

**Palestine Development and Investment (PADICO)**

**Limited Liability Holding Company**

**Unaudited Interim Condensed Consolidated Financial  
Statements**

**September 30, 2022**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at September 30, 2022

	September 30, 2022	December 31, 2021
	(Unaudited)	(Audited)
	U.S. \$ (000's)	U.S. \$ (000's)
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	117,826	126,204
Intangible assets	26,563	27,598
Investment properties	28,831	44,579
Projects in progress	25,532	18,776
Right-of-use assets	9,177	9,050
Investment in associates and joint venture	414,732	405,558
Financial assets at fair value through other comprehensive income	69,153	70,944
Long-term accounts receivable	6,000	6,374
Biological assets	1,086	1,076
	<u>698,900</u>	<u>710,159</u>
<b>Current assets</b>		
Biological assets	1,612	1,870
Inventories and ready for sale properties	21,746	26,318
Accounts receivable and other current assets	37,260	41,516
Financial assets at fair value through profit or loss	6,144	6,508
Cash and short-term deposits	21,286	20,134
	<u>88,048</u>	<u>96,346</u>
Assets held for sale	-	1,547
<b>Total assets</b>	<u><u>786,948</u></u>	<u><u>808,052</u></u>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Paid-in share capital	250,000	250,000
Share premium	16,932	16,932
Treasury shares	(59,004)	(2,362)
Statutory reserve	32,681	32,681
Voluntary reserve	1,594	1,594
Fair value reserve	(78,141)	(73,125)
Foreign currency translation reserve	3,564	10,775
Retained earnings	187,292	169,459
<b>Equity attributable to equity holders of the parent</b>	<u>354,918</u>	<u>405,954</u>
Non-controlling interests	78,558	85,279
<b>Total equity</b>	<u>433,476</u>	<u>491,233</u>
<b>Non-current liabilities</b>		
Long-term loans and borrowing	116,884	82,915
Debt bonds	120,000	120,000
Provision for employees' indemnity	6,064	6,186
Long-term lease liabilities	9,339	8,429
Other non-current liabilities	8,045	9,224
	<u>260,332</u>	<u>226,754</u>
<b>Current liabilities</b>		
Short-term portion of long-term loans, borrowings and credit facilities	33,254	36,627
Accounts and notes payable	15,293	10,344
Short-term lease liabilities	1,017	1,491
Income tax provision	3,274	1,751
Other current liabilities	40,302	39,852
	<u>93,140</u>	<u>90,065</u>
<b>Total liabilities</b>	<u>353,472</u>	<u>316,819</u>
<b>Total equity and liabilities</b>	<u><u>786,948</u></u>	<u><u>808,052</u></u>

**INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT**

For the three-months and nine-months period ended September 30, 2022

	For the three-months ended September 30		For the nine-months ended September 30	
	2022	2021	2022	2021
	(Unaudited)		(Unaudited)	
	U.S. \$ (000's)		U.S. \$ (000's)	
<b>Revenues</b>				
Revenues from contracts with customers	21,414	20,949	69,883	60,404
PADICO's share of results of operations from associates and joint venture	10,981	11,637	29,053	29,057
Gains (losses) from financial assets portfolio	343	(135)	3,506	4,039
Rent revenue	1,507	1,568	5,290	4,380
Gain from sale of investment properties	-	-	1,018	1,099
	<u>34,245</u>	<u>34,019</u>	<u>108,750</u>	<u>98,979</u>
<b>Expenses</b>				
Operating costs and expenses	(19,311)	(19,171)	(61,898)	(55,268)
General and administrative expenses	(3,658)	(2,872)	(9,653)	(8,888)
Finance costs	(3,671)	(3,191)	(9,877)	(9,606)
Depreciation and amortization	(292)	(387)	(880)	(854)
	<u>(26,932)</u>	<u>(25,621)</u>	<u>(82,308)</u>	<u>(74,616)</u>
Other provisions and expenses, net	<u>(2,353)</u>	<u>(3,243)</u>	<u>(5,063)</u>	<u>(3,822)</u>
<b>Profit for the period before income tax from continuing operations</b>	<u>4,960</u>	<u>5,155</u>	<u>21,379</u>	<u>20,541</u>
Income tax expense	<u>(266)</u>	<u>(279)</u>	<u>(1,681)</u>	<u>(765)</u>
<b>Profit for the period from continuing operations</b>	<u>4,694</u>	<u>4,876</u>	<u>19,698</u>	<u>19,776</u>
Profit (loss) for the period from discontinued operations	<u>357</u>	<u>(21)</u>	<u>252</u>	<u>(48)</u>
<b>Profit for the period</b>	<u>5,051</u>	<u>4,855</u>	<u>19,950</u>	<u>19,728</u>
Attributable to:				
Equity holders of the parent	<u>4,940</u>	<u>4,285</u>	<u>17,779</u>	<u>17,039</u>
Non-controlling interests	<u>111</u>	<u>570</u>	<u>2,171</u>	<u>2,689</u>
	<u>5,051</u>	<u>4,855</u>	<u>19,950</u>	<u>19,728</u>
<b>Basic and diluted earnings per share attributable to shareholders of the parent (U.S. \$)</b>	<u>0.024</u>	<u>0.017</u>	<u>0.078</u>	<u>0.068</u>
<b>Basic and diluted earnings per share from continuing operations attributable to shareholders of the parent (U.S. \$)</b>	<u>0.023</u>	<u>0.017</u>	<u>0.077</u>	<u>0.068</u>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the three-months and nine-months period ended September 30, 2022

	For the three-months ended September 30		For the nine-months ended September 30	
	2022	2021	2022	2021
	(Unaudited)		(Unaudited)	
	U.S. \$ (000's)		U.S. \$ (000's)	
<b>Profit for the period</b>	5,051	4,855	19,950	19,728
<b>Other comprehensive income items:</b>				
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>				
Foreign currency translation differences	(1,290)	807	(10,618)	(266)
PADICO's share of other comprehensive income items from associates' and joint venture	(567)	230	(2,651)	997
	<u>(1,857)</u>	<u>1,037</u>	<u>(13,269)</u>	<u>731</u>
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>				
Change in fair value of financial assets through other comprehensive income	(1,828)	(3,308)	(1,639)	10,945
PADICO's share of associates' other comprehensive income items	(2,216)	(2,941)	(3,454)	10,399
	<u>(4,044)</u>	<u>(6,249)</u>	<u>(5,093)</u>	<u>21,344</u>
Net other comprehensive income for the period	<u>(5,901)</u>	<u>(5,212)</u>	<u>(18,362)</u>	<u>22,075</u>
<b>Net comprehensive income for the period</b>	<u>(850)</u>	<u>(357)</u>	<u>1,588</u>	<u>41,803</u>
Attributable to:				
Equity holders of the parent	(9,449)	(1,104)	5,552	37,550
Non-controlling interests	8,599	747	(3,964)	4,253
	<u>(850)</u>	<u>(357)</u>	<u>1,588</u>	<u>41,803</u>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the nine-months period ended September 30, 2022

	Attributable to equity holders of the parent										
	Paid-in share capital	Share premium	Treasury shares	Statutory reserve	Voluntary reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)
<b>September 30, 2022</b>											
<b>Balance as at January 1, 2022</b>	250,000	16,932	(2,362)	32,681	1,594	(73,125)	10,775	169,459	405,954	85,279	491,233
Profit for the period	-	-	-	-	-	-	-	17,779	17,779	2,171	19,950
Other comprehensive income items	-	-	-	-	-	(5,016)	(7,211)	-	(12,227)	(6,135)	(18,362)
Net comprehensive income for the period	-	-	-	-	-	(5,016)	(7,211)	17,779	5,552	(3,964)	1,588
Repurchase of common shares	-	-	(56,642)	-	-	-	-	-	(56,642)	-	(56,642)
Distributed cash dividends from subsidiaries	-	-	-	-	-	-	-	-	-	(2,073)	(2,073)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	54	54	(684)	(630)
<b>Balance as at September 30, 2022 (Unaudited)</b>	<u>250,000</u>	<u>16,932</u>	<u>(59,004)</u>	<u>32,681</u>	<u>1,594</u>	<u>(78,141)</u>	<u>3,564</u>	<u>187,292</u>	<u>354,918</u>	<u>78,558</u>	<u>433,476</u>
<b>September 30, 2021</b>											
<b>Balance as at January 1, 2021</b>	250,000	16,932	(361)	31,482	1,594	(86,116)	8,383	149,501	371,415	77,456	448,871
Profit for the period	-	-	-	-	-	-	-	17,039	17,039	2,689	19,728
Other comprehensive income items	-	-	-	-	-	20,108	403	-	20,511	1,564	22,075
Net comprehensive income for the period	-	-	-	-	-	20,108	403	17,039	37,550	4,253	41,803
Distributed cash dividends from subsidiaries	-	-	-	-	-	-	-	-	-	(777)	(777)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	20	20	(56)	(36)
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	2,639	2,639
<b>Balance as at September 30, 2021 (Unaudited)</b>	<u>250,000</u>	<u>16,932</u>	<u>(361)</u>	<u>31,482</u>	<u>1,594</u>	<u>(66,008)</u>	<u>8,786</u>	<u>166,560</u>	<u>408,985</u>	<u>83,515</u>	<u>492,500</u>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the nine-months period ended September 30, 2022

	For the nine-months ended September 30	
	2022	2021
	(Unaudited) U.S. \$ (000's)	(Unaudited) U.S. \$ (000's)
<b>Operating activities</b>		
Profit for the period before income tax from continuing operations	21,379	20,541
Profit (loss) for the period from discontinued operations	252	(48)
Profit for the period before tax	21,631	20,493
<b>Adjustments :</b>		
Depreciation and amortization	8,400	8,082
Finance costs	9,877	9,996
PADICO's share of results of operations from associates and joint venture	(29,053)	(29,057)
Gain from financial assets portfolio	(3,506)	(4,039)
Impairment losses on property, plant and equipment	3,500	2,800
Gain from sale of investment properties	(1,018)	(1,099)
Net non-cash items from discontinued operations	(405)	3
Other non-cash items	(10)	1,895
	9,416	9,074
<b>Working capital adjustments:</b>		
Inventories, ready for sale properties and biological assets	4,950	988
Accounts receivable and other assets	5,746	(2,501)
Financial assets at fair value through profit or loss	(83)	-
Accounts payable and other liabilities	5,648	2,671
Employees' indemnity and income tax payments	(1,319)	(2,388)
<b>Net cash from operating activities</b>	<b>24,358</b>	<b>7,844</b>
<b>Investing activities</b>		
Joint venture	(160)	-
Purchase of shares in associates	(13,350)	(250)
Sale of shares in associates	-	3,388
Dividends received	31,058	21,572
Property, plant and equipment	(6,296)	(5,549)
Projects in progress	(9,770)	(3,976)
Sale of investment properties	16,035	1,411
Intangible assets	(2)	-
Net cash flow from sale of discontinued operations	2,048	-
<b>Net cash from investing activities</b>	<b>19,563</b>	<b>16,596</b>
<b>Financing activities</b>		
Repurchase of common shares	(56,642)	-
Distributed cash dividends	(2,341)	(4,230)
Long-term loans and borrowings	29,246	(10,279)
Finance costs paid	(10,612)	(11,076)
Change in non-controlling interests	-	2,639
Payments of long-term lease liabilities	(894)	(416)
Acquisition of non-controlling interests	(588)	(36)
Change in restricted cash	507	(577)
<b>Net cash used in financing activities</b>	<b>(41,324)</b>	<b>(23,975)</b>
<b>Increase in cash and cash equivalents</b>	<b>2,597</b>	<b>465</b>
Foreign currency translation differences	(2,288)	(75)
Cash and cash equivalents, beginning of the period	18,066	23,823
<b>Cash and cash equivalents, end of period</b>	<b>18,375</b>	<b>24,213</b>