Philadelphia Pharmaceuticals Company
"Public Shareholding Company"
Amman–The Hashemite Kingdom of Jordan
Financial Statements
and
Independent Auditors' Report
31 December 2025

Philadelphia Pharmaceuticals Company.
"Public Shareholding Company"
Amman–The Hashemite Kingdom of Jordan

Content

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Independent auditors report

To the Shareholders of
Philadelphia Pharmaceuticals Company (P.S)
Amman – Jordan

Opinion

We have audited financial statements of Philadelphia Pharmaceuticals Company (P.S) which comprise statement of financial position as at 31 December 2025 and statements of profit or loss and other comprehensive income, statements of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Philadelphia Pharmaceuticals Company (P.S) as of 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis of opinion:

We conducted our audit in accordance with International Standards on Auditing; our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA code) together with the ethical requirements that are relevant to our audit of the financial statements in Jordan and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code .we believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion.

Key audit matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statement of the current period. These matters were addressed in the context of our audit of the financial statements, and in forming our opinion thereon we do not provide a separate opinion on these matters, and we did not recognize any key audit matters to mention.

Other information

Management is responsible for the other information, which comprises the information that is not included in the financial statements and auditors' report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Tel: +(962) 6 5823441 - Fax: +(962) 6 5823442 - P.O. Box: 3035 Amman 11821 Jordan
www.mazars.com

If, based on the work that we have performed, we conclude that there is a material misstatement of this other information, and then 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 financial statements:

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

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

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

Auditors' responsibilities for the audit of the financial statements:

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 company's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

  If we conclude that material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

  Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the 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, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 regularity requirements

The Philadelphia Pharmaceuticals Company (P.S) maintains accounting records as required, and it is compatible with the accompanying financial statements and we recommend approving it.

Forvis Mazars – Jordan
Dr. Reem AL-Araj
License No. (820)
Dr. Reem

Amman- Jordan
05 March 2026

Tel: +(962) 6 5823441 - Fax: +(962) 6 5823442 - P.O. Box: 3033 Amman 11821 Jordan
www.mazars.com

Philadelphia Pharmaceuticals Company
"Public Shareholding Company"
Statement of Financial Position (JOD)

	Notes	As of 31December 2025	2024
Current assets			
Cash and cash equivalent	5	1,827,375	1,653,230
Trade receivables (net)	6	6,525,245	6,376,002
Inventory	7	2,064,117	1,825,370
Goods in transit		202,045	74,321
Other debit balances	8	513,873	306,715
Total current assets		**11,132,655**	**10,235,638**
Non-current assets			
Property, plant and equipment(net)	9	2,826,310	2,881,178
Intangible assets	10	3,257,459	3,550,129
Total non-current assets		**6,083,769**	**6,431,307**
Total assets		**17,216,424**	**16,666,945**
Liabilities and shareholders' equity			
Current liabilities			
Credit banks	11	514,025	671,989
Trade payables		1,332,234	1,225,489
Deferred cheques		21,464	8,200
Income tax provision	18	267,841	135,484
National contribution tax provision	18	12,725	10,403
Short –term loan	12	539,098	476,710
Other credit balances	13	303,466	261,667
Total current liabilities		**2,990,853**	**2,789,942**
Non-current liabilities			
Long –term loan	12	706,566	838,153
Total non-current liabilities		**706,566**	**838,153**
Total liabilities		**3,697,419**	**3,628,095**
Shareholders' equity			
Capital		7,500,000	7,500,000
Statutory reserve		1,773,000	1,645,762
Voluntary reserve		266,772	266,772
Retained earnings		3,979,233	3,626,316
Total shareholders' equity		**13,519,005**	**13,038,850**
Total shareholders' equity and liabilities		**17,216,424**	**16,666,945**

The attached pages from (10) to (29) are an integral part of these financial statements and should be read in conjunction with them and with the independent auditor's report.

Philadelphia Pharmaceuticals Company
"Public Shareholding Company"
Statement of Profit or Loss and Other Comprehensive Income (JOD)

	Note	For the year ended 31 December	
		2025	**2024**
Sales	14	9,169,000	8,762,469
Cost of sales	15	(4,661,983)	(4,641,472)
Gross profit		**4,507,017**	**4,120,997**
Research and development expenses		(447,585)	(424,396)
Selling and distribution expenses	16	(1,382,810)	(1,285,345)
Administrative expenses	17	(1,094,172)	(979,536)
Board of directors ' incentives		(45,000)	(35,000)
Finance expense		(290,308)	(353,571)
Other (expense) revenue		25,231	(2,866)
Profit before tax		**1,272,373**	**1,040,283**
Income tax expense	18	(254,493)	(208,362)
National contribution tax expense	18	(12,725)	(10,403)
Profit after tax		**1,005,155**	**821,518**
Total comprehensive income for the year			
Weighted average of shares		7,500,000	7,500,000
Basic earnings per share		**0.134**	**0.110**

The attached pages from (10) to (29) are an integral part of these financial statements and should be read in conjunction with them and with the independent auditor’s report.

Philadelphia Pharmaceuticals Company
"Public Shareholding Company"
Statement of Changes in Shareholders' Equity (JOD)

For the year ended on 31 December 2025	Capital	Statutory reserve	Voluntary reserve	Retained earnings	Total shareholders' equity
Balance on 1 January 2025	**7,500,000**	**1,645,762**	**266,772**	**3,626,316**	**13,038,850**
Profit for the year	-	127,238	-	877,917	1,005,155
Dividends	-	-	-	(525,000)	(525,000)
Balance on 31 December 2025	**7,500,000**	**1,773,000**	**266,772**	**3,979,233**	**13,519,005**

For the year ended on 31 December 2024	Capital	Statutory reserve	Voluntary reserve	Retained earnings	Total Shareholders' equity
Balance on 1 January 2024	**7,500,000**	**1,541,734**	**266,772**	**3,433,826**	**12,742,332**
Profit for the year		104,028	-	717,490	821,518
Dividends	-	-	-	(525,000)	(525,000)
Balance on 31 December 2024	**7,500,000**	**1,645,762**	**266,772**	**3,626,316**	**13,038,850**

Philadelphia Pharmaceuticals Company
"Public Shareholding Company"
Amman -The Hashemite Kingdom of Jordan
Statement of Cashflows (JOD)

		For the year ended 31 December	
	Note	**2025**	**2024**
Operating activities			
Profit before tax and interest		1,562,681	1,393,854
Adjustments			
Amortization Intangible assets	10	292,670	298,261
Depreciation	9	241,530	275,258
Profit on Sale of Property, plant and equipment	9	(31,421)	(10,613)
Net cash flows from operating activities before changes in working capital		**2,065,460**	**1,956,760**
Changes in working capital:			
Trade receivables		(149,243)	70,571
Inventory		(238,747)	24,241
Goods in transit		(127,724)	(30,407)
Other debit balances		(207,158)	69,336
Trade payables		106,745	(127,646)
Deferred cheques		13,264	(3,207)
Other credit balances		41,799	(22,218)
Total changes in working capital		**1,504,396**	**1,937,430**
Paid Income tax	12	(132,539)	(216,030)
Net cash from operating activities		**1,371,857**	**1,721,400**
Investment activities			
Purchase of property and equipment	9	(218,136)	(1,116,402)
Cash proceed from sale of property and equipment		62,895	32,114
Net cash flows from investment activities		**(155,241)**	**(1,084,288)**
Financing activities			
Finance expense		(290,308)	(353,571)
Credit banks		(157,964)	(819,939)
Loan		(69,199)	1,314,862
Dividends		(525,000)	(525,000)
Net cash flows from financing activities		**(1,042,471)**	**(383,648)**
Net increase in cash		174,145	253,464
Cash and cash equivalents on 1 January		1,653,230	1,399,766
Cash and cash equivalent on 31 December	5	**1,827,375**	**1,653,230**

These notes form an integral part of the financial statements and should be read in conjunction with the accompanying financial statements.

1- General

Philadelphia Pharmaceuticals Company was established as a public shareholding company on January 17, 2006, under registration No. (394), with a paid-up capital of 7,500,000. The company is listed on the Amman Stock Exchange.

Head office locates in Al-Muqabalein, factoty locates in King Abdullah II Ibn Al Hussein Industrial Estate – Sahab.

Company's principal activities are limited to the manufacturing of human pharmaceuticals and medical supplies, sterilization solutions for dialysis machines, disinfectants and imaging agents, as well as the purchase and import of raw materials, machinery, equipment, and tools necessary for its manufacturing operations, in addition to any other objectives stated in the company's official registration records.

2 -Basis of Preparation of the Financial Statements

The company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the related interpretations, and in accordance with the provisions of the Companies Law of Jordan No. 22 of 1997 and its amendments No. 57 of 2006. These financial statements have been prepared on the historical cost basis, except for the items disclosed in the accounting policies below.

The financial statements are presented in Jordanian Dinar (JOD), which is also the company's functional currency, and all amounts are rounded to the nearest dinar unless otherwise stated.

- **Changes in Accounting Policies**

  In the current year, the company adopted all new and revised standards and interpretations effective for its operations that apply to annual periods beginning on or after 1 January 2025. The adoption of these new or revised standards did not result in any changes to the company's accounting policies and had no material impact on the financial statements for the current or prior year nor is it expected to have a material impact on future periods.

3 - Use of Judgments and Estimates

The preparation of financial statements and the application of accounting policies require the company's management to make judgments and estimates that affect the amounts of assets and liabilities and the disclosure of contingent liabilities. These estimates and judgments also affect revenues, expenses, and provisions. Management is required to make judgments and estimates to determine the amounts and timing of future cash flows arising from the circumstances of those estimates. These estimates are necessarily based on assumptions and factors with varying degrees of judgment and uncertainty, and actual results may differ from the estimates due to future changes in circumstances.

- **Useful lives of property and equipment**
  Management estimates the useful lives of property and equipment for depreciation purposes based on the expected usage of the assets. Management reviews the residual value and useful lives annually and adjusts future depreciation expenses if management believes the estimated useful lives differ from previous estimates.

Depreciation rates used:

Buildings	%2
Machines, equipment & vehicles	%15-%2
Furniture and decorations	%15

- **Fair Value of Financial Instruments**
  When the fair values of financial instruments recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques, including discounted cash flow models. Inputs to these models are derived from observable market data whenever possible; however, when this is not feasible, professional judgment is applied to determine fair values. Such judgments include considerations of liquidity, model inputs related to the expected future performance of the investee, risk profile, and economic assumptions related to the industry and geographic location in which the investee operates. Changes in assumptions regarding these factors may affect the reported fair value of financial instruments.
- **Inventory Valuation**
  Inventory is measured at the lower cost and net realizable value. Management reviews the Group’s inventory levels to identify slow-moving and obsolete inventory, and to determine inventory items with a market price, which is the expected selling price.
- **Income Tax**
  Income tax provisions are calculated and recognized in accordance with applicable laws, regulations, and instructions. Tax assets and liabilities are recognized based on the application of relevant laws and applicable accounting standards.
- **Expected Credit Losses**
  The Company applies the simplified approach under IFRS 9 to recognize expected credit losses on all debt instruments and calculates the expected credit losses over the entire lifetime of the debt instruments. The Company prepares its assessments based on experience, while considering forward-looking factors relating to debtors and the economic environment.
- **Intangible Assets**
  Management reviews the useful lives of intangible assets periodically to calculate amortization based on the condition of the assets and their expected future economic benefits. Amortization is recognized in the profit or loss and other comprehensive income. Since the useful life of the assets is 15 years and the amortization rate is 7%.
- **Financial Assets**
  The Company’s management reviews the carrying amounts of financial assets periodically to assess any impairment, which is recognized as a loss in profit or loss and other comprehensive income.

4. Significant Accounting Policies

4.1 Revenue Recognition

The Company's revenues mainly arise from the sale of pharmaceuticals Revenue from contracts with customers is recognized when the Company satisfies a performance obligation by transferring a promised good or service to the customer in the ordinary course of business, at the transaction price reflecting the consideration the company expects to be entitled to in exchange for the goods or services. The transaction price is allocated to the performance obligations. The good or service is transferred when the customer gains control of the good or service, and revenue is recognized on an accrual basis.

4.2 Borrowing Costs

- Direct borrowing costs related to the acquisition, construction, or production of a qualifying asset (an asset that takes a substantial period of time to prepare for its intended use or sale) are capitalized as part of the cost of the asset.
- All other borrowing costs are recognized as an expense in the period incurred.
- Borrowing costs include interest and other costs incurred by the company in connection with borrowing funds.

4.3 Income Tax

Income tax expense comprises current tax and deferred tax.

- Current tax is based on the taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss because it excludes items that are taxable or deductible in other years and items that are not taxable or deductible. Current tax is calculated using substantively enacted tax rates and laws in the countries in which the Company and its subsidiaries operate at the end of the reporting period.
- Deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases used to calculate taxable profit. Deferred tax is accounted for using the liability method in the statement of financial position.
- Deferred tax liabilities are recognized for all taxable temporary differences.
- Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized.
- Deferred tax is measured using the tax rates expected to apply in the period in which the liability will be settled or the asset realized, based on tax rates (and laws) substantially enacted by the end of the reporting period and the expected tax consequences of the manner in which the company anticipates, at the end of the reporting period, recovering its assets or settling its liabilities.
- Deferred 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 taxes relate to income taxes imposed by the same tax authority, and the Company intends to settle its current tax assets and liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

- Current and deferred taxes are recognized as an expense or income in profit or loss, except for items recognized directly in equity, in which case the tax is also recognized directly in equity, or when the tax arises from the initial accounting for a business combination. In a business combination, the tax effect is considered when calculating goodwill or determining the surplus in the acquirer's share of the fair value of identifiable assets acquired and liabilities assumed compared to the cost.
- Revenues, expenses, and assets are recognized net of sales tax, except:
  - When sales tax incurred on purchases is non-recoverable from tax authorities, in which case it is recognized as part of the cost of acquiring the asset or as part of the relevant expense, as applicable; and
  - Trade receivables and payables are presented including sales tax.

4.4 Dividends

Dividends are recognized as a liability when they are legally payable. Dividends are recorded in the financial year in which they are declared. Final dividends are recorded in the financial year in which the shareholders approve the distribution, and the corresponding amount is recognized in equity.

4.5 Foreign Currency Transactions and Translation

- Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the closing exchange rates.
- Non-monetary items measured at fair value and denominated in foreign currencies are retranslated using the exchange rates prevailing at the date the fair value is determined.
- Non-monetary items measured at historical cost in a foreign currency are not retranslated.
- Exchange differences arising on the settlement of monetary items or on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items measured at fair value are included in profit or loss, except for differences arising from the retranslation of non-monetary items whose gains and losses are recognized directly in equity, in which case exchange differences are also recognized directly in equity through other comprehensive income.
- Exchange differences relating to assets under construction for future productive use are included in the cost of those assets if considered an adjustment to borrowing costs on foreign currency loans.

4.6 Property, Plant, and Equipment

- Items of property, plant, and equipment are measured at cost, which includes the cost of replacing parts of the plant and equipment, and borrowing costs for long-term construction projects when recognition criteria are met, less accumulated depreciation and any accumulated impairment losses.
- If major parts of an item of property, plant, and equipment have different useful lives, they are accounted for as separate components of the asset.
- Any gain or loss on disposal of an item of property, plant, and equipment is recognized in profit or loss.
- Subsequent expenditures are capitalized only if it is probable that future economic benefits associated with the expenditure will flow to the Company; all other costs of maintenance and repairs are recognized in profit or loss as incurred.
- Depreciation is calculated to write off the cost of property, plant, and equipment, less its estimated residual value, using the straight-line method over the estimated useful life, and is normally recognized in profit or loss.
- Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if necessary.

4.7 Intangible Assets

Internally Generated Intangible Assets

- After initial recognition, internally generated intangible assets are carried at cost less accumulated amortization and any accumulated impairment losses, on the same basis as separately acquired intangible assets.
- Amortization expenses are recognized in profit or loss, and the asset is assessed for impairment if there are indicators of potential impairment.
- Estimated useful lives and amortization methods are reviewed at the end of each financial year and adjusted if necessary.
- Research expenses are recognized in the income statement as they are incurred.
- Development expenses are capitalized only if the company can demonstrate all of the following:
- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- Its intention and ability to complete the intangible asset for use or sale.
- How the intangible asset will generate future economic benefits.

4.8 Impairment of Non-Financial Assets

- The Company reviews the carrying amounts of its non-financial assets at each reporting date to assess whether there are any indicators of impairment.
- If indicators exist, the recoverable amount of the asset is estimated to determine any impairment loss.
- If it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs.

- Regardless of whether indicators of impairment exist, the Company also tests its intangible assets with indefinite useful lives and intangible assets not yet available for use for impairment annually, by comparing their carrying amounts with their recoverable amounts.
- The recoverable amount of an asset or CGU is the higher of its fair value less costs of disposal and its value in use.
- When assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.
- An impairment loss is recognized immediately in profit or loss for the amount by which the carrying amount of the asset exceeds its recoverable amount, except for revalued assets, in which case the impairment loss is treated as a revaluation decrease.
- When an impairment loss is subsequently reversed, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, provided that the new carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized in prior years.
- The reversal of an impairment loss is recognized immediately in profit or loss, except for revalued assets, in which case the reversal is treated as a revaluation increase.

4.9 Financial Instruments

The Company recognizes a financial asset or financial liability in the statement of financial position when it becomes a party to the contractual provisions of the instrument.

Financial Assets

Initial Recognition and Measurement

- Except for trade receivables that do not contain a significant financing component or for which the Company applies the practical expedient, all financial assets are initially measured at fair value plus transaction costs, except for financial assets classified at fair value through profit or loss (FVTPL), which are initially measured at fair value only.

- Trade receivables that do not contain a significant financing component, or for which the Company applies the practical expedient, are measured at the transaction price as specified in IFRS 15 – Revenue.

- The classification of financial assets at initial recognition, and whether they are subsequently measured at amortized cost, fair value through other comprehensive income (FVTOCI), or fair value through profit or loss (FVTPL), depends on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

- The Company's business model indicates how the Group manages its financial assets to generate cash flows and determines whether cash flows arise from collecting contractual cash flows, selling the financial assets, or both.

Financial Assets at Amortized Cost

- A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to collect contractual cash flows, and the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets measured at amortized cost include trade receivables and other receivables, cash and cash equivalents, and unlisted corporate bonds.
- After initial recognition, financial assets at amortized cost are measured using the effective interest method and are subject to impairment testing.
- Gains or losses are recognized in profit or loss when the asset is derecognized, modified, or impaired.

Impairment of Financial Assets

- The Company recognizes a provision for expected credit losses (ECL) on financial assets measured at amortized cost and debt instruments measured at FVTOCI.
- At each reporting date, the Company assesses whether the credit risk of a financial asset has increased significantly since initial recognition, by evaluating changes in the likelihood of default over the expected life of the financial instrument.
- If a financial asset is determined to be low credit risk at the reporting date, the Group assumes that the credit risk has not increased significantly since initial recognition.
- The Company uses reasonable and supportable forward-looking information that is available without undue cost or effort, in addition to historical information, when determining whether credit risk has increased significantly since initial recognition.

Financial Liabilities and Equity Instruments

Classification as Debt or Equity

- Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments

- An equity instrument is any contract that evidences a residual interest in the Company's assets after deducting all its liabilities.
- Equity instruments are recorded at the proceeds received, net of direct issue costs.

Ordinary Share Capital

- Ordinary share capital is classified as equity.
- Direct incremental costs incurred on issuing ordinary shares or share options are deducted from equity.

Initial Recognition and Measurement of Financial Liabilities

- All financial liabilities are initially measured at fair value, less transaction costs, except for financial liabilities classified at fair value through profit or loss (FVTPL), which are initially measured at fair value.

Financial Liabilities

- Financial liabilities are classified either as financial liabilities at FVTPL or as other financial liabilities.
- A financial liability is classified as FVTPL if the financial liability is:
  •Held for trading, or
  • Designated as such at initial recognition.

Other Financial Liabilities

Trade and Other Payables

- Trade and other payables are initially measured at fair value, net of transaction costs.
- Subsequently, they are measured at amortized cost, if applicable, using the effective interest method.
- Interest expense is recognized on an effective interest basis within finance costs.
- Any gains or losses are recognized in profit or loss upon derecognition or during amortization.

Borrowings

- Interest-bearing bank loans and overdrafts are initially measured at fair value.
- Subsequently, they are measured at amortized cost using the effective interest method.
- Any difference between the proceeds (net of transaction costs) and the redemption or repayment is recognized over the term of the borrowings in accordance with the Company's borrowing cost policy.
- Any gains or losses are recognized in profit or loss upon derecognition or during amortization.

4.10. Inventory

- Inventory is measured at the lower of cost and net realizable value.
- Costs include direct materials, any direct labor costs where applicable, and overheads incurred in bringing the inventories to their present location and condition.
- Cost is calculated using the weighted average method.

Net Realizable Value

- Net realizable value represents the estimated selling price less all estimated costs to complete and costs expected to be incurred in marketing, selling, and distribution.

4.11 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, bank overdrafts, and highly liquid short-term investments that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

4.12 Leases

- At the commencement of a contract, the Company assesses whether the contract is a lease or contains a lease.
- A contract is, or contains, a lease if it conveys the right to control the use of a specific asset for a period of time in exchange for consideration.
- If the contract contains more than one lease component, the Group allocates the consideration in the contract to each lease component based on the relative stand-alone price of each lease component.
- The Company recognizes a right-of-use asset and a lease liability at the lease commencement date for all lease arrangements where it is the lessee, except for leases with a term of 12 months or less and low-value asset leases, for which the Group applies the optional recognition exemptions under IFRS 16 Leases. For these leases, the Group records lease payments as an operating expense on a straight-line basis over the lease term.

The initial measurement of a right-of-use (ROU) asset is at its cost, which includes:

- The initial amount of the lease liability, adjusted for any lease payments made at or before the lease commencement date;
- Less any lease incentives received;
- Plus any initial direct costs incurred;
- And an estimate of costs to dismantle, remove, or restore the underlying asset or the site on which it is located.

The ROU asset is then depreciated on a straight-line basis from the commencement date to the end of the lease term.

- If the lease transfers ownership of the underlying asset to the Company by the end of the lease term, or the cost of the ROU asset reflects that the Company will exercise a purchase option, the ROU asset is depreciated over the useful life of the underlying asset, using the same method applied to property, plant, and equipment.
- The ROU asset is also reduced by any impairment losses, if any, and adjusted for certain remeasurements of the lease liability when appropriate.
- ROU assets that include a purchase option are presented under "Property, Plant, and Equipment".

Lease payments included in the measurement of the lease liability comprise:

- Fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- Amounts expected to be paid under a residual value guarantee;
- The exercise price of a purchase option that the Group is reasonably certain to exercise; and
- Penalties for terminating the lease if the Group is reasonably certain to exercise an early termination option, and lease payments for an optional extension period if the Group is reasonably certain to exercise the extension option.

The lease liability is measured at amortized cost using the effective interest method. The Company re-measures the lease liability if there is a change in the lease term due to a reassessment of the likelihood of exercising a termination, extension, or purchase option, or due to changes in future lease payments resulting from changes in an index or rate used to determine those payments.

When the lease liability is remeasured, a corresponding adjustment is made to the ROU asset, or it is recognized in profit or loss if there is a further reduction in the lease liability and the ROU asset's carrying amount has been reduced to zero.

4.13 Contingent Liabilities

A contingent liability is:

- a possible obligation arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Company's control; or
- a present obligation arising from past events but not recognised because:
    - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
    - the amount of the obligation cannot be measured reliably.

A contingent asset is a possible asset arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Group's control.

Contingent liabilities are not recognised in the Company's statement of financial position, except for contingent liabilities arising from business combinations that represent present obligations and whose fair value can be measured reliably.

contingencies that the company may incur:

Bank guarantees (net)	257,684(JOD)

5- Cash and cash equivalents

	2025 JOD	2024 JOD
Cash at hand	6,906	17,717
Checks in hand	1,690,000	1,597,000
Arab Bank – USD	19,811	21,270
Arab Bank – JOD	10,909	10,909
Capital Bank– USD	-	68
Investment Bank – JOD	7,160	5,172
Islamic Jordan Bank –JOD	461	2
Investment Bank – USD	92,091	1,055
Safwa Islamic Bank – JOD	37	37
Total	**1,827,375**	**1,653,230**

6-Trade receivables (net)

	2025 JOD	2024 JOD
Local trade receivables	2,960,161	2,681,831
External trade receivables	3,596,055	3,725,142
Impairment provision	(30,971)	(30,971)
Total	**6,525,245**	**6,376,002**

7- Inventory

	2025 JOD	2024 JOD
Raw materials and packing	1,830,304	1,560,482
Finished goods	136,757	196,669
Spare parts and consumables	22,351	30,254
Goods under progress	74,705	37,965
Total	**2,064,117**	**1,825,370**

8- Other debit balance

	2025 JOD	2024 JOD
Prepaid expenses	355,728	155,299
Refundable deposits	16,117	16,117
Margin on guarantees	17,109	14,659
Due from income tax	-	975
Due from employees	38,993	49,079
Others	85,926	70,586
Total	**513,873**	**306,715**

9- Property, plant and equipment(Net)

	Lands JOD	Buildings JOD	Machines, equipment & vehicles JOD	Furniture and decorations JOD	Total JOD
Cost					
On 1 January 2024	**124,865**	**1,603,107**	**3,474,356**	**254,893**	**5,457,221**
Additions	921,920	38,232	153,108	3,142	1,116,402
(Disposal)	-	-	(62,620)	-	(62,620)
On 31 December 2024	**1,046,785**	**1,641,339**	**3,564,844**	**258,035**	**6,511,003**
Additions	4,273	3,994	208,126	1,743	218,136
(Disposal)	-	-	(204,347)	-	(204,347)
On 31 December 2025	**1,051,058**	**1,645,333**	**3,568,623**	**259,778**	**6,524,792**
Depreciation					
On 1 January 2024	**-**	**637,532**	**2,566,831**	**191,323**	**3,395,686**
Additions	-	48,377	214,454	12,427	275,258
(Disposal)	-	-	(41,119)	-	(41,119)
On 31 December 2024	**-**	**685,909**	**2,740,166**	**203,750**	**3,629,825**
Additions	-	49,547	179,620	12,363	241,530
(Disposal)	-	-	(172,873)	-	(172,873)
On 31 December 2025	**-**	**735,456**	**2,746,913**	**216,113**	**3,698,482**
Netbook value	-				
On 31 December 2024	**1,046,785**	**955,430**	**824,678**	**54,285**	**2,881,178**
On 31 December 2025	**1,051,058**	**909,877**	**821,710**	**43,665**	**2,826,310**

10 - Intangible assets

	2025 JOD	2024 JOD
Cost		
Balance at 1/1	4,728,230	4,728,230
Additions	-	-
Balance at 31/12	**4,728,230**	**4,728,230**
Accumulated amortization		
Balance at 01/01	1,178,101	879,840
Additions	292,670	298,261
Balance at 31/12	**1,470,771**	**1,178,101**
Netbook value	**3,257,459**	**3,550,129**

The amount of intangible assets represents the incurred costs of developing the company's products (pharmaceuticals and cosmetics).

The company tests its intangible assets annually in accordance with International Financial Reporting Standards to verify that it is not exposed to any impairment losses.

11- Credit banks

	2025 JOD	2024 JOD
Capital Bank –USD	2,553	-
Arab Bank – JOD	-	899
Arab Bank –USD	-	443
Islamic International Arab Bank – JOD	60,924	172,548
Islamic International Arab Bank – USD	139,841	246,830
Islamic Jordan Bank – Murabaha	310,707	251,269
Total	**514,025**	**671,989**

- The above-mentioned facilities are used mainly in purchasing raw materials and payments to creditors, with average rate of debit interest around (7.5%) for JOD and (4%) for USD.

12-Loan

	2025 JOD	2024 JOD
Islamic Arab Bank	**1,245,664**	**1,314,863**
Less: Amount due within 12 months (shown under current liabilities)	539,098	476,710
Amount due after 12 months	706,566	838,153

The company’s secured bank borrowings primarily consist of a loan from Arab Islamic Bank:

- Arab Islamic Bank Loan**:** This relates to the company’s bank borrowings secured by the company (via promissory note). The effective interest rate on this loan at the reporting date is 3.5% per annum (2025: 3.5%; 2024: 3.5%).

13- Other credit balances

	2025 JOD	2024 JOD
Accrued expenses	91,591	48,386
Due to income tax	5,571	4,796
Due to social security	21,227	21,946
Due to employees	4,484	2,024
Due to shareholders	35,554	27,703
Board of directors' incentives	99,166	79,166
Due to sale tax	45,873	77,646
Total	**303,466**	**261,667**

14 - Sales

	2025 JOD	2024 JOD
Local sales	4,765,340	4,000,330
Export sales	4,403,660	4,762,139
Total	**9,169,000**	**8,762,469**

15- Cost of sales

	Note	2025 JOD	2024 JOD
Cost of raw materials		3,263,604	3,356,340
Manufacturing expenses	15-1	1,222,926	1,150,342
Depreciation and amortization		152,449	163,517
Production costs		**4,638,979**	**4,670,199**
Good in process - opening balance		37,965	15,765
Good in process - ending balance		(74,705)	(37,965)
Cost of goods available for sale		**4,602,239**	**4,647,999**
Finished goods – opening balance		196,501	189,974
Finished goods – ending balance		(136,757)	(196,501)
Total		**4,661,983**	**4,641,472**

15-1-Manufacturing expenses

	2025 JOD	2024 JOD
Wages and salaries	499,056	498,496
Social security	67,599	68,908
Water and electricity	86,107	65,581
Maintenance	74,121	67,298
Medical analysis expense	61,558	35,593
Staff wages	59,273	50,342
Health insurance	23,103	23,610
Lab testing	85,045	39,246
Consumables	59,273	81,716
Fuel	27,051	25,028
Training and development	350	54
Water treatment expenses	10,753	12,414
Transportation	12,995	8,215
Write off expenses	28,389	41,969
Factory insurance	3,729	3,954
Calibration	14,590	12,854
Food and meals	36,559	32,639
Stationery and printing	6,013	4,092
Cleaning	17,664	17,161
Miscellaneous	49,698	61,172
Total	**1,222,926**	**1,150,342**

16-Selling and distribution expenses

		2025 JOD	2024 JOD
Wages and salaries		377,443	365,275
Social security		45,919	42,617
Rents		16,300	16,300
Selling and distributism offices expense		23,308	32,889
Tenders		18,155	13,808
Health insurance		9,086	9,086
Advertising		313,337	237,823
Out markets' expenses	16-1	465,474	509,840
Miscellaneous		73,788	57,707
Consulting		40,000	-
Total		**1,382,810**	**1,285,345**

16-1-Out markets' expenses

	2025 JOD	2024 JOD
Saudi market	31,091	146,510
Sudanese market	16,874	-
Omani market	9,369	31,676
Algerian market	87,905	58,036
Iraqi market	153,386	174,167
Palestine market	37,227	28,494
Lebanon markets	12,762	12,762
Others	116,860	58,195
Total	**465,474**	**509,840**

17- Administrative expenses

	2025 JOD	2024 JOD
Wages and salaries	521,553	467,460
Social security	56,611	55,139
Rents	39,504	39,503
Telephone &postal expenses	8,511	8,618
Stationery and printing	4,844	4,344
Vehicle expenses	68,375	60,465
Security	21,334	17,456
Professional fees	14,200	14,700
Hospitality &cleaning	5,803	6,811
Health insurance	28,314	29,156
Fees and licenses	23,807	24,131
Head office expenses	71,017	62,282
Software expenses	25,553	18,749
Depreciation &Amortization	88,763	108,356
Administrative incentives	58,350	30,148
Miscellaneous	57,633	32,218
Total	**1,094,172**	**979,536**

18- Taxes

Income tax and national contribution tax

	2025 JOD	2024 JOD
Balance on 1 January	145,887	143,152
Tax expense	254,493	208,362
National tax expense	12,725	10,403
Paid income tax	(132,539)	(216,030)
Balance on 31 December	**280,566**	**145,887**

19- Financial Instruments and Financial Risks

The Company may be exposed to various types of financial risks. The Board of Directors and management monitor these risks and bear full responsibility for designing and overseeing the Company's risk management framework. Risk management policies are established to identify and analysis the risks the Company may face, set limits and control measures, and monitor these risks to ensure they do not exceed the permissible thresholds. These policies and the risk management system are reviewed regularly to appropriately reflect changes in market conditions and the Company's operations.

The Board of Directors is responsible for defining the objectives and principles of the Company's financial risk management. Management then develops detailed policies, such as authority levels, supervisory responsibilities, risk identification and measurement, exposure limits, and hedging strategies, in accordance with the objectives and principles approved by the Board.

Financial risks are managed by management in line with policies set by management. management identifies, evaluates, and manages financial risks in close coordination with the Company's operating units. The reporting team measures actual exposures against approved limits, and regular reports are submitted to management and the Board.

No changes have occurred in the Group's exposure to these financial risks, or in the manner in which they are managed and measured.

Credit Risk

Credit risk refers to the risk of a counterparty failing to meet its contractual obligations, resulting in a loss to the Company. The Company has adopted a policy of dealing only with counterparties of appropriate creditworthiness and obtaining sufficient collateral where necessary to mitigate the risk of financial loss from defaults.

Credit risk arises primarily from bank balances, trade receivables, and other receivables. Bank balances mainly consist of deposits with banks that have high credit ratings from international credit rating agencies. The Company does not expect any significant impairment losses on bank balances, if any.

The Group applies the practical expedient under IFRS 9, using a provision matrix to measure Expected Credit Losses (ECL) for trade receivables and contract assets, where the loss allowance equals the expected credit losses over the lifetime of the receivable.

Expected credit losses are estimated using a provision matrix based on historical customer credit loss experience over the past three years for different customer groups classified by geographic locations, product types, and internal ratings, adjusted for forward-looking factors specific to the debtors and the economic environment that may affect their ability to repay.

Trade receivables and contract assets are written off when there is evidence that the customer is experiencing severe financial difficulty, such as liquidation or bankruptcy, and there is no reasonable expectation of recovering the outstanding balances.

Liquidity Risk

Liquidity risk refers to the difficulty in meeting short-term obligations and is managed by aligning the cash collection and payment cycles. Financial liabilities at the reporting date consist of trade payables and other payables presented in the statement of financial position.

Market Risk

Market risk represents the risk of fluctuations in the fair value or cash flows of financial instruments due to changes in market prices and comprises three types of risk:

- **Interest Rate Risk**

  This is the risk of fluctuations in the fair value or cash flows of financial instruments due to changes in market interest rates. The Company is primarily exposed to interest rate risk on long-term liabilities linked to variable interest rates.

  The company manages interest rate risk by obtaining ongoing and short-term credit facilities in different currencies

- **Foreign Currency Risk**

  Foreign currency risk represents the risk of fluctuations in the fair value or cash flows due to changes in exchange rates. The Company is primarily exposed to currency risk from operating activities when it has revenues or expenses in foreign currencies or foreign investments.

  The Company manages foreign currency risk by limiting transactions, as much as possible, to a single main currency, which is the US Dollar, or by using hedging contracts when dealing with other currencies, such as the Euro, and for significant amounts if necessary.

- **Market Price Risk**

  The Company's investments in equity instruments are exposed to market price risk arising from uncertainty over the future values of the securities invested.

Fair Value of Assets and Liabilities

- Fair value represents 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. Fair value is measured assuming that the sale of the asset or transfer of the liability occurs in the assets or liability's principal market, or, in the absence of a principal market, the most advantageous market.
- All assets and liabilities measured or disclosed at fair value in the financial statements are classified using the fair value hierarchy below, based on the lowest level of input significant to the overall fair value measurement:
  - Level 1 – Quoted (unadjusted) prices in active markets for identical assets or liabilities.
  - Level 2 – Valuation techniques using observable inputs for the fair value measurement.
  - Level 3 – Valuation techniques using unobservable inputs for the fair value measurement.

D. Classification of Current and Non-Current Assets and Liabilities

The Company presents its assets and liabilities in the statement of financial position based on their classification as current or non-current.

An asset is classified as current when:

- It is expected to be realized, sold, or consumed in the normal operating cycle.
- It is held primarily for trading purposes.
- It is expected to be realized within 12 months after the reporting period if it is cash or a cash equivalent, unless it is subject to restrictions on its exchange or use to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled within the entity's normal operating cycle.
- It is held primarily for trading purposes.
- It is expected to be settled within twelve months after the reporting period.
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.
- All other liabilities are classified as non-current.

20- Policies and Procedures

The Group's Chief Financial Officer oversees the financial reporting evaluation process, establishes the relevant policies and procedures, and presents the results to the Audit Committee and then to the Board of Directors for approval. No changes occurred in the valuation techniques during the financial year.

21- Capital Management Policies and Objectives

The Company manages its capital to ensure business continuity and to maximize shareholder returns by maintaining an optimal balance between debt and equity. The capital structure consists of borrowings and equity, and this structure is reviewed regularly using the leverage ratio (net debt to total equity).

New and Amended International Financial Reporting Standards (IFRS) – Applied and Not Yet Applied

The Company's management reviews and assesses the impact of new and amended standards issued by the International Accounting Standards Board (IASB) that become effective from 1 January 2025 onwards. Based on preliminary assessment, management does not expect the application of these standards and amendments to have a material impact on the financial statements, except for potential changes in presentation and disclosure.

First: Standards and Amendments Effective from 1 January 2025

- Contracts related to electricity based on nature – Amendments to IFRS 9 and IFRS 7 These amendments address the accounting treatment of contracts whose pricing or settlement is based on natural changes and aim to clarify the classification, measurement, and disclosure requirements related to such contracts. Management does not expect these amendments to have a material effect on the Company's financial statements.

- Non-convertible currency – Amendments to IAS 21
  These amendments clarify how to determine the exchange rate to be used when a currency is not practically convertible and require additional disclosures on related restrictions and risks. Management does not expect these amendments to have a material effect on the Company's financial statements.

Second: Standards and Amendments Effective from 1 January 2026 and Beyond

- IFRS 18 – Presentation and Disclosure in Financial Statements
  This standard aims to improve presentation and comparability by introducing uniform classifications in the statement of profit or loss and enhancing disclosure of performance measures determined by management. The standard applies to financial periods beginning on or after 1 January 2027, with early application permitted.
- IFRS 19 – Subsidiaries Without Public Accountability
  This standard provides a simplified disclosure framework for subsidiaries that do not have public accountability, while fully complying with recognition and measurement requirements under IFRS.

The Company's management continuously reviews and evaluates the impact of new standards and amendments and, as of the preparation date of these financial statements, has not identified any material expected impact on future financial periods.