

A Letter to the Shareholders:

Ladies and Gentlemen Shareholders of Jordan Phosphate Mines Company (JPMC)

May the peace, mercy and blessings of God be upon you,

I am delighted to welcome you on this blessed day in the month of Ramadan, the month of giving and kindness. Besides, I am pleased to meet you at the Sixty-Eight annual ordinary general assembly meeting of Jordan Phosphate Mines Company PLC. (JPMC) to handover the Company activities and consolidated financial statements in its Sixty-Eight annual report as at 31 December 2021.

Ladies and gentlemen, you know that the company has experienced crises and financial losses that have almost ravaged it in the past years. In addition to a performance decline that has made the company lose some of its markets and its clients' confidence before the year 2017. At the meeting of the General Assembly to discuss the company's situations and its consolidated financial statements in its sixty-third annual report, the report included losses estimated at ninety million dinars and debts amounting to 444 million dinars. Following the aforementioned report, some people called to liquidate the company since its losses exceeded its capital by around 110% and because it was unable to pay its debts. Nevertheless, the Board of Directors, represented by its Chairman, committed before all of you to develop an enforceable and accountable plan to restore the company to the position it deserves among the international companies, extinguish the losses, repay the company's debts, raise the performance, in addition to restoring the lost markets and the confidence that has dropped in them, liberating them from the mining monopoly and controlling their expenses. All of this was by means of the preparation of a four-year plan that was implemented according to a precise system of follow-up, accountability, establishments of institutional work, expenditure control, establishment of competitiveness in mining business, transparency, and accountability in work procedures.

Gentle Members of the General Assembly,

We promised, and we fulfilled our promise,

The Board fulfilled its promise as it moved the company from a squared loss in 2016 which amounted to 90 million dinars, to operating profits of 535 million dinars, and a net profit of 336,4 million dinars after taxes in the year 2021. As a result of the joint fruitful efforts of the Board of Directors, Executive Management, and the employees of the Company in coordination and continuous cooperation between the Company's Management and the Jordanian General Association of Mines and Mining Workers in the company, according to everyone's keenness to strengthen and sustain it.

Dear Ladies and Gentlemen Shareholders,

Last year in 2021, Jordan Phosphate Mines Company was awarded the first rank at the level of public shareholding companies in our cherished home country. As the company was capable of achieving the highest production efficiency, exports and revenues since it was established. As well, it witnessed a growth operating profit by nearly 10 times over compared to 2020. Consequently, the earnings per share increased by 10 times compared to the previous year where in 2021, the earning per share amounted to 4,06 dinars per share compared to 0,35 per share in 2020. In addition to the company's commitment to the approach it followed, to work on controlling and reducing costs of goods sold to goods of which the percentage of costs of goods sold increased 24% compared to 2020. Additionally, the company strengthened its financial situation and maintained the various financial percentages within safe limits that are consistent with the terms and conditions of Lenders' Agreements. Not to mention the increase in the value of assets in 2021 by 361 million dinars compared to 2020 in such a way that the work is mainstreamed on all elements of the company's income statements and financial situation.

With due respect to what we promised you last year to increase industry process manufactures in the phosphate sector during the next four upcoming years, to reinforce the unprecedented results achieved in 2021, to preserve, grow, and immunize them from any futuristic fluctuations in prices and markets. Many strategic projects that will support and enhance the competitiveness of the company worldwide were implemented. This will lead to increasing the ability of the company to meet the market needs. Also, it leads to reduce the costs of producing one ton of phosphate ore and fertilizer, providing new job opportunities to contribute to reducing unemployment rates in the Jordanian market as the aforementioned projects include the following:

1. Increasing the production capacity of Phosphoric Acid at the Industrial Complex in Aqaba to reach 1,500 tons per day with an increased percentage of 67%.
2. Elevating production capacity of the factories of Indo-Jordan Chemicals Company (IJC) that is completely owned by JPMC to reach a daily production capacity of 2,000 tons of phosphoric acid to meet the increasing global demand that will enhance the company's competitive ability in global markets.
3. Raising the fertilizers production capacity of Nippon-Jordan Fertilizer Company (NJFC) to enhance competitiveness and increase sales revenues and hard currency.
4. Initiating the implementation of establishing a phosphate washing plant in Eshidiya located in Ma'an Governorate, according to the agreement sealed by the Jordan Phosphate Mines Company and Ideal Development for Manufacturing Industries Company at an estimated financing cost of \$85 million US dollars.

There are still several projects designed to establish phosphate industries in Jordan which are being discussed and outlined in the annual report for the year 2021 in the future plans section of the company.

As regards to human resources, nearly three hundred engineers and technicians have been trained, qualified, and recruited in the company's various sites in order to ensure that the company is provided with qualified competencies and contributes to solving the problem of unemployment of skilled workers.

While for the field of environment and public safety, the company has gained international awards in this field for three years in a row. Also, environmental issues were addressed in Aqaba, Russiefah, and Eshidiya where afforestation has begun in an area known as "Jabal Al Jebbs" in Aqaba and it is expected to be accomplished within the next three years.

In conclusion, I would like to express my gratitude and appreciation to the shareholders for their follow-up with us and for their trust in us and in the performance of the company that has become a source of appreciation and respect on both sides, locally and globally.

Referring to my colleagues of the Board of Directors, Executive Management, and those working in the company and the Trade Union of Mines and Mining Workers, they deserve all appreciation and credit for this great achievement and the teamwork spirit. I would like to remind them that reaching the top of the mountain is important but what is more important is to keep climbing and maintaining on the top. I am certain that this will be achieved with the help of God and under the leadership of His Majesty King Abdullah II May Allah protect him and the Hashemite Royal Family.

May peace, mercy and blessings of God be upon you.

Chairman of the Board of Directors
Dr. Mohammad Thneibat

