

**Birzeit Pharmaceutical Company
And its subsidiaries
Public Shareholding Company
Ramallah - Palestine**

**Review report and consolidated interim
financial information**

For the three-months period ended March 31, 2023

**Birzeit Pharmaceutical Company And its subsidiaries
Public Shareholding Company
Ramallah - Palestine**

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For the three-months period ended March 31, 2023**

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REPORT ON REVIEW OF CONSOLIDATED INTERIM FINANCIAL INFORMATION

To the Board of Directors
Birzeit Pharmaceutical Company and its subsidiaries
Public Shareholding Company
Ramallah - Palestine

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of Birzeit Pharmaceutical Company (the "Company") and its subsidiaries (together referred as the "Group"), as of March 31, 2023, and the related condensed interim consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the three-months period then ended and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard 34: Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information is not prepared, in all material respects in accordance with IAS 34.

Other Matters

Prior year consolidated financial statements for the year ended December 31, 2022 were audited by another audit firm who issued their unqualified audit opinion dated March 26, 2023. Also, the condensed interim consolidated financial statements for the three months period ended March 31, 2022 were reviewed by another audit firm who issued their unmodified conclusion dated May 15, 2022.

HLB PS - License No. (201/2023)
Ramallah - Palestine



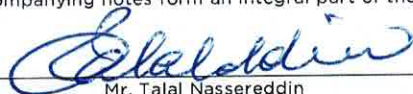
Raed Abu El Etham - License Number (109/2002)
May 14, 2023

Birzeit Pharmaceutical Company and its subsidiaries
Public Shareholding Company

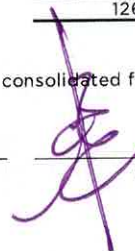
Condensed interim consolidated statement of financial position
As of March 31, 2023

	Notes	March 31 2023 (Reviewed) USD	December 31 2022 (Audited) USD
Assets			
Current Assets			
Cash and Cash Equivalent	5	3,006,350	2,999,087
Fixed Deposits at Banks		2,000,000	-
Accounts Receivable, Net	6	37,460,229	37,472,987
Inventory	7	12,892,634	12,203,959
Financial Investments through Profit and Loss	8-a	13,601,239	13,626,925
Other Debit Balances		1,836,347	1,918,462
Total Current Assets		70,796,799	68,221,420
Non Current Assets			
Checks under collection - Long Term Portion		30,833	52,273
Deferred Tax Assets		1,177,824	1,145,124
Financial Investments through Other Comprehensive Income	8-b	26,912,727	25,503,017
Investment Property	9	5,461,408	5,610,939
Property, Plant and Equipment, Net	10	22,297,305	22,470,489
Total Non Current Assets		55,880,097	54,781,842
Total Assets		126,676,896	123,003,262
Owners' Equity and Liability			
Current Liabilities			
Payables and other Credit Balances		7,398,144	7,154,527
Income Tax Provision	11	-	-
Bank Loans - Short Term Portion		416,664	416,664
Total Current Liabilities		7,814,808	7,571,191
Non Current Liabilities			
Reserve for Employees' End of Service	12	11,554,740	11,119,641
Bank Loans - Long Term Portion		659,734	798,622
Total Liability		20,029,282	19,489,454
Owners' Equity			
Share Capital	1	38,764,898	38,764,898
Treasury Stocks		(222,781)	(230,978)
		38,542,117	38,533,920
Statuary Reserve		6,753,213	6,753,213
None Compulsory Reserve		6,366,697	6,366,697
Special Reserve		30,000,000	30,000,000
Retained Earnings		16,809,605	15,024,412
Cumulative Change in Fair Value		7,137,655	5,765,026
Cash Flow Hedge Reserve		-	66,498
Financial Statements Currency Translation Variance		95,389	80,419
Equity Attributable to Owners of the Parent Company		105,704,676	102,590,185
Non Controlling Interests		942,938	923,623
Total Equity		106,647,614	103,513,808
Total Equity and Liability		126,676,896	123,003,262

The accompanying notes form an integral part of these condensed interim consolidated financial statements.



Mr. Talal Nassereddin
Chairman



Mr. Firas Nassereddin
Board Member



**Birzeit Pharmaceutical Company and its subsidiaries
Public Shareholding Company**

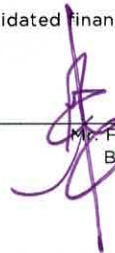
**Condensed Interim consolidated statement of profit or loss
For the three months period ended March 31, 2023**

	Notes	Three Months Period Ended March 31	
		2023	2022
		(Reviewed) USD	(Reviewed) USD
Sales		10,185,772	11,870,175
Cost of Goods Sold		(6,452,929)	(7,292,626)
Gross profit		3,732,843	4,577,549
Selling Expenses		(627,050)	(656,130)
Marketing Expenses		(293,493)	(288,696)
General and Administrative Expenses		(588,960)	(866,419)
Financing Expenses		(30,923)	(29,845)
Gross profit from operating activities		2,192,417	2,736,459
Gain from Sale and Revaluation of Financial Assets		86,574	747,366
Gain from Sale of Investments Property		25,469	-
(Loss) on Difference of Currency		(267,346)	(208,133)
Other Income		10,806	48,748
Net Profit Before Taxes		2,047,920	3,324,440
Income Tax for the Period	11	(286,229)	(256,418)
Deferred Tax Benefits		32,700	6,898
Net Profit After Taxes		1,794,391	3,074,920
Attributable to:			
Owners of the Parent Company		1,785,193	3,054,162
Non Controlling Interests		9,198	20,758
		1,794,391	3,074,920
Earnings Per Share for Parent Company	13	0.05	0.08

The accompanying notes form an integral part of these condensed interim consolidated financial statements.



Mr. Talal Nassereddin
Chairman



Mr. Firas Nassereddin
Board Member



**Birzeit Pharmaceutical Company and its subsidiaries
Public Shareholding Company**

**Condensed interim consolidated statement of other comprehensive income
For the three months period ended March 31, 2023**

	Three Months Period Ended March 31	
	2023 (Reviewed) USD	2022 (Reviewed) USD
Net Profit for the Period	1,794,391	3,074,920
Other Comprehensive Income		
Items that will not be Re-classified Subsequently to Profit or Loss		
Change in Fair Value for Financial Assets	1,372,629	249,541
	<u>1,372,629</u>	<u>249,541</u>
Items that may be Re-classified Subsequently to Profit or Loss		
Financial Statements Currency Translation Variance	25,087	(78,379)
Fair value gains on cash hedging contracts during the period	(66,498)	89,779
	<u>(41,411)</u>	<u>11,400</u>
Other Comprehensive Income for the Period	<u>1,331,218</u>	<u>260,941</u>
Total Other Comprehensive Income for the Period	<u>3,125,609</u>	<u>3,335,861</u>
Attributable to:		
Owners of the Company	3,106,294	3,325,961
Non Controlling Interests	19,315	9,900
	<u>3,125,609</u>	<u>3,335,861</u>

The accompanying notes form an integral part of these condensed interim consolidated financial statements.



**Birzeit Pharmaceutical Company and its subsidiaries
Public Shareholding Company**

**Condensed interim consolidated statement of changes in equity
For the three months period ended March 31, 2023**

	Share Capital USD	Statutory Reserve USD	None Compulsory Reserve USD	Special Reserve USD	Retained Earnings USD	Cash Flow Hedge Reserve USD	Cumulative Change in Fair Value USD	Financial Statements Currency Translation Variance USD	Treasury Shares USD	Equity Attributable to Owners of the Company USD	Equity Attributable to -the non controlling Interest USD	Total Equity USD
Balance as of January 1, 2023 (Audited)	38,764,898	6,753,213	6,366,697	30,000,000	15,024,412	66,498	5,765,026	80,419	(230,978)	102,590,185	923,623	103,513,808
Profit for the Period	-	-	-	-	1,785,193	-	-	-	-	1,785,193	9,198	1,794,391
Other Comprehensive Income	-	-	-	-	-	(66,498)	1,372,629	14,970	-	1,321,101	10,117	1,331,218
Total Other Comprehensive Income for the Period	-	-	-	-	1,785,193	(66,498)	1,372,629	14,970	-	3,106,294	19,315	3,125,609
Change in Treasury Shares	-	-	-	-	-	-	-	-	8,197	-	-	8,197
Balance as of March 31, 2023 (Reviewed)	38,764,898	6,753,213	6,366,697	30,000,000	16,809,605	-	7,137,655	95,389	(222,781)	105,704,676	942,938	106,647,614
Balance as of January 1, 2022 (Audited)	19,382,449	4,750,600	5,158,810	30,000,000	30,480,617	(270,073)	1,977,537	532,856	(147,962)	91,864,834	929,602	92,794,436
Profit for the Period	-	-	-	-	3,054,162	-	-	-	-	3,054,162	20,758	3,074,920
Other Comprehensive Income	-	-	-	-	-	89,779	249,541	(67,521)	-	271,799	(10,858)	260,941
Total Other Comprehensive Income for the Period	-	-	-	-	3,054,162	89,779	249,541	(67,521)	-	3,325,961	9,900	3,335,861
Change in Treasury Shares	-	-	-	-	-	-	-	-	(28,807)	(28,807)	-	(28,807)
Balance as of March 31, 2022 (Reviewed)	19,382,449	4,750,600	5,158,810	30,000,000	33,534,779	(180,294)	2,227,078	465,335	(176,769)	95,161,988	939,502	96,101,490

The accompanying notes form an integral part of these condensed interim consolidated financial statements.



**Birzeit Pharmaceutical Company and its subsidiaries
Public Shareholding Company**

**Condensed interim consolidated statement of cash flows
For the three months period ended March 31, 2023**

	Three Months Period Ended March 31	
	2023	2022
	(Reviewed)	(Reviewed)
	USD	USD
Operating Activities		
Net profit Before Tax	2,047,920	3,324,440
Adjustments:		
Depreciation	386,164	404,365
(Gain) from Sale of Investment Property	(25,469)	-
Loss (Gain) on Sale and Valuation of Financial Assets	110,826	(549,966)
Foreign Currency Difference	30,512	145,810
Provision for End of Service Indemnity	501,349	641,350
Cash Flow Before Changes in Operating Assets and Liabilities	3,051,302	3,965,999
Decrease (Increase) in Accounts Receivables	12,758	(1,117,963)
Decrease in Checks under collection - Long Term Portion	21,440	329,926
(Increase) in Inventory	(688,675)	(318,605)
(Increase) in Other Debit Balances	(270,612)	(1,083,905)
Increase in Other Credit Balances	243,617	857,820
Cash From Operating Activities	2,369,830	2,633,272
Employee's End of Service Benefits Paid	(60,062)	(666,186)
Net Cash Generated From Operating Activities	2,309,768	1,967,086
Investing Activities		
Change in Financial Assets, Net	(158,921)	(186,839)
(Increase) in Fixed Deposits at Banks	(2,000,000)	-
Proceeds from Sales of Investment Property	175,000	-
Change in non controlling interest	10,117	(10,858)
Purchase of Property, Plant and Equipment	(212,980)	(687,142)
Net Cash (Used In) Investing Activities	(2,186,784)	(884,839)
Financing Activities		
Repayments From Bank Loans	(138,888)	(291,666)
Change in Treasury Shares	8,197	(28,807)
Net Cash (Used in) Financing Activities	(130,691)	(320,473)
Net (Decrease) Increase in Cash and Cash Equivalent	(7,707)	761,774
Financial Statements Currency Translation Variance	14,970	(67,521)
Cash and Cash Equivalent at the Beginning of the Period	2,999,087	1,135,243
Cash and Cash Equivalent at the End of the Period	3,006,350	1,829,496
Non Cash Transactions:		
Clearance With The Ministry of Health on Income Tax And VAT	(953,790)	(1,341,447)
Cumulative Change in Fair Value Reserve Through Other Comprehensive Income	1,372,629	249,541
Change in cash flow hedge reserve	(66,498)	89,779
Income Tax Receivables Transferred to Other Debit Balances	-	(1,684,088)
	352,341	(2,686,215)

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

**Birzeit Pharmaceutical Company and its subsidiaries
Public Shareholding Company**

**Notes to the condensed interim consolidated financial information
For the three months period ended March 31, 2023**

1. General Information

Birzeit Pharmaceutical Company (Public Shareholding Company) operating company in Palestine and registered under registration number (562600122). It operates by manufacturing and trading in all types of medicines.

The Company's capital as of March 31, 2023 is USD 38,764,898 divided into 38,764,898 shares at par value of USD 1 per share.

The condensed consolidated interim financial statements for the three-months period ended March 31, 2023, were approved by the Board of Directors and authorized for issue on May 14, 2023.

2. Summary of Significant Accounting Policies

The accounting policies used in preparing the accompanying condensed consolidated interim financial statements are identical to those used in preparing the financial statements for the year ended December 31, 2022, with the exception of standards and amendments that became effective from January 1, 2023.

2.1 New and revised IFRS applied with no material effect on the condensed consolidated interim financial statements.

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2023, have been adopted in these condensed consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to IAS 8 Accounting policies, Changes in accounting estimates and errors.
- Amendments to IAS 1 Presentation of Financial Statements relating to classification of Liabilities as Current or Non-Current; and
- IFRS 17 Insurance contracts.

2.2 New and revised IFRSs in issue but not yet effective

The Group has not early adopted the following new and revised standards that have been issued but are not yet effective. The management is in the process of assessing the impact of the new requirements.

New and revised IFRS	Effective for annual periods beginning on or after
Amendment to IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associates and Joint Ventures relating to treatment of sale or contribution of assets from investors.	Effective date deferred indefinitely.
Amendment to IFRS 16 - Lease contracts	January 1, 2024
Amendment to IAS 1 - Noncurrent liabilities.	January 1, 2024

The Group anticipates that these new standards, interpretations, and amendments will be adopted in the Group's condensed consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the condensed consolidated financial statements of the Group in the period of initial application.

**Birzeit Pharmaceutical Company and its subsidiaries
Public Shareholding Company**

**Notes to the condensed interim consolidated financial information
For the three months period ended March 31, 2023**

2. Summary of significant accounting policies (Continued)

The condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in accordance with applicable local laws and regulations.

The condensed consolidated financial statements have been prepared on the historical cost, except for property investments and financial assets that were measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

This condensed consolidated interim financial information does not include all the information required for a complete set of IFRS consolidated financial statements and should be read in conjunction with the Group's audited consolidated financial statements for the year ended 31 December 2022. In addition, results for the period are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2023.

Expenses incurred by the Group irregularly during the financial year are either assessed or deferred in the condensed financial statements if it is appropriate to do so.

The group did not deduct the statutory reserve according to Companies Law from the profits of the current period, as these statements are interim, and the deductions are made at the end of the financial year.

The US dollar is the functional currency for the parent company and is the group's financial statement presentation currency.

Basis for Consolidation

The consolidated financial statements of the group incorporate the financial statements of Birzeit Pharmaceutical Company (Public Shareholding Company), and the financial statements of its subsidiaries, in which the company has right of control, (Palestine Printing and Publishing Company - Private Shareholding Company, Medex for Medical Supplies - Private Shareholding Company, and PetraPharm Company - Private Shareholding Company).

Control is achieved when the group:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The group reassesses 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 listed above.

When the group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

**Birzeit Pharmaceutical Company and its subsidiaries
Public Shareholding Company**

**Notes to the condensed interim consolidated financial information
For the three months period ended March 31, 2023**

2. Summary of Significant Accounting Policies (Continued)

Basis for Consolidation (Continued)

The group considers all relevant facts and circumstances in assessing whether or not the group's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of income and other comprehensive income from the date the group gains control until the date when the group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners 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 in line with the group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full consolidation.

The following are the details of the subsidiaries as of March 31, 2023:

Company name	Main activity	Capital (USD)	Country	Ownership %	
				March 31, 2023	December 31, 2022
Medix for Medical Supplies	Trade in medical and cosmetics products	565,000	Palestine	100%	100%
Palestine Printing and Publishing Company	Printing and publishing	573,500	Palestine	67%	67%
PetraPharm Company	Manufacturing of medicines and cosmetic products	156,715	Algeria	75%	75%

Birzeit Pharmaceutical Company and its subsidiaries
Public Shareholding Company

Notes to the condensed interim consolidated financial information
For the three months period ended March 31, 2023

3. Financial Risk Management

The Group's financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements as at and for the year ended December 31, 2022.

4. Critical Accounting Judgments and Key Sources of Estimation of Uncertainty

The preparation of condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2022.

5. Cash and Cash Equivalent

	March 31, 2023 (Reviewed) USD	December 31, 2022 (Audited) USD
Cash on hand	130,296	260,606
Cash at banks:		
New Israeli shekel (NIS)	1,216,941	1,426,487
Jordanian dinars (JOD)	251,087	181,646
US dollars (USD)	1,341,190	840,860
Other Currencies	66,836	289,488
	<u>3,006,350</u>	<u>2,999,087</u>

- Cash at banks includes amounts reserved as collateral in exchange for credit facilities amounting to USD 28,178 as on March 31, 2023 and 62,715 as on December 31, 2022.

- All cash at banks balances as at the date of the condensed consolidated financial statements were evaluated as account balances with low credit risk as they are kept with local banking institutions with high solvency and credit rating, and there has been no historical default for any of these balances. Therefore, the probability of default based on future factors and any loss potential is minimal and immaterial.

**Birzeit Pharmaceutical Company and its subsidiaries
Public Shareholding Company**

**Notes to the condensed interim consolidated financial information
For the three months period ended March 31, 2023**

6. Accounts Receivable - Net

	March 31, 2023 (Reviewed) USD	December 31, 2022 (Audited) USD
Trade receivables - public sector	23,022,218	24,046,601
Trade receivables - private sector / individuals and companies	17,329,533	15,986,006
	<u>40,351,751</u>	<u>40,032,607</u>
Less: provision for expected credit losses	(5,124,412)	(5,124,412)
Net trade receivables	35,227,339	34,908,195
Due from employees	2,232,890	2,564,792
	<u><u>37,460,229</u></u>	<u><u>37,472,987</u></u>

The average credit period is 90 days and no interest is charged on outstanding trade receivables.

Movement on provision for expected credit losses is as follows:

	March 31, 2023 (Reviewed) USD	December 31, 2022 (Audited) USD
Balance at the beginning of the period / year	5,124,412	5,164,849
Provision during the period / year	-	213,904
Written off receivables	-	(172,142)
Opening balance currency differences	-	(82,199)
Balance at the end of the period / year	<u>5,124,412</u>	<u>5,124,412</u>

7. Inventory

	March 31, 2023 (Reviewed) USD	December 31, 2022 (Audited) USD
Raw materials	4,535,887	3,791,412
Packing materials	2,302,992	2,255,902
Finished goods	6,021,261	5,687,217
Work in progress	32,494	469,428
	<u><u>12,892,634</u></u>	<u><u>12,203,959</u></u>

**Birzeit Pharmaceutical Company and its subsidiaries
Public Shareholding Company**

**Notes to the condensed interim consolidated financial information
For the three months period ended March 31, 2023**

8. Financial Assets

a. Financial Investments through Profit & Loss

	March 31, 2023 (Reviewed) USD	December 31, 2022 (Audited) USD
Investments in listed companies	13,601,239	13,626,925
	<u>13,601,239</u>	<u>13,626,925</u>

b. Financial Investments through Other Comprehensive Income

	March 31, 2023 (Reviewed) USD	December 31, 2022 (Audited) USD
Investments in listed companies *	18,172,090	16,762,380
Investments in unlisted companies **	8,740,637	8,743,637
	<u>26,912,727</u>	<u>25,503,017</u>

* Includes USD 255,196 represents restricted shares against membership in the board of directors for one of the investee companies.

** Investments in unlisted companies are evaluated based on the most recent financial statements of the investee companies.

9. Investment Property

	March 31, 2023 (Reviewed) USD	December 31, 2022 (Audited) USD
Plots of land*	5,461,408	5,610,939
	<u>5,461,408</u>	<u>5,610,939</u>

- Investments in seven plots of land in Ain Trfidia area of Beitunia (plot number 7, an area of 6,962 square meters) with a value of USD 3,839,800 as on March 31, 2023, registered in the name of the group.
- A plot of land in Abu Qash area in Ramallah (the Jourat Surur Plot 2, an area of 3,567 square meters) with a value of USD 1,349,956 as on March 31, 2023, registered in the name of other parties for the interest and benefit of the group.
- A plot of land in Atara area of Ramallah (plot No. 6, with an area of 2,173 square meters, Plot No. 10, with an area of 192 square meters, and Plot No. 11, with an area of 1,352 square meters) with a total value of USD 271,652 as on March 31, 2023, registered in the name of other parties for the interest and benefit of the group.

**Birzeit Pharmaceutical Company and its subsidiaries
Public Shareholding Company**

**Notes to the condensed interim consolidated financial information
For the three months period ended March 31, 2023**

9. Investment Property (Continued)

Movement on investment property is as follows:

	March 31, 2023 (Reviewed) USD	December 31, 2022 (Audited) USD
Balance at the beginning of the period / year	5,610,939	5,610,939
Sale of plots	(149,531)	-
Balance at the end of the period / year	<u>5,461,408</u>	<u>5,610,939</u>

Details of investment property and the fair value measurements as of March 31, 2023 are as follows:

	Level 1 USD	Level 2 USD	Level 3 USD	Fair value as of March 31, 2023 USD
Plots	-	5,461,408	-	5,461,408
	<u>-</u>	<u>5,461,408</u>	<u>-</u>	<u>5,461,408</u>

10. Property, and Equipment, net

	March 31, 2023 (Reviewed) USD	December 31, 2022 (Audited) USD
Balance at the beginning of the period / year	22,470,489	21,128,728
Additions during the period / year	212,980	3,588,255
Disposals during the period / year	-	(963,495)
Depreciation for the period / year	(386,164)	(1,389,705)
Currency differences	-	106,706
	<u>22,297,305</u>	<u>22,470,489</u>

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11. Income Tax Provision

	March 31, 2023 (Reviewed) USD	December 31, 2022 (Audited) USD
Balance at the beginning of the period / year	(406,025)	(599,059)
Income tax for the period / year	286,229	1,116,193
Paid during the period / year	(21,290)	-
Clearance with Ministry of Health during the period / year	(953,790)	(923,159)
	<u>(1,094,876)</u>	<u>(406,025)</u>
Transferred to other debit balances	<u>1,094,876</u>	<u>406,025</u>
Balance at the end of the period / year	<u><u>-</u></u>	<u><u>-</u></u>

- The Group obtained final tax clearance from income tax department for the years up to December 31, 2018. It is currently discussing clearance with income tax department for the years 2019 to 2022.
- The Palestinian Investment Promotion Agency granted the company an investment confirmation certificate regarding the development of a pharmaceutical factory and granted it the following incentives:
 - The first stage: payment of income tax on taxable income at a rate of 5% for a period of five years for the development rate of 44%, starting from July 1, 2019 until June 30, 2024.
 - The second stage: payment of income tax on taxable income at a rate of 10% for a period of three years for the development rate of 44% starting from the end of the first phase from July 1, 2024, until June 30, 2027.

12. Provision for Employees End of Service Benefits

	March 31, 2023 (Reviewed) USD	December 31, 2022 (Audited) USD
Balance at the beginning of the period / year	11,119,641	10,825,060
Additions for the period / year	<u>501,349</u>	<u>1,342,889</u>
	<u>11,620,990</u>	<u>12,167,949</u>
Payment for the period / year	(60,062)	(841,802)
Currency differences	<u>(6,188)</u>	<u>(206,506)</u>
Balance at the end of the period / year	<u><u>11,554,740</u></u>	<u><u>11,119,641</u></u>

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13. Basic Earnings Per Share Attributable to the Owners of the Parent Company

Basic earnings per share have been calculated on the basis of dividing the profit for the period by the weighted average number of common stock outstanding during the period as follows:

	Three months period ended 2023 (Reviewed) USD	2022 (Reviewed) USD
Net income attributable to owners of the parent company	1,785,193	3,054,162
Weighted average number of common stocks	<u>38,764,898</u>	<u>38,764,898</u>
Basic earnings per share attributable to the owners of the parent company	<u>0.05</u>	<u>0.08</u>

14. Related Party Transactions

Related parties represent subsidiaries and affiliates, major shareholders and senior management. Prices and terms related to transactions with related parties are approved by the Group Board of Directors.

As at the end of the period, the amounts due (from / to) the related parties were included in the consolidated statement of financial position as follows:

	March 31, 2023 (Reviewed) USD	December 31, 2022 (Audited) USD
Dividends payable due to shareholders	(814,075)	(821,777)
EOS - Top management	(1,276,087)	(1,305,428)

The interim condensed consolidated statement of profit or loss includes the following transactions with related parties:

	Three months period ended 2023 (Reviewed) USD	2022 (Reviewed) USD
Salaries of senior management and executive management of the group	<u>361,860</u>	<u>316,133</u>

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15. Fair Value Measurements

The fair value of financial assets and liabilities is determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instrument.

Fair value of financial assets that are measured at fair value on a recurring basis:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements that are derived from inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data (unobserved inputs).

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

	Fair value as of		Fair value Level	valuation method and inputs used	Intangible inputs	Relationship between intangible inputs and fair value
	March 31 2023 USD	December 31 2022 USD				
Financial Investments through OCI						
Investments in listed companies	18,172,090	16,762,380	Level 1	Quoted market prices in an active market	Not applicable	Not applicable
Investments in unlisted companies	8,740,637	8,740,637	Level 2	Compare it to the market value of a similar financial instrument	Not applicable	Not applicable
Financial Investments through P&L						
Investments in listed companies	13,601,239	13,626,925	Level 1	Quoted market prices in an active market	Not applicable	Not applicable
Total	<u>40,513,966</u>	<u>39,129,942</u>				

There were no transfers between levels during the period. There are no financial liabilities that need to be measured at fair value, and accordingly, no notes have been made to the above table. There have been no changes to level 3 fair value.

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16. Seasonal Results

No income of seasonal nature was recorded in the condensed consolidated statement of profit or loss for the three-months period ended March 31, 2023 and March 31, 2022, except for dividend income from financial investments.

17. Contingent Liabilities

The Group has contingent liabilities at the date of the interim condensed consolidated financial statements in the form of bank guarantees in the amount of USD 24,300.

There are two lawsuits filed against the Group with an amount of USD 89,100 for labor claims. In the opinion of the legal advisor to the group, the group will not incur any additional amounts due to the insurance coverage for such cases and therefore there is no need to make an allowance for these cases.

18. Subsequent events

The group's general assembly held its regular annual meeting on April 11, 2023 and approved the following:

- Distributing cash dividends of 10% of the nominal value of the shares at an amount of USD 3,876,490 to the shareholders of the parent company, according to the shareholders' statement on the day of the general assembly meeting.
- Transfer 10% of declared profits to statutory reserve and 10% to non-compulsory reserve.