

Letter to the Shareholders...

In the name of God, the Most Gracious, the Most Merciful

Ladies and Gentlemen Shareholders of Jordan Phosphate Mines Company

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

I am delighted to meet you on this blessed day of Ramadan at the Sixty Ninth annual ordinary general assembly meeting of Jordan Phosphate Mines Company PLC to present to you the results of the Company works, activities and consolidated financial statements as at 31 December 2022.

These works and activities represent a success story that is recorded in the history of Jordan Phosphate Mines Company since its establishment until this very day. As a result of the reform process of the Company by taking effective procedures to restructure the company, fixing most of the distortions, establishing rules for expenses control and persist on applying them, reducing mining, production and sales costs by rates ranging between 25% - 50% of previous costs, spending on the Company's capital enterprises, carrying out with sustainable maintenance of the Company's plants and production units in their different sites, in addition to implementing an equal job replacement policy, all of this is in compliance with a mapped plan based on the clarity of the goal and the implementation of evaluation, monitoring and accountability mechanism.

This reform process led to positioning the Company among the most leading international companies in the field of mining and fertilizers industry by terms of its capability to increase production capacity, improve its quality and sales quantity, multiply its international destinations, and work to establish productive industries that support the phosphate mining industry as well as phosphate fertilizers such as the Washing and Flotation Plant and Aluminum Fluoride Plant in Eshidiya.

Furthermore, communication with international and local companies such as a Poultry feed plant and Phosphoric Acid plant to produce a purified Phosphoric Acid, in order to establish other manufacturing industries which enhances the Company's position globally, meets the need of the local and global market, strengthens the Company's financial position for many years to come into the future so that it limits the impact of global prices fluctuations and prevents recurring financial crises which the Company went through before in 2018 which almost could hit it.

Dear Shareholders- Ladies and Gentlemen

We all realize that the continuity of success and progress is achieved by developing practicable strategic plans. From this point, the Company has set its plan for the years 2022-2027. As the plan included the establishment of new manufacturing industries with local and international partnerships that are total cost is expected to reach USD 1.6 billion noting that the plan is presented extensively in this annual report. If the plan succeeds, it will be the backbone of the Company and for the national economy as well, in addition to providing great job opportunities.

In order for the Company to implement its expansion plans and establish manufacturing industries with global partnerships, the Board of Directors provided a recommendation to the General Assembly to dividend about 35% of the net profits for this year and the rest of the profits were transferred to retained earnings bringing its balance to JD 1.171 billion. Also, an amount of JD 803 million was cash allocated in the fund and deposits in banks with profit rates of up to 6.5% were allocated as this was done in order to distribute cash profits and to finance expansion works and new projects within the Company's future strategic plan.

Dear Shareholders,

During 2022, the Company has achieved unprecedented profits which amounted to, after income tax and before the provision of employees' bonus, an amount of JD 734.825 million with an increase of approximately 113% compared to 2021 profits. The share of profits for 2022 amounted to JD 8.672 compared to JD 4.06 per share in 2021.

Moreover, the Company achieved a qualitative increase in the quantities sold, amounting to 1.1 million tons of phosphate which represents an increase of 11.3% compared to the quantities sold during 2021.

This led to significant increase in operational profits exceeding one billion JD with an increase of 51% compared to 2021. As an indicator of continuation in following the approach of raising the efficiency of control and raising the efficiency of controlling operating expenses as well, the ratio of cost of sales to sales dropped during 2022 to 21% compared to 2021, despite the significant increase in raw materials price that exceeded 30%.

With regards to strengthening the Company's financial position, the Company's assets witnessed an increase during 2022 by 39% compared to 2021 which means that at the end of 2022, the Company's assets exceeded an amount of JD 2 billion.

The Company's equity rights grew as well at an unprecedented rate of 60% during 2022 compared to 2021 bringing the total of equity rights to JD 1.484 billion as at the end of 2022.

With respect to the Company's contribution towards boosting the overarching changes of the national economy and supporting the economic growth of the country; The Group and its associate companies have achieved export sales of nearly USD 3 billion as this amount forms a remarkable contribution to narrowing the deficit gap in both the Balance of Trade and the Balance of Payments and therefore strengthening the local currency.

In relation to the Company's role in supporting the treasury revenues and the state's general budget, the Company's direct contribution to supporting public revenues amounted to roughly JD 347 million mainly including income tax on the year's profits, mining revenues, customs, sales tax on external payments, in addition to the Company's indirect contribution and support to public revenues and the revenues of public institutions amounting to JD 328 million, the main of which is the share of Government-owned companies in the profits of the current year (JD 188 million), and the share of the Social Security Corporation (JD 121 million), bringing direct and indirect support to the treasury and revenues of Public institutions to nearly JD 675 million.

Dear Shareholders,

The company's financial and operational performance indicators demonstrated a breakthrough in performance during the last five years (2018-2022), as this was reflected in reinforcing the company's revenue strength, the remarkable growth in equity, and the strengthening of its financial and competitive position globally. During the last five years, equity increased from JD 596 million for 2018 to reach JD 1.484 billion by the end of 2022, representing an increase equivalent to JD 888 million, with a growth rate of 248%.

As for the quantum leap of profitability and revenue strength, the net profits achieved by the Company in the past five years (2018-2022) amounted to JD 1.167 billion exceeding the total net profits reached by the Company since its establishment in 1953 until 2017 as its total profits amounted to JD 888 million in 65 years. This means the net profits achieved by the Company in the past five years have increased by JD 279 million, or 31% over the Company's total profits in 65 years.

Certainly, this achievement is mirrored in the extent of the Company's contribution to supporting the national economy, supporting public revenues, and distributing nearly five hundred million dinars as dividends to shareholders during the past five years.

Dear Shareholders- Ladies and Gentlemen

Jordan Phosphate Mines Company considers social responsibility a national duty as it was keen to expand its community initiatives with a special focus in the locations in where the company is present including but not limited to strengthening the capabilities of municipalities, building partnerships with civil society, academic society and development funds, supporting the agricultural sector and productive projects, supporting the medical sector and sports clubs, in addition to providing scholarships to a number of Bedouins in the South, and continuing to support all that is related to raising the standard of living and combating poverty and unemployment.

The volume of support for the years (2018-2022) amounted to about JD 57 million, of which JD 14 million was committed by the Company to be spent in 2022.

Similarly, the Company was keen to ensure that the financial results it achieved reflected positively on the conditions of its employees as a production bonus was provided to Jordan Phosphate Mines Company employees besides its associate and subsidiaries companies for 2022 as it amounted to approximately twenty million Jordanian Dinars. Not to mention providing other benefits from the savings fund continuously such as the housing loans at zero interest, end-of-service compensation benefits, health insurance for workers, retirees and their families according to the bylaws set for this purpose, in addition to developing the efficiency of workers and enhance their performance.

To conclude, I would like to extend my gratitude and thanks to Jordan Phosphate Mines Company shareholders, the investors who believe in the Company's ability and the Jordanian economy. No doubt, my thanks are also extended to the Company's employees for their efforts that lead to these successes. Of course, I express my thanks to the Jordanian General Labor Union of Workers in Mines and Mining; for their cooperating with the company.

I would also like to thank my colleague members of the Board of Directors for their kind efforts, and the executive management that worked diligently and effectively to implement the plans set up for the Company to bring this economic structure to what it has reached under the leadership of His Majesty King Abdullah II May Allah protect him and help him and bless his good deeds.

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



Chairman of the Board  
Dr. Mohammad Thneibat