professional due diligence in managing the Company and allocating the time necessary to carry out the Company's work in a professional, fair, and transparent manner while adhering to the provisions of the laws and regulations in force in the Hashemite Kingdom of Jordan as well as the Company's articles of association. Building on governance best practices and pursuant to the Jordanian Corporate Governance Code for Shareholding Companies, the Chairman of the Board of Directors will not assume any executive position in the Company nor will any of the relatives of the Chairman be the CEO of the Company. All Board members and their representatives will have no membership or representation in other similar companies or competitors of the Company. The natural members of the Board will not be members of more than five public shareholding companies in a personal capacity or as representatives of legal persons.
The performance of the Board of Directors as a whole and its committees and members are evaluated at least once annually by the Nomination, Remuneration & Investments Committee and The JSC was informed of the results of the evaluation.

The Company does not extend loans of any kind to the Chairman or any of the members of the Board or their relatives. The Company's management will provide the Board members with all relevant information and data to enable them to best do their work. If the Board needs the assistance of any external consultant at the expense of the Company, it should be approved by the majority of Board members while taking into account conflict of interest.

The Executive Management also ensures that the Jordan Securities Commission is informed of any changes that occur to the formation of the APC Board directly and without delay, according to the legislation in force.

3.1 Responsibilities of the Board of Directors

The APC Board will ensure that its assigned tasks, responsibilities, and duties are carried out to the fullest, including:

1. Devising the strategies, policies, plans and procedures that serve the Company's interests and maximize shareholders' equity.
2. Continued to take all necessary measures to ensure compliance with the provisions of the legislation in force in the Hashemite Kingdom of Jordan.
3. Continued to establish all necessary procedures to ensure that all shareholders, including non-Jordanians, obtain their rights in a manner that upholds justice and equality without discrimination.
4. Appointing the Chief Executive Officer, determining their salary as well as deputies, and ensuring that members of the Senior Executive Management have the necessary administrative and technical expertise and competence.
5. Follow-up through the Board Committees to develop policies and regulations that regulate the work of the Executive Management, where the Board of Directors monitors the extent of their compliance through the Governance Committee with the Corporate Governance instructions issued by the Securities Commission.
6. Approving during the year 2022 the Policy of Avoiding Conflicts of Interest and setting procedures aimed at preventing insiders from exploiting confidential internal information for financial or personal gains.
7. Continue to work on the disclosure and transparency policy and risk management policy in addition to the replacement and succession policy, which is part of the manpower planning and employment policy.
8. Continue to work on the approved human resources development and training policy and the remuneration, benefits, incentives, and salaries policy in the Company.
9. Preparing and approving the policy that regulates the relationship with the stakeholders to ensure the implementation of the Company's obligations towards them to preserve their rights and establish good relations with them.

10. The Board of Directors continues to take all necessary steps to ensure internal control and audit of the Company's business. To that end, there is a dedicated audit function in the Company, working to ensure compliance with applicable laws and the requirements set out by all regulatory bodies, bylaws, policies, plans, and procedures put forward by the Board.

11. Ensuring that there is a follow-up mechanism to add an item on the agenda of the Ordinary General Assembly meeting for all shareholders who own at least (5%) of the subscribed shares of the company before sending it in final form to the shareholders. The Jordan Securities Commission was notified of this mechanism.

12. Ensuring that there is a mechanism to receive complaints and constructive feedback from shareholders to be studied and decided upon. The Jordan Securities Commission was notified of the mechanism, which is available on the Company's website.

13. Setting an executive management and staff code of conduct. A Board code of conduct will also be rolled out.

14. Approving the Company's corporate social responsibility principles and local community and environmental programs.

15. Setting a clear authorization policy in the Company, indicating those authorized and the powers delegated to them.

16. 1Organizing the financial, accounting, and administrative affairs of the Company under special internal regulations.

17. Ensure the continuation of the preparation of quarterly reports and the annual report in addition to the company's preliminary results report, in accordance with the provisions of the legislation in force and disclose them to the Jordan Securities Commission and the regulatory authorities on time and without any violations recorded during the year 2022.

18. Appoint the Secretary of the Board of Directors, who shall record the minutes of the meetings and decisions of the Board in a designated register numbered sequentially and indicating the members present and any reservations expressed by the Board Members.

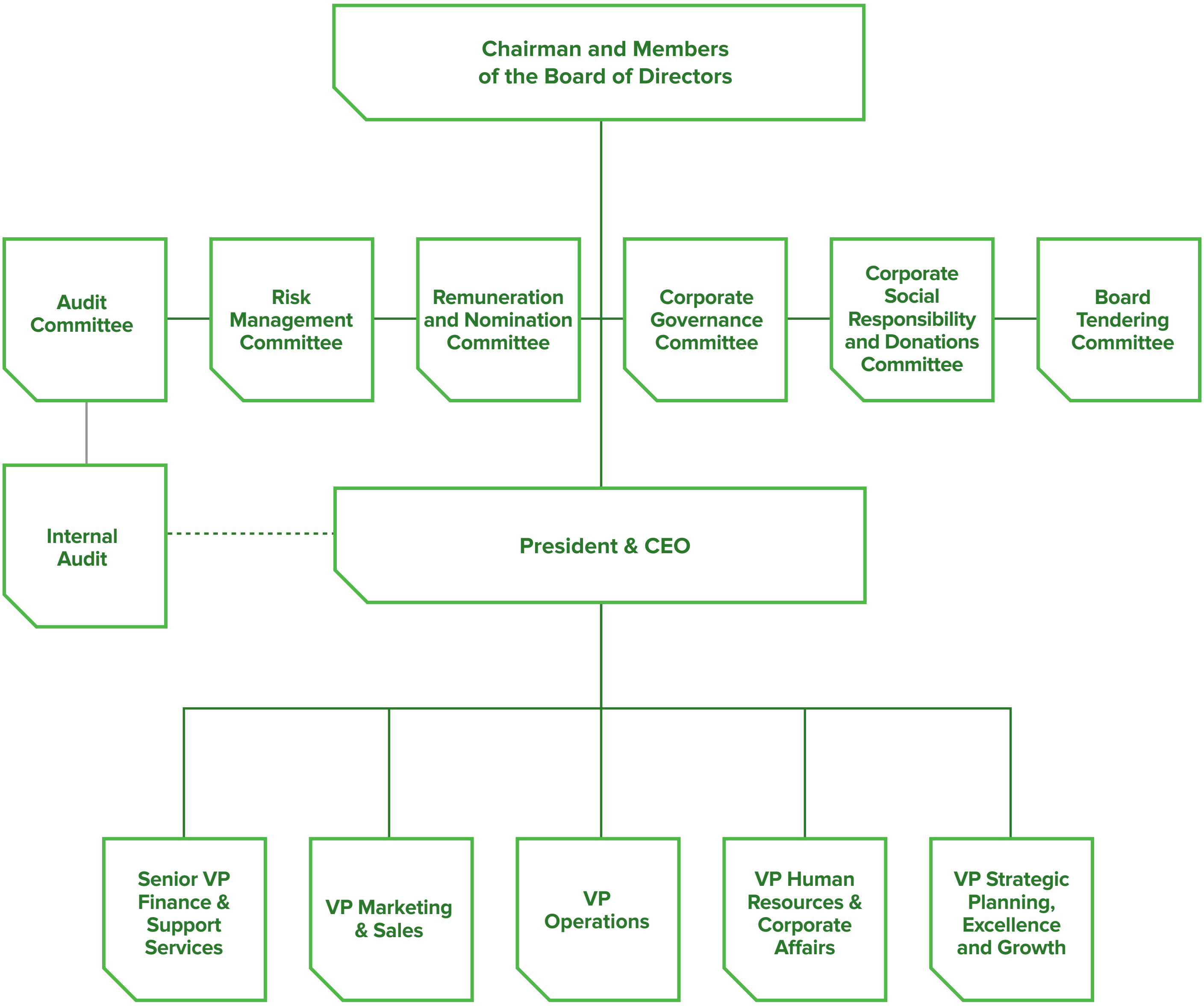
19. Appoint a Corporate Governance Liaison Officer to follow up with the Jordan Securities Commission on all matters related to the implementation of corporate governance in the Company.

20. Ensuring that the Company's website remains a platform for communication between the company and the public, providing core financial and non-financial information and data about the Company, its business, and activities. This information will be constantly updated.

21. Approving the Governance Manual, Policies and Procedures in accordance with provisions of Listed Public Shareholding Companies for the year 2017.

22. Approving annual Corporate Governance Reports and including them in the Annual Report, signed by the Chairman, as per the requirements of the Listed Public Shareholding Companies for the year 2017.

The following figure shows the organizational structure of the Board of Management and the senior executive management of the Arab Potash Company.

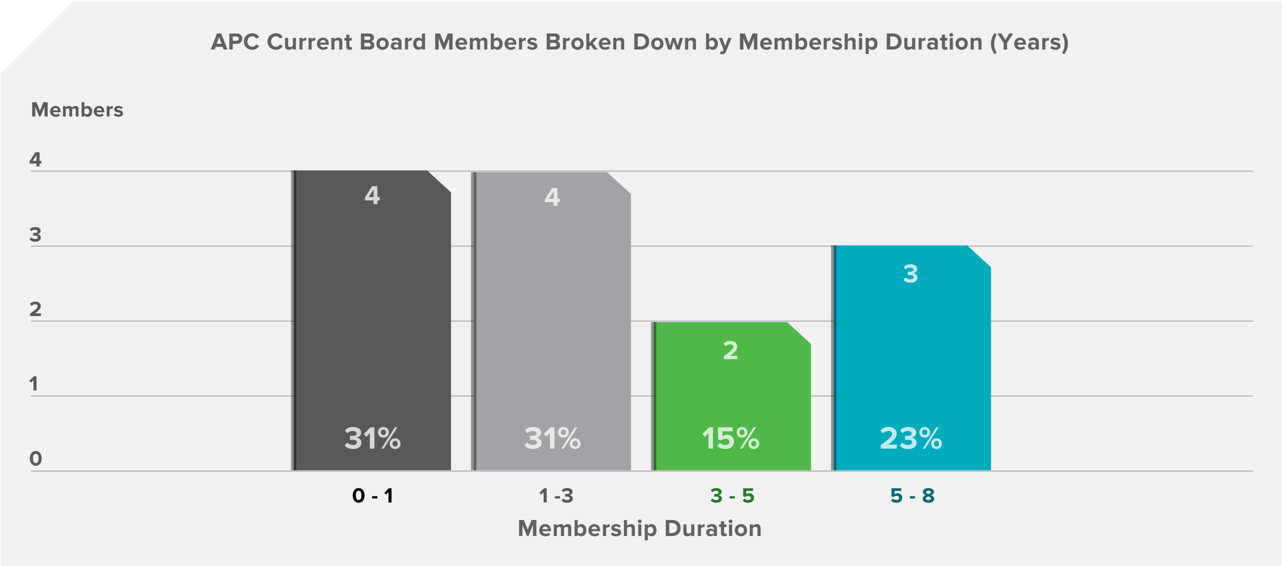


3.2 Names of current and resigned members of the Board of Directors (legal and natural)

The following table lists current and resigned (Legal & Natural) members of the APC Board and their executive/ non-executive and independent/ non-independent status.

Name	Representative of	Position	Independent or Non-Independent	Executive or Non-Executive
H.E Eng. Shehadeh Abdullah Al-Hamad Abu Hdeib	Ministry of Finance	Chairman of the Board of Directors	Non-independent	Executive
Mr. “Ahmad Jamal” Nawaf Moh’d Bataineh	Government Investment Management Company	Board Member	Non-independent	Non-Executive
Eng. Mofareh Dakhilallah Jum’a Al Tarawneh	Government Investment Management Company	Board Member	Non-independent	Non-Executive
Prof. Fayyad Melfi Aqil Al Qudah	Government Investment Management Company	Board Member	Non-independent	Non-Executive
Mr. Zhou Weiliang	Man Jia Industrial Development Ltd.	Vice Chairman	Non-independent	Non-Executive
Eng. Shen Yi	Man Jia Industrial Development Ltd.	Board Member	Non-independent	Non-Executive
Mr. Zhao Jing	Man Jia Industrial Development Ltd.	Board Member as of 18/03/2022	Non-independent	Non-Executive
Eng. Deng Hua	Man Jia Industrial Development Ltd.	Vice Chairman until 18/03/2022	Non-independent	Non-Executive
Mr. Anmar Taleb Abd Allatif Alabduljalil	Arab Mining Company	Vice Chairman	Non-independent	Non-Executive
Mrs. Azza Mohammad Saeed Rashed Al Suwaidi	Arab Mining Company	Board Member	Non-independent	Non-Executive
Mr. Ali Saleh Ali Al-Smadi	Social Security Corporation	Board Member as of 16/01/2022	Non-independent	Non-Executive
Dr. Bassam Ali Nayef Al-Subaihi	Social Security Corporation	Board Member until 16/01/2022	Non-independent	Non-Executive
Mr. Ahmed Abdul-Jabbar Ali Al-Karim	Government of Iraq	Board Member as of 27/11/2022	independent	Non-Executive
Mr. Yousif Mohammed Jasim Al Janabi	Government of Iraq	Board Member until 27/11/2022	independent	Non-Executive
Mrs. Wafa Abdurrazagh Mohamed Abu Shkewa	Libyan Foreign Investments Company	Board Member as of 14/06/2022	independent	Non-Executive
Eng. Emhamed Abdul Rahman Emhamed Ghoula	Libyan Foreign Investments Company	Board Member until 14/06/2022	independent	Non-Executive
Mrs. Reem Ali Abdullah Al-Sagheer	Kuwait Investment Authority / Kuwait	Board Member	independent	Non-Executive

The following figure shows the distribution of the 13 members of the Arab Potash Company, classified according to the length of their membership period in years.



3.3 Board meetings held during the year 2022 and statement of members present and resigned

APC Board of Directors held Six meetings during the year 2022, The following table outlines their attendance.

Name	Meeting (1) 29/03/2022	Meeting (2) 30/03/2022	Meeting (3) 29/06/2022	Meeting (4) 28/09/2022	Meeting (5) 14/12/2022	Meeting (6) 15/12/2022	Total	Attendance Ratio
H.E Eng. Shehadeh Abdullah Al-Hamad Abu Hdeib	✓	✓	✓	✓	✓	✓	6	100%
Mr. "Ahmad Jamal" Nawaf Moh'd Bataineh	✓	✓	✓	✓	✓	✓	6	100%
Eng. Mofareh Dakhilallah Jum'a Al Tarawneh	✓	✓	✓	✓	✓	✓	6	100%
Prof. Fayyad Melfi Aqil Al Qudah	✓	✓	✓	✓	✓	✓	6	100%
Mr. Zhou Weiliang	✓	X	✓	✓	✓	✓	5	83%
Eng. Shen Yi	✓	✓	✓	✓	✓	✓	6	100%
Mr. Zhao Jing from 18/03/2022	✓	✓	✓	✓	✓	✓	6	100%
Eng. Deng Hua until 18/03/2022	●	●	●	●	●	●	0	100%
Mr. Anmar Taleb Abd Allatif Alabduljalil	✓	✓	✓	✓	✓	✓	6	100%
Mrs. Azza Mohammad Saeed Rashed Al Suwaidi	✓	✓	✓	✓	✓	✓	6	100%
Mr. Ali Saleh Ali Al-Smadi from 16/01/2022	✓	✓	✓	✓	✓	✓	6	100%
Dr. Bassam Ali Nayef Al-Subaihi until 16/01/2022	●	●	●	●	●	●	0	100%
Mr. Ahmed Abdul-Jabbar Ali Al-Karim from 27/11/2022	●	●	●	●	✓	✓	2	100%
Mr. Yousif Mohammed Jasim Al Janabi until 27/11/2022	✓	✓	✓	✓	●	●	4	100%
Mrs. Wafa Abdurrazagh Mohamed Abu Shkewa from 14/06/2022	●	●	✓	✓	✓	✓	4	100%
Eng. Emhamed Abdul Rahman Emhamed Ghoula until 14/06/2022	✓	✓	●	●	●	●	2	100%
Mrs. Reem Ali Abdullah Al-Sagheer	✓	✓	✓	✓	✓	✓	6	100%

● Was not a Member ✓ Attended the Meeting × Did Not Attend the Meeting

3.4 APC Board Members' Membership in Other Public Shareholding Companies

Except for H.E Eng. Shehadeh Abu Hdeib as Chairman of the Board of the Arab East Financial & Economic Investment Company Ltd. (PSC), none of the current members of the APC Board have any membership in public shareholding companies.

3.5 Secretary of the Board of Directors

The Secretary of the Board of Directors assumes an important position as the liaison between the Executive Management and the Board of Directors to ensure compliance with all Board procedures, and the Secretary of the Board of Directors advises the Board on all matters related to Corporate Governance while providing support to the Chairman of the Board and its Committees to ensure the efficiency of work implementation.

Since the appointment and termination of the Secretary of the Board of Directors is the responsibility of the Board of Directors, Mr. Suhaib "Adnan Wahbi" Al Tal has continued to be appointed as Secretary of the Board of Directors of the Arab Potash Company.

The Secretary of the Board of Directors shall carry out the tasks entrusted to him in accordance with the Corporate Governance Manual and the Articles of Association of the Arab Potash Company in line with the laws and regulations in force in the Hashemite Kingdom of Jordan, where he prepares for the Board of Directors meetings, records the BOD minutes of meetings, records the decisions, recommendations, discussions, and deliberations that took place during the Board meeting and any reservations expressed by the members of the Board, if any, in a special record, numbered sequentially and showing the attendance and absence of the Members, the Secretary of the Board of Directors works to follow up on the implementation of the decisions adopted by the Board, he is responsible for preparing the agenda of the meetings of the Board and keeping all documents and reports related to the Board of Directors and its committees, in addition to following up on the disclosures according to the instructions of Listed Public Shareholding Companies for the year 2017, the Secretary of the Board also works on the completion of the annual report of the Company.

4. EXECUTIVE MANAGEMENT

The following table lists the names and positions of the APC Executive Management Team:

Name	Position
Dr. Maen Fahad Abdul Karim Nsour	President & CEO
Mr. Mohammed Abd Al Rahman Al Razem	Senior VP for Finance and Support Services
Eng. Rashid Tawfiq Rashid Lubani	VP Marketing and Sales
Eng. Mohammad Abdul Fattah Mohammad Abu Gheyab	VP Operations
Eng. Adnan Sulaiman Faris Al Ma'aitah	VP Human Recourses and Corporate Affairs
Dr. Samer Ibrahim Ahmed Al Mufleh	VP Strategic Planning, Excellence and Growth

5. STANDING COMMITTEES OF THE BOARD OF DIRECTORS

5.1 General

The Board of Directors assumes its duties supported by four permanent committees emanating from the Board of Directors and two additional committees, where the charter, the mechanisms and duties of each committee are determined, and the authorities of each committee are delegated by the Board of Directors; so as to increase the effectiveness of the Board of Directors' oversight of the Company's various activities and operations in an independent and professional manner. Accordingly, the following standing committees have been formed in accordance with the Instructions of Listed Public Shareholding Companies for the year 2017.

• Audit Committee	• Nomination, Remuneration, and Investments Committee
• Risk Management Committee	• Corporate Governance Committee

All standing committees of the Board of Directors have the following powers:

- Request data and information from the Company's employees who shall cooperate to provide full and accurate data.
- Request legal, financial, administrative, and technical advice from external consultants when necessary.
- Request the attendance of any of the Company's employees for any necessary clarifications.

- The members and chair of any committee are appointed by the Board of Directors. The committee shall select and appoint among its members a deputy chair who act as the chair of the committee in the latter's absence. The committee shall appoint a secretary to organize its meetings, prepare its agendas and record the minutes of its meetings in a special record. All the minutes should be signed by the chair and members present.
- Immediately after their formation, the committees develop written work procedures that organize their work and determine their obligations and send these charters to the Governance and Quality Assurance Department to ensure their alignment with the requirements of the policy of governance of policies and procedures and keep a copy in the file of governance documents.
- The Chairman of the Committee or their Deputy, when the former is absent, shall preside over the meetings of the Committee. Such meetings shall be legal in the presence of the absolute majority of committee's members. The Committee shall take its decisions and recommendations with the concurrence of the absolute majority of the members present at least. In the event of a tie vote, the side voted for by the Chairman shall prevail.
- The committees submit their decisions and recommendations to the Board of Directors, in addition to an achievement report to the Company's annual general assembly and through the annual corporate governance report.

- If a member of the committee is not a resident of Jordan and is unable to attend the meeting, they may participate in the meetings and discussions of the committee via audio and/or visual communication means. In such case, the member shall be deemed present, and the decisions taken at the meeting shall be binding for him/her.
- There was no contradiction between the recommendations of any of the Board committees and the decisions of the Board of Directors in 2022.

Since the Jordanian Corporate Governance Code allows the boards of public shareholding companies to form other committees to carry out specific tasks provided that they define their tasks and powers granted to them, the following committees have been formed as ad hoc committees:

- Social Responsibility and Donations Committee: This Committee is intended to strengthen the Company's role in developing and supporting local communities. Its mandate and powers have been defined.
- Board's Tendering Committee: The Board's Tendering Committee was formed according to the APC's Supplies Bylaw to decide on tenders whose value is not less than JD (5) million and no more than JD (10) million and to advise the Board on tenders over JD (10) million.

5.2 Audit Committee

Having an active Audit Committee is considered one of the main features of the Corporate Governance best practices, as the Audit Committee works to establish a culture of compliance within the company by ensuring the integrity of its financial reports as well as ensuring the effectiveness of the internal control systems applied in the company. The Audit Committee is mandated with assisting the Board of Directors in carrying out its oversight work in relation to financial reports, internal control, and audit of Company's process and procedures to ensure compliance with applicable laws, regulations and codes of ethics and conduct.

The Audit Committee of the Board of Directors consists of five non-executive Board Members, all members have the knowledge, know-how and practical experience in financial, accounting, and administrative matters. The Chairman of the Audit Committee, Mr. Ali Saleh Ali Al-Smadi holds a Master's degree in Accounting from the Arab Academy for Banking and Financial Sciences in 2004, and a Bachelor's degree in Accounting from the University of Jordan in 1985.

All members have the knowledge, know-how and practical experience in financial, accounting, and administrative matters. The Company places all its resources at the disposal of the Audit Committee in order to enable it to carry out its mandate in the best way possible. The Committee can draw upon experts whenever necessary.

The Committee shall meet as needed at the invitation of its Chairman or the Vice-Chairman in case the former is absent or at the request of the majority of the members, provided that its meetings is not less than four annually as required by the 2017 Jordanian Corporate Governance Code.

The Committee held five meetings during the year 2022 of which four with the participation of the Company's external auditor, and one without the presence of any member of the Senior Executive Management or their representatives.

The following table lists the names of the Chairman and members of the Board's Audit Committee and a description of their qualifications:

Board Member	Position on the Committee	Qualifications
Mr. Ali Saleh Ali Al-Smadi Representative of the Social Security Corporation	Committee Chairman	Member of the Board of Directors of The Arab Potash Company representing the Social Security Corporation as of January 16, 2022. Mr. Al-Smadi is currently holds the position of Assistant Director General of Financial & Administrative Affairs; as he joined the Social Security Corporation since 1987, since then he has promoted in several positions within the Corporation, where during the period (1991 – 1993) he served as Head of the Financial Analysis Division, then promoted to Head of Financial Analysis during the period (1994 – 2002), after which and during the period (2003 – 2005) Mr. Al-Smadi worked as Assistant Director of the Financial Directorate of the Corporation. Mr. Al Smadi served on several Boards of Directors of Public Shareholding Companies, most notably, member of the National Co. for Tourism Development in 2007, Board Member of Al Rai Newspaper in 2012, member of the Board of Directors of Al Dustour Newspaper in 2015, member of the Board of Directors of the National Portfolio of Securities in 2020, as well as a member of the Board of Directors of Al Daman for Development Zones Company since June 2021. Mr. Al-Smadi holds a Master's degree in Accounting from the Arab Academy of Financial and Banking Sciences in 2004, and a Bachelor's degree in Accounting from the University of Jordan in 1985.
Eng. Mofreh Dakhilallah Jum'a Al Tarawneh Representing the Government Investments Management Company	Vice Chairman	APC Board Member representing Government Investments Management Company (GIMC) since June 20, 2017. Eng. Al-Tarawneh Joined Jordan Arab Forces in 1978 where he served until his retirement with the rank of Major General. He held many posts that included Assistant to the Chairman of the Royal Jordanian National Defense College, Deputy General Manager of the King Abdullah II Design and Development Bureau (KADDB), Board Member of KADDB affiliated companies, Chief of Military Cooperation Strategic Planning, and Assistant Defense Attaché in Pakistan. Eng. Al-Tarawneh was also Project Manager of the transfer of Challenger CD1 tanks from the UK to Jordan project, and he participated internationally in the peace keeping mission in Croatia (UNPROFOR) as well as several military cooperation missions. Eng. Al-Tarawneh holds a BSc in Mechanical Engineering from the UK, and an Executive MBA from Pakistan. Eng. Al-Tarawneh also received Military and Technical training at national military schools and international military academies in the USA and the UK.

Board Member	Position on the Committee	Qualifications
Mr. "Ahmad Jamal" Nawaf Moh'd Bataineh Representing the Government Investments Management Company	Member	APC Board Member representing Government Investments Management Company (GIMC) since August 12, 2012. Mr. Bataineh attained the rank of Brigadier General at the Jordanian Armed Forces and held the position of Director of Military Intelligence until 2000 and Military Attaché of Jordan to the United Kingdom until 1999. He was also General Manager of the National Resources Development Company until 2007, founder and CEO of Al Salam Company for Security and Safeguarding until 2011, President of the Basketball League (2000 – 2003). Mr. Bataineh received number of Jordanian medals of honor.
Mr. Zhou Weiliang Representing Man Jia Industrial Development Limited	Member	APC Board Member representing Man Jia Industrial Development Ltd. since November 1, 2018.Mr. Weiliang currently holds the post of General Manager of SDIC Mining. He has also held many posts; Vice General Manager of SDIC High Technology Investment Company, Deputy Director of Operation Management SDIC, General Manager of SDIC Xinjiang Subsidiary, Chief Delegate of SDIC Representative Office in Xinjiang, and Operational Researcher at SDIC Research Center. Mr. Weiliang also worked as Deputy Director of Technology Development Department of Xinjiang University, and Manager of Nisang Advertisement Company, Xinjiang University and Deputy General Manager of SDIC Mining. He was also a Principal Staff Member of Politics and Law School of Xinjiang University and an instructor at the Chinese Department of Xinjiang University. Mr. Weiliang holds BA degree in Journalism from Xinjiang University.
Mr. Anmar Taleb Abd Allatif Al Abdujalil Representing the Arab Mining Company	Member	APC Board Member representing Arab Mining Company since September 9, 2019 and Vice Chairman from October 29, 2019. Mr. Alabduljalil joined Kuwait Investment Authority in 1987 and was promoted for many posts; currently holds the post of Sr. Investment Director – Shareholdings Dept. – General Reserve Sector. Mr. Alabduljalil is a Board Member at Gulf Stone Company – Oman and he served as Deputy Chairman of the Board at Public Utilities Management Company – Kuwait, Deputy Chairman of Kuwait Public Transport Company, Chairman of SAMIA Co., Mauritania, and Member at SAMIA Co. Audit Committee. Mr. Al-Abduljalil holds a BA in Management Information Systems (MIS), and post-secondary education in Commerce from Chapman University, California, USA in 1976.

The Audit Committee held five meetings during 2022 and the following members of the Committee attended the meetings:

Board Member	Position on the Committee	First meeting	Second meeting	Third meeting	Fourth meeting	Fifth meeting
Mr. Ali Saleh Ali Al-Smadi	Committee Chairman	●	✓	✓	✓	✓
Eng. Mofreh Dakhilallah Jum'a Al Tarawneh	Vice-Chairman	✓	✓	✓	✓	✓
Mr. "Ahmad Jamal" Nawaf Moh'd Bataineh	member	✓	✓	✓	✓	✓
Mr. Zhou Weiliang	member	✓	✓	✓	✓	✓
Mr. Anmar Taleb Abd Allatif Al Abdujalil	member	✓	✓	✓	✓	✓
Committee Secretary - Mr. Hamad Mohammed Darwish Al Shahwan						

● Was not a Member ✓ Attended the Meeting × Did Not Attend the Meeting

5.3 Nomination, Remuneration and Investments Committee

The Nomination, Remuneration and Investments Committee consists of five members of the Board of Directors, the committee was formed pursuant to 2017 Jordanian Corporate Governance Code for Listed Shareholding Companies issued by the Securities Commission. The Committee shall meet as needed at the invitation of its Chairman or the Vice-Chairman in case the former is absent or at the request of the majority of the members of the Committee, provided that the number of its meetings shall not be less than two meetings per year in accordance with the 2017 Jordanian Corporate Governance Code for Listed Shareholding Companies. the Nomination, Remuneration and Investments Committee met two times during the year 2022. The meetings were attended by the following committee members:

Board Member	Position on the Committee	First meeting	Second meeting
H.E Eng. Shehadeh Abdullah Al-Hamad Abu Hdeib	Committee Chairman	✓	✓
Ms. Reem Ali Abdullah Al- Sughayer	Vice Chairman	✓	✓
Mr. "Ahmad Jamal" Nawaf Moh'd Bataineh	Member	✓	✓
Eng. Mofreh Dakhilallah Jum'a Al Tarawneh	Member	✓	✓
Eng. Deng Hua	Member	✓	✓
Committee Secretary – Mr. Mohammed Riyad Sami Al-Taher			

● Was not a Member ✓ Attended the Meeting × Did Not Attend the Meeting

5.4 Risk Management Committee

The Risk Management Committee was formed at the end of 2017 pursuant to the 2017 Jordanian Corporate Governance Code for Listed Shareholding Companies. The Committee comprises seven members, including members from the Executive Management of the Company. The Committee shall meet periodically, but at least twice a year. The Committee held two meetings during the year 2022. The meetings were attended by the following committee members:

Committee Members	Position on the Committee	First meeting	Second meeting
Eng. Mofreh Dakhilallah Jum'a Al Tarawneh	Committee Chairman	✓	✓
Mrs. Azza Mohammad Saeed Rashed Al Suwaidi	Vice Chairman	✓	✓
Ms. Reem Ali Abdullah Al- Sughayer - as of 21/04/2021	Member	✓	✓
Mr. Zhou Weiliang	Member	✓	✓
Dr. Maen Fahad Abdul Karim Nsour – President & CEO	Member	✓	✓
Mr. Mohammed Abd Al Rahman Abdul Mughni Al Razem - Senior VP for Finance & Support Services	Member	✓	✓
Dr. Samer Ibrahim Ahmed Al Mufleh - VP Strategic Planning, Excellence and Growth	Member	✓	✓
Committee Secretary - Mr. Suhaib "Adnan Wahbi" Yousef Al-Tal			

● Was not a Member ✓ Attended the Meeting × Did Not Attend the Meeting

5.5 Governance Committee

The APC Board's Corporate Governance Committee was formed in 2017 in accordance with the 2017 Jordanian Corporate Governance Code for Listed Shareholding Companies issued by the Jordan Securities Commission based on the provisions of the Securities Law. The Corporate Governance Committee comprises Six Non-Executive Members of the Board of Directors. The Committee shall meet as needed at the invitation of its Chairman or the Vice-Chairman in case the former is absent or at the request of the majority of the members of the Committee, provided that the number of its meetings is not less than two meetings per year in accordance with the requirements of the 2017 Jordanian Corporate Governance Code. The Committee met two times during the year 2022. The meetings were attended by the following committee members:

Board Member	Position on the Committee	First meeting	Second meeting
Mr. "Ahmad Jamal" Nawaf Moh'd Bataineh	Committee Chairman	✓	✓
Eng. Mofreh Dakhilallah Jum'a Al Tarawneh	Member	✓	✓
Prof. Fayyad Melfi Aqil Al Qudah	Member	✓	✓
Mrs. Wafa Abdurrazagh Mohamed Abu Shkewa as of 14/06/2022	Vice-Chairman	●	✓
Mr. Zhao Jing as of 18/03/2022	member	●	✓
Mr. Ahmed Abdul-Jabbar Ali Al-Karim as of 27/11/2022	member	●	●
Eng. Emhemmed Abdurrahman Emhemmed Ghula until 14/06/2022	Vice-Chairman	✓	●
Mr. Yousif Mohammed Jasim Al Janabi until 27/11/2022	member	✓	●
Eng. Deng Hua until 18/03/2022	member	✓	●
Committee Secretary - Mrs. Ghadeer Dawood Ahmad Qassem			

● Was not a Member ✓ Attended the Meeting × Did Not Attend the Meeting

5.6 Corporate Social Responsibility and Donations Committee

In addition to the standing committees formed according to the 2017 Corporate Governance Code, the Board has set up the Social Responsibility and Donations Committee. This Committee comprises three members, two representing the Board and the third is the President & CEO.

The committee is primarily mandated with providing support to the local community in several areas, including: Health, education, water, sports, social and cultural activities, places of worship, official and community institutions and bodies, etc.

The Committee formulates the APC annual social responsibility strategy. It also establishes an action plan to deliver planned social responsibility activities on the ground, specifying expenditures, target sectors and amounts committed annually. This is in addition to studying support requests and advise the Board on donations of more than JD (250,000). The Committee shall meet as needed. The Committee held five meetings during the year 2022.

5.7 The Board's Tendering Committee

The Board's Tendering Committee was formed in 2018 in accordance with the provisions of the APC Supplies Bylaw as an additional committee. The Committee comprises six members, including the Board Chairman who shall serve as Chairman of the Committee and Four Board Members who shall serve as members of the Committee. The Board's Tendering Committee is primarily mandated with deciding on tenders whose value is not less than (JD5) million and no more than (JD10) million and to advise the Board on tenders over (JD10) million. The Board's Tendering Committee shall meet as needed. The Committee held ten meetings during the year 2022.

6. GENERAL ASSEMBLY MEETINGS

The Annual Ordinary General Assembly Meetings are considered one of the most important meetings, as the General Assembly Meetings aim to provide full information to the shareholders pertaining to the Company's performance during the year, discuss the Company's profits, as well as the Company's auditor's report, and the cash dividends percentage that will be distributed to shareholders.

The General Assembly holds its extraordinary meetings in accordance with the legislation in force in the Hashemite Kingdom of Jordan.

Appropriate venue and time should be chosen to hold meetings in such a manner as to encourage the attendance of as many shareholders as possible or to appoint a shareholder to attend the meeting under a written delegation or to delegate another person under a power of attorney in accordance with the legislation in force in the Hashemite Kingdom of Jordan.

The invitation to attend the General Assembly meeting shall be sent to all shareholders either by hand or by registered mail or to the shareholder's email, at least 21 days prior to the date of the meeting. The date and place of the meeting shall be specified in the invitation and shall be accompanied by the agenda of the General Assembly, including the topics to be discussed in a detailed and clear manner. The Board of Directors shall announce the date and venue of the meeting in two daily local newspapers at least twice and on the Company's website. The announcement shall also be made by audio and video means.

In the event of elections for the members of the Board of Directors, a copy of the CV of the shareholder who wishes to be elected to the Board of Directors shall be attached to the agenda.

No new topics are included during the Ordinary General Assembly meeting that are not on the agenda sent to the shareholders.

The Ordinary and Extraordinary General Assembly shall be chaired by the Chairman of the Board of Directors or their Deputy or whomever they delegate in case of their absence. The members of the Board of Directors shall attend meetings no less than the quorum for any meeting of the Board of Directors.
The meetings shall be managed in a way that allows all stakeholders to actively participate and express their opinions freely and receive answers to all their queries.

The Ordinary General Assembly Meeting of the Arab Potash Company was held on Wednesday 30/03/2022 by means of remote visual communication, in compliance with the provisions of Defense Law No. (13) of 1992, Defense Order No. (5) of 2020 published in the Official Gazette on 31/03/2020, and the procedures issued by HE Minister of Industry, Trade and Supply on 09/04/2020 pursuant to the above Defense Order, Where the General Assembly of the Shareholders of the Company unanimously approved the following:

1. Reciting of Minutes of Meeting of the previous Ordinary General Assembly Meeting.
2. To vote on the Board of Directors' Report on the Company's activities for the year 2021 and its future plan.
3. To vote on the report of the Company's Auditors on the consolidated financial position statement, other consolidated year-end accounts and its financial status for the year 2021.
4. To vote on the Consolidated Financial Position and Consolidated Income Statement for the year 2021.
5. Reporting the activities of the Committees of APC's Board of Directors in accordance with Clause (6/h) of the Instructions of Corporate Governance for Shareholding Listed Companies for the year 2017.
6. To vote on the election of auditors of the Company accounts for the financial year ending December 31, 2022 and determining their fees.
7. To vote on discharging the Company's Board of Directors of any liabilities for the year 2021 within the limits of the law.
8. To vote on the dividends distribution ratio.

7. RIGHTS OF STAKEHOLDERS AND GENERAL RIGHTS OF SHAREHOLDERS

As part of the commitment of the Arab Potash Company to recognize the rights of stakeholders, the Company has prepared a Policy to Regulate the Relationship with Stakeholders, this policy was designed with the aim to ensure and protect the rights of its Stakeholders with full transparency and integrity in accordance with the laws and instructions issued by the relevant regulatory authorities and in accordance with the best practices in this field.

The Arab Potash Company is committed to ensuring that the rights of the stakeholders and the public rights of the shareholders are maintained and that good relations are established with them to ensure that they have complete, sufficient and reliable information to enable them to carry out their responsibilities towards the Company.

General Rights of Shareholders:

- The shareholders of the Arab Potash Company are provided with excellent services provided by the Shareholders' Affairs Department of the Company. The Department keeps records of the ownership of the shareholders and the changes and restrictions thereon. The purpose of this is to enable the shareholders to view the register of shareholders regarding their contribution for any reason, and shall be informed of all the information and documents of the Company according to the legislation in force. The shareholders are also enabled to obtain periodic and non-periodic information disclosed and participate in voting on the resolutions of the General Assembly either in person or through delegates. They shall also have the right to review the minutes of the meetings of the General Assembly of the Company when necessary. The shareholders in the Arab Potash Company shall receive their share of annual dividends within forty-five days from the date of issuance of the General Assembly's decision to distribute cash dividends through a local bank approved by the Company or by bank transfer to their bank account registered in the register of shareholders.
- On APC website, the Company provides a special section for shareholders to view advertisements and financial and non-financial disclosures of interest to them. The Company also welcomes constructive shareholder suggestions and feedback received through a dedicated box located in the Company's general administration building. Such input is also received through the Company's website and through the complaints and suggestions register which is made available at the General Assembly's meeting to be considered for further action.

Powers of the General Assembly

The General Authority of the Arab Potash Company has all the powers granted by the legislation in force in the Hashemite Kingdom of Jordan to take the necessary decisions that affect the future of the Company directly.

8. DISCLOSURE AND TRANSPARENCY

- The Arab Potash Company develops written work procedures for regulating the disclosure of information and follow-up application in accordance with the requirements of the regulatory authorities and the legislation in force. Among these requirements are disclosure instructions issued by the issuing companies, accounting and auditing standards issued by the JSC based on the Securities Law. On the recommendation of the

Company's Corporate Governance Committee, the Company's Board of Directors approved a disclosure and transparency policy under which the Company's management is committed to disclosing financial information and key data to shareholders and investors in a timely and accurate manner that helps them make their investment decisions. The Company uses its website to promote all its disclosures and via the Company's annual report as well.

- Disclosures include periodic financial and non-financial reports, the Company's core information, changes in the composition of the Board of Directors, Senior Executive Management and Board's Audit Committee. The privileges enjoyed by the members of the Board of Directors, the Senior Executive Management, the number of securities they own, and insider trading are also disclosed. The Company also discloses its policies and programs towards the local community in all its sectors and any information that may affect the Company's share price.

9. EXTERNAL AUDITOR

During its meeting held on 30/03/2021 The APC General Assembly approved the hiring of PricewaterhouseCoopers (PwC) Jordan as auditors for the Company's accounts for the fiscal year ended 31/12/2022 and their fees.

The Company has taken appropriate measures to ensure the following:

- The Company ascertained that the external auditor (PricewaterhouseCoopers) is certified and registered with the JSC and qualified, under license No. (802), to audit the accounts of entities subject to the supervision and control of the JSC as on 01/07/2022.
- The Company is satisfied that the external auditor is not a shareholder, founder or member of the Board of Directors of the Company and does not have any partnership with any member of the Board of Directors or an employee thereof.
- The external auditor does not perform any additional work for the Company, such as the provision of administrative or technical advice but only after the approval of the Board of Directors on the recommendation of the Audit Committee.
- The auditor is fully independent in accordance with International Standards on Auditing.
- The auditor performs its work impartially and without the intervention of the Board of Directors or the Executive Management.
- The external auditor performs the duties required under applicable legislation, including:

1. Carry out the work assigned in an independent and impartial manner.
2. Monitor the Company's work and audit its accounts in accordance with international standards.

3. Examine the Company's administrative and financial regulations and the internal controls and give an opinion regarding their effectiveness and ensure their suitability for the proper functioning of the Company and the protection of its funds.
4. Attend ordinary and extraordinary General Assembly meetings and answer questions and queries of the Company's shareholders concerning the financial statements and year-end accounts during the meeting.
5. Verify the ownership of the Company's assets and the legality of its obligations.
6. Give opinion on the fairness of the financial statements of the Company and request amendments if there is any impact thereof.
7. Ensure that the Company organizes its accounts and financial statements in accordance with the International Financial Reporting Standards (IFRS).
8. Report to competent authorities any violation of applicable legislation or any financial or administrative matters that have a negative impact on the Company's status.

10. RELATED PARTY DEALINGS

The Arab Potash Company is committed to applying the provisions of the relevant applicable legislation in the Company relating to the transactions of related parties. The Board's Audit Committee reviews the transactions of related parties and ascertains that there is no conflict of interest that may result from the Company concluding deals, entering into contracts or entering into projects with related parties. The related parties' transactions are disclosed in accordance with International Financial Reporting Standards (IFRS) and included in the Company's financial statements.

Eng. Shehadah Abdullah Al-Hamad Abu Hdaib
Chairman of the Board of Directors

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2022

Independent Auditor's Report
To the Shareholders of Arab Potash Company
Public Shareholding Company

Report On The Audit Of The Consolidated Financial Statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Arab Potash Company (a Public Shareholding Company) (the "Company") and its subsidiaries (together the "Group") as at 31 December 2022, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2022;
- the consolidated statement of income for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in shareholders' equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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INDEPENDENT AUDITOR'S REPORT *(CONTINUED)*
TO THE SHAREHOLDERS OF ARAB POTASH COMPANY
PUBLIC SHAREHOLDING COMPANY

FOR THE YEAR ENDED 31 DECEMBER 2022

OUR AUDIT APPROACH

OVERVIEW

Key Audit Matter	Employees' benefit obligations

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the Group's structure, the accounting processes and controls and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Employees' benefit obligations (Death and compensation fund)	
• The Group has different employee benefit programs, some of which are defined contribution plans where the Group's obligations are limited to the contribution made. Other plans constitute "defined benefit plans" including the Death and Compensation Fund which represents benefits for retired, resigned or deceased employees. Further details of this plan are illustrated in Note (20).	To evaluate the accounting treatments applied by the Group and to test the reasonableness of management's estimates, we performed the following procedures:

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INDEPENDENT AUDITOR'S REPORT *(CONTINUED)*
TO THE SHAREHOLDERS OF ARAB POTASH COMPANY
PUBLIC SHAREHOLDING COMPANY

FOR THE YEAR ENDED 31 DECEMBER 2022

Key audit matters (continued)

• Under International Accounting Standard 19 'Employee Benefits', the measurement of employees' benefits obligations requires estimates relating to expected future payments and the application of actuarial assumptions in connection with salary growth rates, staff turnover and use of an appropriate discount rate. The assumptions used, and the sensitivities to their changes, are disclosed in Note (20). The Group appointed an independent actuary to develop an estimate of the Death and Compensation Fund obligations. • The balance of this obligation amounted to JD 53,779 thousand as at 31 December 2022 (2021: JD 59,148 thousand). This subject is considered a key audit matter given the materiality of the employees benefits plans, Death and Compensation Fund in particular, to the consolidated financial statements and the significant estimates and judgments used in the calculation of the obligation as mentioned above.	• We obtained the latest signed agreements between the Group and the General Union of Mines and Mining Employees, in addition to the internal bylaws for the Death and Compensation Fund and its subsequent amendments. • We also obtained an understanding of the different benefit schemes available to employees of the Group and assessed whether the Group's accounting policies had been applied consistently over each of the presented years, and whether the applied techniques to calculate obligations at the year-end complied with the requirements of IAS 19 "Employee Benefits". • Management provided us with the independent actuarial report used by management to calculate the obligations of defined employees' benefits. We assessed the independence and professional qualifications of the appointed actuary, together with the scope of work that the actuary was requested to perform. • We utilised our internal actuarial expert to assess the reasonableness of the key assumptions (discount rate, inflation rates, attrition and mortality assumptions) adopted by the independent actuary for the estimation of the Death and Compensation Fund obligations based on their experience in similar industries. • We tested the accuracy of the information used in the actuarial calculation which was provided by management by tracing to employees' contracts, payroll sheets, employees' information including, but not limited to, date of hire, age, current salary and grade. • We reviewed the disclosures included in the consolidated financial statements to assess the adequacy of disclosures based on IAS 19 "Employee Benefits" requirements in Note (20).

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INDEPENDENT AUDITOR'S REPORT *(CONTINUED)*
TO THE SHAREHOLDERS OF ARAB POTASH COMPANY
PUBLIC SHAREHOLDING COMPANY

FOR THE YEAR ENDED 31 DECEMBER 2022

Other information:

Management is responsible for the other information. The other information comprises the Management's annual report (but does not include the consolidated financial statements and our auditor's report thereon) which we obtained prior to the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as the management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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INDEPENDENT AUDITOR'S REPORT *(CONTINUED)*
TO THE SHAREHOLDERS OF ARAB POTASH COMPANY
PUBLIC SHAREHOLDING COMPANY

FOR THE YEAR ENDED 31 DECEMBER 2022

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report *(continued)*
To the Shareholders of Arab Potash Company
Public Shareholding Company

For the Year Ended 31 December 2022

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

The Group maintains proper accounting records which are consistent, in all material aspects, with the accompanying consolidated financial statements. We recommend the General Assembly to approve them.

For and on behalf of PricewaterhouseCoopers "Jordan"

Hazem Hanna Sababa
License No. (802)

Amman - Jordan
7 March 2023

Certified Public Accountants
pwc
Amman - Jordan

Arab Potash Company
Public Shareholding Company
Consolidated Statement of Financial Position
As At 31 December 2022

	Notes	31 December 2022	31 December 2021 *
		JD "000"	JD "000"
Assets			
Non-current assets			
Property, plant and equipment	5	633,631	503,684
Right of use	6	15,342	16,751
Right of use of leased asset	33	3,356	4,045
Investments in associates	7	5,902	4,477
Investments in joint ventures	8	231,517	206,081
Financial assets at amortized cost	10	20,555	20,677
Employees' housing loans	11	13,404	14,389
Other non-current assets	17,36	88,001	109,326
Financial assets at fair value through other comprehensive income	9	835	790
Deferred tax assets	24	22,316	22,481
		1,034,859	902,701
Current assets			
Inventories	13	42,406	21,427
Spare parts and supplies	14	52,725	49,755
Employees' housing loans	11	2,738	2,762
Accounts receivable	12	282,897	110,792
Other current assets	15,36	79,130	26,536
Cash on hand and bank balances	16	531,040	210,724
		990,936	421,996
Total assets		**2,025,795**	**1,324,697**
Shareholders' Equity and Liabilities			
Shareholders' Equity			
Paid in share capital	1	83,318	83,318
Statutory reserve	18	50,464	50,464
Voluntary reserve	18	80,699	80,699
Fair value reserve	9	178	133
Re-measurement of post-employment benefit obligations		(8,155)	(14,781)
Retained earnings		1,368,824	867,577
Net Shareholders' Equity		**1,575,328**	**1,067,410**

* Refer to note 36 for details regarding certain restatements related to reclassifications between the consolidated statement of financial position lines

The accompanying notes 1 to 36 form part of these consolidated financial statements

Arab Potash Company
Public Shareholding Company
Consolidated Statement of Financial Position (Continued)
As at 31 December 2022

	Notes	31 December 2022	31 December 2021*
		JD "000"	JD "000"
Liabilities			
Non-current liabilities			
Death and compensation fund obligations	20	50,048	55,736
Other non-current liabilities	23	19,465	21,992
Lease liability	33	3,193	2,998
		72,706	80,726
Current liabilities			
Current portion of long-term loan	19	-	6,494
Obligations against capital projects	6	-	2,427
Lease liability	33	893	788
Trade payables		15,055	9,429
Income tax provision	24	196,278	73,251
Mining fees to the Government of Jordan	28	77,133	29,382
Death and compensation fund obligations	20	3,731	3,412
Other current liabilities	21	84,671	51,378
		377,761	176,561
Total liabilities		**450,467**	**257,287**
Total shareholders' equity and liabilities		**2,025,795**	**1,324,697**

* Refer to note 36 for details regarding certain restatements related to reclassifications between the consolidated statement of financial position lines

The accompanying notes 1 to 36 form part of these consolidated financial statements

Arab Potash Company
Public Shareholding Company
Consolidated Statement of Income
For The Year Ended 31 December 2022

	Notes	2022	2021
		JD "000"	JD "000"
Revenues from contracts with customers	22	1,268,192	648,010
Cost of sales	25	(354,790)	(331,454)
Gross profit	22	913,402	316,556
Administrative expenses	26	(18,665)	(16,935)
Selling and distribution expenses	29	(17,432)	(15,091)
Net impairment losses on financial assets	16	(4,068)	(1,256)
Corporate social responsibility expenses	35	(8,092)	(5,238)
Potash mining fees	1, 28	(127,133)	(39,382)
Operating profit		**738,012**	**238,654**
Finance income		12,985	5,164
Finance costs	30	(5,671)	(5,027)
Other income, net	27	553	2,014
Profit before the Group's share of profit from associates and joint ventures and income taxes		**745,879**	**240,805**
Group's share of profit from associates and joint ventures	7,8	94,979	58,542
Profit before income tax		**840,858**	**299,347**
Income tax expense	24	(239,630)	(82,630)
Profit for the year		**601,228**	**216,717**
		JD / Fills	JD / Fills
Earnings per share			
Basic and diluted earnings per share	31	7.216	2.601

The accompanying notes 1 to 36 form part of these consolidated financial statements

Arab Potash Company
Public Shareholding Company
Consolidated Statement of Comprehensive Income
For The Year Ended 31 December 2022

	Notes	2022	2021
		JD "000"	JD "000"
Profit for the year		**601,228**	**216,717**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Re-measurement of post-employment benefit obligations	20	7,949	1,682
Group's share of joint ventures re-measurement of post-employment benefit obligations	8,7	1,112	(107)
Changes in the fair value of equity investments at fair value through other comprehensive income	9	45	181
Income tax relating to these items		(2,435)	(522)
Total comprehensive income for the year		**607,899**	**217,951**

The accompanying notes 1 to 36 form part of these consolidated financial statements

Arab Potash Company
Public Shareholding Company
Consolidated Statement of Changes in Shareholders' Equity
For The Year Ended 31 December 2022

	Paid in Share capital	Statutory reserve	Voluntary reserve	Fair value reserve	Re-measurement of post-employment benefit obligations	Retained earnings	Net Shareholders' Equity
	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"
2022							
Balance at 1 January 2022	**83,318**	**50,464**	**80,699**	**133**	**(14,781)**	**867,577**	**1,067,410**
Profit for the year	-	-	-		-	601,228	601,228
Other comprehensive income for the year	-	-	-	45	6,626	-	6,671
Total comprehensive income for the year	-	-	-	45	6,626	601,228	607,899
Transactions with shareholders in their capacity as owners:							
Dividends distribution (Note 18)	-	-	-	-	-	(99,981)	(99,981)
Balance at 31 December 2022	**83,318**	**50,464**	**80,699**	**178**	**(8,155)**	**1,368,824**	**1,575,328**
2021							
Balance at 1 January 2021	**83,318**	**50,464**	**80,699**	**(48)**	**(15,834)**	**734,178**	**932,777**
Profit for the year	-	-	-	-	-	216,717	216,717
Other comprehensive income for the year	-	-	-	181	1,053	-	1,234
Total comprehensive income for the year	-	-	-	181	1,053	216,717	217,951
	-	-	-				
Transactions with shareholders in their capacity as owners:	-	-	-				
Dividends distribution (Note 18)	-	-	-	-	-	(83,318)	(83,318)
Balance at 31 December 2021	**83,318**	**50,464**	**80,699**	**133**	**(14,781)**	**867,577**	**1,067,410**

The accompanying notes 1 to 36 form part of these consolidated financial statements

Arab Potash Company
Public Shareholding Company
Consolidated Statement of Cash Flows
For The Year Ended 31 December 2022

	Notes	2022	2021
		JD "000"	JD "000"
Operating Activities			
Profit for the year before income tax		840,858	299,347
Adjustments:			
Depreciation	5	53,874	46,145
Depreciation on right of use of leased asset	33	689	711
Amortisation	6,10,17	3,436	4,512
Gain on disposal of Property, plant and equipment		-	13
Finance income		(12,985)	(5,164)
Finance costs	30	5,671	5,027
Share of profit from associates and joint ventures	7,8	(96,091)	(58,435)
End of service indemnity provision		39	266
Potash mining fees		127,133	39,382
Provision for slow moving spare parts and inventory	13,14	357	274
Reversal of provision for slow moving spare parts and inventory	13,14	(566)	(284)
Provision for unpaid employees' leaves		-	-
Employee's legal cases compensation provision		1,773	501
Death and compensation provision	20	7,764	8,082
Working capital changes:			
Inventories		(20,979)	11,662
Spare parts		(2,761)	(6,077)
Accounts receivable		(172,105)	(46,728)
Other assets		8,616	(15,571)
Trade payables and accruals		5,626	(528)
Other current liabilities		29,062	17,289
Net cash flows from operating activities before paid income tax, mining fees and others provisions		**779,411**	**300,424**
Income tax paid	24	(118,873)	(38,246)
Mining fees paid	28	(78,382)	(14,986)
Death and compensation fund paid	20	(5,184)	(8,273)
Net cash flows generated from operating activities		**576,972**	**238,919**

The accompanying notes 1 to 36 form part of these consolidated financial statements

Arab Potash Company
Public Shareholding Company
Consolidated Statement of Cash Flows (continued)
For The Year Ended 31 December 2022

	Notes	2022	2021
		JD "000"	JD "000"
Investing Activities			
Purchase of property, plant and equipment	5	(183,821)	(153,088)
Cash proceeds from sales of property, plant and equipment		-	77
Finance income received		9,370	5,771
Dividends received from associates and joint ventures	7,8	31,468	69,437
Granted employees' housing loans		(1,911)	(2,620)
Proceeds from Employees housing loans		2,920	3,016
Short term deposits with maturity above three months and less than a year	16	(298,006)	(39,819)
Net cash flows used in investing activities		**(439,980)**	**(117,226)**
Financing Activities			
Repayment of loans	19	(6,494)	(6,185)
Payments for obligations against capital projects	6	(2,427)	(3,234)
Lease liability paid	33	-	(893)
Finance costs paid		(5,671)	(4,549)
Dividends paid to shareholders	18	(100,090)	(83,253)
Net cash flows used in financing activities		**(114,682)**	**(98,114)**
Increase in cash and cash equivalents		**22,310**	**23,579**
Cash and cash equivalents at 1 January	16	53,017	29,438
Cash and cash equivalents at 31 December	**16**	**75,327**	**53,017**
Non-Cash Transactions:			
Interest expense incurred on lease liabilities	33	300	478

The accompanying notes 1 to 36 form part of these consolidated financial statements

(1) General Information

Arab Potash Company “APC”, the “Company”, is a public shareholding company that was founded and registered on 7 July 1956 in Amman – Jordan. During 1958, the Company was granted a concession from the Government of the Hashemite Kingdom of Jordan to exploit the minerals and salts of the Dead Sea brine. The concession expires after 100 years from the grant date, after which, the Company’s factories and installations become the property of the Government of the Hashemite Kingdom of Jordan. Based on the agreement, the Company will not be responsible for any decommissioning costs. The concession agreement was amended during 2003 in accordance with the Temporary Law Number (55) of 2003, whereby amendments included the annual rent fees for lands within the concession area, the concession area borders, and the exclusive rights given to the Company. On 11 May 2010 the Government of Jordan and APC agreed to amend the lease fee of the concession land in Ghour Al Safi site to JD 1.5 million per annum; and the lease fee shall be increased annually in accordance with the Consumer Price Index to become JD 1,907 thousand as at 31 December 2022 (2021: JD1,879 thousand).

Under the terms of the concession, the Government of the Hashemite Kingdom of Jordan is entitled to a mining fee of JD 8 for each ton of potassium chloride, (“Potash”) exported by the Company. On 12 February 2008 the Council of Ministers resolved to increase the mining fees to JD 15 for each ton mined, effective 17 March 2008. On 5 August 2008 the Council of Ministers resolved to increase the mining fees to JD 125 for each ton mined, effective 16 September 2008 with maximum mining fees payable limited to 25% of the Company’s net profit after tax for the year excluding the Company’s share in the results of its subsidiaries and associates.

Potash mining fees for the years 2022 and 2021 were calculated based on 25% of the Company’s net income after tax excluding the Company’s share of the results of its subsidiaries and associates. Mining fees were presented in a separate line item within the consolidated statement of income.

The authorized and paid in share capital is JD 83,317,500 distributed into 83,317,500 shares with a par value of JD 1 per share, that are all listed in Amman stock exchange market- Jordan.

The Company and its subsidiaries (the “Group”) produce and market Potash, Salt, Potassium Nitrates, Di-Calcium Phosphate, mixed salts and mud in the international market.

The registered address of the Company is P. O. Box 1470 Amman 11118, the Hashemite Kingdom of Jordan.

The consolidated financial statements were authorised for issue by the board of directors on 26 February 2023. these consolidated financial statements require the approval of the General Assembly of the shareholders of the Company.

(2) Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRS”), and the related interpretations.

The consolidated financial statements of the Group are prepared under the historical cost convention, except for financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss that have been measured at fair value at the date of these consolidated financial statements.

The consolidated financial statements of the Group are prepared in accordance with the going concern basis.

The consolidated financial statements have been presented in Jordanian Dinar, which is the functional currency of the Group. Values are rounded to the nearest thousand (JD “000”), except otherwise indicated.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in (Note 4).

2.2 Basis of Consolidation

The consolidated financial statements of the Group include the financial statements of the Company and its controlled subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

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

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Included in consolidated statement of income: income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of Arab Potash Group.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

The consolidated financial statements comprise the following subsidiaries:

Subsidiary	Type	Nature of business	Paid in capital	Percentage of ownership
			‘000	%
Arab Fertilizers and Chemicals Industries (KEMAPCO)	Limited Liability	Fertilizer production	29,000	100
Numeira Mixed Salts and Mud Company	Limited Liability	Dead sea Mud products and packaging services	800	100
Dead sea for chemicals & fertilizars	Limited Liability	Fertilizer production	50	100

Shareholders that have significant influence over the Group

Shareholder	No. of shares	Percentage of ownership
		%
Man Jia Industrial Development Limited	23,294,614	28
Governmental Investments Management Company	21,782,437	26
Arab Mining Company	16,633,897	20
Social Security Corporation	8,679,641	10

2.3 Changes in Accounting Policies

2.3.1 Changes in accounting policy and disclosures

(a) New and amended standards and interpretations issued and adopted by the Group in the financial year beginning on 1 January 2022:

Title	Key requirements	Effect date *
Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16	The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is ‘testing whether the asset is functioning properly’ when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity’s ordinary activities.	1 January 2022
Reference to the Conceptual Framework – Amendments to IFRS 3	Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date.	1 January 2022

Title	Key requirements	Effect date *
Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37	The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.	1 January 2022
Annual Improvements to IFRS Standards 2018–2020	The following improvements were finalised in May 2020: IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities. IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.	1 January 2022
	IFRS 1 First-time Adoption of International Financial Reporting Standards – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption. IAS 41 Agriculture – removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.	

(b) The Group has not yet applied the following new standards, amendments and interpretations that have been issued but are not yet effective:

IFRS 17 Insurance Contracts	IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts.	1 January 2023
Classification of Liabilities as Current or Non-current – Amendments to IAS 1	The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.	1 January 2023 (deferred from 1 January 2022)

IFRS 17 Insurance Contracts	IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts.	1 January 2023
Disclosure of Accounting Policies– Amendments to IAS 1 and IFRS Practice Statement 2	The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.	1 January 2023
Definition of Accounting Estimates– Amendments to IAS 8	The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	The amendments to IAS 12 Income Taxes require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognize deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with: right-of-use assets and lease liabilities, and decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets. The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.	1 January 2023

IFRS 17 Insurance Contracts	IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts.	1 January 2023
Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28	The IASB has made limited scope amendments to IFRS 10 Consolidated financial statements and IAS 28 Investments in associates and joint ventures. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non- monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations). Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively. ** In December 2015 the IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method.	n/a **

Management believes there will be no material impact on the consolidated financial statements upon the adoption. The group is still in the process of evaluating the impact of these amendments on the consolidated financial statements.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'Jordanian Dinar', which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in the consolidated statement of income. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the Consolidated statement on income, within finance costs. All other foreign exchange gains and losses are presented in the Consolidated statement of income on a net basis within other gains/(losses).

2.5 Property, Plant and Equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the consolidated statement of income during the reporting period in which they are incurred.

Depreciation is calculated to allocate the cost of assets over their estimated useful lives on a straight-line basis commencing when the assets become ready for their intended use. The estimated useful lives, residual values and depreciation methods are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis. Land is not depreciated.

The Group's estimated useful lives percentages on each asset classification are as follows:

	%
Buildings	5-10
Dikes	6-10
Machinery, equipment & strategic spare part	12
Vehicles	20
Furniture and fixtures	12
Computers	20

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the consolidated statement of income as the expense is incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of income and other comprehensive income in the year the asset is derecognized.

The residual value of an asset is the estimated amount that the Group would currently obtain from the disposal of the asset less the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Items in the course of construction for production or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such items are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property, plant and equipment, commences when the assets are ready for their intended use.

2.6 Right of use

This asset represents the amounts that were paid to the Gas provider against the cost of constructing the gas pipelines from the supplier's field of operation to the borders of the Hashemite Kingdom of Jordan, in additions to the amounts that were paid to National Electrical Power Company as a contingent option to be able to use the electricity as an alternative source of power for the gas turbine. The Company will be amortising these assets using the straight-line method over 15 and 20 years respectively.

Any signs of impairment of the value of the right of use are reviewed at the date of the consolidated financial statement, the estimated useful lives of these assets are also reviewed and any changes to be made on the coming periods.

2.7 Inventories and spare parts

Inventories are recorded at the lower of cost and net realisable value. The cost of inventory is determined on the weighted average basis. The Cost includes direct production costs and related production overheads (based on the normal operating capacity).

Spare parts and supplies are recorded at the lower of cost and net realisable value. The cost is determined on the weighted average basis. The cost of spare parts and supplies comprises raw material, direct labour, other direct costs and related production overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

The Group performs a comprehensive review over all spare parts to identify whether there is a need to record a provision against spare parts that are not appropriate anymore for use, or due to passage of time, being damaged or obsoleted.

2.8 Investments in Associates and Joint Ventures

Associates: Associates are entities over which the Group has significant influence (directly or indirectly), but not control, generally accompanying a shareholding of between 20 and 50 percent of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. Dividends received from associates reduce the carrying value of the investment in associates. Other post-acquisition changes in the Group's share of net assets of an associate are recognised as follows: (i) the Group's share of profits or losses of associates is recorded in the consolidated profit or loss for the year as the share of results of associates, (ii) the Group's share of other comprehensive income is recognised in other comprehensive income and presented separately, (iii); all other changes in the Group's share of the carrying value of net assets of associates are recognised in profit or loss within the share of results of associates.

However, when the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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

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

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. [Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

Disposals of subsidiaries, associates or joint ventures. When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset.

In addition, any amounts previously recognised in other comprehensive income in respect of that entity, are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.9 Impairment of Non-Financial Assets

Non-financial assets that are subject to depreciation or amortization are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.10 Accounts Receivable

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance.

2.11 Cash on hand and at banks

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

2.12 Impairment of financial assets

The Group applies IFRS 9 for measuring expected credit losses ("ECL") model on all financial assets measured at amortized cost.

The Group has four types of financial assets that are subject to IFRS 9' expected credit loss model:

1. Trade receivables from sales of inventory
2. Debt investments carried at amortised cost
3. Employees housing loans, and
4. Deposits at banks

1. **Trade receivables**

   The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

   To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

   On that basis, and based on the last five years data and current year aging, it was noted that there were no receivables with balances that were overdue in addition to having collaterals against these balances represented by letters of credit from reputable risk rated banks as well as credit insurance policies.

   Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 90 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item. Such credit losses over the trade receivables have been historically insignificant and the allowance for the trade receivables is not material.

2. **Debt investments carried at amortised cost:**

All of the Group's debt investments at amortised cost investments in the Jordanian Government which has no previous history of default or delays in both paying back the interest or the principle. Jordanian Governmental bonds are rated same as the Jordanian Government at B+. However, there is a low risk of default and the issuer has a strong capacity to meet the contractual cash flow obligations in the near term and no history of default was identified for all the past issuances.

Based on the above, the Group has exposure in sovereign bonds issued by The Hashemite Kingdom of Jordan rated B+ by S&P. Since this is an exposure of sovereign nature, a base case ECL of %0.03 is considered as per BASEL guidelines, and accordingly, the management believe that no additional loss is required over this type of financial assets, as the resulted expected credit loss is immaterial.

3. **Employees' housing loans:**

The Group has applied the general approach permitted by IFRS 9 for employees housing loans. the Group applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL").

4. **Cash on hand and at banks:**

These are also subject to the impairment requirements of IFRS 9.

For Unrated exposures, the least rating for the remaining exposures in the Portfolio was taken, and since there was no actual instance of default, the Loss Given Default (LGD) could not be modelled based on historical data. Instead, the statutory JD 50,000 Deposit Insurance Cover for JD-denominated deposits was factored into the LGD%.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

2.13 Provisions

Provisions are recognised when the Group has:

- a present legal or constructive obligation as a result of a past event,
- it is probable that an outflow of economic resources will be required to settle the obligation in the future and,
- a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects time value of money, where appropriate and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as part of the finance cost in the consolidated statement of profit or loss.

2.14 Employees Benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating annual leaves that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are included in other payables.

Defined contribution pension plan

For defined contribution plans, the Group pays contributions to pension insurance plans administered by the Social Security Corporation on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as a social security expense when they are due.

Defined benefit plan

A defined benefit plan is a pension plan that is not a defined contribution plan.

The Group makes payments to the employees when their service end, usually dependent on one or more factors such as age, years of service and compensation as per the Group's internal bylaws.

The Group has the following defined benefit plans:

- End of service indemnity
- Death and compensation fund obligations
- Employees unpaid leaves

The liability recognised in the consolidated statement of financial position is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by management using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related benefit obligation. Where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions (Re-measurements) are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in the consolidated statement of income.

2.15 Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the separate statement of comprehensive statement of income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities, unless the Group has unconditional right to delay the settlement for a period not less than 12 months after the date of the financial position.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the consolidated statement of income as other income or finance costs.

2.17 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the consolidated statement of income in the period in which they are incurred.

2.18 Revenue Recognition

Revenue is income arising in the course of the Group's ordinary activities. Revenue is recognised in the amount of transaction price. Transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring control over promised goods or services to a customer, excluding the amounts collected on behalf of third parties. Transfer of control either as:

- at a point in time or,
- over a time basis equivalent to the stage of completion of the service.

Revenue is recognised net of discounts, returns and value added taxes, export duties and other similar mandatory payments.

The Group recognizes revenue from the following main sources:

(i) Sale of Potash and fertilizer products directly to the customers:

Sales are recognised when control of the goods has transferred, being when the goods are delivered to the customer, the customer has full discretion over the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs when the goods have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the goods in accordance with the contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The Group, as principal, sells Potash products directly to customers and in accordance with the contract, the promised goods are provisionally priced. The sales price is not settled until a predetermined future date and is based on the market price at a time or over a pre-defined period of time. Revenue on these sales is initially recognized (when all the above criteria are met), at a provisional price based on the pricing mechanism as specified in the contract. Provisionally priced sales are marked-to-market at each reporting date using the forward price for the period equivalent to that outlined in the contract and in the carrying amount of the outstanding trade receivable.

Revenue from the sales with discounts is recognised based on the price specified in the contract based on the agreements signed with some customers, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

Some contracts include two deliverables, such as the sale of goods and provide the shipping service. Therefore, each deliverable accounted for as a separate performance obligation.
Where the contracts include multiple performance obligations, the transaction price is allocated to each separate performance obligation based on the stand-alone selling prices.
No element of financing is deemed present as the sales are made with credit terms ranges between 90 and 180 days, which is consistent with market practice. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.
For certain contracts involving rebates, the Group calculates an allowance for such sales on the basis of the expected quantity rebates as stated in the contract and these are recorded as a deduction from sales revenue with the corresponding liability recorded in "other payables" as mentioned below. In return, the Group deducts these amounts from the customer's due balance when all the conditions stipulated in the contract are met. As for the quantity rebates, these are deducted from the inventory balance and the related costs are added to the cost of sales when all the conditions in the contract are met.

All the Group sales are performed within a short period, thus, the period between the transfer of the promised goods or services to the customer and payment by the customer doesn't exceed one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(ii) Finance income on bank deposits

Finance income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate ("EIR") applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(iii) Dividend income

Dividend income from investments is recognised when the rights to receive payment have been established.

2.19 Dividend distribution

Liabilities for dividend distributions are recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period. Dividend distribution liabilities are recognised as a direct charge to retained earnings in the consolidated statement of changes in shareholders' equity, with any unpaid amount is presented under trade and other payables in the consolidated statement of financial position.

2.20 Leases

The Group's leasing policy is described in Note 33.

2.21 Earnings per share

Basic earnings per share is calculated by dividing:

- the consolidated net profit after tax attributable to ordinary owners of the Group.
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares (where applicable).

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the effect of any dilutive potential ordinary shares.

2.22 Income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the consolidated statement of income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the consolidated statement of financial position date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the consolidated statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.23 Fair value measurement

Fair values of financial instruments are disclosed in Note 3.3.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.
- Level 2 - The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.
The Group's management determines the policies and procedures for recurring fair value measurement, such as unquoted available for sales financial assets, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

The fair value of trade receivables carried at FVTPL are valued using valuation techniques, which employ the use of market observable inputs. The valuation techniques incorporate various inputs including the credit quality of counterparties and forward rate curves of the underlying commodity. As at the reporting date, the marked-to-market value of provisionally priced trade receivables is net of a credit valuation adjustment attributable to customer default risk. The changes in counterparty credit risk had no material effect on financial instruments recognised at fair value.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments. Reportable segments whose revenue, result or assets are ten percent or more of all the segments are reported separately.

2.25 Offsetting

Offsetting between financial assets and financial liabilities and presenting the net amount on the consolidated statement of financial position is performed only when there are legally enforceable rights to offset, the settlement is on a net basis, or the realization of the assets and satisfaction of the liabilities is simultaneous.

2.26 Financial assets

2.26.1 Classification

The Group classifies its financial assets in accordance IFRS 9 in the following measurement categories:

- Those to be measured at amortised cost including financial assets at amortised costs, accounts receivable, employees housing loans and bank balances).
- Those to be measured subsequently at fair value; and

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the consolidated statement of income or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

2.26.2 Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2.26.3 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the consolidated statement of income.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Financial assets valued through Other comprehensive Income FVOCI:

A. Debt Instruments: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the consolidated statement of income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the consolidated statement of income and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method, foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the consolidated statement of income.

B. Equity instruments: The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Financial assets valued through Profit or Loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in the consolidated statement of income and presented net within other gains/(losses) in the period in which it arises.

Provisional price contracts

Certain of the Group's sales are provisionally priced, meaning that the final selling price is determined normally 30 to 180 days after the delivery to the customer, based on the quoted market price stipulated in the contract and as a result are susceptible to future commodity price movements. At each reporting date, subsequent to the initial sale, the provisionally priced trade receivables are marked-to-market using the relevant forward market prices for the period stipulated in the contract. This exposure to the commodity price causes such trade receivables to fail the solely payment of principal and interest ("SPPI") test. As a result, these receivables are measured at fair value through profit or loss ("FVTPL") from the date of recognition of the corresponding sale, with subsequent marked-to-market adjustments recognized in fair value gains / (losses) on provisionally priced products and the carrying amount of the outstanding trade receivable, if material. Such fair value gains (losses) on provisionally priced products are presented within revenue.

(3) Financial Risk Management

3.1 Financial risk factors

The group's risk management is carried out by a central treasury department under policies approved by the board of directors. The treasury department identifies and evaluates financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, Cash flow and fair value interest rate, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

- Foreign exchange risk

The Group's transactions are mostly in Jordanian Dinars or US Dollar and EURO.

The group operates internationally and is exposed to foreign exchange risk, primarily the US Dollar and EURO currencies. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity.

The exchange rate of the US dollar is fixed against the Jordanian dinar (1/41 dollars per Jordanian Dinar). Regarding other currencies exchange differences, the Group records these differences directly in the consolidated statement of income upon its occurrence.

The treasury department mitigates the risk of foreign exchange currencies by concentrating most transactions in USD. Management also sets limits on the value of risk that may be accepted and on the level of exposure by currency and in total for both overnight and intra-day positions, which are monitored daily.

The table below summarises the Group's exposure to foreign currency exchange rate risk at the end of the reporting period:

	Increase in exchange rate	Balance	Effect on profit for the year before tax & royalties'
	%	JD '000	JD '000
2022			
Assets			
Euro	5	8,402	420
Liabilities			
Euro	5	(6,949)	(347)
		1,454	**73**

	Increase in exchange rate	Balance	Effect on profit for the year before tax & royalties’
2021			
Assets	**%**	**JD ‘000**	**JD ‘000**
Euro	5	21,986	1,099
Liabilities			
Euro	5	(1,933)	(97)
		20,053	**1,002**

The impact of a decrease in exchange rate will be the same as above with opposite value.

- Cash flow and fair value interest rate risk

The Group’s interest rate risk arises from long term loans issued at fixed rates. The Group is not exposed to fair value interest rate risk. The Group’s central treasury department and management periodically analyses interest rate risk taking into account any rescheduling of liabilities and calculates the financial impact on profit or loss by raising or reducing the interest rate by a certain percentage. This analysis is performed on interest bearing assets and liabilities.

The Group did not have any outstanding balance in loan as of 31 December 2022.

Based on the analysis performed, the impact on the before-tax and royalties’ profit for the year is as follows:

	Increase in interest rate	Effect on profit for the year before tax & royalties’
	%	JD ‘000
2022		
Assets		
JD	-	-
Liabilities		
USD	-	-
Net impact		**-**
2021		
Assets		
JD	1	731
Liabilities		
USD	1	(47)
Net impact		**684**

The impact of a decrease in interest rate will be the same as above with opposite value.

- Price risk

The Group is exposed to risks arising from fluctuations in the prices of potash since these materials are listed in active markets. The marketing department limits these risks by regularly monitoring the prices of these materials and signs fixed price contracts that are being reviewed every year based on the new international prices set by the largest producers and consumers.

Based on the above, the effect on net income before tax and royalties resulting from the change in global Potash prices is calculated as follows:

	Increase in Potash price	Effect on profit for the year before tax & royalties'
	%	JD '000
2022		
JD	10	120,622
2021		
JD	10	58,394

The decrease in potash prices has the same financial impact in negative.

- Commodity price risk

The Group is exposed to the risk of fluctuations in prevailing market commodity prices on the Potash products. The Group sells some customers on a provisional pricing basis. Revenue and a corresponding receivable from the sale of provisionally priced commodities is recognised when control over the promised goods have been transferred to the customer, the amount of revenue and receivable to be recognised will be estimated based on the forward market price of the commodity being sold. However, the Group faces a risk that future adverse change in commodity prices would result in the reduction of receivable balance. The Group's normal policy is to sell its products at prevailing market prices. The Group does not generally believe commodity price hedging would provide long-term benefit to the shareholders.

The exposure of the Group's trade receivables balance to changes in commodity prices are as follows:

	31 December 2022	31 December 2021
	JD '000	JD '000
Trade receivables pertaining to the sale of Potash	198,678	38,738

(b) Liquidity risk

The Group follows prudent liquidity risk management, which consists of maintaining sufficient cash and funding through an adequate amount of credit facilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total	Book value
	JD '000	JD '000	JD '000	JD '000	JD '000
At 31 December 2022					
Lease liability	893	1,241	4,523	6,657	4,086
Trade payables	15,055	-	-	15,055	15,055
Other current liabilities	79,207	-	-	79,207	79,207

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total	Book value
	JD '000	JD '000	JD '000	JD '000	JD '000
At 31 December 2021					
Loans and bank overdrafts	6,494	-	-	6,494	6,494
Obligations against capital projects	2,427	-	-	2,427	2,427
Lease liability	788	1,241	4,965	6,994	3,786
Trade payables	9,429	-	-	9,429	9,429
Other current liabilities	47,016	-	-	47,016	47,016

* The Group obtained bank facilities to finance the purchase of the gas turbine in November 2017, provided that the payment is made in sixteen equal quarterly instalments in addition to the interest. The loan was settled in full during the year 2022.

** The obligation was paid according to 60 equal monthly payments that began on October 31, 2017. The loan was settled in full during the year 2022.

(c) Credit risk

The Group is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation.

The Group is exposed to credit risk on the following financial instruments:

Category	Class	Amount	Impairment model
Financial assets at amortised cost	Investment in governmental bonds	20,555	General approach
	Trade receivables	282,897	Simplified
	Cash on hand and bank balances	531,040	General approach
	Employees housing loans	16,142	General approach

Credit risk is managed under direction of the board of directors ("board") of the Group.

Trade receivables:

The board receives regular reporting from the credit department who manage the performance of the trade receivables. The credit department has set out policies and procedures for managing credit risk on the trade receivables.

- The Group structures the levels of credit risk it undertakes by placing limits on the amount of credit risk accepted in relation to a customer. Limits on the level of credit risk are approved regularly by management. Such limits are monitored on a revolving basis and are subject to an annual, or more frequent, review.
- On granting of credit, an assessment is performed of the credit worthiness of the debtor and the ability to pay.
- For each sale on credit, guarantees and collateral is held against such receivables in the form of Letter of credit or credit insurance that covers the whole receivable balance.
- After granting the credit, the credit department, on a monthly basis, reviews the aging analysis and follows up on all outstanding payments.
- Management of the credit department determine the appropriate receivables that should be handed over for collection, the amount of provision that should be recorded in these receivables and amounts that should be written off. The board approves the procedures for managing credit risk, the amount of provision to be recognized and amounts to be written off.

Credit risk grading system: For measuring credit risk and grading financial instruments by the amount of credit risk, the Group applies an Internal Risk Based rating system. Internal credit ratings are mapped on an internally defined master scale with a specified range of historical loss rate as disclosed in the table below:

Master scale credit risk grade	Corresponding internal ratings	Ratings by external international rating agencies (S&P)	Corresponding PD interval
Excellent	1	AAA to BB+	1%
Good	2	BB to B+	5%
Default	3	Other than the above	100%

Each master scale credit risk grade is assigned a specific degree of creditworthiness:

- Excellent – strong credit quality with low expected credit risk and no history of default.
- Good – adequate credit quality with a moderate credit risk.
- Default – balances in which a default has occurred.

All the receivables within the Group are secured in the form of bank guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

Other financial instruments:

The treasury department has the following policies and procedures:

- All bank accounts, derivatives and deposits are held with reputable financial institutions with an appropriate credit rating acceptable to the Group. the Group is not exposed to the credit risk concentration with regards to cash balances with banks
- The Group only invests in high quality bonds and deposits.
- Where appropriate, the board sets limits on exposures to credit risk.

Credit risk concentration

The Group is exposed to concentration of risk as follows:

- The Group is exposed to credit risk concentration with regards to the trade receivables; as one customer represents 18% of the total outstanding balance at year-end. (2021 :24%)
-
- The group also has concentration risk to the following countries:

- China
- India

Management reviews the concentration risk on a monthly basis and where required institutes processes to manage the risk.

Definition	- Trade receivables	- Investment in governmental bonds - Bank balances - Employees housing loans
Significant increase in credit risk (SICR)	- Not applicable as simplified approach is followed	- More than 30 days past due after the end of the grace period. - Credit ratings - Macro factors
Default definition	- More than 90 days past due after the end of the grace period.	- More than 90 days past due after the end of the grace period.
Credit impaired	- Financial instruments is in default. - Counterpart is in liquidation	- Financial instruments is in default. - Counterpart is in liquidation
Low credit risk	- Not applicable as simplified approach is followed	- The Group decided not to use the low credit risk assessment exemption for other financial instrument. Hence, even assets of an investment grade are assessed whether there has been a SICR.

Trade receivables

A simplified approach is used in determining credit loss allowance for trade receivables. A provision matrix is used to determine the provision. The provision matrix is based on the number of days that an asset is past due.

Collateral held for trade receivables:

The Group does not expect any losses as a result of its customers' non-payment obligations due to the following:

- All customer balances are secured against letters of credit or insurance policies that covers the whole balance of the receivables.

- reducing limits for customers with large unpaid exposures

Employees housing loans

Employees housing loans are loans granted to employees based on the internal bylaws of the Group. These loans are later collected through the monthly deduction from salaries in accordance to the agreed-on repayment schedule. Salaries are deducted against the loans in addition to mortgaging the real estate in the benefit of the Group, and setting other employees benefits including end of service when retiring and resigning.

These loans are repayable on monthly instalments deducted from the employee's monthly salaries over a period not to exceed 20 years. These loans are not impaired and are guaranteed by a first-class property mortgage. The fair value of these property mortgages exceeds their carrying value.

Credit risk related to bank balances

The Group manages credit risk from balances with banks and other financial institutions by investing surplus funds only with approved and reputable counterparties and within credit limits assigned to each counterparty. Bank deposits and term deposits are limited to high-credit-quality financial institutions. Credit risk management considers the diversification of funds with banks or ensuring the banks are not under any financial distress.

The table below presents an analysis of cash and bank balances by rating agency designation as of 31 December 2022:

Credit Rating	31 December 2022	31 December 2021
	JD ‘000	JD ‘000
BB	90,586	50,838
B+	146,915	40,175
A-	36,262	16,627
BB-	171,352	50,541
BBB	15,089	11,525
A	30,322	21,596
BBB+	43,292	16,753
Aa3	2,672	1,190
A1	642	3,557
	537,132	**212,802**

The table of cash and cash equivalents exclude cash on hand amounting to JD 177 thousand (2021: JD 122 thousand).

3.2 Capital risk management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

3.3 Fair value of Financial Instrument

(a) Financial instruments

The Group holds the following financial instruments:

	Financial assets at FVOCI	Financial assets at amortised cost	Financial assets at FVPL	Total
Financial assets	JD ‘000	JD ‘000	JD ‘000	JD ‘000
At 31 December 2022				
Financial assets at fair value through other comprehensive income	835	-	-	835
Financial assets at amortized cost	-	20,555	-	20,555
Employees’ housing loans	-	16,142	-	16,142
Accounts receivable	-	84,219	198,678	282,897
Other current assets (excluding prepayments and statutory requirements)	-	45,821	-	45,821
Cash on hand and bank balances	-	531,040	-	531,040
	835	**697,777**	**198,678**	**897,290**

	Financial assets at FVOCI	Financial assets at amortised cost	Financial assets at FVPL	Total
At 31 December 2021	JD '000	JD '000	JD '000	JD '000
Financial assets at fair value through other comprehensive income	790	-	-	790
Financial assets at amortized cost	-	20,677	-	20,677
Employees' housing loans	-	17,151	-	17,151
Accounts receivable	-	72,054	38,738	110,792
Other current assets (excluding prepayments and statutory requirements)	-	2,836	-	2,836
Cash on hand and bank balances	-	210,724	-	210,724
	790	**323,442**	**38,738**	**362,970**

Financial liabilities	Financial liabilities at amortised cost
	JD '000
At 31 December 2022	
lease liability	4,086
Trade payables	15,055
Other current liabilities (excluding statutory liabilities and provisions)	79,207
	98,348
At 31 December 2021	
Loans and bank overdraft	6,494
Obligations against capital projects	2,427
lease liability	3,786
Trade payables	9,429
Other current liabilities (excluding statutory liabilities and provisions)	47,016
	69,152

The fair value of financial liabilities is not materially different from their carrying amounts, since the interest payable on those liabilities is either close to current market rates or the liabilities are of a short-term nature.

(b) Fair value hierarchy

The Group's financial instruments measured at fair value are classified into one of the three levels mentioned in note 2.23.

The fair value hierarchy of financial assets measured at fair value were as follows:

	Level 1	Level 2	Level 3	Total
2022	JD "000"	JD "000"	JD "000"	JD "000"
Financial assets at fair value through other comprehensive income	619	-	216	835
Accounts receivables at fair value through profit or loss	198,678			198,678
2021				
Financial assets at fair value through other comprehensive income	574	-	216	790
Accounts receivables at fair value through profit or loss	38,738			38,738

Management believes that other financial assets and liabilities -held at amortised cost- carrying values approximates its fair value.

Fair value for financial assets not held at fair value:

	Book value	Fair value
	JD '000	JD '000
2022		
Financial assets at amortised cost	20,555	20,555
Employees housing loans	16,142	16,142
Trade receivables	84,219	84,219
Other current assets	45,821	45,821

	Book value	Fair value
	JD '000	JD '000
2021		
Financial assets at amortised cost	20,677	21,060
Employees housing loans	17,151	17,151
Trade receivables	72,054	72,054
Other current assets	2,836	2,836

(4) Critical Accounting Estimates And Judgments

The Group makes estimates and assumptions that affect the amounts recognised in the consolidated financial statements and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the consolidated financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

(a) Income taxes

The Group recognises liabilities for anticipated tax audit based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax expenses in the period in which such determination is made. At the reporting date, the Group reviews the deferred tax assets balance to assess its recoverable amount and accordingly the balance is adjusted to reflect the total benefit that the Group will obtain when generating profits.

The recognised deferred tax assets represent income taxes recoverable through future deductions from taxable profits and are recorded in the consolidated statement of financial position. Deferred income tax assets are recorded to the extent that realisation of the related tax benefit is probable. This includes temporary differences expected to reverse in the future and the availability of sufficient future taxable profit against which the deductions can be utilised. The future taxable profits and the amount of tax benefits that are probable in the future are based on the medium-term business plan prepared by management and extrapolated results thereafter. The business plan is based on management expectations that are believed to be reasonable under the circumstances.

As at the consolidated financial statement date, there was no uncertain tax position, and management in addition to its Tax advisor, believes that the Income tax provision and expense are sufficient to meet all due liabilities.

(b) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and residual values of its property, plant and equipment for calculating depreciation are as outlined in note 2-5. This estimate is determined after considering the expected usage of the asset, physical wear and tear, technical or commercial obsolescence and these are mainly performed for the category related to Machinery and Equipment.
The estimated useful lives, residual values and depreciation methods are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis. At year-end, management assessed that no changes occurred to these estimates.

At the end of the year, if the useful lives increased/decreased by 5% in comparison with the current useful lives and having all other variables fixed, the net profit of the year will decrease/ increase by JD 2,694 thousand (2021: decrease/ increase by JD 2,307 thousand).

(c) Impairment of financial assets

The Group applies the IFRS 9 for measuring expected credit losses which uses a lifetime expected loss allowance for all financial instruments. To measure the expected credit losses, the Group's financial instruments have been grouped based on shared credit risk characteristics and the days past due as follows:

1. Trade receivables from sales of inventory,
2. Debt investments carried at amortised cost,
3. Employees housing loans, and,
4. Balances and deposits at banks.

Assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL.

The amount of ECL is measured as the probability-weighted present value of all cash shortfalls over the expected life of the financial asset discounted at its original effective interest rate.

The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of default (PD);
- Loss given default (LGD);
- Exposure at default (EAD).

These parameters are generally derived from internally developed statistical models, other historical data and forward-looking information.

For the Deposits with Banks Portfolio, all the Deposits were for periods less than 365 days and the Fitch Ratings as on 31 December 2022 for them were mapped with the S&P Equivalent Ratings and one year average Multi-Year Global Corporate Transition Matrices, using the annual Global Corporate Default Study And Rating Transitions by S&P to arrive at the Probability of Default (PD).

(d) Provisions for end of service and death and compensation funds

The Group calculates the provision for employees' end of service and death and compensation fund according to its internal policies. These calculations require the use of significant estimates.

The assumptions used in determining the cost for the death and compensation fund obligations include the discount rate, mortality staff turnover, and expected future salary increments. Any changes in these assumptions will impact the amount of these obligations. The Group determines the appropriate discount rate at the end of each year. This discount rate should be used to determine the present value of estimated future cash outflows expected to be required to settle the employees' death and compensation fund obligations, please refer to note (20 and 23).

(5) Property, Plant And Equipment

	Lands	Buildings	Dikes	Machinery, equipment, and strategic spare parts	Vehicles	Furniture and Fixtures	Computers	Projects in progress	Total
	JD"000"	JD"000"	JD"000"	JD"000"	JD"000"	JD"000"	JD"000"	JD"000"	JD"000"
2022									
Cost									
Balance at 1 January 2022	3,284	149,041	297,268	847,248	42,588	8,325	9,869	171,690	1,529,313
Additions	65	1,729	-	6,974	1,575	199	121	174,735	185,398
Transfers from projects in Progress to property and equipment	-	11,237	53,139	43,108	121	-	92	(107,697)	-
Disposals related to projects in progress **	-	-	-	-	-	-	-	(1,577)	(1,577)
Disposals related to property and equipment	-	-	-	(641)	(595)	-	(137)	-	(1,373)
Balance at 31 December 2022	**3,349**	**162,007**	**350,407**	**896,689**	**43,689**	**8,524**	**9,945**	**237,151**	**1,711,761**
Accumulated Depreciation									
Balance at 1 January 2021	-	106,633	181,311	683,050	37,777	7,482	9,376	-	1,025,629
Depreciation for the year *	-	4,888	11,046	35,325	2,139	177	299	-	53,874
Depreciation related to disposals of property and equipment	-	-	-	(641)	(595)	-	(137)	-	(1,373)
Balance at 31 December 2022	-	**111,521**	**192,357**	**717,734**	**39,321**	**7,659**	**9,538**	-	**1,078,130**
Net Book Value at 31 December 2022	**3,349**	**50,486**	**158,050**	**178,955**	**4,368**	**865**	**407**	**237,151**	**633,631**
2021									
Cost									
Balance at 1 January 2021	3,012	131,970	246,517	793,610	42,930	7,980	9,888	141,967	1,377,874
Additions	272	600	-	10,626	510	72	158	140,850	153,088
Transfers from projects in Progress	-	16,471	50,751	43,314	246	345	-	(111,127)	-
Disposals	-	-	-	(302)	(1,098)	(72)	(177)	-	(1,649)
Balance at 31 December 2021	**3,284**	**149,041**	**297,268**	**847,248**	**42,588**	**8,325**	**9,869**	**171,690**	**1,529,313**
Accumulated Depreciation									
Balance at 1 January 2021	-	101,431	174,501	651,886	36,592	7,372	9,262	-	981,044
Depreciation for the year *	-	5,202	6,810	31,383	2,281	182	287	-	46,145
Disposals	-	-	-	(219)	(1,096)	(72)	(173)	-	(1,560)
Balance at 31 December 2021	-	**106,633**	**181,311**	**683,050**	**37,777**	**7,482**	**9,376**	-	**1,025,629**
Net Book Value at 31 December 2021	**3,284**	**42,408**	**115,957**	**164,198**	**4,810**	**843**	**493**	**171,690**	**503,684**

All projects in progress are allocated to the different Cash Generating Units within the Group where the majority of these projects allocated to Potash cash generating unit.

The costs expected to be charged to projects under construction as of 31 December 2022 were estimated at JD 214,747 thousand (2021: JD 272,000 thousand).

Total fully depreciated assets as at 31 December 2022 amounted to JD 934,509 thousand (2021: JD 888,356 thousand).

** During 2022, Arab Fertilizers and Chemicals Industries (KEMAPCO) management decided to terminate the Ammonia tank project, and expense the previously capitalized amount with total amount of JD 1,577 thousand in the consolidated statement of income.

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

	2022	2021
	JD "000"	JD "000"
Cost of sales (Note 25)	51,695	43,593
Administrative expenses (Note 26)	376	362
Selling and distribution expenses (Note 29)	1,803	2,190
	53,874	**46,145**

(6) Right of Use

	2022	2021
	JD "000"	JD "000"
Right of use of the Gas Pipeline	9,437	10,475
Right of use of NEPCO electricity	5,905	6,276
	15,342	**16,751**

(a) Right of use of the Gas Pipeline

On 19 February 2014, Arab Potash Company signed an agreement stating the construction of Gas pipelines, to provide the Company with natural gas as a source of energy and generate electricity. This agreement resulted in an obligation against capital projects of JD 15,583 thousand with an annual interest rate of LIBOR 3 months plus 5% marginal fixed interest rate. This commitment will be settled over a period of 60 monthly payments starting 31 October 2017. The last installment of the liability balance was settled during the year 2022.

The amortisation of this right will be by using the straight-line method over the contract period of 15 years.

	2022	2021
	JD "000"	JD "000"
2022		
Cost		
Balance as at 1 January and 31 December	15,583	15,583
Accumulated amortization		
Balance as at 1 January	5,108	4,069
Charges for the year (Note 25)	1,038	1,038
Balance as at 31 December	6,146	5,108
Net book Value	**9,437**	**10,475**

- Obligations against capital projects

The obligation against the capital project that is due in one year and after are as below:

	2022	2021
	JD "000"	JD "000"
Current portion	-	2,427

These obligations are secured against letters of guarantees issued by the Company for the benefit of the supplier.

(b) Right of use of NEPCO electricity

Arab Potash Company has signed an agreement with National Electrical Power Company (NEPCO) during 2017 as a contingent option to be able to use the electricity as an alternative source of power in case of any malfunctions in the currently used gas turbine. The agreement requires NEPCO to keep its generators stand-by and ready for immediate use by Arab Potash Company for 20 years for one-time payment of JD 7,420 thousand that was paid during December 2018 and will be amortised over the contract period.

	2022	2021
	JD "000"	JD "000"
2022		
Cost		
Balance as at 1 January and 31 December	7,420	7,420
Accumulated amortization		
Balance as at 1 January	1,144	773
Charges for the year (Note 25)	371	371
Balance as at 31 December	1,515	1,144
Net book amount	**5,905**	**6,276**

(7) Investment in Associates

This item represents the Group's investments in the share capital of the following companies, using the equity method of accounting:

	Country of incorporation	Number of shares owned	Nature of business	Percentage of ownership	Investment in associates balance 2022	Investment in associates balance 2021
				%	JD "000"	JD "000"
Nippon Jordan Fertilizer Company (NJFC)	Jordan	3,345,600	Fertiliser production	20	5,761	4,294
Jordan Investment and South Development Company (JISDC)	Jordan	393,096	Investment and development	45.45	141	183
					5,902	**4,477**

The movement on investments in associates is as follows:

	2022	2021
	JD "000"	JD "000"
Balance as at 1 January	4,477	3,291
Group's share of profit from associates	2,157	1,186
The Group's share of remeasurement of post-employment benefit obligations	87	-
Amendments on the Group's share of profit	(819)	-
Balance as at 31 December	**5,902**	**4,477**

The share of profit and loss from investments in associates is as follows:

	2022	2021
	JD "000"	JD "000"
Nippon Jordan Fertilizer Company (NJFC)	1,380	1,244
Jordan Investment and South Development Company (JISDC)	(42)	(58)
	1,338	**1,186**

The following table illustrates the summarised financial information of the Group's associates:

	NJFC		JISDC	
	2022	2021	2022	2021
	JD "000"	JD "000"	JD "000"	JD "000"
Current assets	35,628	48,682	292	352
Non-current assets	4,888	5,359	245	259
Current liabilities	(9,411)	(32,077)	(71)	(68)
Non-current liabilities	(2,299)	(494)	(155)	(141)
Net assets	**28,806**	**21,470**	**311**	**402**
Percentage of ownership	20%	20%	45.45%	45.45%
Carrying amount of investment in associates	**5,761**	**4,294**	**141**	**183**

	NJFC		JISDC	
	2022	2021	2022	2021
	JD "000"	JD "000"	JD "000"	JD "000"
Revenue	149,361	134,462	232	231
Cost of sales	(134,877)	(124,624)	(226)	(293)
Other revenues and expenses, net	(3,488)	(3,618)	(98)	(66)
Profit (Loss) before tax	**10,996**	**6,220**	**(92)**	**(128)**
Income tax expense	-	-	-	-
Profit (Loss) for the year	10,996	6,220	(92)	(128)
Percentage of ownership	20%	20%	45.45%	45.45%
Group's share of Profit (Loss) for the year	**2,199**	**1,244**	**(42)**	**(58)**

(8) Investment In Joint Ventures

This item represents the Group's investments in the share capital of the following companies, using the equity method of accounting:

	Country of incorporation	Number of shares owned	Nature of business	Percentage of ownership	Investment in joint ventures balance	
				%	2022	2021
					JD "000"	JD "000"
Jordan Bromine Company (JBC)*	Jordan	15,000,000	Extraction of Bromine	50	155,675	131,196
Jordan Industrial Port (JIPC)	Jordan	70,000,000	Port logistics	50	75,842	74,885
					231,517	**206,081**

The movement on investments in joint ventures is as follows:

	2022	2021
	JD "000"	JD "000"
Balance as at 1 January	206,081	218,269
Group's share of profit of joint venture	93,641	57,356
Group's share of re-measurement of post-employment benefit obligations	1,025	(107)
Dividends earned from joint ventures*	(69,230)	(69,437)
Balance as at 31 December	**231,517**	**206,081**

The Group's share of contingent liabilities of the joint ventures was JD 8,702 thousand at 31 December 2022 (2021: JD 8,284 thousand).

The share of profit from investments in joint ventures is as follows:

	2022	2021
	JD "000"	JD "000"
Jordan Bromine Company (JBC)	92,684	56,320
Jordan Industrial Port (JIPC)	957	1,036
	93,641	**57,356**

* The Group's share in Jordan Bromine profit is 30% up to 2012 and 40% starting from 2013 and its share from the losses and interest expense is 50% as stated in the share agreement signed with Albemarle Holding Company.

The Group 's portion of Jordan Bromine Company's dividends amounted to JD 69,230 thousand during 2022 (2021: JD 68,437 thousand).

Jordan Industrial Ports Company did not declare dividends during the year 2022 (2021: JD 1,000 thousand).

The following table illustrates the summarised financial information of the Group's investment in joint ventures:

	Jordan Bromine Company		Jordanian Industrial Port Company	
	2022	2021	2022	2021
	JD "000"	JD "000"	JD "000"	JD "000"
Current assets				
Cash and cash equivalent	124,593	40,183	19,762	19,776
Other current assets	188,845	162,331	24,182	4,436
Total current assets	**313,438**	**202,514**	**43,944**	**24,212**
Non-current assets	**198,237**	**195,312**	**116,282**	**135,454**
Current liabilities	(79,168)	(36,115)	(3,654)	(4,917)
Non-current liabilities	(24,971)	(26,646)	(4,888)	(4,979)
Net assets	**407,535**	**335,065**	**151,684**	**149,770**
Carrying amounts of investment in joint ventures	**155,675**	**131,196**	**75,842**	**74,885**
Reconciliation to the investment account:				
Opening net assets 1 January	131,196	143,420	74,885	74,849
The Group share of profit for the year	92,684	56,320	957	1,036
The Group share of other comprehensive income items	1,025	(107)	-	-
The Group share of dividends paid	(69,230)	(68,437)	-	(1,000)
Closing investment amount:	155,675	131,196	75,842	74,885
Group share in %	50%	50%	50%	50%
Revenue	439,534	316,590	22,620	20,917
Cost of sale	(145,840)	(130,737)	(15,039)	(13,529)
Interest income	2,806	1,687	675	645
Depreciation and amortisation	(14,835)	(14,113)	(5,518)	(4,937)
Interest expense	(997)	(1,031)	-	-
Other revenues and expenses, net	(15,548)	(16,479)	(696)	(858)
Profit before tax	**265,120**	**155,917**	**2,042**	**2,216**
Income tax expense	-	-	(129)	(144)
Profit for the year	**265,120**	**155,917**	**1,913**	**2,072**
The Group's share of profit for the year	92,684	56,320	957	1,036

(9) Financial Assets at Fair Value Through Other Comprehensive Income

	2022	2021
	JD "000"	JD "000"
Quoted shares*	619	574
Unquoted shares**	216	216
	835	**790**

* The movement on the fair value reserve is as follows:

	2022	2021
	JD "000"	JD "000"
At 1 January	133	(48)
Net unrealized gains	45	181
At 31 December	**178**	**133**

** Unquoted financial assets are recorded at cost due to the fact that market values of these financial assets are not obtainable, and these are not material to the Group to exercise any valuation techniques.

(10) Financial Assets at Amortized Cost

	2022	2021
	JD "000"	JD "000"
Unquoted financial assets- government bonds*	20,555	20,677

* This item represents governmental bonds that mature on 29 January 2026 bearing an annual interest rate of 6.125% and payable every six months.

None of the investments held at amortised cost are either past due or impaired.

All investments held at amortised cost are denominated in USD currency. As a result, there is no exposure to foreign currency risk. There is also no exposure to price risk as the investments will be held for collection of contractual cash flows.

The amortization of bonds premium for these assets is JD 122 thousand for 2022 (2021: JD 116 thousand).

The fair value of these bonds approximates their book value as disclosed in note (3.3).

These investments were considered for expected credit loss and no expected credit loss was recorded as the impact is not material to the consolidated financial statements.

(11) Employees' Housing Loans

During 1992, the Company established the employees' housing loans' fund, the fund's objective is to grant the employees loans with a maximum limit of JD 50,000 for each employee. These loans are repayable on monthly instalments deducted from the employee's monthly salaries over a period not to exceed 25 years. The fair value of these property mortgages exceeds their carrying amount of the loans (Over-collateralised assets).

The employee's housing loans are initially recorded at fair value representing the amounts actually paid to the employees. As these loans are granted to the employee free of interest, management records these amounts at their present value, which is calculated by discounting the monthly payments to their present value using an interest rate that approximate the interest rates for similar commercial loans on granting the loan, the average interest rate used for discounting was 7.6%. These loans are subsequently measured at amortized cost using the effective interest rate method.

The balance of the Housing loan is as follows:

	2022	2021
	JD "000"	JD "000"
Employees housing loans undiscounted value	25,227	25,886
Minus: Loss allowance for doubtful receivables	(746)	(746)
	24,481	**25,140**
Minus: Effect of the discount	(8,339)	(7,989)
	16,142	**17,151**

The employees' housing loans classification in the consolidated statement of financial position is as follows:

	2022	2021
	JD "000"	JD "000"
Non-current	13,404	14,389
Current	2,738	2,762
	16,142	**17,151**

The tables below contain an analysis of the credit risk exposure of Employees' housing loans. The carrying amount of other financial receivables at 31 December 2022 and 2021 below also represents the Group's maximum exposure to credit risk on these assets:

2022 In thousands JD	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im-paired)	Total
Employees housing loans				
- Active employees	24,374	-	-	24,374
- Defaulted	-	-	853	853
Gross carrying amount	**24,374**	**-**	**853**	**25,227**
Credit loss allowance	(290)	-	(456)	(746)
Carrying amount	**24,084**	**-**	**397**	**24,481**

2021 In thousands JD	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im-paired)	Total
Employees housing loans				
- Active employees	25,430	-	-	25,430
- Defaulted	-	-	456	456
Gross carrying amount	**25,430**	**-**	**456**	**25,886**
Credit loss allowance	(290)	-	(456)	(746)
Carrying amount	**25,140**	**-**	**-**	**25,140**

loss allowance for loans recognised in the period is impacted by a variety of factors. These main factors are described as follows:

- Transfers between Stage 1, 2 and 3 dues to balances experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments derecognised in the period;
- Impact on the measurement of ECL due to changes to model assumptions, including changes in PDs, EADs and LGDs in the period, arising from update of inputs to ECL models;
- Unwinding of discount due to the passage of time because ECL is measured on a present value basis;
- Foreign exchange translations of assets denominated in foreign currencies and other movements; and
- Write-offs of allowances related to assets that were written off during the period.

None of the above were noted during the year that had an effect on the ECL or led to movement between the stages.

(12) Accounts Receivable

	2022	2021
	JD "000"	JD "000"
Trade receivables	280,006	109,552
Due from associates (note 32)	2,907	1,256
	282,913	**110,808**
Less: expected credit loss *	(16)	(16)
	282,897	**110,792**

* The movement on the expected credit loss during the year is as follows:

	2022	2021
	JD "000"	JD "000"
At 1 January	16	16
At 31 December	**16**	**16**

The Group grants its customers credit policy ranging from 30-180 days. As at 31 December 2022 and 2021, there were no trade receivables that exceeded its credit terms.

As at 31 December, the aging of current unimpaired trade receivables is as follows:

	Neither past due nor impaired			
	1- 30 days	30 – 90 days	91 – 180 day	Total
	JD"000"	JD"000"	JD"000"	JD"000"
2022	269,892	10,940	2,081	282,913
2021	94,318	13,786	2,704	110,808

Management believes that all the above receivables are expected, on the basis of past experience, to be fully recoverable. The majority of Group's sales are made through letters of credit or through insurance policies on credit sales.

For Trade receivables at amortised cost, The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Further details on the application of IFRS 9 are stated in Note 2.12.

The credit loss allowance for trade receivables is determined according to provision matrix presented in the table below. The provision matrix is based the number of days that an asset is past due:

	31 December 2022				31 December 2021			
In % of gross value (in thousands)	Loss Rate	Gross carrying amount	Lifetime ECL	Net carrying value	Loss rate	Gross carrying amount	Lifetime ECL	Net carrying value
Trade receivables Current	0.01%	282,913	(16)	282,897	0.01%	110,808	(16)	110,792
Overdue	100%	-	-	-	100%	-	-	-

For each sale on credit, guarantees and collateral is held against such receivables in the form of letter of credit or credit insurance that covers the whole receivable balance. Therefore, there were no historic losses in the trade receivables over the past years.

(13) Inventories

	2022	2021
	JD "000"	JD "000"
Finished goods	38,773	19,039
Raw materials	610	2,246
Others	3,098	217
	42,481	**21,502**
Allowance for slow moving inventory*	(75)	(75)
	42,406	**21,427**

Details of the inventories is as follows:

	2022	2021
	JD "000"	JD "000"
Potassium Chloride	24,865	16,789
Potassium Nitrate	17,418	4,514
Mixed salts and mud	198	199
	42,481	**21,502**

* The movement on allowance for slow moving inventory during the year is as follows:

	2022	2021
	JD "000"	JD "000"
At 1 January	75	75
Write-offs	-	-
At 31 December	**75**	**75**

(14) Spare Parts and Supplies

	2022	2021
	JD "000"	JD "000"
Spare parts	47,382	47,952
Fuel store	4,271	2,037
Others	4,385	3,288
	56,038	**53,277**
Allowance for slow-moving spare parts*	(3,313)	(3,522)
	52,725	**49,755**

* The movement on allowance for slow-moving spare parts was as follows:

	2022	2021
	JD "000"	JD "000"
At 1 January	3,522	3,532
Slow-moving provision	357	274
Amounts written-off during the year	(566)	(284)
At 31 December	**3,313**	**3,522**

(15) Other Current Assets

	2022	2021
	JD "000"	JD "000"
Due from Sales Tax Department (note 24)	21,064	14,538
Prepaid expenses	12,245	9,162
Dividends receivable (Note 8)	37,762	-
Others	8,059	2,836
	79,130	**26,536**

(16) Cash On Hand And Bank Balances

	2022	2021
	JD "000"	JD "000"
Cash on hand	177	122
Cash at banks	58,935	35,113
Short term deposits*	16,215	17,782
Cash and cash equivalents	75,327	53,017
Short term deposits mature after more than 3 months**	461,982	159,907
The effect of IFRS 9 implementation – Expected credit loss	(6,269)	(2,200)
	531,040	**210,724**

Reconciliation to consolidated statement of cash flow statement

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

	2022	2021
	JD "000"	JD "000"
Cash on hand	177	122
Cash at banks	58,935	35,113
Short term deposits*	16,215	17,782
	75,327	**53,017**
Balances per consolidated statement of cash flows	**75,327**	**53,017**

* This item represents deposits in Jordanian Dinar at local banks with an interest rate 4%-5.7% (2021: 1.7% - 4%) and have a maturity of three months or less.

** This item represents deposits in Jordanian Dinar at local banks with an annual interest rate ranges 5.3% (2021: 4%) and have a maturity of more than three months.

(17) Other Non-Current Assets

The Group entered into an agreement with the Jordan Valley Authority in 2016 to finance the construction of Wadi Ibn Hammad dam in return for water supplies. As a result, the Group transferred a balance of JD 26,888 thousand from the projects in progress to other non-current assets as they started to benefit from the project during 2018.

The contract was amended subsequently during 2019 and 2020 where the amount to be paid was increased to reach JD 51.5 million, with total of JD 56.25 million cubic meters to be provided over 16.5 years at the preferred price of JD 0.35 per cubic meter. Management started amortising these amounts based on the amounts of water actually received.

The breakdown of other current assets is as follows:

	2022	2021
	JD "000"	JD "000"
Wadi Ibn Hammad dam	38,332	40,237
Advance payments to contractors (note 36)	49,669	69,089
Total non-current assets	**88,001**	**109,326**

The movement on Wadi Ibn Hammad dam is as follows:

	2022	2021
	JD "000"	JD "000"
Cost		
Balance as at 1 January	51,500	43,737
Additions	-	7,763
Balance as at 31 December	51,500	51,500
Accumulated amortization		
Balance as at 1 January	11,263	8,277
Charges	1,905	2,986
Balance as at 31 December	13,168	11,263
Net book amount As at 31 December	**38,332**	**40,237**

(18) Reserves

Statutory reserve

The accumulated amounts in this account of JD 50,464 thousand represent 10% of the Group's net income before tax according to the Companies Law. The Group has the option to cease such appropriations when the balance of this reserve reaches 25% of the Company's authorised capital. The Group's management resolved in 2005 to cease appropriations to the statutory reserve as it exceeded the required percentage. The statutory reserve is not available for distribution to equity holders.

Voluntary reserve

The accumulated amounts in this account of JD 80,699 thousand represent cumulative appropriations not exceeding 20% of net income before income tax. This reserve is available for distribution to equity holders.

Dividends

The General Assembly resolved in its ordinary meeting held on 8 April 2022 to distribute an amount of JD 99,981 thousand (equivalent to 120% of the Company's capital) as cash dividends to the shareholders. (2021: 100% of the company's capital).

(19) Borrowings

Arab Potash Company

(a) Bank overdraft

The Company renewed a credit facility during 2022 from a local bank, with annual interest rate of 9%. There was no outstanding balance as at 31 December 2022.

(b) Bank loan

The Company obtained a credit facility on 7 November 2017 from local bank with a ceiling of USD 34,000 thousand, with annual interest rate of LIBOR for three months plus 2%, to finance the installation of natural gas turbine.

This loan was settled on sixteen equal consecutive quarterly instalments with interest payment. The final and last quarterly instalments were paid during 2022, and therefore the total loan balance was settled.

Principal instalments payable during one year and after are as follows:

	2022	2021
	JD “000”	JD “000”
Non- current		
Long-term loan	-	-
Current		
Current portion of long-term loan	-	6,494
Total loans	**-**	**6,494**

(20) Provision Against Employees’ Death and Compensation Fund

The provision against employees’ compensation and death is calculated based on the projected cost units which is determined by discounting estimated future cash outflows using the interest rate on high quality governmental bonds that are denominated in the currency in which the defined benefit is paid, and with maturity dates that are approximately close to those obligations.

This provision shall be calculated and paid upon death, retirement or resignation for each employee by 1/6 of the last year total salaries for each year of service if the employee has been employed by the Group for a period of more than five years.

The employee shall not benefit from this fund if he/she spent less than five years of service. In that case, the employee’s total contribution to the fund is returned to the employee.

This plan is an unfunded benefit and there are no plan assets held to fund it.

The following table shows movement on the provision recognized in the consolidated statement of financial position.

	2022	2021
	JD “000”	JD “000”
Balance as at 1 January	59,148	61,021
Current and past service cost	4,184	4,786
Discount value	3,580	3,296
Actuarial losses resulting from the remeasurement of the defined benefit plans	(7,949)	(1,682)
Paid during the year	(5,184)	(8,273)
Balance as at 31 December	**53,779**	**59,148**

The Group's obligations are limited to the provision booked by the Group which are expensed when due.

	2022	2021
	JD "000"	JD "000"
Non- current		
Death and compensation fund obligations	50,048	55,736
Current		
Death and compensation fund obligations	3,731	3,412
Total	**53,779**	**59,148**

The weighted average duration of the defined benefit obligation is 8 years. The expected maturity analysis of undiscounted pension is as follows:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Above 5 years	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
At 31 December 2022					
Death and compensation obligation	3,731	8,199	12,536	188,652	213,118
At 31 December 2021					
Death and compensation obligation	3,412	7,364	11,016	191,680	213,472

The following table shows the amounts recognized in the consolidated statement of income:

	2022	2021
	JD "000"	JD "000"
Current and past service cost	4,184	4,786
Discount value	3,580	3,296
	7,764	**8,082**

The following table shows the amounts recognized in the consolidated statement of comprehensive income:

	2022	2021
	JD "000"	JD "000"
Gain (loss) resulting from change in financial assumptions	7,314	(1,983)
Gain from change in experience	635	301
	7,949	**(1,682)**

The following table shows the significant actuarial assumptions that have been used:

	2022	2021
	%	%
Discount rate	7.7	6
Salary growth rate	3.5	3.5
Staff turnover	2	1.26

At the end of the year, if the assumptions differ by 1% from management estimates, and all other variables are held constant, the profit for the year will be affected as follows:

	Increase in the assumptions by 1%	Decrease in the assumptions by 1%
	JD "000"	JD "000"
2022		
Discount rate	4,069	(3,752)
Salary growth rate	(3,664)	4,045
Staff turnover	(596)	1,448
2021		
Discount rate	4,834	(4,901)
Salary growth rate	(4,706)	4,734
Staff turnover	(493)	1,062

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the consolidated statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(21) Other Current Liabilities

	2022	2021
	JD "000"	JD "000"
Accrued expenses	64,336	26,131
Employees' legal cases compensation provision (note 34)	5,464	4,362
Dividends payable	1,418	1,526
Contractors' retentions **	3,424	10,176
Others	10,029	9,183
	84,671	**51,378**

** On December 8, 2021, Arab Potash Company terminated the contract with the contractor, Hydroconcertia, responsible for the implementation of Dike 19 works, for violating the terms of the contract. Based on that, the company raised a legal case to claim for its contractual and legal rights against Hydroconcertia and liquidated all the bank guarantees provided by the contractor in favor of the Arab Potash; where these amounts were netted against the amounts previously capitalized on the project that appear under the property, plant and equipment in the consolidated statement of financial position.

During 2022, the company has appointed a new contractor to complete the implementation of the project.

(22) Revenue From Contracts With Customers

	Arab Potash Co.	KEMAPCO	Numeira Co.	Total	Eliminations and Adjustments	Total
	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"
2022						
Sales to external customers	1,143,014	124,247	931	1,268,192	-	1,268,192
Inter-company Sales	63,210	-	1,380	64,590	(64,590)	-
Revenue from contracts with customers	**1,206,224**	**124,247**	**2,311**	**1,332,782**	**(64,590)**	**1,268,192**
2021						
Sales to external customers	555,838	91,309	863	648,010	-	648,010
Inter-company Sales	28,099	-	2,440	30,539	(30,539)	-
Revenue from contracts with customers	**583,937**	**91,309**	**3,303**	**678,549**	**(30,539)**	**648,010**

Following is a summary of sales by geographical location for the Group customers for the year ended 31 December 2022 and 2021:

	31 December 2022				31 December 2021			
	Arab Potash Co.	KEMAPCO	Numeira Co.	Total	Arab Potash Co.	KEMAPCO	Numeira Co.	Total
	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"
China & India	369,337	5,668	19	375,024	153,186	8,985	-	162,171
Far East	295,788	6,392	-	302,180	157,715	6,026	-	163,741
Middle East	74,909	12,420	316	87,645	48,910	11,036	542	60,488
Africa	146,538	14,785	5	161,328	89,243	8,508	-	97,751
Europe	172,994	65,554	578	239,126	30,554	40,195	321	71,070
America & Australia	77,832	18,508	13	96,353	76,165	15,597	-	91,762
Southeast Asia	5,616	-	-	5,616	65	-	-	65
Canada	-	920	-	920	-	962	-	962
	1,143,014	**124,247**	**931**	**1,268,192**	**555,838**	**91,309**	**863**	**648,010**

All assets and liabilities of the Group are located inside the Hashemite Kingdom of Jordan.

The Group derives revenue from the transfer of goods and freight service in the following major product lines:

	Sale of Potash	Sale of potassium	Mixed salts and mud	Revenue from freight	Total
2022	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"
Revenue from contracts with customers Timing of revenue – At a point in time	1,077,994	117,065	931	-	1,195,990
Timing of revenue - Over time	-	-	-	72,202	72,202

	Sale of Potash	Sale of potassium	Mixed salts and mud	Revenue from freight	Total
2021	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"
Revenue from contracts with customers Timing of revenue – At a point in time	502,426	86,020	863	-	589,309
Timing of revenue - Over time	-	-	-	58,701	58,701

Sales contracts for APC often incorporate provisional pricing - at the date of delivery, a provisional price may be charged. The final price may be an average market price for a particular future period or a fixed price at specific date depending on contractual terms. Revenue from the sale of provisionally priced PAC is recognised when control is transferred to the customer (which would generally be the date of delivery) and revenue can be measured reliably. At this date, the amount of revenue to be recognised will be estimated based on the market price of potash on the global market. At each subsequent period end the provisionally priced contracts are marked to market using the most up- to-date market prices with any resulting adjustments usually being recognised within revenue.

The Group may receive provisional payments from its customers on delivery with a final payment on settlement.

Segment information:

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM) and for which discrete financial information is available. The CODM is the person or group of persons who allocates resources and assesses the performance for the entity. The CODM has been identified as the remuneration and nomination committee made up of members of the Board of Directors of the Group.

(a) Description of products and services from which each reportable segment derives its revenue

The Group is organised on the basis of three main business segments:

- Producing potash and salt through Arab Potash Company.
- Producing potassium nitrate and di calcium phosphate through Arab Fertilizers and Chemical Industries (KEMAPCO)
- Producing mixed salts and mud through Numeira Mixed Salts and Mud Company.

(b) Factors that management used to identify the reportable segments

The Group's segments are strategic business units that focus on different customers. They are managed separately because each business unit requires different marketing strategies and service levels.

Regular review of the Group subsidiaries is delegated to the local management teams. The CODM obtains financial statements of the Group's subsidiaries. Such financial information overlaps with the segment analysis provided internally to the CODM. Management therefore applied the core principle of IFRS 8, Operating Segments, in determining which of the overlapping financial information sets should form the basis of operating segments.

(c) Measurement of operating segment profit or loss, assets and liabilities

The CODM reviews financial information prepared based on the Group's internal policies adjusted to meet the requirements of internal reporting. Such financial information differs in certain aspects from International Financial Reporting Standards:

(i) income taxes are not allocated to segments;
(ii) liabilities for the Group are not recognised;

The CODM evaluates performance of each segment based on segment gross profits.

(d) Information about reportable segment profit or loss and assets

Following is a breakdown of the segment information for the above operating segments:

	2022						
	Potash sales	Fertilizers sales	Mixed salts and mud sales	Dead Sea for chemicals and fertilizers	Total	Eliminations and Adjustments	Total
	JD "000"	JD "000"	JD "000"		JD "000"	JD "000"	JD "000"
Sales to external customers	1,143,014	124,247	931	-	1,268,192	-	1,268,192
Inter-company Sales	63,210	-	1,380	-	64,590	(64,590)	-
Total Sales	1,206,224	124,247	2,311	-	1,332,782	(64,590)	1,268,192
Less: Cost of sales	(306,240)	(100,381)	(1,979)	-	(408,600)	53,810	(354,790)
Segment profit	899,984	23,866	332	-	924,182	(10,780)	913,402
Results							
Share of profit of associates and joint ventures	94,979	-	-	-	94,979	-	94,979
Depreciation	51,073	2,791	89	-	53,953	(79)	53,874
Capital Expenditure							
Property, plant and equipment and projects in progress	184,274	400	724	-	185,398	-	185,398
Total Assets	**1,942,630**	**113,064**	**4,253**	**50**	**2,059,997**	**(34,202)**	**2,025,795**
Total Liabilities	**434,519**	**31,103**	**5,105**	**655**	**471,382**	**(20,915)**	**450,467**
Investments in associates and joint ventures	**237,419**	-	-	-	**237,419**	-	**237,419**

	2021					
	Potash sales	Fertilizers sales	Mixed salts and mud sales	Total	Eliminations and Adjustments	Total
	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"
Sales to external customers	555,838	91,309	863	648,010	-	648,010
Inter-company Sales	28,099	-	2,440	30,539	(30,539)	-
Total Sales	583,937	91,309	3,303	678,549	(30,539)	648,010
Less: Cost of sales	(283,511)	(74,646)	(2,085)	(360,242)	28,788	(331,454)
Segment profit	300,426	16,663	1,218	318,307	(1,751)	316,556
Results						
Share of profit of associates and joint ventures	58,542	-	-	58,542	-	58,542
Depreciation	43,657	2,485	82	46,224	(79)	46,145
Capital Expenditure						
PP&E and projects in progress	145,763	7,240	85	153,088	-	153,088
Total Assets	**1,239,703**	**98,936**	**3,902**	**1,342,541**	**(17,844)**	**1,324,697**
Total Liabilities	**241,682**	**24,341**	**4,874**	**270,897**	**(13,610)**	**257,287**
Investments in associates and joint ventures	**210,558**	-	-	**210,558**	-	**210,558**

(e) Segment liabilities

Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment.

The group's borrowings and derivative financial instruments are not considered to be segment liabilities but are managed by the treasury function.

(23) Other Non-Current Liabilities

	2022	2021
	JD "000"	JD "000"
End of service indemnity*	4,029	4,147
Employees vacations provision**	2,411	2,611
Contractors' retentions (Note 36)	13,025	15,234
	19,465	**21,992**

* The Group pays end of service to its employees based on its internal bylaws. This provision represents a defined benefit plan whereby the Group pays specific amounts to the employees registered in this program once they retire.

The Group accounts for this type of benefit using the “Projected Cost Unit” method and as disclosed in the accounting policy note 2.14. Management believes that no material impact will incur had any of the assumption used in this method changed, whereas the average remaining lives of the benefit is 2 years, accordingly, any early retirements or change in discount rate will have immaterial impact on the consolidated financial statement.

** As per the Groups’ policy and labour laws, employees have the right to roll forward any unutilised vacations for two years, which resulted in classifying these unveiled vacations as long-term benefit thus should be treated as defined benefit plan and should be presented on the present value.

The main assumption used by the management is salaries increments for the coming two years.

(24) Income and Deferred Tax

(a) Income tax

The movement on the provision for income tax during the year was as follows:

	2022	2021
	JD “000”	JD “000”
Balance at 1 January	73,251	28,643
Income tax expense for the year	241,900	82,854
Income tax paid	(118,873)	(38,246)
Balance at 31 December	**196,278**	**73,251**

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

	2022	2021
	JD “000”	JD “000”
Current year income tax	241,900	82,854
Deferred tax assets	(2,270)	(224)
	239,630	**82,630**

Income tax expense

	2022	2021
	JD “000”	JD “000”
Computed tax at statutory rates	261,916	94,291
Subsidiaries’ profits not subject to income tax	(3,100)	(2,619)
Gain on investments in associates not subject to income tax	(19,209)	(9,448)
Tax effect of expenses not acceptable for tax purposes	23	406
Income tax expense for the year	**239,630**	**82,630**
Effective income tax rate	28.5%	27.6%

The statutory income tax rate for the company is 31%, 16% for Arab Fertilizers and Chemicals Industries (KEMAPCO) and 21% for Numeira Mixed Salts and Mud Company.
The provision for the year ended 31 December 2022 and 2021 has been calculated in accordance with the income tax law No, (38) of the year 2018 and its amendments.

(b) Deferred tax assets

The movement on deferred tax assets is as follows:

	2022	2021
	JD "000"	JD "000"
At 1 January	22,481	22,779
Additions during the year	3,788	3,447
Additions during the year- resulting from re-measurement of Post-employment benefit obligations	(2,435)	(522)
Retirements during the year	(1,518)	(3,223)
At 31 December	**22,316**	**22,481**

The below table shows the deferred tax assets amount related to each applicable line items:

Deferred tax assets items	2022	2021
	JD "000"	JD "000"
Death and compensation fund obligation	16,628	18,285
End of service indemnity	123	249
Medical disability provision	1,647	1,164
Inventory provision	1,027	1,091
Unveiled employees' vacation	747	809
IFRS 9 Impact on financial assets	2,144	883
	22,316	**22,481**

The deferred tax assets as at 31 December 2022 and 2021 was calculated using the income tax rate of 31% per the new enacted tax law no.38.

- Arab Potash Company

The Income and Sales Tax Department has reviewed the Company's records for the years 2017 and 2018 and has issued the final tax clearance for those years. As for the year 2019, 2020, 2021 the tax return has been submitted and not been audited by the Income and Sales Tax Department up to the date of these consolidated financial statements.

- Due from Sales Tax Department

Other receivables include JD 21.1 million (2021: JD 14.5 million) representing the general sales tax authorities paid by the Company over the past years. These amounts are refundable under the provisions of the General Sales Tax Law.

- Numeira Mixed Salts and Mud Company

Tax returns have been submitted for the years 2018,2019,2020 and 2021 and the valuation has not been audited by the Income and Sales Tax Department as of the date of these consolidated financial statements.

- Arab Fertilizers and Chemicals Industries (KEMAPCO)

The Arab Fertilizers and Chemicals Industries Company (KEMAPCO - a subsidiary) is a company registered with the Jordanian Group for Free Zones and Development Zones. It is therefore exempt from income and social service taxes for a period of 12 years starting from the year of assessment following the start of production (April 2003). Profits are excluded from this exemption. Commercial storage projects for goods that are put for local consumption. According to Income Tax Law No. (38) of 2018, the income generated from export sales is subject to income tax as of 1 January 2019. In the opinion of management and the tax and legal advisor, this income is not subject to tax as the company is registered in the free zones and is subject to the provisions of Investment Law No. (14) for the year 2014 and its amendments, and accordingly the management did not calculate a provision for this income.

A final clearance was obtained from the Income and Sales Tax Department for the years 2001, 2002, 2003, 2005, 2010, 2011, 2012, 2013, 2014, 2015 and 2016. The declarations for the years 2017 and 2018 were accepted according to the sample system. Income tax returns have been submitted within the legal deadline for the years 2019 and 2020 and the tax examination has not yet been conducted. In the opinion of the company's management and the tax consultant, the company will not have any obligations in excess of the provision calculated as of 31 December 2022.

The company signed an agreement with the Free Zones Corporation whereby the company was exempted from income tax for a period of 12 years starting from the first day of actual production on the first of April 2003. During 2016, the company began calculating the income tax provision for the year 2016 on local sales in accordance with the applicable Income Tax Laws

(25) Cost Of Sales

	2022	2021
	JD "000"	JD "000"
Raw materials		
Raw materials as at 1 January	2,246	1,394
Purchases	38,237	26,860
Minus: Raw materials as at 31 December (Note 13)	(610)	(2,246)
Raw materials used in production	39,873	26,008
Salaries and wages	62,641	66,580
Fuel and electricity	65,126	54,274
Depreciation (Note 5)	51,695	43,593
Maintenance	44,339	39,386
Freight costs	72,202	58,701
Water	5,226	6,811
Rentals (Note 33)	8,115	5,435
Professional fees	6,750	4,328
Insurance	4,042	3,170
Amortisation (Note 6)	1,409	1,410
Others	13,106	9,191
	374,524	**318,887**
Add: beginning finished goods	19,039	31,606
Less: ending finished goods (Note 13)	(38,773)	(19,039)
	354,790	**331,454**

(26) Administrative Expenses

	2022	2021
	JD "000"	JD "000"
Salaries and other benefits	10,705	9,277
Professional and consulting fees	3,470	1,478
Travel and hospitality	683	239
Insurance	819	1,093
Depreciation on right of use of leased asset (Note 33)	689	711
Depreciation (Note 5)	376	362
Maintenance and repairs	394	301
Post and telephone	131	126
Electricity	77	132
Fuel	72	39
Others	1,249	3,177
	18,665	**16,935**

(27) Other Income, Net

	2022	2021
	JD "000"	JD "000"
Gain on scrap sales of spare parts	260	1,740
Others, net	293	427
	553	**2,167**

(28) Mining Fess to the Government of Jordan

The movement on accrued mining fees provision is as follows:

	2022	2021
	JD "000"	JD "000"
Balance as at 1 January	29,382	4,986
Additions during the year	127,133	39,382
Payments during the year	(78,382)	(14,819)
Discount for advance payments	(1,000)	(167)
Balance as at 31 December	**77,133**	**29,382**

(29) Selling and Distribution Expenses

	2022	2021
	JD "000"	JD "000"
Marketing		
Sales commission	2,012	1,374
Salaries and other benefits	685	784
Travel and transportation	526	146
Sample testing	322	394
Post and telephone	24	25
Depreciation (Note 5)	5	-
Advertising	158	66
Others	457	98
	4,189	**2,887**
Aqaba – Selling Office		
Handling fees	6,809	5,691
Depreciation (Note 5)	1,798	2,190
Salaries, wages and other benefits	1,835	1,903
Maintenance and repair	1,318	1,131
Electricity	334	375
Insurance	166	128
Rent	383	165
Fuel	25	15
Others	575	606
	13,243	**12,204**
	17,432	**15,091**

(30) Finance Costs

	2022	2021
	JD "000"	JD "000"
Interest expense	3,693	3,747
Bank commissions	1,678	802
Finance cost on lease liability (Note 33)	300	478
	5,671	**5,027**

(31) Earnings Per Share

	2022	2021
	JD "000"	JD "000"
Profit for the year	601,228	216,717
Weighted average number of shares (''000")	83,318	83,318
	Fills/ JD	Fills/ JD
Basic and diluted, earnings per share (JD / Fils)	**7.216**	**2.601**

Basic earnings per share for the Group equals the diluted earnings per share, whereas, the Group has not issued any diluting financial instruments that can affect the basic earnings per share.

(32) Related Party Transactions

Parties are generally considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Balances with related parties included in the consolidated statement of financial position are as follows:

	2022	2021
Amounts due from related parties	JD "000"	JD "000"
Due from Jordan Bromine Company (Joint Venture)	2,907	1,256
Dividend due from Jordan Bromine Company (Joint Venture)	37,762	-

All sales transactions with related parties are made on market terms with its associates and joint ventures. The following are the major transactions:

	2022	2021
	JD "000"	JD "000"
Sales – Nippon Jordan Fertilizer Company (Associate)	2,903	2,082
Sales – Jordan Bromine Company (Joint venture)	18,279	9,322
Company's share of profit of associates and joint ventures	94,979	58,542

Key management includes Directors (executive and non-executive) and members of the Executive Committee.

Compensation of the key management personnel was as follows:

	2022	2021
	JD "000"	JD "000"
Key management benefits (Salaries, wages, and bonus) for the Group	3,203	2,377

(33) Leases

(i) The group's leasing activities and how these are accounted for

The Group recognized the right to use assets against lease commitments under the long-term lease signed between Kemapco (a subsidiary of Arab Potash Company) and Aqaba Development Company (ADC).

The two parties signed long-term land lease contracts for the site where Kemapco performs all its operations in Aqaba. The contract effective start date was 1st of January 2008 and the contract's duration is 20 years. The Company has an option to extend the contract for an additional 29 years, however the option's validity is neither obligatory nor certain. The annual rent instalments amount to JD 505 thousand paid at the beginning of each year; and a 9% interest rate implicit in the lease contract is used as the rate for discounting being the finance liability for delays in payment.

During 2019, an additional area of land was agreed and signed between Kemapco and ADC and was added to the right of use of leased asset and the lease liability recorded as of 1 January 2019. The agreement follows the same terms and conditions as the original contract; the duration of the contract and the interest rate used is the same as the original contract. The annual rent payment amount to JD 414 thousand paid at the beginning of each year.

The Group recognized a right of use asset and a lease liability as of 1 January 2019, which is the present value of all the minimum lease payments for the remaining years representing the maximum contract duration excluding the extension option (which is non-obligatory). Amortization is calculated on a straight-line basis to allocate the cost over the entire term of the right of use asset. The interest of the lease obligation is calculated using a 9% interest rate implicit in the lease contract as the discount rate that represents the interest rate applicable to the delay in the lease payments.

Leases are recognized as assets of the right to use and corresponding liabilities on the date that the leased assets are available for use. Each lease payment is distributed between the obligation and the financing cost. The cost of financing is charged to the consolidated statement of income over the term of the lease to obtain a constant periodic rate of interest payable on the remaining balance of liabilities for each period. Amortisation is calculated on the assets of the right to use over the useful life of the asset or lease term, whichever is shorter, using the straight-line method.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including fixed payments in substance), less any rent incentives payable.
- Variable lease payments based on the index or the rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the Group under residual value guarantees.
- The exercise price of the purchase option if the Group is reasonably certain of exercising this option.
- Payments for rent termination penalties, if the rental terms indicate the tenant's use of this option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The asset's right to use is measured at cost which includes:

- The initial amount of the lease obligation.
- Any lease payments paid on or before the date of commencement of the contract less any rent incentives received.
- Any direct priority costs.
- The cost of the repairs to return the leased asset to its condition before the lease.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

Extension and termination option is included in the lease agreement with Kempaco. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The extension and termination option held is exercisable only by the Group and not by the respective lessor. The extension option in the lease agreement has not been included in the lease liability, because the Company could replace the assets without significant cost or business disruption.

As at 31 December 2022 and 2021, potential future cash outflows of JD 34,307 thousand (undiscounted) has not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated)

(a) Amounts recognised in the consolidated statement of financial position:

The Consolidated statement of financial position shows the following amounts relating to lease:

	2022	2021
	JD “000”	JD “000”
Right-of-use-assets		
Right of use of leased assets as at 31 December	3,356	4,045

	2022	2021
	JD “000”	JD “000”
Lease liabilities		
Current portion	893	788
Non-current portion	3,193	2,998
lease liabilities as at 31 December	**4,086**	**3,786**

(b) Amounts recognised in the consolidated statement of income:

	2022	2021
	JD “000”	JD “000”
Depreciation charge of right-of-use assets	(689)	(711)
Interest expense (included in finance cost)	(300)	(478)
	(989)	**(1,189)**
Expenses relating to short-term Rent (included in the cost of sales- Note 25)	8,115	5,435

The total cash outflow for leases during the year 2022 was JD 8,415 thousand (2021 JD 6,806 thousand).

(34) Contingencies and Commitments

At the date of the consolidated statement of financial position, the Group has contingent liabilities against bank guarantees and others arising from the company's normal activity. Which are not expected to result in material liabilities and consist of the following:

	2022	2021
	JD "000"	JD "000"
Letters of Credit	29,487	35,755
Letters of Guarantees	11,886	14,921

Capital Commitments:

- The Group has committed and contracted for capital expenditure amounting to JD 331,031 thousand as at 31 December 2022 (2021: JD 273,230 thousand).
- The Group has committed but not contracted for capital expenditure amounting to JD 43,879 thousand as at 31 December 2022 (2021: JD 40,999 thousand).

Operating lease commitments

The Company leases the land under mining through a non-cancellable operating lease expiring in 2058. The lease is applicable for annual increase based on the positive increase in the Consumer Price Index.

Future minimum rentals payable under these leases at 31 December are as follows:

	2022	2021
	JD "000"	JD "000"
Within one year	1,907	1,879
After one year but not more than five years	7,628	7,516
After five years and not more than 15 years	19,070	18,790
More than 15 years	40,047	39,459
	68,652	**67,644**

Legal claims

There are a number of individual claims filed against the Group by a number of employees, most of which are related to insurance indemnities resulting from disability. In addition to other lawsuits raised against the Company in the normal course of business. The Company estimates the total amount of these claims of JD 5,464 thousand as at 31 December 2022 (2021: JD 4,362 thousand). These claims were fully provided for as shown in note 21.

(35) Corporate Social Responsibility Expenses

The Group on yearly basis participates in developing locations that face poverty through many Social Responsibility Contribution in form of financing, buildings, developing or supporting of schools, hospitals, mosques and others.

(36) Reclassification Restatements of Comparative Figures

(a) Reclassifying the item of advance payments to contractors on capital projects:

The comparative figures of the current year have been reclassified to match the classification of the financial statements for the year ended 31 December 2022, where the advance payments against capital projects have been reclassified from being current assets to non-current assets. This reclassification did not affect the consolidated statement of income and changes in shareholders' equity.

The following table summarizes the accounting impact on the consolidated statement of financial position as at 31 December 2021:

	Before reclassification	Increase (decrease)	After reclassification
	JD "000"	JD "000"	JD "000"
Current assets	491,085	(69,089)	421,996
Non-current assets	833,612	69,089	902,701

The following table summarizes the accounting impact on the beginning balance of the comparative figures as at 1 January 2021 is as follows:

	Before reclassification	Increase (decrease)	After reclassification
	JD "000"	JD "000"	JD "000"
Current assets	88,424	(71,611)	16,813
Non-current assets	35,460	71,611	107,071

B - Reclassification of Contractors' Retentions Item:

The comparative figures of the current year have been reclassified to match the classification of the financial statements for the year ended 31 December 2022; where the contractors' retentions have been reclassified from being current liabilities to non-current liabilities. This reclassification did not affect the consolidated statement of income and changes in shareholders' equity

The following table summarizes the accounting impact on the consolidated statement of financial position as at 31 December 2021:

	Before reclassification	Increase (decrease)	After reclassification
	JD "000"	JD "000"	JD "000"
Current liabilities	191,795	(15,234)	176,561
Non-current liabilities	65,492	15,234	80,726

The following table summarizes the accounting impact on the beginning balance of the comparative figures as at 1 January 2021 is as follows:

	Before reclassification	Increase (decrease)	After reclassification
	JD “000”	JD “000”	JD “000”
Current liabilities	47,650	(10,812)	36,838
Non-current liabilities	7,483	10,812	18,295

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