

JORDAN PETROLEUM REFINERY COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN

CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
TOGETHER WITH INDEPENDENT  
AUDITOR'S REPORT

JORDAN PETROLEUM REFINERY COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN  
DECEMBER 31, 2024

TABLE OF CONTENTS

|                                                     | <u>Page</u> |
|-----------------------------------------------------|-------------|
| Independent Auditor's Report                        | 1 - 5       |
| Consolidated Statement of Financial Position        | 6           |
| Consolidated Statement of Profit or Loss            | 7           |
| Consolidated Statement of Comprehensive Income      | 8           |
| Consolidated Statement of Changes in Owners' Equity | 9           |
| Consolidated Statement of Cash Flows                | 10          |
| Notes to the Consolidated Financial Statements      | 11 – 89     |

## Independent Auditor's Report

AM / 000573

To the Shareholders of  
Jordan Petroleum Refinery Company  
(A Public Shareholding Limited Company)  
Amman - Jordan

### **Report on Audit the Consolidated Financial Statements**

#### **Opinion**

We have audited the consolidated financial statements of Jordan Petroleum Refinery Company (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in owners' equity, and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (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 a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, are the most significant matters in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Key Audit Matters

#### Revenue recognition

The Group reported revenue of JD 1.517 billion during the year ended December 31, 2024 related to the sale of products derived from the processing of oil. The prices charged to customers for the products are based on government approved prices.

International Standards on Auditing require us to consider the risk of fraud in revenue recognition. There is an inherent risk of fraud given the voluminous transactions affecting the revenue recognized for the year.

Revenue from the sale of the abovementioned products is recognized when control of the products are transferred to the customer. This is generally when the customer takes delivery of the goods.

We have considered this as a Key Audit Matter as revenue is quantitatively significant to the consolidated financial statements and comprises many transactions with multiple customers.

The Group's accounting policies relating to revenue recognition are presented in note 5 and details about the Group's revenue are disclosed in note 23 to the consolidated financial statements.

### How our audit addressed the key audit matter

Our audit approach included a combination of test of controls and substantive procedures which included, inter alia, the following:

- Obtaining an understanding of the significant revenue processes and identifying the relevant controls in this process;
- Evaluating the design and testing the implementation and operating effectiveness of the abovementioned relevant controls;
- Evaluating the Group's method for recognizing revenue against the requirements of IFRSs;
- Performing substantive analytical procedures on significant revenue streams based on expectations derived from industry knowledge and external market data, and investigating variances from our expectation.
- Performing test of details to verify occurrence and accuracy of revenue transactions on a sample basis;
- Determining, on a sample basis, that the Group had charged the government approved rates, to its customers;
- Assessing the disclosures in the consolidated financial statements relating to this matter against the requirements of IFRS Accounting Standards.

**Valuation of land**

Property, plant and equipment, which is carried in the consolidated statement of financial position at JD 510 million, includes land of JD 332 million.

Land is measured at fair value with changes in fair value being presented as part of other comprehensive income. The Group recognised a gain on fair value of land of JD 274 million during the year. Land was measured at cost in previous years.

The fair value of land is determined using the direct comparison methodology which results in land being valued based on recent selling prices of similar plots of land located in the same area. This required the significant judgements to be applied and estimates to be made which included the following:

- selection of the appropriate valuation methodology;
- identification and selection of comparable plots of land;
- adjustments for differences between the plots of land subject to valuation and the comparable plots of land, for example, size, location, and zoning rights; and
- consideration of current market conditions and trends

Management engaged an external valuer to assist them in determining the fair value of land.

We have identified the determination of the fair value of land as a key audit matter due to the level of judgements applied and estimates made relating to this matter as well as the quantitative significance of this amount and the fair value gain to the consolidated financial statements.

The Group's accounting policies relating to this matter are disclosed in note 5 to the consolidated financial statements and details about the Group's land are disclosed in note 12.

We performed the following procedures, inter alia, to address the key audit matter:

- Obtaining an understanding of the process adopted by management to determine the fair value of land and identified the relevant controls in this process.
- Assessing the abovementioned controls to determine if they had been appropriately designed and implemented.
- Assessing the skills, independence, objectivity and capabilities of the external valuer and reading their terms of engagement with the Group to determine if the scope of their work was sufficient for audit purposes.
- Testing the data provided to the external valuer on a sample basis by agreeing it to the Group's accounting records and other supporting documentation.
- Utilizing our internal valuation experts to assist us in evaluating the work of the external valuer, including the valuation methodology selected and key estimates used in the valuation process, and reviewing the results of their valuation.
- Reperforming the mathematical accuracy of the valuation.
- Agreeing the results of the valuation to the amounts and disclosures reported in the consolidated financial statements.
- Assessing the disclosures in the consolidated financial statements relating to this matter against the requirements of IFRS Accounting Standards.

**Other Matter**

The accompanying consolidated financial statements are a translation of the statutory consolidated financial statements in the Arabic language to which reference should be made.

**Other Information**

Management is responsible for the other information. The other information comprises the other information in the annual report but does not include the consolidated financial statements and the independent auditors' report thereon, that the other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

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

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

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

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 internal control.
- 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 evidenced 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 a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 procedures.

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 year and are therefore the key audit matters. We describe these matters in our auditor's report unless law and regulations preclude 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 Regulatory Requirements**

The Group maintains proper accounting records which are in agreement with the accompanying consolidated financial statements. We recommend that the General Assembly of Shareholders approve these consolidated financial statements.

Amman – Jordan  
March 27, 2025

  
Deloitte & Touche (Middle East) – Jordan  
**Deloitte & Touche (M.E.)**  
ديلويت آند توش (الشرق الأوسط)  
010101

JORDAN PETROLEUM REFINERY COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

|                                                                      | Note | December 31   |               |
|----------------------------------------------------------------------|------|---------------|---------------|
|                                                                      |      | 2024          | 2023          |
|                                                                      |      | JD            | JD            |
| <b>ASSETS</b>                                                        |      |               |               |
| Current Assets:                                                      |      |               |               |
| Cash on hand and at banks                                            | 8    | 32,235,765    | 33,760,040    |
| Receivables and other debit balances                                 | 9    | 781,983,789   | 633,901,537   |
| Crude oil, finished oil derivatives and Lube oil and supplies        | 10   | 402,582,262   | 470,933,996   |
| Total Current Assets                                                 |      | 1,216,801,816 | 1,138,595,573 |
| Non-Current Assets:                                                  |      |               |               |
| Deferred tax assets                                                  | 12   | 10,551,203    | 10,170,210    |
| Financial assets at fair value through other comprehensive income    | 11   | 3,549,681     | 3,236,140     |
| Investment property - net                                            | 13   | 3,547,840     | 2,668,469     |
| Right of use assets - net                                            | 16   | 42,149,878    | 43,286,831    |
| Property, plants, equipment and projects under construction - net    | 14   | 509,568,987   | 225,579,946   |
| Intangible assets - net                                              | 15   | 14,327,949    | 14,452,949    |
| Total Non-Current Assets                                             |      | 583,695,538   | 299,394,545   |
| TOTAL ASSETS                                                         |      | 1,800,497,354 | 1,437,990,118 |
| <b>LIABILITIES</b>                                                   |      |               |               |
| Current Liabilities:                                                 |      |               |               |
| Due to banks                                                         | 17   | 765,781,773   | 663,911,323   |
| Lease Liabilities - current portion                                  | 16   | 2,242,705     | 2,455,304     |
| Income tax provision                                                 | 19   | 18,665,224    | 18,995,592    |
| Payables and other credit balances                                   | 18   | 269,232,102   | 305,143,456   |
| Total Current Liabilities                                            |      | 1,055,921,804 | 990,505,675   |
| Non-Current Liabilities:                                             |      |               |               |
| Lease Liabilities - non-current portion                              | 16   | 40,761,411    | 41,461,022    |
| End-of-service indemnity provision                                   |      | -             | 41,687        |
| Due to death, compensation, and end-of-service indemnity fund        | 31   | 35,609,172    | 37,900,409    |
| Total Non-Current Liabilities                                        |      | 76,370,583    | 79,403,118    |
| TOTAL LIABILITIES                                                    |      | 1,132,292,387 | 1,069,908,793 |
| <b>EQUITY</b>                                                        |      |               |               |
| Shareholders' equity:                                                |      |               |               |
| Authorized and paid-up capital (100,000,000 share at JD 1 per share) | 20/A | 100,000,000   | 100,000,000   |
| Statutory reserve                                                    | 20/B | 60,384,430    | 57,048,125    |
| Voluntary reserve                                                    | 20/C | 82,213,632    | 66,289,408    |
| Financial assets at fair value reserve - net                         | 21   | 3,169,957     | 2,856,416     |
| Fourth expansion project reserve                                     | 20/D | 57,555,984    | 36,600,708    |
| Land valuation reserve at fair value                                 | 20/E | 274,466,963   | -             |
| Difference from purchase of non-controlling interest                 |      | (1,127,857)   | -             |
| Retained earnings                                                    | 22   | 84,541,170    | 97,341,865    |
| Total Shareholders' Equity                                           |      | 661,204,279   | 360,136,522   |
| Non - controlling interests                                          | 29   | 7,000,688     | 7,944,803     |
| Total Owners' Equity                                                 |      | 668,204,967   | 368,081,325   |
| TOTAL LIABILITIES AND OWNERS' EQUITY                                 |      | 1,800,497,354 | 1,437,990,118 |
| <b>Contra Accounts</b>                                               |      |               |               |
| Death, compensation, and end-of-service indemnity fund               | 31   | 43,396,081    | 45,969,456    |

Chairman of the Board of Directors



Chief Executive Officer



THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING AUDITOR'S REPORT.



JORDAN PETROLEUM REFINERY COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN  
CONSOLIDATED STATEMENT OF PROFIT OR LOSS

|                                                                             | Note | For the Year Ended December 31 |                        |
|-----------------------------------------------------------------------------|------|--------------------------------|------------------------|
|                                                                             |      | 2024                           | 2023                   |
|                                                                             |      | JD                             | JD                     |
| Net Sales                                                                   | 23   | 1,516,847,998                  | 1,659,001,417          |
| <u>Less:</u> Cost of sales                                                  | 24   | <u>(1,356,126,947)</u>         | <u>(1,499,613,568)</u> |
| Gross profit from sales                                                     |      | 160,721,051                    | 159,387,849            |
| <u>Add:</u> Operating income and others                                     | 25   | <u>13,319,573</u>              | <u>15,515,971</u>      |
| Gross profit                                                                |      | 174,040,624                    | 174,903,820            |
| <u>Less:</u> Selling and distribution expenses                              | 26   | (46,697,777)                   | (44,287,395)           |
| General and administrative expenses                                         | 27   | (14,307,604)                   | (13,539,925)           |
| Bank interest and commissions                                               |      | (47,461,650)                   | (39,877,767)           |
| Released from (Provision) of lawsuits                                       | 18   | 1,336,957                      | (291,841)              |
| (Provision) of expected credit losses                                       | 9/J  | (1,546,955)                    | (426,677)              |
| (Provision) of slow-moving and obsolete inventory and sediments             | 10   | (940,073)                      | (717,556)              |
| (Provision) of storage fees                                                 | 18/G | (1,388,640)                    | (1,262,400)            |
| Released from employees' vacations                                          | 18   | 111,452                        | 100,283                |
| Released from of special tax differences                                    |      | -                              | 7,603,779              |
| Government's share of bank interest                                         |      | 34,198,088                     | 27,722,684             |
| Lease liabilities interest                                                  | 16   | (2,583,125)                    | (2,682,178)            |
| Amortization of intangible assets                                           | 15   | <u>(125,000)</u>               | <u>(1,083,333)</u>     |
| Profit for the Year before Income Tax                                       |      | 94,636,297                     | 106,161,494            |
| (Expense) of income tax for the year                                        | 19   | <u>(21,562,380)</u>            | <u>(23,557,721)</u>    |
| Profit for the Year                                                         |      | <u>73,073,917</u>              | <u>82,603,773</u>      |
| <u>Attributable to :</u>                                                    |      |                                |                        |
| Company's Shareholders                                                      | 28   | 72,415,110                     | 81,553,523             |
| Non-controlling interests                                                   | 29   | <u>658,807</u>                 | <u>1,050,250</u>       |
|                                                                             |      | <u>73,073,917</u>              | <u>82,603,773</u>      |
| Profit per share for the year to the Company shareholders - Basic & Diluted | 28   | <u>-/724</u>                   | <u>-/816</u>           |

Chairman of the Board of Directors

Chief Executive Officer




THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING AUDITOR'S REPORT.

JORDAN PETROLEUM REFINERY COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN  
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

|                                                                                                  | For the Year Ended |            |
|--------------------------------------------------------------------------------------------------|--------------------|------------|
|                                                                                                  | December 31,       |            |
|                                                                                                  | 2024               | 2023       |
|                                                                                                  | JD                 | JD         |
| Profit for the year                                                                              | 73,073,917         | 82,603,773 |
| Items that can not be reclassified subsequently to the consolidated statement of Profit or Loss: |                    |            |
| Change in financial assets at fair value reserve - net                                           | 313,541            | (579,091)  |
| Change in land valuation reserve at fair value - net                                             | 274,820,440        | -          |
| Total Comprehensive Income for the Year                                                          | 348,207,898        | 82,024,682 |
| Total Consolidated Comprehensive Income Attributable to:                                         |                    |            |
| Company's Shareholders                                                                           | 347,195,614        | 80,974,432 |
| Non -controlling interests                                                                       | 1,012,284          | 1,050,250  |
|                                                                                                  | 348,207,898        | 82,024,682 |

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FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND  
WITH THE ACCOMPANYING AUDITOR'S REPORT.

**JORDAN PETROLEUM REFINERY COMPANY**  
**(A PUBLIC SHAREHOLDING LIMITED COMPANY)**

**AMMAN – JORDAN**

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

|                                                             | Difference      |            |                   |             |                   |             |                                                  |              |                                                    |             |
|-------------------------------------------------------------|-----------------|------------|-------------------|-------------|-------------------|-------------|--------------------------------------------------|--------------|----------------------------------------------------|-------------|
|                                                             | Paid-up Capital |            | Statutory Reserve |             | Voluntary Reserve |             | Valuation Reserve<br>Land at Fair Value<br>- Net |              | Financial Assets<br>at Fair Value<br>Reserve - net |             |
|                                                             | JD              | JD         | JD                | JD          | JD                | JD          | JD                                               | JD           | JD                                                 | JD          |
| <b>For the year 2024</b>                                    |                 |            |                   |             |                   |             |                                                  |              |                                                    |             |
| Balance at the beginning of the year                        | 100,000,000     | 57,048,125 | 66,289,408        | -           | 2,856,416         | 313,541     | 36,600,708                                       | -            | 97,341,865                                         | 360,136,522 |
| Total Comprehensive income for the year                     | -               | -          | -                 | 274,466,963 | -                 | -           | -                                                | -            | 72,415,110                                         | 347,195,614 |
| Deducted for reserves                                       | -               | 3,236,305  | 15,924,224        | -           | -                 | -           | 21,232,299                                       | -            | (40,492,828)                                       | -           |
| Transfer from fourth expansion reserve to retained earnings | -               | -          | -                 | -           | -                 | -           | (277,023)                                        | -            | 277,023                                            | -           |
| Dividends distributed to shareholders                       | -               | -          | -                 | -           | -                 | -           | -                                                | -            | (45,000,000)                                       | -           |
| Change in non - controlling interests                       | -               | -          | -                 | -           | -                 | -           | -                                                | (1,127,857)  | -                                                  | (1,127,857) |
| Balance at the End of the Year                              | 100,000,000     | 60,384,430 | 82,213,632        | 274,466,963 | 3,169,957         | 57,555,984  | (1,127,857)                                      | 84,541,170   | 661,204,279                                        | 7,000,688   |
| <b>For the year 2023</b>                                    |                 |            |                   |             |                   |             |                                                  |              |                                                    |             |
| Balance at the beginning of the year                        | 100,000,000     | 52,221,595 | 39,680,675        | -           | 3,435,507         | 14,084,234  | (326,472)                                        | 120,066,551  | 329,162,090                                        | 8,528,809   |
| Total Comprehensive income for the year                     | -               | -          | -                 | -           | (579,091)         | -           | -                                                | 81,553,523   | 80,974,432                                         | 1,050,250   |
| Deducted for reserves                                       | -               | 4,326,530  | 26,608,733        | -           | -                 | 26,608,733  | -                                                | (58,043,996) | -                                                  | -           |
| Transfer from fourth expansion reserve to retained earnings | -               | -          | -                 | -           | -                 | (4,092,259) | -                                                | 4,092,259    | -                                                  | -           |
| Dividends distributed to shareholders                       | -               | -          | -                 | -           | -                 | -           | -                                                | (50,000,000) | (50,000,000)                                       | -           |
| Change in non - controlling interests                       | -               | -          | -                 | -           | -                 | -           | 326,472                                          | (326,472)    | -                                                  | (1,634,256) |
| Balance at the End of the Year                              | 100,000,000     | 57,048,125 | 66,289,408        | -           | 2,856,416         | 36,600,708  | -                                                | 97,341,865   | 360,136,522                                        | 7,944,803   |
|                                                             |                 |            |                   |             |                   |             |                                                  |              |                                                    | 368,081,325 |

\* Retained earnings include an amount of JD 10,551,203 as of December 31, 2024, which represents the value of deferred tax assets that are restricted according to the instructions of the Securities Commission (JD 10,170,210 as of December 31, 2023).

- The General Assembly, decided in its meeting held on April 7, 2024, to distribute cash dividends on company's shareholders at a rate of 45% from paid-up capital amounted JD 45 million. It also decided to allocate an amount of 15,924,224 for voluntary reserve account and to allocate JD 21,232,299 for fourth expansion project reserve account and to deduct 10% for statutory reserve account from Jordan Petroleum Products Marketing Company and Jordan Lubricant Manufacturing Company annual net income and contributing to step deducting 10% as statutory reserve for rest of company's activities, and to use voluntary reserve balance accumulated for fourth expansion project purposes.

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS  
AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING AUDITOR'S REPORT.

JORDAN PETROLEUM REFINERY COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN  
CONSOLIDATED STATEMENT OF CASH FLOWS

|                                                                                   | Note    | For the Year Ended Ended<br>December 31, |              |
|-----------------------------------------------------------------------------------|---------|------------------------------------------|--------------|
|                                                                                   |         | 2024                                     | 2023         |
| CASH FLOWS FROM OPERATING ACTIVITIES:                                             |         | JD                                       | JD           |
| Profit for the year before tax                                                    |         | 94,636,297                               | 106,161,494  |
| Adjustments :                                                                     |         |                                          |              |
| Depreciation of property and equipment and investment property                    | 13 & 14 | 11,435,589                               | 11,090,653   |
| Depreciation of right-of-use assets - subsidiary company                          | 16      | 3,426,015                                | 3,423,447    |
| Amortization of intangible assets                                                 | 15      | 125,000                                  | 1,083,333    |
| (Released from) provision of employee's vacations                                 |         | (111,452)                                | (100,283)    |
| (Released from) Provision of lawsuits                                             |         | (1,336,957)                              | 291,841      |
| (Released from) provision of special tax differences                              |         | -                                        | (7,603,779)  |
| Leased liability interest                                                         | 16      | 2,583,125                                | 2,682,178    |
| Provision of slow-moving and obsolete inventory and sediments                     | 10      | 940,073                                  | 717,556      |
| Provision of storage fees                                                         | 18/g    | 1,388,640                                | 1,262,400    |
| Government's share of bank interest                                               |         | (34,198,088)                             | (27,722,684) |
| Provision of expected credit losses                                               | 9/J     | 1,546,955                                | 426,677      |
| Net cash flows from operating activities before changes in working capital items  |         | 80,435,197                               | 91,712,833   |
| (increase) Decrease in receivables and other debit balances                       |         | (117,816,654)                            | 88,158,095   |
| Decrease in crude oil, finished oil derivatives and supplies                      |         | 67,450,861                               | 53,433,099   |
| (Decrease) in due to death, compensation, and end-of-service indemnity fund       |         | (2,332,924)                              | (1,315,261)  |
| (Decrease) in payables and other credit balances                                  |         | (34,462,943)                             | (61,964,670) |
| Net Cash Flows from (used in) Operating Activities before Tax and Provisions Paid |         | (6,726,463)                              | 170,024,096  |
| Income tax paid                                                                   | 19      | (22,273,741)                             | (25,723,844) |
| Paid from provision of storage fees                                               | 18/g    | (1,388,642)                              | (1,230,840)  |
| Paid from provision of slow-moving and obsolete and sediments inventory           | 10      | (39,200)                                 | (106,833)    |
| Net Cash Flows from (used in) Operating Activities                                |         | (30,428,046)                             | 142,962,579  |
| CASH FLOWS FROM INVESTING ACTIVITIES:                                             |         |                                          |              |
| Proceeds on disposal of property, plant, and equipment                            |         | 486,762                                  | 3,296,971    |
| (Purchases) of property, plant and equipment                                      | 14      | (22,791,668)                             | (48,806,862) |
| (Additions) of intangible assets                                                  | 15      | -                                        | (1,250,000)  |
| Net Cash flows (used in) Investment Activities                                    |         | (22,304,906)                             | (46,759,891) |
| CASH FLOWS FROM FINANCING ACTIVITIES:                                             |         |                                          |              |
| Change in loans and borrowings - net                                              |         | 101,870,450                              | (32,445,081) |
| Dividends distributed to shareholders                                             |         | (45,000,000)                             | (50,000,000) |
| Paid from lease liabilities                                                       | 16      | (5,661,773)                              | (5,972,673)  |
| Net Cash Flows (used in) from Financing Activities                                |         | 51,208,677                               | (88,417,754) |
| Net Increase in cash                                                              |         | (1,524,275)                              | 7,784,934    |
| Cash on hand and at banks - Beginning of the year                                 |         | 33,760,040                               | 25,975,106   |
| Cash on hand and at banks - End of the Year                                       | 8       | 32,235,765                               | 33,760,040   |
| <u>Non-cash transactions</u>                                                      |         |                                          |              |
| Offsetting agreements                                                             | 9       | 11,792,990                               | 71,417,857   |
| Transfers from projects under construction to property and equipment              | 14      | 2,326,961                                | 1,609,012    |
| Transfers from right-of-use assets to property and equipment                      | 14      | -                                        | 2,700,000    |

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL  
STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING AUDITOR'S REPORT.

JORDAN PETROLEUM REFINERY COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Incorporation and Activities

Jordan Petroleum Refinery Company was established during 1956 in Zarqa, its main headquarter is in Amman as a public shareholding limited company. And it was registered with the Companies control department and a member of the Chambers of Industry and Commerce. with a capital amounted JD 4 million. This capital was increased in multiple stages, latest decision was taken by Company's general assembly extraordinary meeting held on April 28, 2016, as the capital of the Company increased by capitalizing JD 25 million and distribute it to the shareholders. As a result, the Company's authorized and paid-up capital reached JD 100 million, as the company was established to keep pace with the economic and social development witnessed by the Hashemite Kingdom of Jordan in the second decade of the first millennium in terms of the increase in the Kingdom's population, which was accompanied by the expansion of commercial, industrial and tourism activities in the Kingdom. One of the most important reasons for establishing the company was to reduce the costs of importing finished petroleum derivatives from Outside the Kingdom, which is considered cumbersome and expensive, and to be a safe and permanent source to meet the Kingdom's growing needs for finished petroleum derivatives of all kinds in all circumstances and at prices that suit all segments of the local community in order to contribute to raising the standard of living and accelerating the wheel of economic and social growth in the Kingdom.

To keep up with the growth and development of existing and new industries, the company increased its production capacity, developed and improved the quality of its products, and introduced new types of finished oil derivatives in the local market, through successive expansions in its facilities. The company witnessed three expansion projects, the last of which was in 1983, and several projects followed. Subsequently, the company's production capacity was increased several times, with self-efforts through its staff. In 1977, a factory was established for mixing lube oil and filling it, and in 1979, three liquefied gas filling stations were established and operated in the governorates of Zarqa, Amman, and Irbid. The company also established its own storage capacities in the three airports in the Kingdom and in Aqaba Governorate, and owned gas stations throughout the Kingdom.

In 1957, the company signed a concession agreement with the government of the Hashemite Kingdom of Jordan, giving the company the exclusive right to manufacture and refine crude oil and import, store, distribute and sell finished petroleum derivatives to meet the needs of the Kingdom in exchange for a specific profit. The concession agreement extended for approximately fifty years, ending in 2008. The contractual relationship between the government and the company was regulated based on the content of the concession agreement for several times and continued until the date of September 13, 2012, then the government of the Hashemite Kingdom of Jordan concluded with the company an agreement on the minutes of the meeting for the future of the company's work, which included extending the financial relationship between the company and the government for an additional five years, ends on April 30, 2018, considering the government's strategy in the field of energy aimed at opening the market for the distribution of oil derivatives ready for competition. In 2013, the government granted marketing licenses for finished oil derivatives to three marketing companies, where these companies have the right to import oil derivative direct. The company is aware of the extent of its responsibilities and to remain the leading company in the field of energy. During 2013, it established the Jordan Petroleum Products Marketing Company as a wholly owned subsidiary to be the marketing arm for its products. It is considered one of the three licensed marketing companies in the Kingdom, It has the largest market share in marketing finished oil derivatives from the local market, noting that this company has obtained a marketing and distribution license from the Energy and Minerals Regulatory Authority for a period of (10) years starting from the first of May 2013 and was extended for an additional period of (10) years starting from the first of May 2023. Jordan Petroleum Products Marketing Company is also fully owned Hydron Energy Company at the end of the year 2018, in addition to owning fully owned subsidiaries and controlled subsidiaries, as it owns 60% or more of these companies. The company also supply a large number of fuel stations across the kingdom with finished oil derivatives under signed agreement between the company and the owners of these stations.

As of the first of May 2018, the financial and contractual relationship between the company and the government of the Hashemite Kingdom of Jordan has ended, and the company started operating on a commercial basis and is not obligated to secure all of the Kingdom's needs of finished oil derivatives, in light of allowing the three marketing companies to import finished oil derivatives, which they began importing in the year 2017.

Jordan Petroleum Refinery Company is the only company in the Kingdom that produces finished petroleum products by separating and converting the components of imported crude oil into a group of different finished petroleum products. Its operations are based on a license from the American company (UOP), and it secures about half of the needs of the local market according to its capacity. Current productivity, so the company seeks to establish the fourth expansion project (refinery modernization) by adding the necessary production units to improve the quality of products to become compatible with the highest international specifications and to be environmentally friendly, with the addition of units to convert heavy petroleum products into light petroleum products with a higher selling value, which will lead to maximizing value and profitability and reducing production costs to the minimum possible. Also, during March 2022, the company obtained from the Energy and Minerals Regulatory Authority a license to practice the various refining and storing activities for a period of (30) years and a permit to establish the company's fourth expansion project.

Jordan Petroleum Refinery Company activated Jordan Lube Oil Manufacturing Company and it is a wholly owned subsidiary company as of April 1, 2022, and annexed the entire lube oil activities and oil factory to it, and as of July 27, 2022 it transferred the licenses to practice the various lube oil activities given to it by Energy and Minerals Regulatory Authority which has a duration of (10) years to Jordan Lube Oil Manufacturing Company.

Jordan Petroleum Refinery Company is the only company in the Kingdom that fills liquefied gas cylinders through the three gas filling stations it owns in the governorates of (Amman, Irbid, and Zarqa), and in light of the government's strategy in the field of energy aimed at opening this market to competition, the company has activated Jordan Liquefied Petroleum Gas Manufacturing and Filling Company as of the first of January 2023, which is a wholly owned subsidiary company, and has included all the various liquefied gas activities (with the exception of the liquefied gas production activity) this is due to the company's belief in the necessity of developing and modernizing this activity and maximizing its profits in light of the opening of this market. On November 2, 2022, the company transferred the licenses to practice various gas activities, which had a duration of (20) years, and the central gas distribution licenses, which had a duration of (3) years, granted to it by the Energy and Minerals Regulatory Commission for Jordan Liquefied Petroleum Gas Manufacturing and filling Company.

The company also purchased the government's share in its assets in Aqaba and the airports during April 2023, which represented 51% of it, and thus it owned the entire assets in its facilities in Aqaba and the airports, in implementation of Council Decision No. (11147) taken in its session held on March 26, 2023. It is currently seeking to develop these activities, increase the storage capacities in these facilities, increasing the additional revenue from the storage process for others and reduce storage costs for others, and benefit from fluctuations in global prices for crude oil, finished petroleum derivatives, liquefied gas, and mineral oils of all kinds.

The Group's consolidated financial statements were approved by the Board of Directors at its meeting held on March 25, 2025, and are subject to the approval of the General Assembly of Shareholders.

## 2. The Concession Agreement

- a. The concession agreement between the Jordanian Government and the Company has expired on March 2, 2008. Consequently, the Company signed a settlement agreement with the Jordanian Government on February 25, 2008, concerning the expiry of the concession, which was confirmed by the Company's General Assembly of shareholders in its extraordinary meeting dated March 22, 2008, after that, the contractual and financial relationship between the company and the government was organized based on the concession agreement for several times and continued until the date of September 13, 2012. Following this the company concluded an agreement with the government of the Hashemite Kingdom of Jordan regarding the future of the company's activities, pursuant to which the relationship with the government was extended for an additional five years. The agreement expired on April 30, 2018, and the company began operating on a commercial basis on May 1, 2018, after the financial and contractual relationship with the government had ended.
- b. The profits of the company were for the period ended April 30, 2018, and for the years 2011 until the end of the year 2017 according to the future operations minutes of meeting of Jordan Petroleum Refinery Company meeting that was approved according to the decision of the Council of Ministers no. (1329), in their meeting held on September 13, 2012, which was illustrated in the Prime Minister's Letter No. (31/17/5/24694), dated September 17, 2012, and approved by the General Assembly of Shareholders of the Company, in their extraordinary meeting held on November 8, 2012, which included the following:
  1. Through the oil derivatives pricing mechanism, annual net profit of JD 15 million after tax shall be achieved for the Jordan Petroleum Refinery Company while keeping the changes in the Company's expenditures within the normal rates. Otherwise, the Government should be consulted concerning any deviations in these rates.
  2. The Government has the right to appoint an external auditor (public accountant) to audit the Company's financial statements for the purposes stipulated by the Government.
  3. Profit from the Jordan Petroleum Products Marketing Company owned by Jordan Petroleum Refinery Company, and any other profit from other future companies owned by it and operating according to licenses issued by the Ministry of Energy and Mineral Resources or the sector regulator, shall be excluded from the above-mentioned profit, provided that their standalone financial statements or their own accounts are separated.
  4. The Lube-Oil Factory's profit shall be excluded from the above-mentioned profit, provided that the Lube-Oil Factory is charged with the related fixed and variable costs, whether directly or indirectly, and provided that its standalone financial statements or its own accounts are separated.
  5. The liquefied Petroleum gas (LPG) activity profit shall be excluded from the above-mentioned profit, provided that its standalone financial statements or its own accounts are separated.
  6. The profit granted to Jordan Petroleum Refinery Company of 10 cents for each barrel from refining the Iraqi crude oil shall also be excluded from the above-mentioned profit, provided that this profit is subjected to income tax.
  7. The current or future financial statements shall not be charged with any provisions expenditures or related to prior years, except for the committed provisions or expenditures (provisions and employees' rights, expected credit losses, gas cylinders write-off provisions, provisions for lawsuits raised against the Company, slow moving and obsolete inventory and sediment, self-insurance provisions, etc.), provided that these provisions and its financial statements shall be audited by the Government.

And the calculation of profits under this mechanism was terminated in implementation of the minutes of the meeting on the future of work of the Jordan Petroleum Refinery Company, as of the first of May 2018 where the company started to operate on a commercial basis.

### 3. End of the Relationship with the Government

According to the minutes of meeting regarding the Company's future operations signed on September 13, 2012, the financial relationship between Jordan Petroleum Refinery Company and the Government of Jordan ended on first of May 2018 and in its meeting held on April 30, 2018, the Council of Ministers issued Decision No. (7633), which included extending the exemption of oil derivatives from Jordan Petroleum Refinery Company's refining activity from implementing the Jordanian specifications throughout the period of implementation of the Fourth Expansion Project as of first of May 2018, provided that commitment is made regarding the project implementation stages and that Jordan Petroleum Refinery Company's production may not exceed 46% of the local market needs for non-conforming oil derivatives. The decision also mandated the Ministry of Finance to follow up on the procedures' implementation concerning the below points, and submit any related observations to the Council of Ministers:

1. The Ministry of Finance calculate the amounts due to the Jordan Petroleum Refinery Company until April 30, 2018, and such amounts shall be paid in installments during the years 2018, 2019 and 2020 with interest thereon of (30%, 40% and 30%). Moreover, these amounts shall be paid after issuance of the General Budget Law and before the end of the second quarter of each year for the same year until full repayment in the year 2020, the Ministry of Finance shall provide the Jordan Petroleum Refinery Company with a letter stating the amounts due to Jordan Petroleum Refinery Company as of April 30, 2018 and guaranteeing their payment with interest at the actual cost borne by the Company during the above period at the rates outlined above.

As a result of the Government's failure to comply with the above decision and based on the agreement between the Company and the Government, the Council of Ministers' issued Decision No. (6399) that was adopted at its meeting held on September 9, 2019. This decision stipulated that the Company shall borrow an amount equivalent to around JD 457 million from banks to pay part of the debt balances due to the Company from the Government until December 31, 2018. In return, the Ministry of Finance will issue pledges to pay the loans and interest thereon to the assigned banks. Consequently, during the first half of October 2019, the Company withdrew an amount of JD 455,505,000 from the banks assigned by the Ministry of Finance. Accordingly, the Ministry of Finance issued pledges to these banks that it shall pay the loans installments and interest thereon to the assigned banks. As a result, the Company reduced the withdrawn amount from banks of JD 455,505,000 from receivables due from security agencies, ministries, government agencies, and departments, and part of the Ministry of Finance's debt under the signed agreement between the Company and the government on June 16, 2020, represented by the Minister of Finance, after the Council of Ministers' approval and authorization to the Minister of Finance to sign it on behalf of the Jordanian Government, in accordance with Council of Ministers' decision No. (9158) adopted at its meeting held on March 24, 2020.

Moreover, the Ministry of Finance has committed to pay all the bank loans and interests amounts, as these amounts were encumbered within the General Budget Law for the year 2020, under the item of loans' installments to address government arrears, according to the Ministry of Finance's Letter No. (18/4/9200) dated May 14, 2020. Noting that, the Jordanian government has paid all of the loans and interest due to the assigned banks on their due dates.

The Council of Ministers' issued Decision No. (5011) adopted in its meeting held on December 19, 2021, which included that the Jordan Petroleum Refinery Company borrows an amount of JD 105,000,000 equivalent in US dollars, from the banks assigned by the government in return for issuing Pledges to these banks by the Ministry Of Finance on behalf of the government to pay the value of the installments and interests owed on them and to guarantee the provisions that the government has allocated for this purpose in the general budget for 2022 and authorizing the Minister of Finance to sign the pledges issued to banks and authorizing him to sign an agreement to organize the payment of debts owed by the government, accordingly the Company withdrew an amount of JD 105,000,000, in the equivalent of US dollars, on December 31, 2021 from the banks assigned by the Ministry of Finance, and this amount was reduced from the receivables owed by the security authorities according to the loan payment agreement signed by the company's delegates and the Minister of Finance.



The Council of Ministers' issued Decision No. (11231) adopted in its meeting held on April 2, 2023, which included the Jordan Petroleum Refinery Company borrowing an amount of JD 105,000,000, equivalent to the US dollar, from the banks referred to by the Ministry of Finance in exchange for the Ministry of Finance issuing commitments to repay the loans and their interest for these loans. Banks on their maturity date, with guarantees of allocations allocated for this purpose in the general budget starting from the year 2023. The decision included authorizing the Minister of Finance to sign repayment pledges on behalf of the government and approving the form of the loans repayment agreement that will be signed between the company and the government and authorizing the Minister of Finance to sign it on behalf of the government. Accordingly, the company withdrew an amount of JD 105,000,000, equivalent to the US dollar, from the banks assigned by the government during of May 2023, and the loans amount was reduced as part of the indebtedness of the Jordanian Air Force and the Ministry of Finance's main account - the relationship according to the agreement signed between the company's commissioners and the government represented by the Minister of Finance.

Subsequent to the date of the financial statements, the Council of Ministers' Resolution No. (1897) was issued in its session held on January 19, 2025, which stipulates that the Jordan Petroleum Refinery Company shall borrow an amount of 80,000,000 Jordanian dinars from the banks referred to it by the Ministry of Finance in exchange for the Ministry of Finance issuing pledges to repay the loans and the interest due on them to these banks on their due date, with the guarantees of the provisions allocated for this purpose in the general budget. The resolution includes authorizing the Minister of Finance to sign the repayment pledges on behalf of the government. He was also authorized to approve and sign the agreement to repay the loan amount that will be signed between the government and the Jordan Petroleum Refinery Company. Bids have been solicited from banks operating in the Kingdom, and work is currently underway to study these bids.

In the opinion of the company's management and the company's legal advisors, the company does not have any obligations regarding the above loans and pledges (Note 9/E).

The company signed a financial settlement on June 23, 2022, with the National Electricity Company to pay the debt owed by it in addition to the interest of delayed payments and installments. The agreements also included that the amount due must be paid over (12) equal installments starting from July 2022. Accordingly, the National Electricity Company committed to paying the installments owed to it under the agreement on their due dates, and the last installment of the financial settlement agreement was paid during of June 2023, leaving an amount equivalent to JD 3.2 million outstanding from the Samra Electricity Generating Company that has been pending for several years before the competent courts, so that it will be settled upon issuance of The final and final ruling decision. (Note 9/A).

2. Jordan Petroleum Refinery Company shall treat the sediments and water in the tanks, and it shall dispose those idle materials and spare parts that are no longer needed. Moreover, the obsolete inventory shall be valued on April 30, 2018, the cost of the sediments and water, as well as the disposal costs thereof, shall be calculated and the surplus shall be transferred to the Ministry of Finance. As a result of the agreement between the Company and the Government, the Ministry of Finance issued Letter No. (4/18/28669), dated August 29, 2019, which included its approval for the Company to clean its tanks from sediments and water as the Government bears this cost , and the company must write off the materials, spare parts and supplies no longer needed, and transfer the surplus balance of the slow-moving and obsolete inventory and sediments and water provision to the Ministry of Finance. Accordingly, the Company tendered the treatment of sediments and water, whereby the Company which was awarded the tender cleaned the major part of the sediments and water, then the company left the kingdom, and they stopped working due to covid-19 virus pandemic, so the cleaning of these tanks has not been completed to this date. Additionally, a specialized committee was appointed to study the stock of spare parts and other supplies and to determine the materials and supplies that could be used instead of buying similar materials, as well as the materials and supplies no longer needed in order to write them off, and this matter is still under process where the materials are written off immediately due to the large size of the company's warehouses (Note 10).

3. Jordan Petroleum Refinery Company shall maintain JD 5 million as a provision for the write-off, repair, and replacement of the gas cylinders, and transfer the remaining JD 5 million to the Ministry of Finance's account. In case the actual value of the write-off, repair, and replacement of the cylinders exceeds the said amount, the difference shall be transferred from the Ministry of Finance from the deposits item. But, if the actual value is lower, the difference shall be transferred to the Ministry of Finance, provided that this matter be addressed in the future through the pricing mechanism. Accordingly, the Company released an amount of JD 5 million during the period ended April 30, 2018, which was reversed to the Ministry of Finance's account, and the Ministry of Finance approved this action, pursuant to the Ministry of Finance's Letter No. (4/18/28669), dated August 29, 2019 (Note 18/c).
4. Jordan Petroleum Refinery Company shall delete the interest of JD (79.2) million on the National Electricity Company's borrowings, provided that settlement be implemented between the National Electricity Company and the Government, noting that the Company has deleted these amounts from the consolidated statement of financial position based on the Ministry of Finance's Letter No. (18/73/33025), dated November 25, 2018, addressed to the National Electricity Company. The letter states that the Ministry of Finance has recorded the interest as an due amount on the National Electricity Company to the Government at the Ministry of Finance until full payment is occurred. In addition, the Ministry of Finance issued its approval to delete the interest of JD (79.2) million on the National Electricity Company's borrowings, pursuant to the Ministry of Finance's Letter No. (4/18/28669), dated August 29, 2019. Accordingly, the Company has deleted the interest on the National Electricity Company's borrowings from the Company's records.
5. Jordan Petroleum Refinery Company's tax status shall be rectified, as the tax has been included in the oil derivatives selling prices bulletin (IPP) after the refinery gate price item in this respect, the refinery gate price item does not include general and special taxes. Instead, taxes are included after this item, and it will be collected from the marketing companies and transferring it to the Government Treasury. The Income and Sales Tax Department letter No. (20/4/347) dated February 16, 2021 received and included that the collection of general and special taxes on Jordan Petroleum Refinery's sales to the three marketing companies will happen only through the marketing companies and that the JPRC is not obligated to pay taxes on its sales to the marketing companies and is obligated only to pay the tax on its sales to other customers (Note 9/F) / (Note 18/B).
6. The Government borne afford any taxes, government fees, or tax differences during its relationship with the Company, since the company profit after tax during that period was guaranteed.
7. Gasoline (95) used for the mixing process to produce gasoline (90) and (95) shall be exempted from the tax differences between import and sale in accordance with the Council of Ministers' Decision No. (6953), adopted in its meeting held on March 19, 2018. Moreover, the necessary procedures shall be facilitated concerning the implementation of the Council of Ministers' Decision No. (13363), adopted in its meeting held on January 3, 2016, related to exempting the Company's imports sold to the marketing companies inside the kingdom. The decision stipulates exempting Jordan Petroleum Refinery Company from general and special taxes on the quantities sold exclusively to the marketing companies inside the Kingdom as of May 1, 2013. The decision also prescribes resolving all pending issues with the Customs Department and completing all customs statements, whether pending at the Customs Department or the Jordan Standards and Metrology Organization before the relationship with the Government expired. Moreover, a committee was formed by the Ministry of Finance and the Ministry of Energy and Mineral Resources comprising representatives from the Jordan Customs Department, the Income and Sales Tax Department, and Jordan Petroleum Refinery Company. During October 2019, the said committee completed its work and submitted its final report to the Ministry of Finance and the Ministry of Energy and Mineral Resources. Accordingly, the Ministry of Finance and the Ministry of Energy and Mineral Resources approved the quantities stated in the committee's report, and the Customs Department prepared the customs statements and exempted the outstanding customs statements according to the above decisions. Meanwhile, the customs statements amount subject to general and special tax were determined. Moreover, the Company submitted a request to the Ministry of Finance to offset the general and special sales taxes, included in the un-exempted customs statements that are not part of the above-mentioned decision, with part of the Ministry of Finance receivables (primary account). The Customs Department approved the offset request dated March 16, 2020. Moreover, the Offsetting Committee agreed, based on the instructions, policies, procedures, and basis for performing offset No. (1) for the year 2017, on performing the offset between the amounts due to the Jordan Petroleum Refinery Company and the amount due to of the Customs Department. The offset, dated on July 6, 2020, represents the general and special sales taxes of JD (58,042,756) on Jordan Petroleum Refinery Company's imports. In the meantime, the above-mentioned offsetting was performed, and all pending customs statements at the Customs Department have been completed (Note 9/f) / (Note 18/b).

8. The Government's strategic inventory, which has been quantified and valued, shall be transferred to the Jordan Oil Terminals Company (JOTC). Accordingly, the Jordan Petroleum Refinery Company began transferring the quantities of the strategic inventory to the Jordan Oil Terminals Company (JOTC) starting April 2018, and the company completed transferring the entire remaining quantities during the 2021 to the Jordan Oil Terminals Company (JOTC) according to the quantities that It was requested by the Jordan Oil Terminals Company (JOTC) and the Ministry of Energy and Mineral Resources. In addition, the company transferred the government's aircraft fuel material to the Royal Air Force during July 2020, and it transferred the government's asphalt to the Ministry of Public Works during 2020 upon the request of the Ministry of Energy and Mineral Resources. Moreover during February 2021 the company exported fuel oil 3.5% owned by the government at the request of the Ministry of Energy and Mineral Resources, The company also received a letter from the Ministry of Finance and the Ministry of Energy and Mineral Resources includes the sale of government-owned crude oil to the company as of the beginning of March 2021 on the basis of crude oil prices issued by Aramco for March 2021, and the company purchased these quantities from government during June 2021, in implementation of the Council of Minister's Decision No. (1150) taken in its meeting held on February 3, 2021. In addition, the remaining amount of the strategic inventory of kerosene owned by the government was exchanged for diesel, according to the Council of Minister's Decision No. (3273) taken in its meeting held on August 11, 2021. Accordingly, the government has no quantities of the strategic inventory as deposits with the company where the transfer of the entire quantity of the strategic inventory was completed by the end of 2021, bearing in mind that the approval of the Ministry of Finance was received to finally settle the value and quantity of the inventory in accordance with the letter of the Ministry of Finance No. (4/18/28669) dated August 29, 2019.
9. The Ministry of Finance shall retain the doubtful debts provision (provision for expected credit losses). In case any debt that was raised during the relationship with the Government is written off, the Ministry of Finance is committed to pay the debt to Jordan Petroleum Refinery Company. As a result of the agreement between the Ministry of Finance and the Company, the Ministry of Finance agreed that the Company shall retain the balance of the provision for doubtful debts (provision for expected credit losses). In case the Company recovers any receivable amount recorded within the provision, the recovered amount shall be recorded in favor of the Ministry of Finance's account, Under the approval of the Ministry of Finance in its letter No. (4/18/28669), dated August 29, 2019 (Note 9/j).
10. The rate of return on investment shall be determined for liquified petroleum gas filling stations for the purpose of calculating the commission at (12%) annually. Moreover, the commission amount for the period from May 1, 2018, to December 31, 2018, shall be set at JD 43 per ton Any surplus/shortage arising from the increase/decrease in the rate of return on investment compared to the targeted value shall be treated when calculating the filling stations' commission amount in the subsequent period whether it increased or decreased. Meanwhile, the above mechanism may not cause any increase in the cylinder's cost charged to citizens or entail a subsidy by the Treasury / Ministry of Finance in this regard, based on that the Company provided the Energy and Minerals Regulatory Commission and the Ministry of Energy and Mineral Resources with all information and data related to the gas activity for determining the commission amount for the years 2019 and 2020 which reflect the rate of return on investment for this activity by 12% annually. In addition, the Ministry of Energy and Mineral Resources has appointed an auditor and an external studies company to determine the commission amount for the years 2019 and 2020. At the same time, the Company has provided the entities appointed by the said ministry with all the required data, and these entities provided the ministry of energy and mineral resources with their final report, but no decision has been reached by the government regarding the final commission amount that covers the rate of return on investment by 12% annually according to the above-mentioned Council of Ministers' Decision No. (7633). As a result, the company is still negotiating with the government to reach an agreement on the final commission amount and based on that a new studies the company has been appointed by the Ministry of Energy and Mineral Resources to determine the final commission amount, noting that this company has finished its work and provided the final reports to the Ministry of Energy and Mineral Resources , Accordingly, the Ministry informed the company of the value of the commission that it set, and the company objected to this value, as it does not reflect the fair commission according to the aforementioned Council decision. Consequently, a committee was formed from a representative of Ministry of Energy and Mineral Resources, a representative of Ministry of Finance, the Energy and Minerals Regulatory Commission, the Foreign Studies Company and JPRC to reach the fair commission value, which reflects a rate of return on investment for this activity at 12% annually. The committee completed its report for the related Ministries and is awaiting the recommendation for council of ministers for fair commission value. The government has not appointed auditors and study companies to determine the fair commission value for the gas activity for the years 2021, 2022, 2023 and 2024 until now and the company is still conducting vigorous meetings and negotiations with the relevant government agencies to obtain a fair commission that reflects what was stated in the Council of Ministers' Resolution No. (7633) mentioned above.

11. The rental value of the assets transferred from Jordan Petroleum Refinery Company to Jordan Petroleum Products Marketing Company (JPPMC) shall be calculated according to the Land and Survey Department's approved rate of (8%) on the land and buildings valued at JD (4.9) million from these buildings transfer date up to date, based on that the Company insisted on rejecting the above clause, as the transferred assets are owned by the Jordan Petroleum Refinery Company under the concession expiry agreement which stipulated that the gas stations are owned by Jordan Petroleum Refinery Company and that they are transferred to the Jordan Petroleum Products Marketing Company owned by Jordan Petroleum Refinery Company. In addition, the Company has the right to dispose of its assets legally, pursuant to Article 236 of the Civil Law. Meanwhile, the assets were transferred at their net book value similar to the assets transferred at their net book value to other marketing companies under the agreement signed between the three marketing companies and the Ministry of Energy and Mineral Resources. Moreover, the concession expiry agreement stipulated that the Jordan Petroleum Products Marketing Company owned by Jordan Petroleum Refinery Company applies to other marketing companies. Moreover, negotiations took place between the Company and the Government, resulting in an agreement that the Ministry of Finance would recommend to the Council of Ministers the cancellation of this item, Accordingly, the Council of Ministers' Decision No. (1080) was issued in its meeting held on January 24, 2021, which included considering this item as canceled from the Council of Ministers' Decision No. (7633) adopted in its session held on April 30, 2018, and the decision includes that JPRC does not require a rental return for the transferred assets of the Jordan Petroleum Products Marketing Company (a wholly owned subsidiary company).

- In implementation of the Council of Ministers' Decision No. (11110), adopted in its meeting held on August 16, 2015, and the decision of the Company's General Assembly of Shareholders, adopted in its meeting held on November 8, 2012, the land swap operation between Aqaba Special Economic Zone Authority (ASEZA) and the Jordan Petroleum Refinery Company took place during September 2019. In the swap, the authority ceded (6) plots of land of an area of four hundred forty-two thousand square meters (442,000 M<sup>2</sup>) to Jordan Petroleum Refinery Company. In return, the Company ceded its own plot of land no. (23), Parcel (13), Tract (13) of an area of approximately eighty-eight thousand square meters (88,000 M<sup>2</sup>), located within the southern port tract, to Aqaba Special Economic Zone Authority (ASEZA).
- In accordance to the Council of Minister's Decision No. (11127) taken in its session held on March 26, 2023, the company has paid and transferred an amount of JD (20.4) million to the Ministry of Finance through April 2023, which represents the Jordanian government's share in the assets of Jordan Petroleum Refinery Company in Aqaba and the Airports, which represents 51% Of these assets according to the company's concession terminating agreement signed in 2008, noting that, the value of the assets was determined at fair value (market) by the consultant appointed by the government (Chann Oil Consulting Company), accordingly, ownership of all these assets be lounged to the company, and the company began working to develop expand and diversify its activities in Aqaba and airports.

#### 4. Commencing Operations on Commercial Terms after Termination of Relationship with the Government

- A. The Company recorded delay interests on the Ministry of Finance's "The Relationship" balance due and unpaid balances at the effective borrowing rate starting from first of May 2018, according to the Council of Ministers' Decision No. (7633), adopted in its meeting held on April 30, 2018.
- B. The Company has recorded fees for storing the strategic inventory owned by the government at an amount of JD 3.5 per cubic meter according to the storage capacity for each material effective May 1, 2018 based on Ministry of Finance's approval through Letter No. (18/4/33072), dated November 25, 2018, noting that all of the strategic inventory quantities owned by the government were transferred during 2021, and according to that, no amounts were recorded during year 2022 and 2023, and 2024.

- C. Profit settlement with the Government calculation item has been discontinued, and the related balance has been recognized in the consolidated statement of profit or loss up to April 30, 2018, according to the Council of Ministers' Decision No. (7633), adopted in its meeting held on April 30, 2018. The decision terminated the financial relationship between the Company and the Jordanian Government, and consequently, the Company become operating on commercial terms from the first of May 2018 (Note 3).
- D. The Jordan Liquefied Petroleum Gas Manufacturing and Filling Company, which was activated as of January 1, 2023, after transferring all its liquefied gas activities (except for the liquefied gas production activity) recorded an amount of JD 7,864,933 on the Ministry of Finance account, as revenue against the commission difference of filling the Liquefied gas according to the Council of Ministers' Decision No. (7633) during the year ending December 31, 2024, adopted in its meeting held on April 30, 2018. This decision has set the commission amount for the period from the first of May to the end of December 2018 at JD 43 per ton sold. Accordingly, the Company recorded an amount of JD 18 per ton of gas sold, representing the commission difference included in the (IPP) JD 25 and the stated commission, in the Council of Ministers Decision mentioned above JD 43 in consistency with year 2018 as a precautionary measure of raising the value of the commission before it is approved by the official authorities. Whereas the Government has not amended the oil derivatives price bulletin (IPP) up to date, and the final commission for the years 2019, 2020, 2021, 2022, 2023 and 2024, which reflect the rate of return on investment by 12% annually and that is according to the council of ministers decision No (7633) taken in its meeting held on April 30, 2018. Noting that after the agreement on the final commission amount is reached, its financial impact will be reflected in the subsequent periods.

## 5. Material Accounting Policies Information

### Basis of Preparation of the Consolidated Financial Statements

- The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and related interpretations.
- The consolidated financial statements are stated in Jordanian Dinar.
- The consolidated financial statements have been prepared in accordance with the historical cost principle except for financial assets and financial liabilities, which are stated at fair value at the date of the consolidated financial statements.
- The accounting policies adopted for the preparation of the consolidated financial statements for the current year are consistent with those applied in the year ended December 31, 2023, except for the effect of the adoption of the new and amended standards mentioned in Note (6-A).
- Going Basis:  
When approving the financial statements, the board of directors members had reasonable expectation that the group has enough resources to continue its operating activities for the foreseeable future, and accordingly, the decided to continue applying the accounting going basis when preparing the financial statements.
- The following are the most significant accounting policies:

### Basis of Consolidation of the Financial Statements

- The consolidated financial statements for the group include the financial statements of the Company and its subsidiaries under its control. Control is achieved when the Company has authority over the investee company, it is exposed to variable returns or holds rights for participating in the investee company, and it is able to exercise its authority over the investee company, which affects the investee company's revenue.

- Control is achieved when the Company:
  - Has the ability to control the investee company.
  - Is exposed to variable returns or has the right to variable returns resulting from its association with the investee company.
  - Has the ability to use its authority to influence the investee's returns.

The Company re-evaluates its control over the investee Company if the facts and circumstances indicate changes to the above control elements.

- The subsidiaries' financial statements are prepared for the same financial year of the parent company, using the same accounting policies as those of the parent company. If the subsidiaries adopt accounting policies different from those of the parent company, the necessary adjustments are made to the subsidiaries' financial statements to conform to the accounting policies of the parent Company.
- The subsidiaries' results of operations are consolidated in the consolidated statement of profit or loss from the date of their acquisition, which is the date on which effective control over the subsidiary takes place. The results of the disposed-of subsidiaries are consolidated in the consolidated statement of profit or loss up to the disposal date, which is the date on which the Company loses control over the subsidiaries.

The Company has control power when the voting rights are sufficient to grant it the ability to direct the activities of the related subsidiary unilaterally. The Company takes into consideration all the facts and circumstances in assessing whether the Company has voting rights in the investee company that enable it to exercise or not exercise control. Among these facts and circumstances are the following:

- The size of the Company's holding of voting rights relative to the size and distribution of other voting rights.
- Potential voting rights held by the Company and any other voting rights or third parties.
- Rights arising from other contractual arrangements.
- Any additional facts and circumstances indicating that the Company has or does not has an existing responsibility for directing the relevant activities at the time of making the required decisions , including how to vote at previous General Assembly meetings.

When the Company loses control over any of its subsidiaries, the company does the following:

- Derecognizes the subsidiary's assets (including goodwill) and liabilities.
- Derecognizes the book value of any non-controlling interest.
- Derecognizes the cumulative transfer differences recognized in owners' equity.
- Derecognizes the fair value of the consideration received.
- Derecognizes the fair value of any investment held.
- Derecognizes any surplus or deficit in the consolidated statement of profit or loss.
- Reclassifies the Company's owners' equity previously recognized in the consolidated statement of comprehensive income to the consolidated statement of profit or loss or retained earnings, as appropriate.

As of December 31, 2024, the Company owns the following subsidiaries, either directly or indirectly:

| Company's Name                                                    | Authorized Capital | Ownership | Location | Establishment Date | Note                             |
|-------------------------------------------------------------------|--------------------|-----------|----------|--------------------|----------------------------------|
|                                                                   | JD                 | %         |          |                    |                                  |
| Jordan Petroleum Products Marketing Company                       | 65,000,000         | 100       | Amman    | February 12, 2013  | Operating                        |
| Hydron Energy Company LLC                                         | 5,000,000          | 100       | Amman    | April 29, 2003     | Operating                        |
| Jordan Liquefied Petroleum Gas Manufacturing and Filling Company* | 4,000,000          | 100       | Amman    | May 28, 2008       | Operating                        |
| Jordan Lube - Oil Manufacturing Company **                        | 6,000,000          | 100       | Amman    | May 28, 2008       | Operating                        |
| AL-Nuzha and Istiklal Gas Station for Fuel and Oil Company        | 5,000              | 60        | Amman    | January 8, 2014    | Operating                        |
| Al-Karak Central Gas Station for Fuel Company                     | 5,000              | 60        | Al Karak | November 26, 2014  | Operating                        |
| Rawaby Al-Queirah Gas Station for Fuel and Oil Company            | 5,000              | 60        | Al Aqaba | June 22, 2015      | Operating                        |
| Al-Aon for Marketing and Distribution Fuel products Company***    | 1,005,000          | 100       | Amman    | January 10, 2016   | Operating                        |
| Al-Kamel Gas Station for Oil and Fuel Company****                 | 50,000             | 100       | Amman    | February 26, 2017  | Operating                        |
| Al-Wadi Al-A'biad Gas station for Fuel Company                    | 5,000              | 60        | Amman    | August 4, 2015     | Operating                        |
| Al-Tanmwieh Al-A'ola Gas Station for Fuel Company*****            | 4,406,428          | 60        | Amman    | November 19, 2015  | Operating                        |
| Al-Qastal Gas Station for Fuel and Oil Company                    | 5,000              | 60        | Amman    | June 19, 2017      | Operating                        |
| Taj Amon Gas Station for Fuel and Oil Company                     | 5,000              | 90        | Amman    | September 20, 2017 | Operating                        |
| Al-Shira' Gas Station for Fuel and Oil Company                    | 5,000              | 60        | Al Aqaba | February 19, 2017  | Operating                        |
| Al-Failaq for Fuel and Oil Company*****                           | 2,115,000          | 100       | Amman    | July 7, 2020       | Non-Operating - under renovation |
| Renewable Energy Marketing Company LLC                            | 500,000            | 100       | Amman    | April 21, 2024     | Operating                        |

\* The capital of the Jordan Liquefied Petroleum Gas Manufacturing and Filling Company was completely paid on September 7, 2022, and its commercial operations has been activated and the entire liquefied gas activity (except gas production activity), gas stations and repair and maintenance workshop for gas cylinders have been annexed to it, as of January 1, 2023.

\*\* The capital of the Jordan Lube Oil Manufacturing Company was increased to JD 6 million according to the company's board of directors' decision No. (97-1/2021) adopted in its meeting held on December 30, 2021. In addition, capital raising procedures of Jordan Lube Oil Manufacture Company have also been completed on March 21, 2022, so that the authorized and paid-up capital of the Company became JD 6 million, noting that the company was activated and started its operations as of April 1, 2022 and annexing the entire activity and oil factory to it.

\*\*\* The company purchased the entire share of the partner in Al-Aon for Marketing and Distribution Fuel products Company on November 11, 2024.

\*\*\*\* The capital of the Al-Kamel Fuel and Oil Station Company was increased to JD 50,000 instead of JD 5,000, according to the General Assembly decision in its extraordinary meeting on April 22, 2024. The company purchased the entire share of the partner on December 30, 2024.

\*\*\*\*\* The capital of Al-Tanmwieh Al-A'ola Gas Station for Fuel Company was increased to JD 4,406,428 instead of JD 5,000, according to the General Assembly decision in its extraordinary meeting on September 11, 2022.

\*\*\*\*\* The capital of Al-Failaq for Fuel and Oil Company was increased to JD 1,513,993 instead of JD 5,000, according to the General Assembly decision in its extraordinary meeting on August 19, 2023, and the capital was increased to JD 2,115,000 instead of JD 1,513,993 according to the General Assembly decision in its extraordinary meeting on March 10, 2024.

- Jordan Petroleum Products Marketing Company (a wholly owned subsidiary) sold The Jordanian German fuel company on August 23, 2023.
- During 2023, Al-Muneirah Gas Station for Fuel and Oil Company, Al-Tariq Al-Da'ari Gas Station for Fuel Company, Qaws Al-Nasser for Fuel Stations Management Company, Al-Khairat for Fuel Company, Al-Markzeya Gas Station for Fuel Trade Company, and Al Benzol Gas station for Fuel Stations Management Company, were merged with Jordan Petroleum Products Marketing Company (a wholly owned subsidiary company) noting that these companies were subsidiaries of this company.

- Jordan Petroleum Products Marketing Company (a wholly owned subsidiary) receives a marketing commission of 12 fils per each liter sold from finished petroleum products and a retail commission of 15 fils per each liter sold from finished petroleum products until August 31, 2018. The retail commission has been amended to become 18 fils per each liter sold from finished petroleum products from September 1, 2018, until May 31, 2024. This commission was amended to become 23 fils per liter sold from June 1, 2024, in addition, it receives other commissions, representing runoff, evaporation loss allowance and transport fees and that is according to the finished petroleum products selling prices bulletin (IPP).

### **Business combinations**

Acquisitions of businesses are accounted for using the acquisition method and the consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree.

Acquisition-related costs are recognised in statement of profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree, or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale measured in accordance with IFRS 5 at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in statement of profit or loss as a profit purchase.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination and changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. As measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' which cannot exceed one year from the acquisition date about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within the consolidated statement of equity. And other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognized the consolidated statement of profit or loss.



When a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in the consolidated statement of profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in the consolidated statement of other comprehensive income are reclassified to the consolidated statement of profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. And those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the date of acquisition. Which if it was known, would have affected the amounts recognized as of that date.

### **Inventory**

The value of inventory is determined at cost or market value, whichever is lower. Moreover, cost is determined according to the weighted average method. A provision is booked for slow-moving, obsolete, and sediments inventory and water in the Company's tanks, and the cost of eliminating them.

### **Fair Value**

The closing prices (assets acquisition / sale of liabilities) at the date of the consolidated financial statements in active markets represents the fair value of the financial instruments and derivatives that have market prices.

In case declared market prices do not exist, or active trading of some financial instruments and derivatives is not available, or the market is inactive, fair value is estimated by several methods including the following:

- Comparison with the present market value of a very similar financial instrument.
- Analysis of future cash flows and expected discounted cash flows at a rate used for a similar financial instrument.
- Adoption of options pricing models.
- The long-term non-interest bearing assets and liabilities are evaluated according to discounted cash flows at the effective interest rate. Moreover, the discounted interest is recorded within received interest income in the consolidated statement of profit or loss.

The evaluation methods aim at obtaining a fair value that reflects market expectations and considers market factors and any expected risks or benefits upon evaluating financial instruments.

### **Financial Instruments**

Financial assets and financial liabilities are recognized in the Group's consolidated statement of financial position when the Company is a party to the contractual provisions of the financial instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to the fair value of the financial assets or financial liabilities or, where appropriate, deducted therefrom at initial recognition.

## **Financial Assets**

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. Transaction costs directly attributable to the acquisition or issuance of financial assets (other than financial assets at fair value through the consolidated statement of profit or loss) are added to the fair value of financial assets or financial liabilities or deducted therefrom, where appropriate, at initial recognition.

All fully recognized financial assets are subsequently measured either at amortized cost or at fair value based on the classification of the financial assets.

### **Financial Assets at Fair Value Through Statement of Comprehensive Income:**

These financial assets represent investments in equity instruments for the purpose of retaining them over the long term.

- These assets are stated at fair value plus acquisition costs on acquisition and subsequently revalued at fair value. The change in fair value is reflected in the consolidated statement of comprehensive income and in owner's equity, including the change in fair value arising from translation differences of non-monetary assets denominated in foreign currencies. In case of the sale of these assets or part thereof, the resulting profit or loss is taken to the consolidated statement of comprehensive income and to the consolidated statement of changes in owner's equity. The fair value reserve balance of the financial assets sold is transferred directly to retained earnings and not through the consolidated statement of profit or loss.
- Dividend income is recognized in the consolidated statement of profit or loss.

### **Classification of Financial Assets**

Debt instruments that meet the following conditions are subsequently measured at amortized cost:

- The asset is acquired in a business model intended to hold assets to collect contractual cash flows.
- The contractual terms of the instrument on specific dates will result in cash flows that are only payments of principal and interest on the principal of the outstanding amount.

All other financial assets are measured at fair value.

### **Amortized Cost and Effective Interest Method**

An effective interest method is a method of calculating the amortized cost of a debt instrument and allocating interest income over a particular period.

The effective interest rate is the rate that exactly discounts the expected future cash payments (including all fees and points paid or received that are an integral part of the effective interest rate, transaction costs and other premiums, or other discounts), except for expected credit losses, over the expected life of the debt instrument or, if appropriate, over a shorter period, to net book value at initial recognition. With respect to financial assets acquired or impaired, the adjusted effective interest income is determined by discounting the future expected cash payments, including the provision for expected credit losses, on the amortized cost of financial assets at initial recognition.

### **Foreign Exchange Currencies Gain and Losses**

The book value of financial assets recorded in foreign currency is determined and translated at the rate prevailing at the end of each reporting period. For financial assets measured at amortized cost that are not part of a specific hedging relationship, currency differences are recognized in the consolidated statement of profit or loss.

### **Impairment of Financial Assets**

The Group recognizes an allowance for expected credit losses on accounts receivable and checks under collection and updates the expected credit losses on each reporting date to reflect changes in creditworthiness since the initial recognition of the related financial instrument.

The Group constantly records the expected credit losses over their lifetime for accounts receivable and checks under collection. Moreover, the expected credit losses for these financial assets are estimated, using an allowance matrix based on the Group's past credit loss experience, and adjusted in line with the factors relating to the debtors and general economic conditions. Moreover, both the current and future trends are assessed on the reporting date, including the time value of money, as appropriate.

For all other financial assets, the Group recognizes the expected credit losses over their lifetime if there has been a significant increase in credit risk since initial recognition. The expected credit loss over their lifetime represents the expected credit losses that will arise from all probable defaults on payment over the expected lifetime of the financial instrument.

#### Provision for Expected Credit Losses

The Group has adopted a simplified approach to recognize expected credit losses over the life of its receivables and checks under collection as permitted by IFRS No (9). Accordingly, non-impaired trade receivables that do not contain a significant financing component have been classified as part of the second stage with the recognition of expected credit losses over their lifetime.

Provision for the expected credit loss should be recorded over the life of the financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. Moreover, the expected credit losses are a probable weighted estimate of the present value of the credit loss. This value is measured as the present value of the difference between the cash flows due to the Group according to the contract and the cash flows that the Group expects to receive arising from the weighting of several future economic scenarios, discounted at the effective interest rate of the asset.

The Group assesses whether there is an objective evidence of impairment in value on an individual basis for each asset of individual value and collectively for other assets that are not individually significant.

#### Write-off of Financial Assets

The Group writes off financial assets when there is information indicating that the debtor is experiencing financial difficulties, and there is no realistic probability of recovery, for example. When the debtor is placed under liquidation or is in bankruptcy proceedings, or when accounts receivable are overdue for more than 12 months or more, accounts receivable are examined on a customer-by-customer basis, whichever is earlier.

The Group may continue to exert collection efforts regarding the written-off financial assets in an endeavor to recover receivables, taking into account legal advice, where appropriate. Any recoveries are recognized in the consolidated statement of profit or loss.

#### Derecognition of Financial Assets

The Group derecognises a financial asset when the contractual rights related to the cash flows receivable from the asset expire, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another Company. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the transferred asset and the associated liability for amounts the Company may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred asset, the Group continues to recognise the financial asset.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's book value and the amount of the consideration received or receivable is recognised in the consolidated statement of profit or loss.

#### Classification as Debt or Equity Instruments

Debt and equity instruments are classified either as financial liabilities or as owners' equity in accordance with the substance of the contractual arrangements, the definitions of the financial liability, and the owners' equity instrument.

#### Equity Instruments

An equity instrument is defined as a contract that proves ownership of the remaining shares of a Group's assets after deducting all its liabilities. The equity instruments issued are recorded with the proceeds received net of the direct issue cost.

The re-acquisition of the Group's owners' equity instruments is recognized and deducted directly in owners' equity. No profit or loss is recognized in the consolidated statement of profit or loss when purchasing, selling, issuing, or canceling the Group's owners' equity instruments.

#### Financial Liabilities

All financial liabilities are subsequently measured at amortized cost, using the effective interest method or at fair value through the consolidated statement of profit or loss.

Financial liabilities that are not from the following are subsequently measured at amortized cost, using the effective interest method:

- Probable consideration for the acquired Group in a business combination.
- Held for trading.
- Designated at fair value through the consolidated statement of profit or loss.

Trade and other payables classified as "financial liabilities" are measured initially at fair value less transaction costs, and are subsequently measured at amortized cost, using the effective interest method. Interest expense is recognized on an effective yield basis.

The effective interest method is the method of calculating the amortized cost of a financial liability and allocating interest expense over the particular period. The effective interest rate is the rate that exactly discounts expected future cash payments within the expected life of the financial obligation or over a shorter period, where appropriate.

#### Derecognition of Financial Liabilities

The Group derecognizes financial liabilities when they are discharged from their obligations or when such obligations are canceled or expired. The difference between the book value of the derecognized financial liability and the consideration paid or payable is recognized in the consolidated statement of profit or loss.

#### **Property, Plant and Equipment:**

- Lands are measured in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.
- Any revaluation increase arising on the revaluation of such land is credited to the properties revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such land is charged as an expense to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.
- On the subsequent sale of a revalued Land, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.
- All other Property and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.
- Depreciation is recognised so as to write off the cost over their useful lives, using the straight-line method, on the following bases:

|                                          | %      |
|------------------------------------------|--------|
| Buildings                                | 2 – 4  |
| Machinery and production equipment       | 10     |
| Machinery and support services equipment | 10     |
| Tanks and pipelines                      | 2 – 4  |
| Electrical supplies and equipment        | 10     |
| Products loading units                   | 10     |
| Vehicles                                 | 15     |
| Office furniture and fixtures            | 5 – 10 |
| Library and training equipment           | 10     |
| Distribution stations assets             | 20     |
| Other property equipment                 | 10     |
| Computers                                | 40     |

- The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.
- An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in consolidated statement of profit or loss.

### **Intangible Assets**

- Intangible assets are stated at cost and classified on the basis of either definite or indefinite useful life. Intangible assets with definite useful lives are amortized over their estimated lives at an annual rate of 10%, and any indications of impairment in the value of intangible assets as of the consolidated financial statements date are reviewed. Furthermore, the estimated useful lives of the intangible assets are reassessed, and any amendments are made in the subsequent period.

Any indications to impairment in intangible assets are reviewed at the consolidated financial statements date. Furthermore, the estimated useful life for these assets is reviewed as well, and any impairment is recognized in the consolidated statement of profit or loss.

No intangible assets arising from the Group's operations are capitalized. Instead, they are recorded as an expense in the consolidated statement of profit or loss.

### **Derecognition of intangible assets**

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. And gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in the consolidated statement of profit or loss when the asset is derecognized.

- Goodwill:
  - Goodwill is recognized at cost, which represents the excess amount paid to acquire or purchase cash-generating units owned by other companies over the Group's share in the net fair value of these units' assets and liabilities at the acquisition date.
  - Goodwill is recognized as an intangible asset in a separate item, and subsequently, reduced by any impairment losses.
  - Goodwill is distributed over the cash-generating unit(s) for the purpose of testing the impairment in its value.
  - In case the cash-generating units are sold, goodwill value is considered upon determining the amount of profit or loss resulting from selling transaction.
- Trademark:

A trademark is a special mark or indicator used by the Group to indicate that the products or services provided to the consumer which the trademark appears on are originating from a single source and to distinguish its products or services from the products and services of other parties.
- Operating Lease contracts:

Operating lease contracts are recognized at the value that the Group will incur in order to replace the stations of the acquired companies whose fixed assets have been purchased through operating lease contracts.

### **Investment Property**

Investment property is stated at cost less accumulated depreciation (except for lands), and any impairment loss is recognized in the consolidated statement of profit or loss. The operating income or expenses of these investments are recognized in the consolidated statement of profit or loss and depreciated (except for lands) using the straight-line method over their expected useful lives at annual depreciation rates ranging from 2 - 20%.

### **Taxes**

- A provision for income tax is booked through estimating the expected tax liabilities. Moreover, the realized differences in income tax are recorded in the consolidated statement of profit or loss when paid upon reaching a final settlement with the Income Tax Department.
- Deferred taxes are expected to be paid or recovered due to temporary timing differences between the value of the assets or liabilities in the consolidated financial statements and the value on the basis of which taxable income is calculated. Furthermore, deferred taxes are calculated using the liability method in the consolidated statement of financial position according to the tax rates expected to be applied at the time of tax liability settlement or the recognition of the deferred tax assets.
- At the consolidated financial statements date, the balance of deferred tax assets and liabilities is reviewed and reduced in case it is expected that the Group would not benefit, in whole or in part, from the deferred tax assets, the tax liability is settled, or the tax asset is no longer needed.

### **Revenue Recognition**

The Group recognizes revenues mainly from selling ready-made oil derivatives, gas, lube oil, transportation services, storage services, and filling gas cylinders and all logistics services related to the oil, finished oil derivatives, gas, and lube oil.

Revenue is measured at the fair value of the consideration received or receivable (net of returns and discounts) of the contracts with customers, and the amounts collected on behalf of others are excluded. Revenue is recognized when the Company transfers control of a product to the customer and the goods are shipped to a certain location (delivery). After delivery, the customer bears the primary responsibility when selling the goods, as well as the risk of obsolescence and loss related to the goods. Receivables are recognized by the Company when the goods are delivered to customers, representing the point at which the right to consideration becomes unconditional. The passage of time is only required before the payment becomes due.

### **Interest Income and Expenses**

Interest income and expense for all financial instruments are recognized in the consolidated statement of profit or loss using the effective interest method. The effective interest rate represents the rate at which the estimated future cash flows of a financial instrument are discounted over the life expectancy of the financial instrument or, where appropriate, for a shorter period, to the net book value of the financial assets or financial liabilities. Future cash flows are also estimated by taking into account all contractual terms of the instrument.

### **Provisions**

Provisions are recognized when the Group has obligations on the consolidated statement of financial position date arising from past events or payment of contingent liabilities which can be reliably measured.

## **Lease Contracts**

### **The Group as a lessee**

The Group assesses whether a contract is or contains a lease, at the inception of the contract. Moreover, it recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and assets lease contracts of low value. For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be *readily* determined, the Group uses its incremental borrowing rate.

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

- Fixed lease 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.
- The amount expected to be payable by the lessee under residual value guarantees.
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options.
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate-line item in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the book value to reflect interest on the lease liability (using the effective interest method) and by reducing the book value to reflect the lease payments made.

Lease liabilities are re-measured (and a corresponding adjustment to the related right-of-use asset is made) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of an exercise of a purchase option, in which case, the lease liability is re-measured by discounting the adjusted lease payments, using a adjusted discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the adjusted lease payments, using an unchanged discount rate (as long as the lease payments do not change due to a change in the effective interest rate, in which case a adjusted discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease contract, in which case the lease liability is re-measured based on the modified lease contract term of the modified lease by discounting the adjusted lease payments using a adjusted discount rate at the effective rate on the date of the modification.



Right-of-use assets are depreciated over the period of lease term or useful life of the underlying asset (which is shorter), if a lease contract transfers ownership of the underlying asset or the cost of the right-of-use asset reflecting that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate-line item in the consolidated statement of financial position.

The Group applies IAS No. (36) to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the "Property and Equipment" policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset, the related payments are recognized as an expense in the period in which the event or condition occurs and triggers those payments, these payments are included in the line "Other expenses" in the consolidation statement of profit or loss.

#### The Group as Lessor

Leases in which the Group is a lessor are classified as finance or operating leases, whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease, all other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts.

The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the book value of the leased asset and recognized on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases, finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's outstanding net investment in respect of the leases contracts.

When a contract includes both lease and non-lease components, the Group applies IFRS No. (15) to distribute the amounts received or receivable according to the contract of each component.

## **6. Adoption of new and revised Standards**

### **A . Change in Accounting Policy**

The group previously applied the cost model to measure lands and during the year 2024 adopts a policy to measure lands using the revaluation model, this represents a change in accounting policy.

The group dealt with the change in accounting policy as a revaluation rather than as a prior period adjustment which is in line the related IFRSs. Consequently, the valuation uplift or write-down occurring on the initial adoption of the revaluation basis is recognised in other comprehensive income (and accumulated in the revaluation surplus) or in profit or loss, as appropriate,. Prior period amounts are not restated.

The following table summarises the impact of the change in accounting policy on the consolidated financial statements of the group:

#### **Consolidated statement of other comprehensive income**

|                                       | <u>JOD</u>  |
|---------------------------------------|-------------|
| Gains on Surplus of Lands revaluation | 274,820,440 |

#### **Consolidated statement of financial position**

|                                                                                          | <u>JOD</u>  |
|------------------------------------------------------------------------------------------|-------------|
| <u>Assets</u>                                                                            |             |
| Lands included item in property, plants, equipment and projects under construction - net | 274,820,440 |
|                                                                                          |             |
| <u>Shareholders' equity:</u>                                                             |             |
| Lands revaluation reserve at fair value- net                                             | 274,466,963 |
| Non-controlling interests                                                                | 353,477     |

### **B . New and amended IFRS Standards that are effective for the current year**

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2024, have been adopted in these 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 IFRS 16 Leases – Lease Liability in as Sale and Leaseback
- Amendments to IAS 1 Presentation of Financial Statements relating to classification of liabilities as current or non-current.
- Amendments to IAS 1 Presentation of Financial Statements - Non-current Liabilities with Covenants
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements
- IFRS S1 - General Requirements for Disclosure of Sustainability – related financial information\*
- IFRS S2 - Climate Related Disclosures\*

\* Provided that the regulatory authorities in the countries in which the Company operates approve its application, noting that no instructions have been issued regarding it until the date of the financial statement.

### C .New IFRS Accounting Standards in issue but not yet effective

The Company has not applied the new and revised IFRS Accounting Standards that have been issued but are not yet effective, management is in the process of assessing the impact of the new requirements.

| New and revised IFRS Accounting Standards                                                                                 | Effective for annual periods beginning on or after |
|---------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|
| Amendments to the Sustainability Accounting Standards Board "SASB" standards to enhance their international applicability | January 1, 2025                                    |
| Amendments to IAS 21 - Lack of Exchangeability                                                                            | January 1, 2025                                    |
| Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments               | January 1, 2026                                    |
| Annual Improvements to IFRS Accounting Standards — Volume 11                                                              | January 1, 2026                                    |
| IFRS - 18 Presentation and Disclosures in Financial Statements                                                            | January 1, 2027                                    |
| IFRS - 19 Subsidiaries without Public Accountability                                                                      | January 1, 2027                                    |

The management anticipates adopting these new standards, interpretations, and amendments in the Company's financial statements during the initial application period. Furthermore, they expect that adopting these new standards, interpretations, and amendments will not have any significant impact on the Company's financial statements during the initial application period.

#### 7. Significant Accounting Policies and Main Sources of Uncertain Estimates

Preparation of the consolidated financial statements and application of the accounting policies require the Group's management to perform estimates and judgments that affect the amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and judgments also affect revenues, expenses, provisions, and changes in the fair value shown within owners' equity. Management is required to issue significant judgments and estimates to assess future cash flows and their timing. The above-mentioned estimates are necessarily built on several assumptions and factors with varying degrees of estimation and uncertainty. Moreover, the actual results may differ from the estimates due to changes resulting from the circumstances and situations of those estimates in the future.

We believe that the estimates within the consolidated financial statements are reasonable. The details are as follows:

- The Group's Management is required to use significant judgments and estimates to estimate the amounts and timing of future cash flows and to estimate the risks of a significant increase in the credit risk of financial assets after initial recognition and future measurement information of expected credit losses.
- The expected credit loss is measured as a provision that equals the expected credit loss provision over the lifetime of the asset.
- When measuring the expected credit loss, the Group uses reasonable and supported future information based on the assumptions of the future movement of the various economic engines and how these engines affect each other.

The probability of default is a key input in measuring the expected credit loss. The probability of default is considered as an estimate of the probability of default over a given period, which includes the calculation of historical data, assumptions, and expectations relating to future circumstances.

Loss Given Default is an estimate of loss resulting from payment default. It is based on the difference between the contractual cash flows due and those that the financier expects to collect, taking into account the cash flows from the additional collaterals and the integrated credit adjustments.

- The Group's Management uses significant estimates and assumptions to determine the amount and timing of the revenue recognition under IFRS (15), "Revenue from contracts with customers".

- The fiscal year is charged with the income tax expense in accordance with the International Financial Reporting Standards, regulations, and laws. The management also estimates the deferred tax assets for the temporary differences between the accounting profit and the tax profit according to the management's expectations in terms of benefiting from them in the near future.
- Management periodically re-estimates the useful lives of tangible and intangible assets for the purpose of calculating annual depreciation and amortization based on the general condition of those assets and estimates of their expected useful lives in the future. Any impairment loss is taken to the consolidated statement of profit or loss.
- A provision is made for the cylinders that are expected to be written off, replaced, and repaired in the future, depending on approved bases and assumptions in accordance with the price bulletin of ready-made oil derivatives in Jordan (IPP).
- A provision is made to meet the legal and contractual obligations for end-of- service indemnity, and compensation for disability, death, employees' vacations, and work injuries under the applicable regulations and instructions of the Company.
- A provision is made for the legal cases raised against the Group, based on a legal study prepared by the Group's legal advisors, under which potential future risks are identified, this study is reviewed periodically.
- A provision is made for slow-moving and obsolete and sediment inventory and water that exist in the Company's warehouses and tanks, and the cost of removing them based on technical studies by the competent authorities and the reports of the external inspectors.
- Extension and termination options are included in a number of lease contracts, these terms are used to maximize the operational flexibility in terms of managing contracts, the majority of extension and termination options held are exercisable both by the Group and the respective lessor.
- In determining the lease contracts term, Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or termination. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated), and the assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.
- The lease payments (if any) are discounted using the Group's incremental borrowing rate ("IBR"), and management has applied judgments and estimates to determine the IBR at the commencement of the lease contract.
- Fair value hierarchy: The level of the fair value hierarchy in which the complete fair value measurements are classified is determined and disclosed. Moreover, the fair value measurements are split in accordance with the levels specified in IFRS. The difference between level (2) and level (3) for fair value measurements is an assessment of whether information or inputs are observable and the extent of information that is not observable, which requires accurate judgment and analysis of inputs used to measure fair value, including consideration of all factors that concern the asset or liability.

The management believes that the estimates in the Consolidated financial statements for the year are reasonable and similar to the estimates adopted in preparing the consolidated financial statements for 2023.

## 8. Cash on Hand and at Banks

This item consists of the following:

|                           | December 31       |                   |
|---------------------------|-------------------|-------------------|
|                           | 2024              | 2023              |
|                           | JD                | JD                |
| Cash on hand              | 3,213,954         | 3,957,163         |
| Current accounts at banks | 29,021,811        | 29,802,877        |
|                           | <u>32,235,765</u> | <u>33,760,040</u> |

## 9. Receivables and Other Debit Balances

This item consists of the following:

|                                                                                                    | December 31         |                     |
|----------------------------------------------------------------------------------------------------|---------------------|---------------------|
|                                                                                                    | 2024                | 2023                |
|                                                                                                    | JD                  | JD                  |
| Ministries, government authorities, Security authorities, and the Electricity Companies – fuel (a) | 126,348,555         | 80,357,461          |
| Fuel clients and others (b)                                                                        | 69,067,336          | 53,514,817          |
| Alia Company - Royal Jordanian Airlines (c)                                                        | 6,311,512           | 6,333,019           |
| Checks under collection (d)                                                                        | 31,324,481          | 31,325,259          |
| Total receivables                                                                                  | 233,051,884         | 171,530,556         |
| Ministry of Finance – the relationship (e)                                                         | 400,996,130         | 320,091,020         |
| General sales tax deposits (f)                                                                     | 149,591,696         | 139,469,128         |
| Other debit balances (g)                                                                           | 2,331,986           | 2,277,063           |
| Employees receivable                                                                               | 1,589,799           | 1,770,520           |
| Prepaid expenses (h)                                                                               | 9,387,501           | 10,000,513          |
| Contract acquisition expenses – Subsidiary Company (i)                                             | 10,437,911          | 13,270,388          |
|                                                                                                    | 807,386,907         | 658,409,188         |
| <u>Less: Expected credit losses provision (j)</u>                                                  | <u>(25,403,118)</u> | <u>(24,507,651)</u> |
|                                                                                                    | <u>781,983,789</u>  | <u>633,901,537</u>  |

- The Group adopts a policy of dealing with creditworthy counterparties in order to mitigate the risk of financial losses arising from non-fulfillment of obligations. The aging of receivables is as follows:

|                                     | 1 Day – 119 Days | 120 Days -179 Days | 180 Days -365 Days | More than a year * | Total       |
|-------------------------------------|------------------|--------------------|--------------------|--------------------|-------------|
| <u>As of December 31, 2024</u>      | JD               | JD                 | JD                 | JD                 | JD          |
| Receivables                         | 129,002,598      | 30,538,213         | 20,953,818         | 52,557,255         | 233,051,884 |
| Provision of expected credit losses | 5,664,753        | 2,691,625          | 4,202,874          | 12,843,866         | 25,403,118  |
| Expected credit loss Rate           | 4%               | 9%                 | 20%                | 24%                | 11%         |
| <u>As of December 31, 2023</u>      | JD               | JD                 | JD                 | JD                 | JD          |
| Receivables                         | 70,696,144       | 57,537,249         | 7,082,726          | 36,214,437         | 171,530,556 |
| provision of expected credit losses | 2,720,585        | 2,492,343          | 2,068,710          | 17,226,013         | 24,507,651  |
| Expected credit loss Rate           | 4%               | 4%                 | 29%                | 48%                | 14%         |

- The Group reviews the aging of the receivables and the adequacy of the provisions to be booked at the end of each financial period.

- \* This item includes receivables due from ministries, government authorities, and security agencies guaranteed by the government whose maturity more than a year, amounting to JD 36,943,981. In management opinion, the company has the ability to collect these receivables and there is no need to allocate any additional provisions for them. Receivables also include amounts due from Partners in subsidiaries amounted of JD 2,526,490 classified as more than one year and in management opinion, there is no need to record any additional provisions for them, as agreements have been signed with these partners to pay off those receivables with real estate guarantees, with the transfer of profits resulting from the operations of the subsidiaries of the Jordanian Petroleum Products Marketing Company (a subsidiary that is wholly owned).
- a. This item includes as of December 31, 2024 receivables for fuel withdrawals by ministries, government agencies, and security agencies related to refining activity with an amount of JD 75,058,555, an amount of JD 3,266,009 for previous receivables related to lube oil sales from the lube oil factory before first of April 2022, and an amount of JD 146,462 for Jordan Liquefied Petroleum Gas Manufacturing and Filling Company Which was activated as of January 1, 2023, after all the different liquefied gas activities have been annexed to it (except for gas production activity), and the amount of JD 44,569,103 for Jordan Petroleum Products Marketing Company and the amount of JD 3,308,426 for the Jordan Lube Oil Manufacturing Company, which activated as of April 1, 2022 and the entire activity of lube oil and oil factory has been annexed to it.
- The company signed a financial settlement agreement on June 23, 2022, with the National Electricity Company to pay the debt owed by it in addition to the interest of delayed payments and installments. The agreements also included that the amount due must be paid over (12) equal installments starting from July 2022. Accordingly, the National Electric Power Company has committed to pay the installments on their due dates, and the last installment of the financial settlement agreement was paid during the month of June 2023, and an amount equivalent to JD 3.2 million remains due from the Samra Electricity Generating Company, which has been pending for several years by the competent courts, so that it will be settled upon the issuance of the final judgment decision.
  - The Company committed to reduce the debt of Governmental departments and institutions and security authorities by JD 317,601,186 during the year 2019, according to the company's borrowing agreement from the banks by an amount of JD 455,505,000 on behalf of the government to pay part of the debt due from the government in exchange for issuing undertakings by the Ministry of Finance to pay the amount of loans and interest Due and signed between the company and the Jordanian government represented by the Minister of Finance, according to the Council of Minister's decision No. (9158) taken in its session held on March 24, 2020.
  - The company committed to reduce the debt of the security authorities by an amount of JD 105,000,000 during the year 2021, according to an agreement for the company to borrow from the banks assigned by the Ministry of Finance by an amount of JD 105,000,000 on behalf of the government to pay part of the debt owed by the government in return for the Ministry of Finance issuing pledges to the banks to pay the amount of the installments and interest payable thereon, in implementation of the Council of Minister's Decision No. (5011) adopted in its meeting held on December 19, 2021.
  - The company committed to reduce the debt of the Jordanian Air Force by an amount of JD 47,022,677 and reduce the balance of the main account of the Ministry of Finance - the relationship by an amount of JD 57,977,323 during June 2023, according to an agreement for the company to borrow from the banks assigned by the Ministry of Finance by an amount of JD 105,000,000 on behalf of the government to pay part of the debt owed by the government in return for the Ministry of Finance issuing pledges to the banks to pay the amount of the installments and interest payable thereon, in implementation of the Council of Minister's Decision No. (11231) taken in its session held on April 2, 2023, which also authorized the Minister of Finance to sign the agreement between the company and the government on behalf of the government.

- Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Royal Medical Services debts in an amount of JD 506,967 against part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during January 2023.
- Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Jordanian Armed Forces – Arab Army debts in an amount of JD 2,337,754 against part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during January 2023.
- Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Ministry of Health debts in an amount of JD 3,035,697 against part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during January 2023.
- Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Ministry of Education debts in an amount of JD 1,426,754 against part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during January 2023.
- Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Jordanian Armed Forces – Arab Army debts in the amount of JD 4,811,919 against part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during March 2023.
- Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Jordanian Royal Medical Services debts in the amount of JD 1,941,971 against part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during May 2023.
- Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Ministry of Education debts in the amount of JD 1,531,569 against part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during June 2023.
- Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Jordanian Armed Forces – Arab Army debts of JD 5,204,908 against part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during June 2023.
- Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Ministry of Social Development debts of JD 457,308 against part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during August 2023.
- Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Royal Medical Services debts of JD 1,160,770 against part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during August 2023.

- Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Jordanian Armed Forces – Arab Army debts of JD 5,000,000 against part of the Company’s accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during February 2024.
  - Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Jordanian Public Security debts of JD 3,983,370 against part of the Company’s accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during February 2024.
  - Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Royal Medical Services debts of JD 1,809,620 against part of the Company’s accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during February 2024.
  - Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Jordanian Armed Forces – Arab Army debts of JD 1,000,000 against part of the Company’s accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during July 2024.
  - The company signed an agreement to provide oil derivatives to Jordanian Royal Air Force on May 26, 2021 included a payment deadline by 15 days since the day of receiving the invoices and according to that the Jordanian Royal Air Force was committed to pay its withdrawals as the due date. The agreement was also extended for another year according to the letter of the General Command of the Jordanian Armed Forces - Arab Army No. (AH 2/4/1180) dated February 14, 2022 and the agreement was automatically renewed for the four years based on the agreement of the two parties as the agreement includes automatic renewal upon approval of both parties, the Royal Jordanian Air Force’s balance as of December 31, 2024, amounting to JD 70,957,332, was reconciled pursuant to the minutes signed by the relevant parties in the Royal Jordanian Air Force and the Jordan Petroleum Refinery Company on January 7, 2025.
- b. This item includes as of December 31, 2024 receivables of different fuel clients and other receivables in an amount of JD 10,748,617 related to the refining activities, an amount of JD 4,173,292 related for previous receivables for lube oil withdrawals from the oil factory before April 1, 2022, and an amount of JD 13,179 related to Jordan Liquefied Petroleum Gas Manufacturing and Filling Company which was activated as of the beginning of January 2023 after all the different liquefied gas activities have been annexed to it (except for gas production activity), and an amount of JD 53,436,807 related to Jordan Petroleum Products Marketing Company, and an amount of JD 695,441 related to Jordan Lube Oil Manufacturing Company was activated as of April 1, 2022 and the entire lube oil activities and oil factory has been annexed to it.
- c. This item includes as of December 31, 2024 receivables with an amount of JD 6,297,022 related to Jordan Petroleum Products Marketing Company and an amount of JD 8,710 related to the oil factory before the first of April 2022 and an amount of JD 5,780 related to the Jordan Lube Oil Manufacturing Company which was activated as of April 1, 2022, and the entire lube oil activities and oil factory has been annexed to it.



- On March 6, 2016, the Company signed a settlement agreement related to the outstanding debt with Alia Company - Royal Jordanian Airlines, whereby 10% of the debt balance was paid during March 2016. Meanwhile, commits to pay the remaining amount in 60 installments, the first of which is due on March 31, 2016, and the last on February 28, 2021 at the effective borrowing average rate incurred by Jordan Petroleum Refinery Company. Moreover, Alia Company - Royal Jordanian Airlines undertakes to pay all the subsequent invoices on their due date. Accordingly, Jordan Petroleum Refinery Company has not recorded any additional provisions as a result of this settlement. Furthermore, the Ministry of Finance has informed Jordan Petroleum Refinery Company through Letter No. (18/4/15391) dated September 26, 2016, that the provision recorded for Alia Company - Royal Jordanian Airlines should be reversed, since Alia Company - Royal Jordanian Airlines is committed to paying its payments, provided that Alia Company - Royal Jordanian Airlines continues to comply with the settlement according to the agreement signed with the Company on March 2016 and pay its monthly withdrawals on time. Accordingly, Jordan Petroleum Refinery Company has reversed the provision recorded for Alia Company - Royal Jordanian Airlines of about JD 31 million in year 2016.
- In accordance with the Council of Minister's Decision No. (11131), taken in its meeting held on August 16, 2015, a quantity discount was granted to jet fuel consumers on the selling price of Jet fuel approved by the monthly Fuel Pricing Committee according to the consumption segments from August 1, 2015 to December 31, 2016, provided that the said discount is calculated annually. Moreover, the Council of Ministers issued Decision No. (293), adopted in its meeting held on October 23, 2016, which stipulated amendment of the Jet fuel consumption segments for one year as of October 31, 2016. Additionally, in its meeting held on February 26, 2017, the Council of Ministers issued Decision No. (1958), which retroactively approved amendment of the implementation commencement date of the decision amending the discount segments under the Council of Ministers' Decision No. (293), retrospective effective from August 1, 2015, instead of October 31, 2016. Based on the above decisions, the discount due to Alia Company - Royal Jordanian Airlines for the period from August 1, 2015 to July 31, 2017 amounted to JD 29,947,993.
- Pursuant to the Company's Board of Directors' Decision No. (5/2/1), adopted in its meeting No. (1/2018), dated March 12, 2018, the Company reduced the amount of JD 15,523,797 from Alia Company - Royal Jordanian Airlines debt during the year 2017, provided that the remaining discount balance is reduced from the Company's monthly withdrawal invoices after deducting the outstanding and unpaid invoices from the date of signing a new agreement between the two Companies until July 31, 2018. The discount due for the period from August 1, 2017 to the expiry of the specified discount shall be treated under the Council of Ministers' decisions by reducing (40%) of Alia Company - Royal Jordanian Airlines debts, and (60%) of the Company's monthly withdrawals. In case the relationship with the Government is terminated, the discount shall be calculated up to April 30, 2018, according to the same rates stated above. After this date, the Council of Ministers' decisions shall be applied independently from Jordan Petroleum Refinery Company. Pursuant to the Council of Ministers' Decision No. (4141), adopted in its meeting held on August 20, 2017, the extension of the discount period granted to Alia Company - Royal Jordanian Airlines was approved for an additional year effective from October 31, 2017.
- Pursuant to the Council of Ministers' Decision No. (5614), adopted in its meeting held on December 17, 2017, the interest rate charged on Alia Company - Royal Jordanian Airlines' debt due to Jordan Petroleum Refinery Company, which was 4.4% per annum on December 20, 2016, has been reduced to 0.5% per annum. Moreover, interest income for the years 2015 and 2016 to date has been reversed in the form of a future balance, so that the resulting financial impact will be settled within the financial relationship between the Ministry of Finance and Jordan Petroleum Refinery Company. As of May 1, 2018, the Company has calculated the effective borrowing average interest rate annually in accordance with the debt settlement agreement with Alia Company. Moreover, implementation of the above decision has been suspended.

- Pursuant to the Council of Ministers' Decision No. (1958), adopted in its meeting held on February 26, 2017, it was approved to charge the discount granted to Alia Company on the Ministry of Finance's account directly without reducing the discount from the Company's sales revenue.
- During the period ended April 30, 2018, the Company recorded an amount of JD 11,659,699 on the Ministry of Finance's account as a discount to Alia Company according to the above-mentioned Council of Ministers' decisions. The amount of JD 4,663,880 has been reduced from the balance of the debt settlement agreement, and the amount of JD 6,995,819 was recorded as deposits to Alia Company, pursuant to the Company's Board of Directors' Decision No. (5/2/1). The Company did not calculate any discounts from May 1, 2018.
- The Company addressed its Letter No. (2/25/51/1/1/6814), dated September 30, 2018, to Alia Company – Royal Jordanian Airlines, stating that if Alia Company is willing to continue to implement the decisions of the Council of Ministers regarding the discount and reduce the interest rate through Jordan Petroleum Refinery Company, the Company shall be provided with a letter from the Ministry of Finance stating its approval to record the amount of the discount and interest difference directly on the Ministry of Finance's accounts. These amounts shall be taken within the settlement of the financial relationship between Jordan Petroleum Refinery Company and the Government, pursuant to the Council of Ministers' Decision No. (7633), adopted in its meeting held on April 30, 2018.
- Alia Company – Royal Jordanian Airlines has invited licensed Companies to tender for supplying Royal Jordanian aircraft with jet fuel according to the decision of the Ministry of Energy and Mineral Resources, which includes the decision for the licensed marketing companies to start the activity of supplying jet fuel. The tender was awarded to the Jordan Petroleum Products Marketing Company (a wholly owned subsidiary). As a result, an agreement for the jet-fuel supply was signed between Alia Company – Royal Jordanian Airlines and Jordan Petroleum Products Marketing Company on November 1, 2018. Consequently, the direct supply activity to Alia Company – Royal Jordanian Airlines has been transferred from Jordan Petroleum Refinery Company to Jordan Petroleum Products Marketing Company – (a wholly owned subsidiary). A new supply agreement was also signed between Alia Company - Royal Jordanian Airlines and the Jordan Petroleum Products Marketing Company - (a wholly owned subsidiary) that expires on February 11, 2024, and The agreement was extended until the end of May 2024. A new two-year agreement was signed between the two companies, with the agreement commencing on June 1, 2024.
- Pursuant to the Council of Ministers' Decision No. (2674), adopted in its meeting held on January 9, 2019, the quantity discount granted to Alia Company - Royal Jordanian Airlines was extended to November and December of 2018.
- Pursuant to the Council of Ministers' Decision No. (3874), adopted in its meeting held on March 27, 2019, the quantity discount granted to Alia Company – Royal Jordanian Airlines was extended from January 1, 2019, to December 31, 2019, provided that the discount is settled on the financial relationship between the Government and the Jordan Petroleum Refinery Company.

- Pursuant to the Ministry of Finance's Letter No. (18/4/20267), dated September 27, 2019, which included the request of the Ministry of Finance to charge the discount difference due to Alia Company - Royal Jordanian Airlines, according to the above-mentioned decisions, to the financial relationship between the Government and Jordan Petroleum Refinery Company until the end of the due discount, Jordan Petroleum Refinery Company has recalculated the due discount up to July 31, 2018, but has not calculated the discount after this date, as the direct supply relationship between Jordan Petroleum Refinery Company and Alia Company - Royal Jordanian Airlines ended on October 31, 2018. This resulted in recording an amount of JD 9,645,385 in the balance of the financial relationship between the Company and the Government, accompanied by a decrease in Alia Company - Royal Jordanian Airlines debt settlement agreement of JD 3,858,154, and the recording of an amount of JD 5,787,231, as discount deposits due to Alia Company - Royal Jordanian Airlines within accounts payable and other credit balances.
  - Based on the financial settlement agreement concluded between the Jordan Petroleum Refinery Company and Alia Company - Royal Jordanian Airlines signed on November 26, 2019, and after all the balances between the two Companies have been matched, both parties agreed to offset the accrued outstanding balance due from Alia Company - Royal Jordanian Airlines related to the refining activity against the discount deposits balances and interest deposit balances of Alia Company - Royal Jordanian Airlines. Accordingly, the offsetting took place and resulted in an amount of JD 11,253,235, payable to Alia Company - Royal Jordanian Airlines, which was booked in the Company's records for the refining activity (Note 18/I).
  - Pursuant to the Council of Ministers' Decision No. (1976), adopted in its meeting held on April 18, 2021, It was approved that the Ministry of Finance would pay the discounts owed to Alia Company - Royal Jordanian Airlines that are not paid for its jet-fuel withdrawals according to the discount decisions granted to Alia Company - Royal Jordanian Airlines for its withdrawals according to a mechanism to be agreed upon between the Ministry of Finance and Alia Company - Royal Jordanian Airlines isolating the Jordan Petroleum Refinery Company, with the aim of not obligating the government with any additional obligations as a result of increasing the balance of the financial relationship between the JPRC and the government and the consequent interests of delayed payments.
- d. The maturity of checks under collection of the Jordan Petroleum Products Marketing Company as of December 31, 2024, extends to July 5, 2026, and their value is JD 27,808,615. The maturity of the checks related to the Jordan Liquefied Petroleum Gas Manufacturing and Filling Company, which was activated as of the first of January 2023, after all the liquefied gas activities have been annexed to it (except for the gas production activity), extends to April 17, 2025, and their value is JD 449,017. The maturity of the checks related to the Jordan Lube Oil Manufacturing Company extends to April 30, 2025, value is JD 3,066,849 noting that Jordan Lube Oil Manufacturing Company has been activated as of April 1, 2022 and the entire lube oil activities and oil factory has been annexed to it.
- e. The Ministry of Finance item (the relationship) as of December 31, 2024 includes an amount of JD 253,214,200 related to the refining activity, and an amount of JD 13,822,249 related to Jordan Petroleum Products Marketing Company, and an amount of JD 133,959,681 related to Jordan Liquefied Petroleum Gas Manufacturing and Filling which was activated as of the beginning of January 2023 after all the different liquefied gas activities have been annexed to it (except for gas production activity).

- As per the Ministry of Finance's Letter No. (8AR/4/5197), dated February 18, 2020, the balance of the financial relationship between the company and the Government as of December 31, 2018 of JD 591,669,659 was confirmed, provided that the National Electricity Company match its debt as per its own records with that as per the records of Jordan Petroleum Refinery Company. Accordingly, the National Electricity Company confirmed the balance in its letter No. (7216/2503), dated March 11, 2020, and requested that it be allowed to pay the balance over three years in equal monthly installments. The company did not accept the National Electricity company's request and it did give a juridical warning to pay all the due amounts and its interest, as a result of the National Electricity Company's failure to pay the accrued amounts, the Company has filed a case against the National Electricity Company at the competent courts. Accordingly, a financial settlement agreement was signed between the two companies to pay the debt owed by the National Electricity Company in return for dropping the lawsuit, and the agreement included that the amount due in addition to the interests of the delayed payment and installments will be paid in (12) equal installments starting from July 2022 and the National Electricity Company has committed to pay the due installments and the last installment of the financial settlement agreement was paid during the month of June 2023, and an amount equivalent to JD 3.2 million remains for the Samra Electricity Generating Company, which has been pending for several years before the competent courts, so that it will be settled when the final and final ruling is issued.
- The Company has committed to reducing the Ministry of Finance's debt (the relationship) by JD 137,903,814 during the year 2019, according to the Company's borrowing agreement with banks of JD 455,505,000, on behalf of the Government to pay part of the debt owed by the Government against the issuance of pledges by the Ministry of Finance to pay the loan amount and interest thereon. The agreement was signed between the Company and the Jordanian Government at June 16, 2020 and after the Council of Ministers approved the agreement and authorized the Minister of Finance to sign it on behalf of the Jordanian Government, according to the Council of Ministers' Decision No. (9158), taken in its meeting held on March 24, 2020.
- Upon offsetting request submitted by the Jordan Petroleum Refinery Company to the Ministry of Finance to conduct an offset between a portion of the government's debt — under the main account of the Ministry of Finance (relationship account) — in favor of the company, and the general and special taxes included within the customs declarations in favor of the Customs Department, the Customs Department approved this procedure on March 16, 2020. The Offset Committee approved the offset on July 6, 2020, for an amount of JOD 58,042,756. The offset procedure was completed during July of the year 2020.
- Upon on the offsetting request by the Jordan Petroleum Refinery Company submitted to the Ministry of Finance, for offsetting the Ministry of Finance relationship account due to the company amounted to JD 137,667,786 and the balance of the differences in pricing of derivatives and surpluses trusts due to the government in the amount of JD 44,167,683 and the balance of establishing alternative tanks deposits due to the government in the amount of JD 93,500,103 for the balances as of September 30, 2020, the Ministry of Finance letter No. (18/4/694) was received on January 10, 2021, which includes the approval of the above-mentioned offsetting based on the offsetting instructions, and that the offsetting was carried out at the Ministry of Finance on January 4, 2021, and that the offsetting is recorded in the financial statements for the year 2020, according to the balances of the financial relationship between the company and the government as of September 30, 2020 contained in the company's letter No. (2/25/51/1/8988) dated December 15, 2020.
- According to the Council of Ministers' Decision No. (5011) taken in its meeting held on December 19, 2021, the company borrowed an amount of JD 105,000,000, equivalent in US dollars, from the banks assigned to it by the Ministry of Finance on December 31, 2021 against for the Ministry of Finance issuing pledges to repay the loan amounts and their interest to the banks, also, the receivables of the security authorities were reduced according to the agreement concluded between the company and the Ministry of Finance, as the decision authorized the Minister of Finance to sign this agreement on behalf of the government.

- According to the Council of Ministers' Decision No. (11231) taken in its meeting held on April 2, 2023, the company borrowed an amount of JD 105,000,000, equivalent in US dollars, from the banks assigned to it by the Ministry of Finance during May, 2023 against the Ministry of Finance issuing pledges to repay the loan amounts and their interest to the banks, and reduce the debt of the Jordanian Air Force by an amount of JD 47,022,677 and the balance of the main account of the Ministry of Finance - the relationship was reduced by an amount of JD 57,977,323, according to the agreement concluded between the company and the Ministry of Finance, as the decision authorized the Minister of Finance to sign this agreement on behalf of the government.
- Subsequent to the date of the financial statements, the Council of Ministers' No. (1897) taken in its meeting held on January 19, 2025, which stipulates that the Jordan Petroleum Refinery Company shall borrow an amount of JD 80,000,000 from the banks designated by the Ministry of Finance. In return, the Ministry of Finance will issue repayment pledges to cover the loans and interest amounts due to these banks upon maturity, guaranteed by provision allocated for this purpose in the general budget. The resolution further authorizes the Minister of Finance to sign the repayment pledges on behalf of the government, as well as to approve and sign the loan repayment agreement to be concluded between the government and the Jordan Petroleum Refinery Company. Bids have been requested from banks operating in the Kingdom, and the submitted bids are currently under review.
- Based on the offsetting request submitted by the Jordan Petroleum Refinery Company to the Ministry of Finance, which includes a request for a procedure between part of the accounts of the Ministry of Finance - the relationship in the amount of JD 49,002,240 and the balance of deposits of oil derivatives pricing differences and surpluses due to the government in the amount of JD 153,383 and fees and allowances according to the oil derivatives sale price bulletin (IPP) in the amount of JD 48,848,857, for the balances as of September 30, 2022, and the Ministry of Finance's issued letter No. (18/4/2068) dated January 23, 2023, containing the approval of the mentioned offsetting procedure, according to the balances of the financial relationship between the company and the government as of September 30, 2022 where it is contained in the company's letter No. (25/51/1/8969) dated November 16, 2022. The mentioned offset was made during January 2023.
- The company addressed the Ministry of Finance in its letter No. (2/25/51/1/758) dated January 29, 2024, which included the balances of the financial relationship between the company and the government regarding the refining and gas activity as of December 31, 2023, and requested an offsetting between the credit balances in favor of the government. And part of the balance of the Ministry of Finance's main account - the relationship as of December 31, 2023, and accordingly, the Ministry of Finance's letter No. (18/4/4819) dated February 21, 2024 was received, which included an apology for the current offsetting procedure and included a request from Jordan Petroleum Refinery Company to transfer the credit balances in favor of the government amounting to JD 3,688,151 to the government's treasury represented by an amount of JD 143,932 in deposits differences of oil derivatives pricing and surplus, and an amount of JD 3,544,219 in fees and allowances according to the oil derivatives pricing bulletin (IPP), and keeping the balance of the financial relationship in favor of the company in its records as of December 31, 2023. Accordingly, on February 22, 2024, the company transferred the credit balances in favor of the government to the government's treasury, and the balances of the financial relationship between the company and the government regarding the refining and gas activity were maintained as of December 31, 2023.

- Based on the letter from the Jordan Petroleum Refinery Company addressed to the Prime Minister No. (1/26/1/2809), which includes a request to instruct the Ministry of Finance to comply with the Council of Ministers' decision No. (7633) dated April 30, 2018, that includes the payment of the outstanding balance of the government's debt as of September 30, 2024, the Economic Modernization and Development Committee decided to form a joint team from the government and the company to reconcile the balances of the financial relationship as of September 30, 2024. After the committee completed its work, a reconciliation report was signed on December 18, 2024, for the balances of the financial relationship between the company and the government as of September 30, 2024, amounting to JD 574,554,343.
- During the year ending December 31, 2024, the Ministry of Finance paid JD 47.6 million to the Jordan Liquefied Petroleum Gas Manufacturing and Filling Company (a wholly-owned subsidiary) as part of the gas subsidy balance owed by the government.
- The balances of the Ministry of Finance of the Jordanian Petroleum Products Marketing Company as of December 31, 2021 were confirmed through the Ministry of Finance's approval of the Jordan Petroleum Products Marketing Company's letter No. (111/2/859) dated February 9, 2022.
- The balances of the Ministry of Finance of the Jordanian Petroleum Products Marketing Company as of December 31, 2022 were confirmed through the Ministry of Finance's approval of the Jordan Petroleum Products Marketing Company's letter No. (111/3/615) dated January 29, 2023.
- The balances of the Ministry of Finance of the Jordanian Petroleum Products Marketing Company as of December 31, 2023 were confirmed through the Ministry of Finance's approval of the Jordan Petroleum Products Marketing Company's letter No. (111/2/498) dated January 23, 2024.
- The balances of the Ministry of Finance of the Jordanian Petroleum Products Marketing Company as of December 31, 2024 were confirmed through the Ministry of Finance's approval of the Jordan Petroleum Products Marketing Company's letter No. (111/2/759) dated February 3, 2025.

- According to the Council of Ministers' decision No. (5329) adopted in its session held on July 10, 2019, Jordan Petroleum Refinery Company was authorized to implement the terms of the Memorandum of Understanding for the processing and transportation of crude oil between the government of the Republic of Iraq and the government of the Hashemite Kingdom of Jordan, the company signed the agreement on August 1, 2019 and the company issued a letter of credit in favor of the Central Bank of Iraq to cover the value of the amount of 10 thousand barrels per day throughout the year according to the monthly average price of a barrel of Brent crude oil minus 16 US dollars, noting that the quantities of Iraqi oil were supplied at the end of August of 2019 and according to the record signed by the concerned parties in the Ministry of Finance, the Ministry of Energy and Mineral Resources, and the Jordan Petroleum Refinery Company on March 10, 2020, the balances and accounts of Iraqi crude oil were reconciled until December 31, 2019, and according to the record signed by those concerned in the Ministry of Finance and the Ministry of Energy and Mineral Resources And the Jordan Petroleum Refinery Company, on September 30, 2020, Iraqi crude oil balances and accounts were reconciled up to April 30, 2020, noting that Iraqi oil supply was stopped during the May and June 2020 due to the decrease in international prices and it started to be supplied again on the first of July 2020 and its supply ended by the end of November 2020 and the Iraqi oil balances and accounts were reconciled until the end of the current tender according to the minutes of meeting signed by the concerned parties in the Ministry of Finance And the Ministry of Energy and Mineral Resources and the Jordan Petroleum Refinery Company on December 20, 2020, Noting that the government of Jordan agreed with the Iraqi Ministry of Oil to renew the agreement, the supply of Iraqi oil was started under the new agreement at the beginning of September 2021, Moreover, the Jordan Petroleum Refinery Company was authorized to implement the terms of the agreement on behalf of the Jordanian government under the letter of Ministry of Energy No.(MNG/5483/8/21) dated August 12, 2021 based on Prime Minister's Decision No. (1391) adopted in its meeting held on February 17, 2021. The Iraqi oil balances and accounts for the period from the beginning of September to the end of December 2021 were also matched according to the minutes of meeting signed by the concerned parties in the Ministry of Finance, the Ministry of Energy and Mineral Resources and the Jordan Petroleum Refinery Company on February 21, 2022 The balances and accounts of Iraqi oil were reconciled for the end of the year 2022 according to the minutes of meeting signed by those concerned in the Ministry of Finance, the Ministry of Energy and Mineral Resources, and the Jordan Petroleum Refinery Company on February 27, 2023, and the balances and accounts of Iraqi oil were matched for the first quarter of 2023 according to the minutes of meeting signed by those concerned in the Ministry of Finance and the Ministry of Energy and Mineral Resources and the Jordanian Petroleum Refinery Company on June 4, 2023, a new contract was also signed to supply Iraqi oil on May 15, 2023, for a period of one year, extendable with the same previous conditions and prices, but the supply quantities were increased to 15,000 barrels per day instead of 10,000 barrels per day, as of August 2023, and the balances of Iraqi oil accounts were matched for the end of the year 2023 according to the minutes signed by those concerned in the Ministry of Finance, the Ministry of Energy and Mineral Resources, and Jordan Petroleum Refinery Company on February 1, 2024. The Iraqi oil account balances for January 2024 were also reconciled according to the minutes signed by the concerned parties in the Ministry of Finance, the Ministry of Energy and Mineral Resources, and the Jordan Petroleum Refinery Company on March 13, 2024. The Iraqi oil account balances for February 2024 were reconciled according to the minutes signed by the concerned parties in the Ministry of Finance, the Ministry of Energy and Mineral Resources, and the Jordan Petroleum Refinery Company on April 22, 2024. The Iraqi oil account balances for April 2024 were reconciled according to the minutes signed by the concerned parties in the Ministry of Finance, the Ministry of Energy and Mineral Resources, and the Jordan Petroleum Refinery Company on July 1, 2024. The Iraqi oil supply contract agreement was extended until June 26, 2025, with a quantity of 15,000 barrels per day, and the Jordan Petroleum Refinery Company was authorized to implement the contract on behalf of the government. The Iraqi oil account balances were reconciled For the months of May and June 2024, according to the minutes signed by the concerned parties in the Ministry of Finance, the Ministry of Energy and Mineral Resources, and the Jordan Petroleum Refinery Company on August 6, 2024. The balances of the Iraqi oil accounts for the months of July and August 2024 were reconciled according to the minutes signed by the concerned parties in the Ministry of Finance, the Ministry of Energy and Mineral Resources, and the Jordan Petroleum Refinery Company on November 13, 2024.

- The Company signed an agreement for supplying oil derivatives with Royal Jordanian Air Force on May 26, 2021 included payment deadline of 15 days starting from the invoices receiving day, and according to that Jordanian Royal Air force was committed to pay all due amounts on time. The agreement was also extended for another year according to the letter of the General Command of the Jordanian Armed Forces - Arab Army No. (AH 2/4/1180) dated February 14, 2022 and the agreement was extended automatically for the three years based on the agreements between the two parties as the agreement includes automatic renewal upon approval of both parties, and the balance of the Royal Jordanian Air Force's assets as of December 31, 2024, amounting to JD 70,957,332, was reconciled pursuant to the minutes signed by the relevant parties in the Royal Jordanian Air Force and the Jordan Petroleum Refinery Company on January 7, 2025.
- The balance of the financial relationship between the Company and the Government related to the refining and gas activity as of April 30, 2018 (the end of the financial relationship with the Government) is as follows:

|                                                                                                                      | April 30, 2018<br>(Audited) |
|----------------------------------------------------------------------------------------------------------------------|-----------------------------|
| <u>Amounts Owed to the Company:</u>                                                                                  | JD                          |
| Ministry of Finance primary account (the relationship)                                                               | 220,480,978                 |
| Deposits general sales tax                                                                                           | 101,792,998                 |
| Debts of security authorities, Governmental departments and institutions, and the National Electricity Company: *    |                             |
| Armed Forces / Directorate of Supply                                                                                 | 101,513,938                 |
| Royal Air Force                                                                                                      | 136,424,517                 |
| Directorate of General Security                                                                                      | 45,627,576                  |
| Directorate General of the Gendarmerie                                                                               | 9,553,718                   |
| Civil Defense                                                                                                        | 3,259,795                   |
| Departments, ministries, and Governmental agencies and Institutions                                                  | 3,280,986                   |
| National Electricity Company**                                                                                       | 76,413,291                  |
| Total Debts of Security Authorities, Governmental Departments and Institutions, and the National Electricity Company | 376,073,821                 |
| Total Amounts owed to the Company                                                                                    | 698,347,797                 |
| <u>Less: Amounts Owed to the Government:</u>                                                                         |                             |
| Deposits differences of oil derivatives pricing and surplus                                                          | 43,746,064                  |
| Special sales tax deposits                                                                                           | 1,738,247                   |
| Deposits for constructing alternative tanks – the Ministry of Energy                                                 | 93,500,103                  |
| Fees and allowances according to the oil derivatives pricing bulletin (IPP)                                          | 21,244,292                  |
| Total amounts due to the Government                                                                                  | 160,228,706                 |
| Balance Owed by the Government to the Company                                                                        | 538,119,091                 |



- The balance of the financial relationship between the Company and the Government related to the refining and gas activity as of December 31, 2018 (Which was confirmed by the Ministry of Finance letter No. (8AR/4/5197)) is as follows:

|                                                                                                                      | December 31, 2018<br>(Audited) |
|----------------------------------------------------------------------------------------------------------------------|--------------------------------|
| <u>Amounts Owed to the Company:</u>                                                                                  | JD                             |
| Ministry of Finance primary account (the relationship)                                                               | 267,790,407                    |
| General sales tax deposits                                                                                           | 106,334,261                    |
| Debts of security authorities, Governmental departments and institutions, and the National Electricity Company: *    |                                |
| Armed Forces / Directorate of Supply                                                                                 | 88,823,533                     |
| Royal Air Force                                                                                                      | 168,094,404                    |
| Directorate of General Security                                                                                      | 45,626,257                     |
| Directorate General of the Gendarmerie                                                                               | 8,425,446                      |
| Civil Defense                                                                                                        | 3,269,279                      |
| Departments, ministries, and Governmental agencies and Institutions                                                  | 3,362,267                      |
| National Electricity Company**                                                                                       | 76,378,522                     |
| Total Debts of Security Authorities, Governmental Departments and Institutions, and the National Electricity Company | 393,979,708                    |
| Total Amounts owed to the Company                                                                                    | 768,104,376                    |
| <u>Less: Amounts Owed to the Government:</u>                                                                         |                                |
| Deposits differences of oil derivatives pricing and surplus                                                          | 44,022,727                     |
| Special sales tax deposits                                                                                           | 2,861,098                      |
| Deposits for constructing alternative tanks - Ministry of Energy                                                     | 93,500,103                     |
| Fees and allowances according to the oil derivatives pricing bulletin (IPP)                                          | 36,050,789                     |
| Total amounts due to the Government                                                                                  | 176,434,717                    |
| Balance Owed by the Government to the Company                                                                        | 591,669,659                    |

- The balance of the financial relationship between the Company and the Government related to the refining and gas activities as of December 31, 2019 (after reducing the amount of JD 455,505,000 – government's loan) is as follows:

|                                                                                                                      | December 31, 2019<br>(Audited) |
|----------------------------------------------------------------------------------------------------------------------|--------------------------------|
| <u>Amounts Owed to the Company:</u>                                                                                  | JD                             |
| Ministry of Finance primary account (the relationship)                                                               | 211,997,358                    |
| General sales tax deposits                                                                                           | 114,624,265                    |
| Debts of security authorities, Governmental departments and Institutions, and the National Electricity Company: *    |                                |
| Armed Forces / Directorate of Supply                                                                                 | 1,074,301                      |
| Royal Air Force                                                                                                      | 59,938,960                     |
| Directorate of General Security                                                                                      | 2,181                          |
| Departments, ministries, and Governmental agencies and Institutions                                                  | 3,550,513                      |
| National Electricity Company**                                                                                       | 72,147,468                     |
| Total Debts of Security Authorities, Governmental Departments and Institutions, and the National Electricity Company | 136,713,423                    |
| Total Amounts owed to the Company                                                                                    | 463,335,046                    |
| <u>Less: Amounts Owed to the Government:</u>                                                                         |                                |
| Deposits differences of oil derivatives pricing and surplus                                                          | 44,134,309                     |
| Special sales tax deposits                                                                                           | (2,189,866)                    |
| Deposits for constructing alternative tanks - Ministry of Energy                                                     | 93,500,103                     |
| Fees and allowances according to the oil derivatives prices bulletin (IPP)                                           | 48,609,966                     |
| Total amounts due to the Government                                                                                  | 184,054,512                    |
| Balance Owed by the Government to the Company                                                                        | 279,280,534                    |

The balance of the financial relationship between the Company and the Government related to the refining and gas activity as of September 30, 2020 (Which was confirmed by the Ministry of Finance according to the Ministry approval on the offsetting dated January 4, 2021) is as follows:

|                                                                                                                      | September 30,<br>2020 (Reviewed) |
|----------------------------------------------------------------------------------------------------------------------|----------------------------------|
| <u>Amounts Owed to the Company:</u>                                                                                  | JD                               |
| Ministry of Finance primary account (the relationship)                                                               | 194,763,517                      |
| General sales tax deposits                                                                                           | 122,602,265                      |
| Special sales tax deposits                                                                                           | 44,997,572                       |
| Debts of security authorities, Governmental departments and institutions, and the National Electricity Company: *    |                                  |
| Armed Forces / Directorate of Supply                                                                                 | 1,325,578                        |
| Royal Air Force                                                                                                      | 92,293,727                       |
| Directorate of General Security                                                                                      | 2,475                            |
| Departments, ministries, and Governmental agencies and Institutions                                                  | 2,421,811                        |
| National Electricity Company**                                                                                       | 72,147,468                       |
| Total Debts of Security Authorities, Governmental Departments and Institutions, and the National Electricity Company | 168,191,059                      |
| Total Amounts owed to the Company                                                                                    | 530,554,413                      |
| <u>Less: Amounts Owed to the Government:</u>                                                                         |                                  |
| Deposits differences of oil derivatives pricing and surplus                                                          | 44,167,683                       |
| Deposits for constructing alternative tanks - Ministry of Energy                                                     | 93,500,103                       |
| Fees and allowances according to the oil derivatives pricing bulletin (IPP)                                          | 50,718,837                       |
| Total amounts due to the Government                                                                                  | 188,386,623                      |
| Balance Owed by the Government to the Company                                                                        | 342,167,790                      |

- The balance of the financial relationship between the Company and the Government related to the refining and gas activities as of December 31, 2020, is as follows:

|                                                                                                                      | December 31,<br>2020 (Audited) |
|----------------------------------------------------------------------------------------------------------------------|--------------------------------|
| <u>Amounts Owed to the Company:</u>                                                                                  | JD                             |
| Ministry of Finance primary account (the relationship)                                                               | 68,240,240                     |
| General sales tax deposits                                                                                           | 123,188,580                    |
| Special sales tax deposits                                                                                           | 33,757,592                     |
| Debts of security authorities, Governmental departments and institutions, and the National Electricity Company: *    |                                |
| Armed Forces / Directorate of Supply                                                                                 | 1,374,855                      |
| Royal Air Force                                                                                                      | 103,436,845                    |
| Directorate of General Security                                                                                      | 2,632                          |
| Departments, ministries, and Governmental agencies and Institutions                                                  | 3,290,168                      |
| National Electricity Company**                                                                                       | 72,147,468                     |
| Total Debts of Security authorities, Governmental Departments and Institutions, and the National Electricity Company | 180,251,968                    |
| Total Amounts Owed to the Company                                                                                    | 405,438,380                    |
| <u>Less: Amounts Owed to the Government:</u>                                                                         |                                |
| Deposits differences of oil derivatives pricing and surplus                                                          | 19,104                         |
| Deposits for constructing alternative tanks - Ministry of Energy                                                     | -                              |
| Fees and allowances according to the Oil derivatives pricing bulletin (IPP)                                          | 51,514,419                     |
| Total Amounts Owed to the Government                                                                                 | 51,533,523                     |
| Balance Owed by the Government to the company                                                                        | 353,904,857                    |

- The balance of the financial relationship between the Company and the Government related to the refining and gas activities as of December 31, 2021, is as follows:

|                                                                                                                      | December 31,<br>2021 (Audited) |
|----------------------------------------------------------------------------------------------------------------------|--------------------------------|
| <u>Amounts Owed to the Company:</u>                                                                                  | JD                             |
| Ministry of Finance primary account (the relationship)                                                               | 165,747,052                    |
| General sales tax deposits                                                                                           | 126,294,176                    |
| Special sales tax deposits                                                                                           | 182,255                        |
| Debts of security authorities, Governmental departments and institutions, and the National Electricity Company: *    |                                |
| Armed Forces / Directorate of Supply                                                                                 | -                              |
| Royal Air Force                                                                                                      | 13,286,270                     |
| Directorate of General Security                                                                                      | 2,025                          |
| Departments, ministries, and Governmental agencies and Institutions                                                  | 2,413,667                      |
| National Electricity Company**                                                                                       | 72,147,468                     |
| Total Debts of Security authorities, Governmental Departments and Institutions, and the National Electricity Company | 87,849,430                     |
| Total Amounts Owed to the Company                                                                                    | 380,072,913                    |
| <u>Less: Amounts Owed to the Government:</u>                                                                         |                                |
| Deposits differences of oil derivatives pricing and surplus                                                          | 108,433                        |
| Deposits for constructing alternative tanks - Ministry of Energy                                                     | -                              |
| Fees and allowances according to the Oil derivatives pricing bulletin (IPP)                                          | 46,680,255                     |
| Total Amounts Owed to the Government                                                                                 | 46,788,688                     |
| Balance Owed by the Government to the company                                                                        | 333,284,225                    |

- The balance of the financial relationship between the company and the government related to the refining and gas activity as of September 30, 2022 (confirmed by the Ministry of Finance pursuant to the Ministry's approval of the offsetting procedure on January 23, 2023) is as follows:

|                                                                                    | September 30,<br>2022 (Reviewed) |
|------------------------------------------------------------------------------------|----------------------------------|
| <u>Amounts Owed to the Company:</u>                                                | <u>JD</u>                        |
| Ministry of Finance primary account (the relationship)                             | 266,543,378                      |
| General sales tax deposits                                                         | 129,220,485                      |
| Special sales tax deposits                                                         | 533,981                          |
| Debts of security authorities, Governmental departments and institutions: *        |                                  |
| Armed Forces / Directorate of Supply                                               | 30,109                           |
| Royal Air Force                                                                    | 43,149,216                       |
| Directorate of General Security                                                    | 5,454                            |
| Departments, ministries, and Governmental agencies and Institutions                | <u>5,271,713</u>                 |
| Total Debts of Security Authorities, and Governmental Departments and Institutions | <u>48,456,492</u>                |
| Total Amounts owed to the Company                                                  | <u>444,754,336</u>               |
| <u>Less: Amounts Owed to the Government:</u>                                       |                                  |
| Deposits differences of oil derivatives pricing and surplus                        | 153,383                          |
| Deposits for constructing alternative tanks - Ministry of Energy                   | -                                |
| Fees and allowances according to the Oil derivatives pricing bulletin (IPP)        | <u>48,848,857</u>                |
| Total amounts due to the Government                                                | <u>49,002,240</u>                |
| Balance Owed by the Government to the Company                                      | <u>395,752,096</u>               |
| National Electricity Company **                                                    | <u>71,158,551</u>                |
| Balance owed to the company by the government and the National Electricity Company | <u>466,910,647</u>               |

- The balance of the financial relationship between the Company and the Government related to the refining and gas activities as of December 31, 2022 (Confirmed pursuant to the memorandum of understanding signed between the company and the Jordanian government on June 6, 2023) is as follows:

|                                                                                    | <u>December 31,<br/>2022 (Audited)</u><br>JD |
|------------------------------------------------------------------------------------|----------------------------------------------|
| <u>Amounts Owed to the Company:</u>                                                |                                              |
| Ministry of Finance primary account (the relationship)                             | 296,970,716                                  |
| General sales tax deposits                                                         | 130,914,449                                  |
| Special sales tax deposits                                                         | 1,779,821                                    |
| Debts of security authorities, Governmental departments and Institutions: *        |                                              |
| Armed Forces / Directorate of Supply                                               | 51,936                                       |
| Royal Air Force                                                                    | 47,022,677                                   |
| Directorate of General Security                                                    | 5,454                                        |
| Departments, ministries, and Governmental agencies and Institutions                | <u>2,878,891</u>                             |
| Total Debts of Security Authorities, and Governmental Departments and Institutions | <u>49,958,958</u>                            |
| Total Amounts owed to the Company                                                  | <u>479,623,944</u>                           |
| <u>Less: Amounts Owed to the Government:</u>                                       |                                              |
| Deposits differences of oil derivatives pricing and surplus                        | 178,851                                      |
| Deposits for constructing alternative tanks - Ministry of Energy                   | -                                            |
| Fees and allowances according to the Oil derivatives pricing bulletin (IPP)        | <u>49,561,345</u>                            |
| Total amounts due to the Government                                                | <u>49,740,196</u>                            |
| Balance Owed by the Government to the Company                                      | <u>429,883,748</u>                           |
| National Electricity Company **                                                    | <u>48,255,316</u>                            |
| Balance owed to the company by the government and the National Electricity Company | <u><u>478,139,064</u></u>                    |

- The balance of the financial relationship between the company and the government related to the refining and gas activity as of December 31, 2023 (after reducing the amount of JD 105 million - government loan and the offsetting amounted to JD 49,002,240 which was on January 23, 2023) is as follows:

|                                                                                    | December 31, 2023<br>(Audited)<br>JD |
|------------------------------------------------------------------------------------|--------------------------------------|
| <u>Amounts Owed to the Company:</u>                                                |                                      |
| Ministry of Finance primary account (the relationship)                             | 305,789,682                          |
| General sales tax deposits                                                         | 138,633,355                          |
| Debts of security authorities, Governmental departments and Institutions: *        |                                      |
| Armed Forces / Directorate of Supply                                               | 48,235                               |
| Royal Air Force                                                                    | 29,792,632                           |
| Directorate of General Security                                                    | 1,695                                |
| Governmental and Security Authorities (Withdrawal of Liquefied Petroleum Gas)      | 139,138                              |
| Departments, ministries, and Governmental agencies and Institutions                | 4,995,782                            |
| Total Debts of Security Authorities, and Governmental Departments and Institutions | 34,977,482                           |
| Total Amounts owed to the Company                                                  | 479,400,519                          |
| <u>Less: Amounts Owed to the Government:</u>                                       |                                      |
| Deposits differences of oil derivatives pricing and surplus                        | 143,932                              |
| Special Sales Tax Deposits                                                         | 1,445,938                            |
| Fees and allowances according to the Oil derivatives pricing bulletin (IPP)        | 3,544,219                            |
| Total amounts due to the Government                                                | 5,134,089                            |
| Balance Owed by the Government to the Company                                      | 474,266,430                          |
| National Electricity Company **                                                    | 3,200,994                            |
| Balance owed to the company by the government and the National Electricity Company | 477,467,424                          |

- The balance of the financial relationship between the Company and the Government related to the refining and gas activities as of September 30, 2024 (Confirmed by the minutes signed by the joint team of representatives of the Ministry of Finance and the company based on the assignment of the Economic Modernization and Development Committee signed on December 18, 2024) is as follows:

|                                                                                    | September 30,<br>2024 (Reviewed) |
|------------------------------------------------------------------------------------|----------------------------------|
|                                                                                    | JD                               |
| <u>Amounts Owed to the Company:</u>                                                |                                  |
| Ministry of Finance primary account (the relationship)                             | 366,649,615                      |
| General sales tax deposits                                                         | 145,701,775                      |
| Debts of security authorities, Governmental departments and Institutions: *        |                                  |
| Armed Forces / Directorate of Supply                                               | -                                |
| Royal Air Force                                                                    | 64,076,477                       |
| Directorate of General Security                                                    | 1,695                            |
| Governmental and Security Agencies (Withdrawals of Liquefied petroleum Gas)        | 267,553                          |
| Departments, ministries, and Governmental agencies and Institutions                | 1,725,343                        |
| Total Debts of Security Authorities, and Governmental Departments and Institutions | 66,071,068                       |
| Total Amounts owed to the Company                                                  | 578,422,458                      |
| <u>Less: Amounts Owed to the Government:</u>                                       |                                  |
| Deposits differences of oil derivatives pricing and surplus                        | 47,726                           |
| Special sales tax deposits                                                         | 1,604,806                        |
| Fees and allowances according to the Oil derivatives pricing bulletin (IPP)        | 2,215,583                        |
| Total amounts due to the Government                                                | 3,868,115                        |
| Balance Owed by the Government to the Company                                      | 574,554,343                      |
| National Electricity Company **                                                    | 3,200,994                        |
| Balance owed to the company by the government and the National Electricity Company | 577,755,337                      |

- The balance of the financial relationship between the company and the government related to the refining and gas activity as of December 31, 2024 is as follows:

|                                                                                                                                  | December 31, 2024<br>(Audited)<br>JD |
|----------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| <u>Amounts Owed to the Company:</u>                                                                                              |                                      |
| Ministry of Finance primary account (the relationship)                                                                           | 387,173,881                          |
| General sales tax deposits                                                                                                       | 148,409,778                          |
| Debts of security authorities, Governmental departments and Institutions: *                                                      |                                      |
| Armed Forces / Directorate of Supply                                                                                             |                                      |
| Royal Air Force                                                                                                                  | 70,957,332                           |
| Directorate of General Security                                                                                                  | 1,695                                |
| Security Authorities (Withdrawal of Liquified Petroleum Gas) Departments, ministries, and Governmental agencies and Institutions | 146,462                              |
|                                                                                                                                  | 898,534                              |
| Total Debts of Security Authorities, and Governmental Departments and Institutions                                               | 72,004,023                           |
| Total Amounts owed to the Company                                                                                                | 607,587,682                          |
| <u>Less: Amounts Owed to the Government:</u>                                                                                     |                                      |
| Deposits differences of oil derivatives pricing and surplus                                                                      | 47,951                               |
| Special Sales Tax Deposits                                                                                                       | 2,887,898                            |
| Fees and allowances according to the Oil derivatives pricing bulletin (IPP)                                                      | 3,116,605                            |
| Total amounts due to the Government                                                                                              | 6,052,454                            |
| Balance Owed by the Government to the Company                                                                                    | 601,535,228                          |
| National Electricity Company **                                                                                                  | 3,200,994                            |
| Balance owed to the company by the government and the National Electricity Company                                               | 604,736,222                          |

\* According to the minutes of the Company's meetings with the Ministry of Finance and the held on November 8, 9 and 16, 2017, in order to determine the balances of the financial relation between Jordan Petroleum Refinery Company and the Government (excluding Jordan Petroleum Products Marketing Company and the Lube Oil Factory) for the balances as of September 30, 2017, the Ministry of Finance committed a pledge for all of the debt balances of the Armed Authorities, Royal Air Force, Public Security Directorate, the General Directorate of Gendarmerie, other security authorities, and governmental departments, within its budget as well as the debts of the National Electric Power Company for the refining and gas activities of JD 319,468,856 as of September 30, 2017. In the meantime, the two parties have agreed that no provision would be made for the debts of Royal Jordanian Company, municipalities, governmental universities, and managerially and financially independent governmental institutions during the relationship period, provided that if those amounts are not collected through the judiciary, and the Company is required to write them off, the Ministry of Finance pledges to pay those debts and any related costs.

\*\* The company signed a financial settlement on June 23, 2022, with the National Electricity Company to pay the debt owed by it and the interest of delayed payments and installments. The agreements also included that the amount due must be paid over (12) equal installments starting from July 2022, and the National Electricity Company has committed to pay the due installments on their due dates until the date and the last installment of the financial settlement agreement was paid during the month of June 2023, and an amount equivalent to JD 3.2 million remains for the Samra Electricity Generating Company, which has been pending for several years before the competent courts, so that it will be settled when the final and definitive ruling is issued.



- Based on the offsetting request submitted by the Jordan Petroleum Refinery Company to the Ministry of Finance, which includes a request for an offsetting between part of the accounts of the Ministry of Finance - the relationship in the amount of JD 49,002,240 and the balance of deposits of derivatives pricing differences and surpluses due to the government in the amount of JD 153,383 and fees and allowances according to the oil derivatives selling price bulletin (IPP) in the amount of JD 48,848,857, for the balances as of September 30, 2022, and the Ministry of Finance's issued letter No. (18/4/2068) dated January 23, 2023, containing the approval of the mentioned offsetting procedure, was received according to the balances of the financial relationship between the company and the government as of September 30, 2022 where it is contained in the company's letter No. (25/51/1/8969) dated November 16, 2022, and The aforementioned offsetting was carried out during the January 2023.
- Subsequent to the financial statements date, the company addressed the Ministry of Finance in its letter No. (2/25/51/1/758) dated January 29, 2024, which included the balances of the financial relationship between the company and the government regarding the refining and gas activity as of December 31, 2023, and requested an offsetting between the credit balances in favor of the government, And part of the balance of the Ministry of Finance's main account - the relationship as of December 31, 2023, and accordingly, the Ministry of Finance's letter No. (18/4/4819) dated February 21, 2024 was received, which included an apology for the current offsetting procedure and included a request from Jordan Petroleum Refinery Company to transfer the credit balances in favor of the government amounting to JD 3,688,151 to the government's treasury represented by an amount of JD 143,932 in deposits differences of oil derivatives pricing and surplus, and an amount of JD 3,544,219 in fees and allowances according to the oil derivatives pricing bulletin (IPP), and keeping the balance of the financial relationship in favor of the company in its records as of December 31, 2023. Accordingly, on February 22, 2024, the company transferred the credit balances in favor of the government to the government's treasury, and the balances of the financial relationship between the company and the government regarding the refining and gas activity were maintained as of December 31, 2023.
- The balances of general and special taxes included in the balance of the financial relationship between the company and the government mentioned above are matched with the records of the Income and Sales Tax Department as of December 31, 2024, and the Income and Sales Tax Department has audited the general and special tax balances up to October 2024, and the company has been granted a final and conclusive discharge of all general and special tax balances up to the end of October 2024.
- f. The general sales tax deposits item includes an amount of JD 136,028,949 related to the refining activity due to the company as of December 31, 2024, and an amount of JD 1,527,545 related to Jordan Petroleum Products Marketing Company due to the company, and an amount of JD 12,380,829 due to the company related to Jordan Liquefied Petroleum Gas Manufacturing and Filling Company which was activated as of the beginning of January 2023 after all the different liquefied gas activities have been annexed to it (except for gas production activity), and an amount of JD (345,627) due to the Income and Sales Tax Department related to Jordan Lube Oil Manufacturing Company, noting, that the Jordan Lube Oil Manufacturing Company has been activated as of April 1, 2022 and the entire oil activity and oil factory has been annexed to it.
- According with the Council of Ministers' Decision No. (6953), taken in its meeting held on March 19, 2018, approval was obtained on exempting the quantities of gasoline (95) used in the production of gasoline (90) and (95) of (2,360,253) tons from the general and special sales tax for the period from May 1, 2013, until September 30, 2017. The decision shall include any quantity of gasoline (95) used in the mixing process for the production of gasoline (90) and (95) until the end of the financial relationship between the Government and the Jordan Petroleum Refinery Company. Moreover, the outstanding customs statements at the Customs department were finalized during July 2020.
- According to Law No. (107) for year 2019, the Amended Special Tax Law, the general and special taxes, fees and allowances have been combined in the price bulletin (IPP) under the special taxes item and have been determined for each material as per the law described above.

- In accordance with the Council of Ministers' Decision No. (6544), adopted at its meeting held on September 23, 2019, all types of gasoline (90 and 95) shall be included in Schedule No. 2 annexed to the General Sales Tax Law on the sales and related to goods and services subject to the General Sales Tax at a percentage or for an amount of (Zero).
- In its meeting held on January 3, 2016, under Decision No. (13363), based on the recommendations of the Economic Development Committee in its session held on December 22, 2015, the Council of Ministers approved exempting the Company from general and special sales tax effective from May 1, 2013 on its imports for quantities sold to the marketing companies only, provided that the general sales tax and special sales tax thereon shall be paid by those companies within the pricing structure of (IPP). Moreover, the outstanding customs statements at the Jordan Customs Department were finalized during July 2020.
- The letter of Income and Sales Tax Department No. (20/4/347) dated February 16, 2021 which included the approval of the department to collect taxes on the sales of JPRC to the three marketing companies through marketing companies only, and that JPRC is not obligated to pay taxes on its sales to the marketing companies and is only obligated to pay tax on its sales to other customers.
- Upon on the offsetting request by the Jordan Petroleum Refinery Company submitted to the Ministry of Finance, for offsetting part of the Ministry of Finance's debt (the Ministry of Finance relationship account) in favor of the Company with the general and special tax on the customs' statements held at the Customs Department, and it approved on March 16, 2020, by the Customs Department, and on July 6, 2020, by the Offsetting Committee for a total amount of JD 58,042,756. The above-mentioned offsetting was completed during July 2020.
- Pursuant to the Council of Ministers' Decision No. (2898) adopted in its session held on July 7, 2021, they accept to exempt the company's imports of crude oil and oil derivatives from customs fees (Customs fees) until April 30, 2022.
- Pursuant to the Council of Ministers' Decision No. (7278) adopted in its session held on June 5, 2022 the Council of Ministers' Decision No. (2898) was extended until April 30, 2023, which includes exempting the Jordan Petroleum Refinery Company's imports of crude oil and finished petroleum products from customs fees (Customs fees).
- Pursuant to the Council of Ministers' Decision No. (12135) adopted in its session held on June 18, 2023 the Council of Ministers' Decision No. (7278) was extended until April 30, 2024, which includes exempting the Jordan Petroleum Refinery Company's imports of crude oil and finished oil derivatives from customs fees (Customs fees).
- Pursuant to the Council of Ministers' Decision No. (16354) adopted in its session held on May 19, 2024, includes exempting the Jordan Petroleum Refinery Company's imports of crude oil and finished petroleum products from customs fees (Customs fees) until April 30, 2025.
- Pursuant to the Council of Ministers' Decision No. (9298) adopted in its session held on November 6, 2022, imported petroleum gas has been exempted from customs fees for a period of one year, starting from January 1, 2023.
- Pursuant to the Council of Ministers Decision No. (15028) adopted in its session held on January 21, 2024, imported petroleum gas has been exempted from customs fees for a period of one year, starting from January 1, 2024.
- Pursuant to the Council of Ministers Decision No. (1641) adopted in its session held on December 24, 2024, imported petroleum gas has been exempted from customs fees for a period of one year, starting from January 1, 2025.

- g. This item consists mainly of the current account of Company employees' Housing Fund, deposits for the Jordan Customs Department, and other debit balances.
- h. This item consists mainly as of January 31, 2024 of prepaid expenses account related to Company's insurance, rents, marketing, security and protection, and contractors' prepayments for gas stations establishment, including an amount of JD 5,574,445 related to the refining activity, and an amount of JD 3,180,445 related to Jordan Petroleum Products Marketing Company, and an amount of JD 430,073 related to Jordan Liquefied Petroleum Gas Manufacturing and Filling Company which was activated as of the first of January 2023 after all the different liquefied gas activities have been annexed to it (except for gas production activity), and an amount of JD 202,538 related to Jordan Lube Oil Manufacturing Company. Noting that the Jordan Lube Oil Manufacturing Company has been activated as of April 1, 2022, and the entire lube oil activities and oil factory has been annexed to it.
- i. This item represents what was paid to the gas stations' owners according to agreements through which Jordan Petroleum Products Marketing Company (a wholly owned subsidiary) supplies these gas stations with their fuel needs. According to these agreements, the Company shall participate in building or modernizing the gas stations and installing pumps. In addition, the gas stations shall bear the trade name for the Jordan Petroleum Products Marketing Company as their authorized distributor, and the related amounts shall be amortized over the contracts period or the useful life of the assets, whichever is lower.
- j. The movement on the provision for expected credit loss is as follows:

|                                      | December 31,      |                   |
|--------------------------------------|-------------------|-------------------|
|                                      | 2024              | 2023              |
|                                      | JD                | JD                |
| Balance at the beginning of the year | 24,507,651        | 24,223,875        |
| Addition during the year             | 1,892,074         | 426,677           |
| (Released) during the year *         | (966,512)         | -                 |
| (Write-offs) during the year **      | (30,095)          | (142,901)         |
| Balance at the End of the Year       | <u>25,403,118</u> | <u>24,507,651</u> |

- This item includes expected credit losses provision as on December 31, 2024 with an amount of JD 4,171,362 related to the refining activity and an amount of JD 1,741,269 related to the oil factory before the first of April 2022, and an amount of JD 19,359,709 related to Jordan Petroleum Products Marketing Company, and an amount of JD 121,718 related to Jordan Lube Oil Manufacturing Company. Noting that Jordan Lube Oil Manufacturing Company has been activated as of April 1, 2022, and the different lube oil activities an the lube oil factory were annexed to it. An amount of JOD 9,060 for the Jordan Liquefied Petroleum Gas Manufacturing and Filling Company, which commenced its operations as of January 1, 2023, after all the various liquefied gas activities were attached to it (except for the liquefied gas production activity). The provision was calculated after taking into consideration the receivables guaranteed by Jordanian Government.

- \* An amount of JOD 621,393 for the refining activity and JOD 345,119 related to oil factory were released for the receivables balance before April 1, 2022. An amount of JOD 621,393, representing the amount released from the provision for expected credit losses for the refining activity, was credited to the Ministry of Finance's account - related to the agreement with the Ministry of Finance to credit any amount refunded from this provision for a receivable for which a provision was allocated before April 30, 2018, to the Ministry of Finance's account, while the company retained the balance of this provision.

\*\* Receivables for the refining activity were written-off during the year in the amount of JOD 6,536, and receivables for the Lube oil factory were extinguished for the receivables balance before April 1, 2022, in the amount of JOD 23,559.

#### 10. Crude Oil, Finished Oil Products, and Supplies

This item consists of the following:

|                                                                              | December 31,       |                    |
|------------------------------------------------------------------------------|--------------------|--------------------|
|                                                                              | 2024               | 2023               |
|                                                                              | JD                 | JD                 |
| Finished oil derivatives and lube oil                                        | 225,545,007        | 241,161,684        |
| Crude oil and materials under process                                        | 101,253,987        | 130,577,732        |
| Raw materials, spare parts, and other supplies                               | 67,032,174         | 57,881,592         |
| Goods in transit                                                             | 16,736,472         | 49,075,497         |
| <u>Less: Provision for slow-moving and obsolete and sediments inventory*</u> | <u>(7,985,378)</u> | <u>(7,762,509)</u> |
|                                                                              | <u>402,582,262</u> | <u>470,933,996</u> |

\* The movement on the provision for slow-moving and obsolete inventory and sediments is as follows:

|                                     | December 31      |                  |
|-------------------------------------|------------------|------------------|
|                                     | 2024             | 2023             |
|                                     | JD               | JD               |
| Balance at beginning of the year    | 7,762,509        | 8,188,645        |
| Addition during the year            | 940,073          | 717,556          |
| (Paid) during the year              | (39,200)         | (106,833)        |
| (Written-off items) during the year | (678,004)        | (1,036,859)      |
| Balance at the End of the Year      | <u>7,985,378</u> | <u>7,762,509</u> |

#### 11. Financial Assets at Fair Value through Comprehensive Income

This item consists of the following:

|                                  | December 31      |                  |                  |                  |
|----------------------------------|------------------|------------------|------------------|------------------|
|                                  | 2024             |                  | 2023             |                  |
|                                  | Number of Shares | JD               | Number of Shares | JD               |
| <b><u>Listed Shares:</u></b>     |                  |                  |                  |                  |
| Jordan Electricity Company *     | 760,243          | 1,680,137        | 760,243          | 1,459,666        |
| Safwa Islamic Bank **            | 307,819          | 572,543          | 256,516          | 497,641          |
| Arab Potash Company              | 47,300           | 1,258,180        | 47,300           | 1,235,949        |
| Jordan Paper and Cardboard       |                  |                  |                  |                  |
| Factories Company                | 33,300           | 1,665            | 33,300           | 1,665            |
| Public Mining Company            | 27,500           | 15,950           | 27,500           | 16,225           |
| Palestine Development and        |                  |                  |                  |                  |
| Investment Company               | 28,060           | 19,923           | 28,060           | 23,711           |
| Al Motarabita Investment Company | 128,259          | 1,283            | 128,259          | 1,283            |
|                                  |                  | <u>3,549,681</u> |                  | <u>3,236,140</u> |

\* During the year 2023, the Jordanian Electricity Company distributed 4% in additional free shares for the earnings for the year 2022.

\*\* During the year 2024, the Safwa Islamic Bank distributed 20% in additional free shares for the earnings for the year 2023.

## 12. Deferred Tax Assets

This item consists of the following:

| Items that resulted in Deferred Tax Assets:                    | For the Year Ended December 31, 2024 |              |              |                                |                |                                                                               |                                                      |
|----------------------------------------------------------------|--------------------------------------|--------------|--------------|--------------------------------|----------------|-------------------------------------------------------------------------------|------------------------------------------------------|
|                                                                | Balance at the Beginning of the Year | Additions    | Released     | Balance at the End of the Year | Deferred Taxes | Transferred to Consolidated statement of profit or loss During the Year - Net | Value of deferred tax assets as of December 31, 2023 |
| Expected credit losses provision                               | JD 24,507,651                        | JD 1,892,074 | JD (996,607) | JD 25,403,118                  | JD 5,334,655   | JD 257,679                                                                    | JD 5,076,976                                         |
| Write-off and maintenance of gas cylinders provision           | 5,000,000                            | 4,369,407    | (4,369,407)  | 5,000,000                      | 1,050,000      | 50,000                                                                        | 1,000,000                                            |
| Employees' vacations provision                                 | 2,035,461                            | -            | (111,452)    | 1,924,009                      | 404,042        | (3,050)                                                                       | 407,092                                              |
| End-of-service indemnity provision                             | 41,687                               | -            | (41,687)     | -                              | -              | (8,337)                                                                       | 8,337                                                |
| Slow-moving and obsolete and sediments inventory provision     | 7,762,509                            | 940,073      | (717,204)    | 7,985,378                      | 1,676,929      | 124,427                                                                       | 1,552,502                                            |
| Storage fees provision                                         | 115,722                              | 1,388,640    | (1,388,642)  | 115,720                        | 24,301         | 1,157                                                                         | 23,144                                               |
| lawsuits provision                                             | 4,526,499                            | 33,000       | (1,369,957)  | 3,189,542                      | 669,804        | (246,761)                                                                     | 916,565                                              |
| Acceptable tax (losses) for the year - subsidiary company      | -                                    | 57,139       | -            | 57,139                         | 11,999         | 11,999                                                                        | -                                                    |
| Differences from implementing IFRS (16) - a Subsidiary Company | 5,645,683                            | 923,236      | -            | 6,568,919                      | 1,379,473      | 193,879                                                                       | 1,185,594                                            |
|                                                                | 49,635,212                           | 9,603,569    | (8,994,956)  | 50,243,825                     | 10,551,203     | 380,993                                                                       | 10,170,210                                           |

- The deferred tax assets for the year 2024 related to the refining activity and Jordan lube oil manufacturing Company and Jordan Liquified Petroleum Gas Manufacturing and Filling Company and Jordan Petroleum Products Marketing Company were calculated at a rate of 20%, to which the national contribution is added at 1%, according to Income Tax Law.

### 13. Investment Property - Net

This item consists of the following:

|                                             | Land      | Buildings | Equipment | Total     |
|---------------------------------------------|-----------|-----------|-----------|-----------|
|                                             | JD        | JD        | JD        | JD        |
| <u>For the Year Ended December 31, 2024</u> |           |           |           |           |
| <u>Cost:</u>                                |           |           |           |           |
| Balance at the beginning of the year        | 1,740,815 | 1,113,889 | 42,000    | 2,896,704 |
| Additions                                   | 304,357   | 638,640   | -         | 942,997   |
| Balance at the End of the Year              | 2,045,172 | 1,752,529 | 42,000    | 3,839,701 |

#### Accumelated Depreciation:

|                                      |           |           |        |           |
|--------------------------------------|-----------|-----------|--------|-----------|
| Balance at the beginning of the year | -         | 186,235   | 42,000 | 228,235   |
| Additions                            | -         | 63,626    | -      | 63,626    |
| Balance at the End of the Year       | -         | 249,861   | 42,000 | 291,861   |
| Net Book Value                       | 2,045,172 | 1,502,668 | -      | 3,547,840 |

### For the Year Ended December 31, 2023

#### Cost:

|                                      |           |           |        |           |
|--------------------------------------|-----------|-----------|--------|-----------|
| Balance at the beginning of the year | 1,740,815 | 1,113,889 | 42,000 | 2,896,704 |
| Balance at the End of the Year       | 1,740,815 | 1,113,889 | 42,000 | 2,896,704 |

#### Accumelated Depreciation:

|                                      |           |         |        |           |
|--------------------------------------|-----------|---------|--------|-----------|
| Balance at the beginning of the year | -         | 141,680 | 42,000 | 183,680   |
| Additions                            | -         | 44,555  | -      | 44,555    |
| Balance at the End of the Year       | -         | 186,235 | 42,000 | 228,235   |
| Net Book Value                       | 1,740,815 | 927,654 | -      | 2,668,469 |

|                            |     |    |
|----------------------------|-----|----|
| Annual Depreciation Rate % | 2-4 | 20 |
|----------------------------|-----|----|

- The fair value of the Group's investment property owned by Jordan Petroleum Products Markiting Company (subsidiary and wholly owned) at December 31, 2024 amounting to JD 3.9 million which was estimated by estimators independent from the Group.

14. Property, plants, equipment and projects under construction:

This item consists of the following:

|                                            | Year 2024   |             |                            |                                   |                        |                                         |                           |             |                                        |                                      |                                    |                                    |            |                |                                   |              | Total Excluding |  |
|--------------------------------------------|-------------|-------------|----------------------------|-----------------------------------|------------------------|-----------------------------------------|---------------------------|-------------|----------------------------------------|--------------------------------------|------------------------------------|------------------------------------|------------|----------------|-----------------------------------|--------------|-----------------|--|
|                                            |             |             | Machinery and<br>Equipment | Machinery and<br>Support Services | Tanks and<br>Pipelines | Electrical<br>Machines and<br>Equipment | Products<br>Loading Units | Vehicles    | Office<br>Furniture<br>and<br>Fixtures | Library and<br>Training<br>Equipment | Distribution<br>Stations<br>Assets | Other Property<br>and<br>Equipment | Computers  | Construction * | Projects<br>under<br>Construction | Total        |                 |  |
| Cost:                                      | JD          | JD          | JD                         | JD                                | JD                     | JD                                      | JD                        | JD          | JD                                     | JD                                   | JD                                 | JD                                 | JD         | JD             | JD                                | JD           | JD              |  |
| Balance at the beginning of the year       | 57,131,690  | 83,760,366  | 106,128,964                | 47,407,387                        | 105,470,053            | 40,447,394                              | 31,910,797                | 46,470,792  | 6,135,041                              | 26,883                               | 26,630,448                         | 111,008                            | 11,164,076 | 66,843,882     | 505,663,209                       | 629,638,781  |                 |  |
| Additions                                  | 777,219     | 1,320,524   | 2,833,883                  | 277,389                           | 258,918                | 1,203,543                               | -                         | 935,317     | 42,666                                 | -                                    | 2,898,623                          | -                                  | 699,747    | 11,543,839     | 10,470,610                        | 22,791,668   |                 |  |
| Transfers from Projects under Construction | -           | 1,689,726   | -                          | -                                 | 366,153                | 255,717                                 | -                         | -           | 15,216                                 | -                                    | 149                                | -                                  | -          | (2,326,961)    | 2,326,961                         | -            |                 |  |
| Transfers from right of use assets         | (304,357)   | -           | -                          | -                                 | -                      | -                                       | -                         | -           | -                                      | -                                    | -                                  | -                                  | -          | (638,640)      | -                                 | (942,997)    |                 |  |
| Disposals                                  | (53,245)    | -           | -                          | (9,514,933)                       | (12,196)               | (46,092)                                | -                         | (2,536,673) | (3,832)                                | -                                    | (374,024)                          | -                                  | (13,438)   | (768,100)      | (12,501,488)                      | (13,322,833) |                 |  |
| Balance at the End of the Year             | 57,551,307  | 86,770,616  | 108,962,847                | 38,169,843                        | 106,082,928            | 41,860,562                              | 31,910,797                | 44,869,136  | 6,189,091                              | 26,883                               | 29,155,196                         | 111,008                            | 11,850,385 | 74,654,020     | 505,959,292                       | 638,164,619  |                 |  |
| Accumulated Depreciation:                  |             |             |                            |                                   |                        |                                         |                           |             |                                        |                                      |                                    |                                    |            |                |                                   |              |                 |  |
| Balance at the beginning of the year       | -           | 39,905,697  | 104,820,445                | 43,833,898                        | 72,768,640             | 33,970,773                              | 31,910,796                | 36,822,785  | 5,001,170                              | 26,883                               | 24,503,657                         | 111,008                            | 10,383,083 | -              | 404,058,835                       | 404,058,835  |                 |  |
| Additions                                  | -           | 3,514,105   | 643,894                    | 279,290                           | 1,862,812              | 1,562,150                               | -                         | 1,221,049   | 28,769                                 | -                                    | 1,573,848                          | -                                  | 666,046    | -              | 11,371,963                        | 11,371,963   |                 |  |
| Disposals                                  | -           | (34)        | -                          | (9,514,933)                       | (3,153)                | (38,126)                                | -                         | (2,267,727) | (3,832)                                | -                                    | (173,498)                          | -                                  | (13,423)   | -              | (12,014,726)                      | (12,014,726) |                 |  |
| Balance at the End of the Year             | -           | 43,419,768  | 105,464,339                | 34,598,255                        | 74,628,299             | 35,494,797                              | 31,910,796                | 35,776,107  | 5,026,107                              | 26,883                               | 25,904,007                         | 111,008                            | 11,055,706 | -              | 403,416,072                       | 403,416,072  |                 |  |
| Net Book Value at the End of the Year      | 57,551,307  | 43,350,848  | 3,498,508                  | 3,571,588                         | 31,454,629             | 6,365,765                               | 1                         | 9,093,029   | 1,162,984                              | -                                    | 3,251,189                          | -                                  | 794,679    | 74,654,020     | 102,543,220                       | 224,748,547  |                 |  |
| Fair value bind valuation difference       | 274,820,440 | -           | -                          | -                                 | -                      | -                                       | -                         | -           | -                                      | -                                    | -                                  | -                                  | -          | -              | -                                 | 274,820,440  |                 |  |
| Balance as of December 31, 2024            | 332,371,747 | 43,350,848  | 3,498,508                  | 3,571,588                         | 31,454,629             | 6,365,765                               | 1                         | 9,093,029   | 1,162,984                              | -                                    | 3,251,189                          | -                                  | 794,679    | 74,654,020     | 102,543,220                       | 509,568,987  |                 |  |
| Annual Depreciation Rate %                 | -           | 2-4         | 10                         | 10                                | 2-4                    | 10                                      | 10                        | 15          | 5-10                                   | 10                                   | 20                                 | 10                                 | 40         | -              | -                                 | -            |                 |  |
| Year 2023                                  |             |             |                            |                                   |                        |                                         |                           |             |                                        |                                      |                                    |                                    |            |                |                                   |              |                 |  |
| Cost:                                      |             |             |                            |                                   |                        |                                         |                           |             |                                        |                                      |                                    |                                    |            |                |                                   |              |                 |  |
| Balance at the beginning of the year       | 52,793,407  | 82,736,175  | 106,128,964                | 47,407,387                        | 85,010,989             | 39,498,129                              | 31,910,797                | 44,106,561  | 5,912,116                              | 26,883                               | 26,269,877                         | 111,008                            | 10,493,604 | 49,989,912     | 479,612,490                       | 582,395,809  |                 |  |
| Additions                                  | 2,012,293   | 860,692     | -                          | -                                 | 20,518,860             | 903,447                                 | -                         | 2,740,419   | 222,925                                | -                                    | 2,226,700                          | -                                  | 856,544    | 18,462,982     | 28,331,587                        | 48,806,862   |                 |  |
| Transfers from Projects under Construction | -           | 1,348,375   | -                          | -                                 | 162,762                | 74,052                                  | -                         | -           | -                                      | -                                    | -                                  | -                                  | 23,823     | (1,609,012)    | 1,609,012                         | -            |                 |  |
| Transfers from right of use assets         | 2,700,000   | -           | -                          | -                                 | -                      | -                                       | -                         | -           | -                                      | -                                    | -                                  | -                                  | -          | -              | -                                 | 2,700,000    |                 |  |
| Disposals                                  | (374,010)   | (1,184,676) | -                          | -                                 | (222,558)              | (28,234)                                | -                         | (376,188)   | -                                      | -                                    | (1,866,129)                        | -                                  | (209,895)  | -              | (3,889,880)                       | (4,263,890)  |                 |  |
| Balance at the End of the Year             | 57,131,690  | 83,760,366  | 106,128,964                | 47,407,387                        | 105,470,053            | 40,447,394                              | 31,910,797                | 46,470,792  | 6,135,041                              | 26,883                               | 26,630,448                         | 111,008                            | 11,164,076 | 66,843,882     | 505,663,209                       | 629,638,781  |                 |  |
| Accumulated Depreciation:                  |             |             |                            |                                   |                        |                                         |                           |             |                                        |                                      |                                    |                                    |            |                |                                   |              |                 |  |
| Balance at the beginning of the year       | -           | 36,943,253  | 104,761,277                | 43,197,312                        | 71,112,095             | 32,521,168                              | 31,910,796                | 35,570,705  | 4,969,950                              | 26,883                               | 22,968,015                         | 111,008                            | 9,887,194  | -              | 393,979,656                       | 393,979,656  |                 |  |
| Additions                                  | -           | 3,177,412   | 59,168                     | 636,586                           | 1,752,124              | 1,453,213                               | -                         | 1,571,447   | 31,220                                 | -                                    | 1,674,838                          | -                                  | 689,890    | -              | 11,046,098                        | 11,046,098   |                 |  |
| Disposals                                  | -           | (214,968)   | -                          | -                                 | (95,579)               | (3,608)                                 | -                         | (319,667)   | -                                      | -                                    | (139,196)                          | -                                  | (194,001)  | -              | (966,919)                         | (966,919)    |                 |  |
| Balance at the End of the Year             | -           | 39,905,697  | 104,820,445                | 43,833,898                        | 72,768,640             | 33,970,773                              | 31,910,796                | 36,822,785  | 5,001,170                              | 26,883                               | 24,503,657                         | 111,008                            | 10,383,083 | -              | 404,058,835                       | 404,058,835  |                 |  |
| Net Book Value at the End of the Year      | 57,131,690  | 43,854,669  | 1,308,519                  | 3,574,489                         | 32,701,413             | 6,476,621                               | 1                         | 9,648,007   | 1,133,871                              | -                                    | 2,126,791                          | -                                  | 780,993    | 66,843,882     | 101,604,374                       | 225,579,946  |                 |  |
| Annual Depreciation Rate %                 | -           | 2-4         | 10                         | 10                                | 2-4                    | 10                                      | 10                        | 15          | 5-10                                   | 10                                   | 20                                 | 10                                 | 40         | -              | -                                 | -            |                 |  |

\* Additions for projects under construction mainly consist of payments for technical, financial, legal and environmental studies related to the fourth expansion project, and projects for establishing and modernizing fuel stations for the Jordan Petroleum Products Marketing Company (a wholly owned subsidiary company) and projects to construct liquefied gas storage capacities and projects to establish energy generation systems through solar panels for the Jordan Liquefied Petroleum Gas Manufacturing and Filling Company (a wholly owned subsidiary company).

- Projects under construction include assets related to the refining activity, amounting to JD 52,777,748, including an amount of JD 51,906,397 related to the fourth expansion project, and it was paid from the reserve allocated for this purpose. Also, it includes an amount of JD 2,782,014 for the Jordan Petroleum Products Marketing Company to establish and develop gas stations. Also, it includes an amount of JD 19,094,258 for the Jordan Liquefied Petroleum Gas Manufacturing and Filling Company to construct new liquefied gas storage capacities and projects to construct systems to generate energy through solar panels and that is as of December 31, 2024.

- Property, plant and equipment includes fully depreciated assets with an amount of JD 310,665,680 as of December 31, 2024 (JD 319,592,632 as of December 31, 2023).

## 15. Intangible Assets - Net

This item consists of the following:

|                                               | December 31,        |                     |
|-----------------------------------------------|---------------------|---------------------|
|                                               | 2024                | 2023                |
|                                               | JD                  | JD                  |
| Jordan Petroleum Products Marketing license * | 31,250,000          | 31,250,000          |
| Goodwill                                      | 9,960,314           | 9,960,314           |
| Operating lease contracts                     | 1,664,164           | 1,664,164           |
| License agreement – trade name                | 444,009             | 444,009             |
| Owned gas stations licenses                   | 1,217,795           | 1,217,795           |
|                                               | 44,536,282          | 44,536,282          |
| <u>Less: Accumulated amortization**</u>       | <u>(30,208,333)</u> | <u>(30,083,333)</u> |
|                                               | <u>14,327,949</u>   | <u>14,452,949</u>   |

\* According to the Council of Ministers, in their Letter No. (58/11/1/26041), dated September 30, 2012, it was agreed to grant Jordan Petroleum Products Marketing Company (a wholly-owned subsidiary) a license for importing, transporting, storing, loading, unloading and distributing oil derivatives and selling it in bulk and maintaining the facilities of the activity to Jordan Petroleum Products marketing Company, The value of the license was determined to be JD 30 million. Moreover, the Company shall pay the first installment, and the remaining balance shall be paid in five equal annual installments. In this regard, the Company paid the last installment during the year 2018. Moreover, the Company amortizes the license over 10 years starting from the commencement date of its operations on May 1, 2013, based on the agreement signed with the Ministry of Energy and Mineral Resources on February 19, 2013, noting that the license is renewable. The license to practice the activity of importing, exporting, transporting, storing, loading, unloading, distributing and selling petroleum derivatives, and operating and maintaining the activity facilities of the Jordanian Petroleum Products Marketing Company, was renewed for an additional period of ten years, starting from the first of May 2023, with a value of JD 1.25 million it is amortized over a period of ten years.

- Goodwill includes an amount of JD 960,000 resulting from the acquisition by the Jordan Petroleum Products Marketing Company (a wholly-owned subsidiary) of a 60% of the shares of Al-Nuzha and Istiqlal Gas Station Fuel and Oil Company, which represents the valuation difference at the date of acquisition. In this regard, the recoverable amount from the Company has been determined through calculating its expected cash flows based on a 10-year budget approved by its management. Moreover, the expected cash flows for the year 2015 and the following years were determined, using a growth rate of 4% for revenues and a growth rate of 2.5% for expenses. In the opinion of the Company's management, the used growth rates for revenues and expenses are reasonable considering the Company's business nature as well as the overall growth of this sector in Jordan. A discount rate of 10% has been used to discount the expected cash flows at an internal rate of return of 15%.
- Jordan Petroleum Products Marketing Company (a wholly-owned subsidiary) has acquired the entire share of Hydron Company LLC on December 26, 2018. This acquisition resulted in intangible assets which were definitively calculated by the management and the financial advisors during 2020 and it's details are as follows:

|                                | December 31, 2024 |
|--------------------------------|-------------------|
|                                | JD                |
| Goodwill                       | 9,000,314         |
| Operating lease contracts      | 1,664,164         |
| License agreement – trade name | 444,009           |
| Owned gas stations licenses    | 1,217,795         |
| Total                          | <u>12,326,282</u> |



- The Jordan Petroleum Products Marketing Company (a wholly-owned subsidiary) has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for each group of CGUs to which the goodwill is allocated. And the management believes that any reasonably possible change in the key assumptions related to the recoverable amount of Goodwill and Operating Lease contracts and License agreement – trade name, and Owned gas stations licenses would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the related CGUs.
- The Company builds their estimates through calculating the free cash flow to the firm (FCFF) through the forecasted financial statements, then the Company computes the present value of these cash flows and the terminal value through applying the (WACC) and terminal growth, then the book value of the investment is compared to the fair value
- \*\* The movement on accumulated amortization for Jordan Petroleum Products Marketing Company (a wholly-owned subsidiary) license was as follows:

|                                      | For the Year Ended<br>December 31 |                   |
|--------------------------------------|-----------------------------------|-------------------|
|                                      | 2024                              | 2023              |
|                                      | JD                                | JD                |
| Balance at the beginning of the year | 30,083,333                        | 29,000,000        |
| License amortization during the year | 125,000                           | 1,083,333         |
| Balance at the End of the Year       | <u>30,208,333</u>                 | <u>30,083,333</u> |

**16. Lease contracts:**

This item consists of the following:

Right-of-use assets

The following is the movement on the right-of-use assets during the year:

|                                                 | For the Year Ended<br>December 31, |                     |
|-------------------------------------------------|------------------------------------|---------------------|
|                                                 | 2024                               | 2023                |
|                                                 | JD                                 | JD                  |
| <u>Cost:</u>                                    |                                    |                     |
| Balance at the beginning of the year            | 59,489,742                         | 56,761,705          |
| Additions during the year                       | 2,550,257                          | 5,735,946           |
| Disposals during the year                       | (363,361)                          | (307,909)           |
| Transfers to Property and equipment - Note (14) | -                                  | (2,700,000)         |
| Balance at the End of the Year                  | <u>61,676,638</u>                  | <u>59,489,742</u>   |
| <u>(Less): Accumulated Depreciation</u>         |                                    |                     |
| Balance at the beginning of the year            | (16,202,911)                       | (12,886,567)        |
| Additions during the year                       | (3,426,015)                        | (3,423,447)         |
| Disposals during the year                       | 102,166                            | 107,103             |
| Balance at the End of the Year                  | <u>(19,526,760)</u>                | <u>(16,202,911)</u> |
| Net Book Value                                  | <u>42,149,878</u>                  | <u>43,286,831</u>   |

Amounts recorded in the consolidated statement of profit or loss:

|                                    | For the Year Ended<br>December 31, |                  |
|------------------------------------|------------------------------------|------------------|
|                                    | 2024                               | 2023             |
|                                    | JD                                 | JD               |
| Right-of-use assets depreciation   | 3,426,015                          | 3,423,447        |
| Lease obligations interest expense | 2,583,125                          | 2,682,178        |
|                                    | <u>6,009,140</u>                   | <u>6,105,625</u> |

Lease contracts obligations:

The following is the movement on lease contracts obligations during the year:

|                                          | For the Year Ended December 31, |             |
|------------------------------------------|---------------------------------|-------------|
|                                          | 2024                            | 2023        |
|                                          | JD                              | JD          |
| Balance at the beginning of the year     | 43,916,326                      | 41,644,281  |
| <u>Add</u> : Interest during the year    | 2,583,125                       | 2,682,178   |
| Additions during the year                | 2,554,469                       | 5,747,311   |
| <u>(Less)</u> : Paid During the year     | (5,661,773)                     | (5,972,673) |
| <u>(Less)</u> : Disposal during the year | (388,031)                       | (184,771)   |
| Balance at the End of the Year           | 43,004,116                      | 43,916,326  |

Lease contracts accrual obligations analysis:

|                                         | As of December 31, |            |
|-----------------------------------------|--------------------|------------|
|                                         | 2024               | 2023       |
|                                         | JD                 | JD         |
| Lease liabilities – current portion     | 2,242,705          | 2,455,304  |
| Lease liabilities – non-current portion | 40,761,411         | 41,461,022 |
|                                         | 43,004,116         | 43,916,326 |

17. Due to Banks

This item consists as of December 31, 2024 of an overdraft and short-term loans accounts granted by several local and operating banks in the kingdom the largest portion of these loans is used to finance the government's debt, while the remaining amount is used to finance the Company's activities and its subsidiary companies, at annual interest and murabaha rates ranging from 4.75% to 8% annually, during the year 2024, against the Company's guarantee as a legal personality. This item includes an amount of JD 610,335,686 for the refinery activity, and JD 25,300,081 for Jordan Petroleum Products Marketing Company, and an amount of JD 130,146,006 belongs to the Jordan Liquified Petroleum Gas Manufacturing and Filling Company which was activated as of the first of January 2023 after all the different liquefied gas activities have been annexed to it (except for gas production activity).

# 18. Payables and Other Credit Balances

This item consists of the following:

|                                                                               | December 31,       |                    |
|-------------------------------------------------------------------------------|--------------------|--------------------|
|                                                                               | 2024               | 2023               |
|                                                                               | JD                 | JD                 |
| Deposits of surplus differences of oil derivatives pricing (a)                | 11,046,125         | 5,681,067          |
| Special sales tax deposits on oil derivatives (b)                             | 69,584,298         | 59,314,478         |
| Suppliers and obligations from purchase orders services and others            | 95,012,793         | 147,075,963        |
| Write-off and maintenance of gas cylinders provision (c)                      | 5,000,000          | 5,000,000          |
| Fees and allowances according to the oil derivatives price bulletin (IPP) (d) | 3,116,605          | 3,544,219          |
| Lawsuits provision (Note 30/b)                                                | 3,189,542          | 4,526,499          |
| Advance payment from customers (e)                                            | 9,359,627          | 10,521,137         |
| Shareholders' deposits                                                        | 18,939,019         | 16,928,252         |
| Creditors and other credit balances                                           | 18,754,585         | 18,626,313         |
| Retention deducted from contractors                                           | 405,927            | 337,108            |
| Employees' vacations provision                                                | 1,924,009          | 2,035,461          |
| Subsidiary companies import pricing differences (f)                           | 19,494,598         | 19,325,182         |
| Storage fees provision (g)                                                    | 115,720            | 115,722            |
| Balances retained against acquisition of subsidiary (h)                       | 858,820            | 858,820            |
| Alia company deposits – Royal Jordanian Airlines (i)                          | 11,253,235         | 11,253,235         |
| Logistic Company Deposit – Government Stock Recycling (j)                     | 1,177,199          | -                  |
|                                                                               | <u>269,232,102</u> | <u>305,143,456</u> |

- a. This item includes deposits of the differences of oil derivatives pricing and surplus amounted to JD 47,951, related to the refining activities, and JD 10,998,174 related to Jordan Petroleum Products Marketing Company as of December 31, 2024.
- This item includes deposits amounts resulting from oil derivatives pricing and surplus differences between total cost including taxes, fees, and transportation charges; actual selling prices; according to oil derivatives pricing bulletin (IPP) and the published price effective as of March 2, 2008. These differences are considered as the Government's right according to the Ministry of Energy and Mineral Resources' Letter No. (9/4/1/719), dated February 16, 2009 and the Ministry of Finance's Letter No. (18/4/9952), dated April 29, 2009. Consequently, the Company was obliged, effective from March 2008 to record the results of the differences of prices in favor of the Ministry of Finance. Additionally, the Government has claimed the differences in the pricing of oil derivatives effective from December 14, 2008 according to the decision of the oil derivatives pricing committee, in its meeting held on December 13, 2008 provided that the pricing surplus be recorded as deposits under the liabilities within the Company's consolidated financial statements as agreed with the Ministry of Finance.
  - Upon the offsetting request of the Jordan Petroleum Refinery Company submitted to the Ministry of Finance, for offsetting part of the Ministry of Finance relationship account due to the company amounted to JD 137,667,786 which includes the balance of the differences of oil derivatives pricing and surplus due to the government in the amount of JD 44,167,683 and the balance of establishing alternative tanks deposit due to the government in the amount of JD 93,500,103 for the balances as of September 30, 2020. the Ministry of Finance letter No. (18/4/694) was received on January 10, 2021, which includes the approval of the above-mentioned offsetting based on the offsetting instructions, and that the offsetting was carried out at the Ministry of Finance on January 4, 2021, and that the offsetting is recorded in the financial statements for the year 2020, according to the balances of the financial relationship between the company and the government contained in the company's letter No. (2/25/51/1/8988) dated December 15, 2020.

- Upon the offsetting request of Jordan Petroleum Refinery Company submitted to the Ministry of Finance, which includes offsetting part of the Ministry of Finance (the relationship) account due to the government amounted to JD 49,002,240 and the balance of deposits of the differences of oil derivatives pricing and surplus due to the government in the amount of JD 153,383, and the Fees and allowances according to oil derivatives pricing bulletin (IPP) in the amount of JD 48,848,857 for the balances as of September 30, 2022, and the Ministry of Finance's letter No. (18/4/2068) dated January 23, 2023, containing the approval of the mentioned offsetting, was received according to the balances of the financial relationship between the company and the government as of September 30, 2022 contained in the company's letter No. (25/51/1/8969) dated November 16, 2022, and the mentioned offsetting was made during January 2023.
- The company addressed the Ministry of Finance in its letter No. (2/25/51/1/758) dated January 29, 2024, which included the balances of the financial relationship between the company and the government regarding the refining and gas activity as of December 31, 2023, and requested an offsetting between the credit balances in favor of the government. And part of the balance of the Ministry of Finance's main account - the relationship as of December 31, 2023, and accordingly, the Ministry of Finance's letter No. (18/4/4819) dated February 21, 2024 was received, which included an apology for the current offsetting procedure and included a request from Jordan Petroleum Refinery Company to transfer the credit balances in favor of the government amounting to 3,688,151 JD to the government's treasury represented by an amount of 143,932 JD in deposits differences of oil derivatives pricing and surplus, and an amount of 3,544,219 JD in fees and allowances according to the oil derivatives pricing bulletin (IPP), and keeping the balance of the financial relationship in favor of the company in its records as of December 31, 2023. Accordingly, on February 22, 2024, the company transferred the credit balances in favor of the government to the government's treasury, and the balances of the financial relationship between the company and the government regarding the refining and gas activity were maintained as of December 31, 2023.
- The movement on the deposits of oil derivatives pricing differences and surplus is as follows:

|                                      | December 31,<br>2024 | December 31,<br>2023 |
|--------------------------------------|----------------------|----------------------|
|                                      | JD                   | JD                   |
| Balance at the beginning of the year | 5,681,067            | 1,217,882            |
| Additions during the year            | 5,508,990            | 4,616,568            |
| (Paid) during the year               | (143,932)            | (153,383)            |
| Balance at the End of the Year       | 11,046,125           | 5,681,067            |

- b. This item includes an amount of JD 1,225,447 related to the refining activity due for income and sales tax department on the company, and an amount of JD 66,576,683 related to the Jordan Petroleum Products Marketing Company due for income and sales tax department on the company, and an amount of JD 1,662,451 related to the Jordan Liquefied Petroleum Gas Manufacturing and Filling Company due for the Income and Sales Tax Department which was activated as of the beginning of January 2023 after all the different liquefied gas activities have been annexed to it (except for gas production activity), and an amount of JD 119,717 related to Jordan Lube Oil Manufacturing Company due for income and sales tax department on the company as of December 31, 2024. Noting that Jordan Lube Oil Manufacturing Company has been activated as of April 1, 2022, and the entire lube oil activities and oil factory has been annexed to it.
- Under Law No. (107) for the year 2019, the amended Special Tax Law, the general and special taxes, fees and stamps mentioned in the oil derivatives pricing bulletin (IPP) have been combined under special tax and specified for each item as per the above-mentioned law.

- Upon the offsetting request of the Jordan Petroleum Refinery Company submitted to the Ministry of Finance, for offsetting part of the Ministry of Finance's debt (the Ministry of Finance relationship account) in favor of the company against the general and special tax on the customs' statements held at the Customs Department and it was approved on March 16, 2020, by the Customs Department, and on July 6, 2020, by the Offsetting Committee, for a total amount of JD 58,042,756. The above-mentioned offsetting was completed during July 2020.
- The company received a letter from Income and Sales Tax Department No. (20/4/347) dated February 16, 2021 which included the approval of the department to collect general and special taxes on the sales of the Jordan Petroleum Refinery Company to the three marketing companies through marketing companies only, and that the Jordan Petroleum Refinery Company is not obligated to pay taxes on its sales to the marketing companies and is only obligated to pay tax on its sales to other customers.

c. The movement on the write-off and maintenance of gas cylinders provision is as follows:

|                                      | December 31,<br>2024 | December 31,<br>2023 |
|--------------------------------------|----------------------|----------------------|
|                                      | JD                   | JD                   |
| Balance at the beginning of the year | 5,000,000            | 5,000,000            |
| Recorded during the year *           | 4,369,407            | 4,239,955            |
| (Released) during the year *         | (4,369,407)          | (4,239,955)          |
| Balance at the End of the Year       | <u>5,000,000</u>     | <u>5,000,000</u>     |

- \* During the year ended December 31, 2024, a provision of JD 4,369,407 was recorded through Jordan Liquefied Petroleum Gas Manufacturing and Filling Company which was activated as of the beginning of January 2023 after all the different liquefied gas activities have been annexed to it (except for gas production activity), against gas cylinders write-off, maintenance and repair cost, according with oil derivatives selling prices bulletin (IPP) amounting to JD (10) for each ton of gas sold. And an amount of JD 4,369,407 has been released during the same period. Moreover, the number of gas cylinders sold during the year ended December 31, 2024 was around 34,9 million cylinders.

d. This item represents fees, allowances, and the deposits for the Ministry of Finance included in the oil derivatives selling prices bulletin (IPP) relating to the refining and gas activity only.

The movement on this item is as follows:

|                                      | December 31,<br>2024 | December 31,<br>2023 |
|--------------------------------------|----------------------|----------------------|
|                                      | JD                   | JD                   |
| Balance at the beginning of the year | 3,544,219            | 49,561,345           |
| Recorded during the year             | 3,122,540            | 2,839,105            |
| (Paid) during the year               | (3,550,154)          | (48,856,231)         |
| Balance at the End of the Year       | <u>3,116,605</u>     | <u>3,544,219</u>     |

- Upon the offsetting request of Jordan Petroleum Refinery Company submitted to the Ministry of Finance, which includes offsetting part of the Ministry of Finance (the relationship) account due to the government amounted to JD 49,002,240 and the balance of deposits of the differences of oil derivatives pricing and surplus due to the government in the amount of JD 153,383, and the Fees and allowances according to oil derivatives pricing bulletin (IPP) in the amount of JD 48,848,857 for the balances as of September 30, 2022, and the Ministry of Finance's letter No. (18/4/2068) dated January 23, 2023, containing the approval of the mentioned offsetting, was received according to the balances of the financial relationship between the company and the government as of September 30, 2022 contained in the company's letter No. (25/51/1/8969) dated November 16, 2022, and the mentioned offsetting was made during January 2023.

- The company addressed the Ministry of Finance in its letter No. (2/25/51/1/758) dated January 29, 2024, which included the balances of the financial relationship between the company and the government regarding the refining and gas activity as of December 31, 2023, and requested an offsetting between the credit balances in favor of the government. And part of the balance of the Ministry of Finance's main account - the relationship as of December 31, 2023, and accordingly, the Ministry of Finance's letter No. (18/4/4819) dated February 21, 2024 was received, which included an apology for the current offsetting procedure and included a request from Jordan Petroleum Refinery Company to transfer the credit balances in favor of the government amounting to JD 3,688,151 to the government's treasury represented by an amount of JD 143,932 in deposits differences of oil derivatives pricing and surplus, and an amount of JD 3,544,219 in fees and allowances according to the oil derivatives pricing bulletin (IPP), and keeping the balance of the financial relationship in favor of the company in its records as of December 31, 2023. Accordingly, on February 22, 2024, the company transferred the credit balances in favor of the government to the government's treasury, and the balances of the financial relationship between the company and the government regarding the refining and gas activity were maintained as of December 31, 2023.
- e. This item represents advance payments from fuel, gas and lube oil clients against finished oil derivatives, liquefied petroleum gas and lube oil purchases.
- f. This item represents pricing differences from imported finished oil derivatives between the cost of imported finished oil derivatives during the years from 2017 until the year 2024 and the Refinery Gate price included in the oil derivatives pricing bulletin (IPP) concerning the imports of Jordan Petroleum Products Marketing Company (a wholly owned subsidiary) related to finished oil derivatives. In this regard, the Company recorded the difference between the actual import cost and the refinery gate price of oil derivatives as per the oil derivatives of prices bulletin (IPP) under the item of import pricing differences within payables and other credit balances, as the Company is uncertain as to whether it is the right for the Company or for the Ministry of Finance, and therefore, If it was the company's rights, this balance becomes a revenue for the company, and If it was really for the Ministry of Finance, it is transferred from the deposits account without affecting the consolidated statement of profit or loss.
- g. The Company has recorded a provision for storage fees against the claim of the Jordan Oil Terminals Company (JOTC) under its Letter No. (1/64/2018), dated April 3, 2018. In the letter, JOTC claimed storage fees on fuel oil at 3.5% and 1%, by JD 3.5 per cubic meter stored as of May 25, 2017. However, Jordan Petroleum Refinery Company rejected this claim. Based on this rejection, Letter No. (2/20/408), dated January 3, 2019, from the Energy & Minerals Regulatory Commission (EMRC) was received. The letter specified the initial storage fees at JD 2 per month, instead of JD 3.5 per cubic meter stored. However, the fees shall be studied by the Energy & Minerals Regulatory Commission (EMRC) during the first half of the year 2019. Moreover, the claim shall be re-examined for the period from May 25, 2017 until the end of the financial relationship between the Company and the Government, together with the related impact on the Government, noting that the Energy and Minerals Regulatory Commission has not yet set the commission finally.
- The Company received Letter No. (18/4/12022), dated September 23, 2020, from the Ministry of Finance, which includes the Ministry of Finance's request to the Company to pay the fuel oil storage fees for JOTC for the period from May 25, 2017, until April 30, 2018, as the government has borne the cost of storage fees according to the financial relationship between the Company and the government for that period. In this respect, the Company paid the amount recorded until the end of the financial relationship with the government.

- The company signed a settlement with the JOTC on June 6, 2021, included matching the balance between the two companies and record the due amount for the JOTC which include that it has to be paid on six equal monthly instalments, In Addition, the payment of storage fees of fuel oil 3.5% on a monthly basis and to request the storage fees on the Fuel Oil 1% from the National Electricity Company. Moreover, the company through April 2021 exported the Fuel Oil 1% which was imported for The national Electricity Company since the Egyptian Oil was interrupted , The National Electricity pledged the Company to purchase the fuel oil and to pay all the costs , but it did not commit the pledge and as a result of that the Company sent a judicial warning including their claim for the difference of Importing and exporting values , Included in claimed costs the cost of the material storage in JOTC tanks. As a result of the non-response of the National Electric Company, the company filed a case against the National Electric Company to collect the difference in the value of fuel oil 1% exported and all the costs of importing and storing it with the competent courts and the case is still being considered by the competent court.
- The company currently stores its products with a Jordan Oil terminals Company (JOTC) under storage agreements concluded annually between the two companies.
- The movement on this item is as follows:

|                                      | December 31, |             |
|--------------------------------------|--------------|-------------|
|                                      | 2024         | 2023        |
|                                      | JD           | JD          |
| Balance at the beginning of the year | 115,722      | 84,162      |
| Recorded during the year             | 1,388,640    | 1,262,400   |
| (Paid) during the year               | (1,388,642)  | (1,230,840) |
| Balance at the End of the Year       | 115,720      | 115,722     |

- h. This item represents the amount retained by Jordan Petroleum Products Marketing Company (a wholly owned subsidiary) against any future liabilities that may arise on the Hydron Energy Company LLC, after wholly acquiring it in accordance with the agreement between both parties.
- i. Based on the agreement between Jordan Petroleum Refinery Company and Alia Company - Royal Jordanian Airlines signed on November 26, 2019, and after all the balances between the two Companies had been matched, both parties agreed to offset the accrued outstanding balance due from Alia Company - Royal Jordanian Airlines related to the refining finished oil derivatives deposit against the discount deposits balances and interest deposit balances of Alia Company - Royal Jordanian Airlines. Accordingly, the offsetting took place and resulted in an amount of JD 11,253,235, payable to Alia Company - Royal Jordanian Airlines and booked in the Company's records for the refining activity.
- j. This item represents finished oil derivatives deposit due to the Jordan Oil terminals Company (JOTC) for Oil Facilities in consideration of withdrawals of government-owned finished oil derivatives in the Al-Madounah area. This is pursuant to a Memorandum of Understanding signed between the Jordan Petroleum Products Marketing Company (a wholly owned subsidiary), the Jordan Oil terminals Company (JOTC) for Oil Facilities, and the Ministry of Energy and Mineral Resources regarding the rotation of government-owned refined finished oil derivatives. The Jordan Petroleum Products Marketing Company (a wholly owned subsidiary) shall supply replacement quantities once the storage facilities of the Jordan Oil terminals Company (JOTC) for Oil Facilities are ready.

#### 19. Provision for Income Tax

The movement on the provision for income tax is as follows:

|                                              | 2024         | 2023         |
|----------------------------------------------|--------------|--------------|
|                                              | JD           | JD           |
| Balance at the beginning of the year         | 18,995,592   | 22,251,354   |
| <u>Add: Income tax expense for the year</u>  | 21,943,373   | 22,468,082   |
| <u>Less: Income tax paid during the year</u> | (22,273,741) | (25,723,844) |
| Balance at the end of the Year               | 18,665,224   | 18,995,592   |

The income tax expense for the year shown in the consolidated statement of profit or loss represents the following:

|                                                     | 2024       | 2023       |
|-----------------------------------------------------|------------|------------|
|                                                     | JD         | JD         |
| Income tax expense for the year                     | 21,943,373 | 22,468,082 |
| Deferred tax assets impact for the year – note (12) | (380,993)  | 1,089,639  |
|                                                     | 21,562,380 | 23,557,721 |

- The company obtained (Refining activity) a final and definitive settlement from the Income and Sales Tax Department until the end of the year 2022, and the tax declaration were submitted for the year 2023, and The tax expense was calculated for the year ended December 31, 2024, in accordance with Jordanian income tax law, and in the opinion of the company's management and tax consultant, the provisions taken in the interim condensed consolidated financial statements are sufficient for the purposes of tax obligations.
- The Jordan Petroleum Products Marketing Company (a wholly owned subsidiary) reached a final and irrevocable tax settlement with the Income and Sales Tax Department until the end of the year 2021. In addition, the company submitted its self-assessment forms for the year 2022 and its tax returns for 2023, and the tax expense for the year ended December 31, 2024, has been calculated in accordance with Jordanian Income Tax Law. In the opinion of the company's management and tax advisor, the provisions stated in the condensed consolidated financial statements are sufficient to cover its tax obligations.
- Jordan Lube Oil Manufacturing Company (a wholly owned subsidiary) reached a final and irrevocable tax settlement with the Income and Sales Tax Department until the end of the year 2021. In addition, the company submitted its self-assessment forms for the year 2022 and its tax returns for 2023, and the tax expense for the year ended December 31, 2024, has been calculated in accordance with Jordanian Income Tax Law. In the opinion of the company's management and tax advisor, the provisions stated in the condensed consolidated financial statements are sufficient to cover its tax obligations.



- Jordan Liquefied Petroleum Gas Manufacturing and Filling Company (a wholly owned subsidiary) reached a final and irrevocable tax settlement with the Income and Sales Tax Department until the end of the year 2022. In addition, the company submitted its tax returns for 2023, and the tax expense for the year ended December 31, 2024, has been calculated in accordance with Jordanian Income Tax Law. In the opinion of the company's management and tax advisor, the provisions stated in the consolidated financial statement are sufficient to cover its tax obligations.
- The income tax rate for the refining activity and the Jordan Lube Oil Manufacturing Company and the Jordan Liquefied Petroleum Gas Manufacturing and Filling Company and Jordan Petroleum Products Marketing Company is 20% plus a national contribution of 1%.

## 20. Capital and Reserves

### A. Capital

In its extraordinary meeting held on April 29, 2015, the General Assembly approved to increase the Company's capital to JD 75 million through capitalizing JD 12/5 million from retained earnings and to distribute it as stock dividends at 20%. Moreover, the Company's General Assembly, approved in its extraordinary meeting held on April 28, 2016, to increase the company's capital through capitalizing JD 25 million and distributing it to the shareholders so that the company's authorized and paid-up capital becomes JD 100 million.

### B. Statutory Reserve

In accordance with the Jordanian Companies Law, 10% of annual net income shall be allocated to the statutory reserve. The allocation shall not be stopped before the total amount allocated to this account is equivalent to one quarter of the Company's authorized capital. However, upon the approval of the Company's General Assembly, in its ordinary meeting dated April 30, 2018, the statutory reserve deduction has been discontinued for the Company, while 10% of net income related to the subsidiary's companies' activities shall continue to be deducted and allocated to the statutory reserve for the subsidiaries. In this regard, the said deduction for the subsidiary companies may not be discontinued before the total amounts accumulated in this account reach the amount of their authorized capital. Moreover, the deduction has been discontinued based on the resolution of the General Assembly decision taken in its meeting held on April 27, 2019, Its session held on June 15, 2020, its session held on April 27, 2022, and its session held on April 5, 2023, and its session held on April 7, 2024.

### C. Voluntary Reserve

This item represents what is allocated from the annual net profits at a maximum rate of 20%, and this reserve will be used for the purpose approved by the Board of Directors. Moreover, the General Assembly of Shareholders has the right to capitalize or distribute the whole reserve or any part of it as dividends to shareholders. In its ordinary meeting dated April 27, 2019, the General Assembly decided to allocate JD 8,538,579 to the voluntary reserve from retained earnings, and to use the accumulated voluntary reserve balance for the Fourth Expansion Project. In its ordinary meeting held on June 15, 2020, the General Assembly decided to allocate an amount of JD 10,428,215 to the voluntary reserve account from the retained earnings account, and also decided to use the accumulated voluntary reserve balance for the purposes of the Fourth Expansion Project. Moreover, the ordinary General Assembly decided, at its ordinary meeting held on April 28, 2021, to continue using the accumulated voluntary reserve balance for the purposes of the fourth expansion project, and as the General Assembly decided in its ordinary meeting held on April 27, 2022, to allocate an amount of JD 12,896,118 to the voluntary reserve account from the retained earnings and decided to use the accumulated voluntary reserve balance for the purposes of the fourth expansion project, and as the General Assembly decided in its ordinary meeting held on April 5, 2023, to allocate an amount of JD 26,608,733 to the voluntary reserve account from the retained earnings and decided to use the accumulated voluntary reserve balance for the purposes of the fourth expansion project, and the General Assembly, in its ordinary meeting held on April 7, 2024, decided to allocate an amount of JD 15,924,224 to the optional reserve account from the retained earnings account and decided to use the accumulated optional reserve balance for the purposes of the fourth expansion project.

#### D. Fourth Expansion Reserve

This item represents what is allocated from the annual net profits at a maximum rate of 20%. the General Assembly decided in its ordinary meeting held on April 30, 2018, to allocate an amount of JD 7,836,292 from retained earnings to the Fourth Expansion Project reserve. In its ordinary meeting held on April 27, 2019, the General Assembly decided to allocate an amount of JD 8,538,579 from retained earnings to the Fourth Expansion Project reserve. In its ordinary meeting held on June 15, 2020, the General Assembly decided to allocate an amount of JD 10,428,215 from the retained earnings account to the Fourth Expansion Project reserve, and as the General Assembly decided, in its ordinary meeting held on April 27, 2022, to allocate an amount of JD 12,896,118 to the fourth expansion project reserve account from the retained earnings account and as the General Assembly decided in its ordinary meeting held on April 5, 2023, to allocate an amount of JD 26,608,733 to the forth expansion reserve account from the retained earnings, and the General Assembly decided, in its regular meeting held on April 7, 2024, to allocate an amount of JD 21,232,299 to the Fourth Expansion Project Reserve from the retained earnings account.

- During the year 2024, an amount of JD 277,023 was paid as payments for technical, financial, legal and environmental services and consultations related to the fourth expansion project.

#### E. Fair Value Land Valuation Reserve

This item represents the Group's lands valuation reserve as of December 31, 2024, resulting from the revaluation of the Group's lands as of December 31, 2024. This surplus is restricted from being disposed of until the actual disposal of the land.

#### 21. Financial Assets at Fair Value Reserve - net

This item represents the fair value reserve for the financial assets at fair value through comprehensive income which resulted from assets revaluation at fair value as of December 31, 2024.

#### 22. Retained Earnings

In its extraordinary meeting held on April 29, 2015, the General Assembly approved to increase the Company's capital to JD 75 million through capitalizing JD 12/5 million from retained earnings and to distribute it as free shares at 20%. Moreover, the Company's General Assembly, in its extraordinary meeting held on April 28, 2016, decided to increase the company's capital through capitalizing JD 25 million and to distribute dividends to the shareholders. Consequently, the Company's authorized and paid-up capital has become JD 100 million.

In its ordinary meeting held on April 27, 2019, the General Assembly approved the distribution of cash dividends at a rate of 25% from the Company's paid-up capital as dividends to shareholders, and to deduct 20% from annual net profits to the voluntary reserve, and 20% to the Fourth Expansion Project reserve.

In its ordinary meeting held on June 15, 2020, the General Assembly approved the distribution of cash dividends at a rate of 17% from the Company's authorized and paid-up capital as dividends to shareholders, and to deduct 20% from annual net profits allocated to the voluntary reserve, and 20% allocated to the Fourth Expansion Project reserve.

And the General Assembly also decided, in its ordinary meeting held on April 28, 2021, to approve the distribution of 5% of the company's capital as cash dividends to shareholders.

And the General Assembly decided to approve in its ordinary meeting held on April 27, 2022, the distribution of 30% of the company's capital as cash dividends to shareholders and deduct 20% of the net annual profits for the voluntary reserve and 20% for the reserve for the fourth expansion project.

The General Assembly also decided, in its ordinary meeting held on April 5, 2023, to approve the distribution of 50% of the company's capital as cash dividends to shareholders, and to deduct 20% of the net annual profits for the voluntary reserve, and 20% for the reserve for the fourth expansion project.

And the General Assembly decided to approve in its ordinary meeting held on April 7, 2024, the distribution of 45% of the company's capital as cash dividends to shareholders and deduct amount JD 15,924,224 of the net annual profits for the voluntary reserve and amount JD 21,232,299 for the reserve for the fourth expansion project.

23. Sales - net

This item consists of the following:

|                                                                                                  | <u>2024</u>          | <u>2023</u>          |
|--------------------------------------------------------------------------------------------------|----------------------|----------------------|
|                                                                                                  | JD                   | JD                   |
| Refining activity sales*                                                                         | 228,799,580          | 256,155,572          |
| Jordan Petroleum Products Marketing Company sales                                                | 1,590,907,814        | 1,698,364,564        |
| Jordan lube-Oil Manufacturing Company sales**                                                    | 25,154,779           | 29,589,831           |
| Jordan Liquefied Petroleum Gas Manufacturing and Filling Company sales***                        | 226,140,129          | 219,525,790          |
| (Less): Fees, taxes and allowances according to selling prices of oil derivatives bulletin (IPP) | <u>(554,154,304)</u> | <u>(544,634,340)</u> |
|                                                                                                  | <u>1,516,847,998</u> | <u>1,659,001,417</u> |

\* The total sales of the Jordan Petroleum Refinery Company to the Jordan Petroleum Products Marketing Company (a wholly owned subsidiary) of finished oil derivatives amounted to JD 836,501,425 and the total sales of Jordan Liquefied Petroleum Gas Manufacturing and Filling Company (a wholly owned subsidiary) from the liquefied petroleum gas amounted to JD 43,394,910 during the period ending on December 31, 2024.

\*\* Jordan Lube Oil Manufacturing Company has been activated as of April 1, 2022, and the entire activity and oil factory has been annexed to it.

\*\*\* Jordan Liquefied Petroleum Gas Manufacturing and Filling Company has been activated as of the beginning of January 2023, and the different liquefied gas activities (except for gas production activity), gas filling stations and repair and maintenance workshop for gas cylinders have been annexed to it.

**24. Cost of Sales**

This item consists of the following:

| 2024                                                                                      |                                                                        |              |                                                |             |                                             |               | 2023          |       |
|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------|--------------|------------------------------------------------|-------------|---------------------------------------------|---------------|---------------|-------|
|                                                                                           | Jordan Liquefied Petroleum<br>Gas Manufacturing<br>and Filling Company |              | Jordan Petroleum Products<br>Marketing Company |             | Jordan Lube Oil<br>Manufacturing<br>Company |               | Total         | Total |
| Refining Activity                                                                         | JD                                                                     | JD           | JD                                             | JD          | JD                                          | JD            | JD            | JD    |
| Raw Materials:                                                                            |                                                                        |              |                                                |             |                                             |               |               |       |
| Crude oil and Lube oil and materials under process at the beginning of the year           | 130,277,829                                                            | -            | -                                              | -           | 299,903                                     | 130,577,732   | 123,503,424   |       |
| Purchases of crude oil and Lube oil and raw materials used in production                  | 42,342,883                                                             | -            | -                                              | -           | 12,447,942                                  | 54,790,825    | 86,028,774    |       |
| Crude oil and Lube oil materials under process at the end of the year                     | (101,119,619)                                                          | -            | -                                              | -           | (134,368)                                   | (101,253,987) | (130,577,732) |       |
|                                                                                           | 71,501,093                                                             | -            | -                                              | -           | 12,613,477                                  | 84,114,570    | 78,954,466    |       |
| Industrial and Operating Expenses:                                                        |                                                                        |              |                                                |             |                                             |               |               |       |
| Employees' salaries and other benefits                                                    | 21,111,839                                                             | 4,840,460    | 2,994,900                                      | 1,004,641   | 29,951,840                                  | 31,569,322    |               |       |
| Property and equipment depreciation                                                       | 2,091,384                                                              | 961,958      | 1,225,396                                      | 81,777      | 4,360,515                                   | 4,083,023     |               |       |
| Raw Materials, spare parts, and other supplies                                            | 6,865,152                                                              | 1,562,503    | 403,312                                        | 130,510     | 8,961,477                                   | 8,676,344     |               |       |
| Transportation fees and other expenses                                                    | 9,367,156                                                              | 4,233,458    | 6,867,234                                      | 498,444     | 20,966,292                                  | 22,807,131    |               |       |
| Total Industrial and operating Expenses                                                   | 39,435,531                                                             | 11,598,379   | 11,490,842                                     | 1,715,372   | 64,240,124                                  | 67,135,820    |               |       |
| Total Production Cost                                                                     | 110,936,624                                                            | 11,598,379   | 11,490,842                                     | 14,328,849  | 148,354,694                                 | 146,090,286   |               |       |
| Add: Finished oil derivatives and lube oil at the beginning of the year                   | 205,613,334                                                            | 10,871,527   | 23,683,936                                     | 992,887     | 241,161,684                                 | 273,869,349   |               |       |
| Purchases of finished goods during the year                                               | 1,631,835                                                              | 247,515,858  | 1,025,760,179                                  | -           | 1,274,907,872                               | 1,401,579,189 |               |       |
| Total Goods Available for Sale                                                            | 318,181,793                                                            | 269,985,764  | 1,060,934,957                                  | 15,321,736  | 1,664,424,250                               | 1,821,538,824 |               |       |
| Less: Finished oil derivatives and lube oil at the end of the year                        | (168,047,925)                                                          | (9,096,823)  | (46,853,382)                                   | (1,546,877) | (225,545,007)                               | (241,161,684) |               |       |
| Subsidy of oil derivatives recorded on the Ministry of Finance account                    | 150,133,868                                                            | 260,888,941  | 1,014,081,575                                  | 13,774,859  | 1,438,879,243                               | 1,580,377,140 |               |       |
| Surplus of oil derivatives pricing difference recorded to the Ministry of Finance account | (233)                                                                  | (86,786,625) | (1,474,428)                                    | -           | (88,261,286)                                | (85,380,140)  |               |       |
|                                                                                           | 47,951                                                                 | -            | 5,461,039                                      | -           | 5,508,990                                   | 4,616,568     |               |       |
|                                                                                           | 150,181,586                                                            | 174,102,316  | 1,018,068,186                                  | 13,774,859  | 1,356,126,947                               | 1,499,613,568 |               |       |

- The average cost of purchasing a Saudi barrel of crude oil amounted to 81/84 USD for the year ending December 31, 2024 (compared to 86/33 USD for the year 2023).

## 25. Operating Income and Other

This item consists of the following:

|                                                                                   | 2024              | 2023              |
|-----------------------------------------------------------------------------------|-------------------|-------------------|
|                                                                                   | JD                | JD                |
| Crude oil and oil derivatives port operating revenues*                            | 1,440,000         | 1,440,000         |
| Dividends shares income                                                           | 193,938           | 158,241           |
| Tanks rent, evaporation, and loading and unloading fees for marketing companies** | 1,546,116         | 3,089,759         |
| Delay interests from customers                                                    | 570,225           | 5,721,682         |
| Foreign currency differences gains                                                | 1,688,501         | 568,472           |
| Rental Income                                                                     | 4,137,548         | 2,179,072         |
| Services Income                                                                   | 1,313,979         | 1,403,351         |
| Transportation fees Income                                                        | 17,512            | 59,652            |
| Various other income                                                              | 2,411,754         | 895,742           |
|                                                                                   | <u>13,319,573</u> | <u>15,515,971</u> |

\* This item represents revenues to the Jordan Petroleum Refinery Company from the Aqaba company for the ports operation and managements resulting from the employment of Jordan Petroleum Refinery Company employees for the port of crude oil, finished petroleum derivatives and gas in Aqaba.

\*\* This item represents the allowance for storage and handling fees, the allowance for losses, and the fees for loading and unloading the quantities imported by the marketing companies, and the storage allowance for the operational inventory of the marketing companies in the company's tanks in Aqaba, airports and Zarqa.

## 26. Selling and Distribution Expenses

This item consists of the following:

|                                                                                     | 2024              | 2023              |
|-------------------------------------------------------------------------------------|-------------------|-------------------|
|                                                                                     | JD                | JD                |
| Salaries and other employees' benefits                                              | 14,326,484        | 14,496,945        |
| Company's contribution to the Death, compensation and end of service indemnity Fund | 1,032,514         | 1,149,805         |
| Property and equipment depreciation                                                 | 6,707,489         | 6,707,224         |
| Right of use assets depreciation (a subsidiary company)                             | 3,426,015         | 3,423,447         |
| Raw materials, spare parts and other supplies                                       | 2,266,025         | 2,034,325         |
| Insurance fees                                                                      | 611,879           | 514,629           |
| Governmental fees, taxes, and stamps                                                | 1,925,919         | 1,598,952         |
| Security and safety expenses                                                        | 339,200           | 339,200           |
| Rents                                                                               | 5,558,548         | 5,203,864         |
| Gas stations management service                                                     | 5,793,942         | 5,189,361         |
| Advertisement                                                                       | 1,580,628         | 1,712,673         |
| Water and electricity fees                                                          | 1,169,600         | 1,035,322         |
| Loading, Unloading and handling fees                                                | 358,473           | 284,188           |
| Transportation fees and other expenses                                              | 1,601,061         | 597,460           |
|                                                                                     | <u>46,697,777</u> | <u>44,287,395</u> |

27. General and Administrative Expenses

This item consists of the following:

|                                                                                     | <u>2024</u>       | <u>2023</u>       |
|-------------------------------------------------------------------------------------|-------------------|-------------------|
|                                                                                     | JD                | JD                |
| Salaries and other employees' benefits                                              | 8,078,250         | 7,527,591         |
| Executive management and members of the Board of Directors' allowances and benefits | 928,742           | 865,119           |
| Company's contribution to the Death, compensation and end of service indemnity Fund | 999,301           | 546,931           |
| Cash and in-kind donations                                                          | 569,098           | 724,760           |
| Postage and telephone                                                               | 78,863            | 62,665            |
| Stationery and printing                                                             | 72,954            | 68,280            |
| Property and equipment depreciation                                                 | 366,338           | 300,406           |
| Technical and legal consultations and fees                                          | 671,847           | 543,817           |
| Advertisements                                                                      | 115,232           | 166,131           |
| Maintenance and repairs                                                             | 319,193           | 233,315           |
| Rents                                                                               | 175,740           | 191,208           |
| Subscriptions                                                                       | 255,962           | 302,803           |
| Insurance fees                                                                      | 107,916           | 101,464           |
| Water and electricity                                                               | 128,587           | 137,792           |
| Professional fees                                                                   | 212,554           | 206,063           |
| Fees, taxes, and stamps                                                             | 346,360           | 705,047           |
| Various expenses                                                                    | 880,667           | 856,533           |
|                                                                                     | <u>14,307,604</u> | <u>13,539,925</u> |

28. Earnings per Share from profit for the year attributed to the Company's Shareholders-basic and diluted

Earnings per share for the Company's shareholders - basic and diluted is calculated by dividing profit for the year attributable to the Company's shareholders by the weighted-average number of shares during the year. It is calculated as follows:

|                                                                                  | <u>2024</u>        | <u>2023</u>        |
|----------------------------------------------------------------------------------|--------------------|--------------------|
| Profit for the year- company's shareholders – (JD)                               | 72,415,110         | 81,553,523         |
| Weighted-average number of shares – (share)                                      | <u>100,000,000</u> | <u>100,000,000</u> |
| Earnings per share from profit for the year – Basic and Diluted - (fils / dinar) | <u>-/724</u>       | <u>-/816</u>       |

## 29. Non-Controlling Interests

This item represents the value of the non-controlling interests in the net rights of the partners of the companies affiliated to the Jordan Products Marketing Company (a subsidiary company), the details of which are as follows:

| Company                                                       | December 31, 2024          |                                                |                                       | December 31, 2023          |                                                |                                       |
|---------------------------------------------------------------|----------------------------|------------------------------------------------|---------------------------------------|----------------------------|------------------------------------------------|---------------------------------------|
|                                                               | Non-controlling Percentage | Non - controlling Share from Net Profit (Loss) | Non-controlling Share from Net Assets | Non-controlling Percentage | Non - controlling Share from Net Profit (Loss) | Non-controlling Share from Net Assets |
|                                                               | %                          | JD                                             | JD                                    | %                          | JD                                             | JD                                    |
| Al-Nuzhah and Istiklal Gas Station for Fuel and Oil Company   | 40                         | 149,974                                        | 1,129,887                             | 40                         | 138,015                                        | 1,107,143                             |
| Al-Karak Central Gas Station for Fuel Company                 | 40                         | 67,201                                         | 603,966                               | 40                         | 81,679                                         | 618,347                               |
| Rawaby Al-Qwirah Gas Station for Fuel and Oil Company         | 40                         | 75,222                                         | 791,481                               | 40                         | 60,534                                         | 771,161                               |
| Al-Aon for Marketing and Distributing Fuel products Company * | -                          | -                                              | -                                     | 40                         | 315,914                                        | (124,325)                             |
| Al Kamel Gas Station for Fuel and Oil Company**               | -                          | -                                              | -                                     | 40                         | 199,888                                        | 1,524,887                             |
| Al-Wadi Al-A'biad Gas Station for Fuel Company                | 40                         | 25,981                                         | 461,940                               | 40                         | 28,536                                         | 461,832                               |
| Al-Tanmwieh Al-A'ola for Fuel Company Gas Stations            | 40                         | 160,777                                        | 1,734,763                             | 40                         | 158,630                                        | 1,764,572                             |
| Al Qastal Gas Station for Fuel and Oil Company                | 40                         | 13,540                                         | 488,675                               | 40                         | 18,894                                         | 503,638                               |
| Taj Amoun Gas Station for Fuel and oil Company                | 10                         | 55,812                                         | 843,584                               | 10                         | 49,755                                         | 847,788                               |
| Al Shira' Gas Station for Fuel and Oil Company                | 40                         | 110,300                                        | 946,392                               | 40                         | (1,595)                                        | 469,760                               |
|                                                               |                            | <u>658,807</u>                                 | <u>7,000,688</u>                      |                            | <u>1,050,250</u>                               | <u>7,944,803</u>                      |

\* The Jordan Petroleum Products Marketing Company (a wholly owned subsidiary) sold its share in the Al-Aon for Marketing and Distributing Fuel products Company on November 11, 2024.

\*\* The Jordan Petroleum Products Marketing Company (a wholly owned subsidiary) sold its share in the Al Kamel Gas Station for Fuel and Oil Company on December 30, 2024.

## 30. Contingent Liabilities and Financial Commitments

a. There are obligations may arise to the Company and financial commitments on the date of the consolidated statement of financial position, the details are as follows:

|                                             | December 31, |             |
|---------------------------------------------|--------------|-------------|
|                                             | 2024         | 2023        |
|                                             | JD           | JD          |
| Letters of credit and bills of collections* | 956,006,712  | 976,878,220 |
| Letters of guarantee                        | 11,299,708   | 6,340,805   |
| Contracts for projects under construction   | 43,102,033   | 44,154,898  |

\* This item includes letter of credits (Standby L/Cs) in the amount of JD 163 million which is equivalent to USD 230 million in favor of Saudi Aramco Company as of December 31, 2024 (JD 163 million, equivalent to USD 230 million as of December 31, 2023).

b. There are lawsuits filed against the company in the courts for claims amounting of JD 3,189,542 as of December 31, 2024, of which an amount of JD 2,070,000 is related to the refining activity and an amount of JD 1,086,542 is related to the Jordan Petroleum Products Marketing Company and an amount of JD 23,000 is related to the Jordan Lube Oil Manufacturing Company and an amount of JD 10,000 is related to the Jordan Liquefied Petroleum Gas Manufacturing and Filling Company (JD 4,526,499 as on December 31, 2023). Outstanding lawsuits were estimated and the required provision for the outstanding lawsuit has been recorded within payables and other credit balances item, and in the opinion of the company's management and the legal advisor, the provisions taken are sufficient to meet any future obligations.

- c. According to the record of the company's meetings with the Ministry of Finance held on November 8, 9 and 16, 2017 in order to determine the balances of the financial relationship between the Jordan Petroleum Refinery Company and the government (except for the Jordan Petroleum Products Marketing Company and the Oil Factory) for the balances as of September 30, 2017, and the following was agreed upon:
1. To confirm the balance of the Ministry of Finance's main account of JD 195,194,153, and the balance of the general sales tax deposits of JD 97,388,860, and the balance of special sales tax deposits of JD 937,034 as of September 30, 2017 as a right for Jordan Petroleum Refinery Company for the refining and gas activity. Moreover, the Ministry of Finance has also taken a pledge for all of the debt balances of the Armed Forces, Royal Air Force, Public Security Directorate, the General Directorate of the Gendarmerie, other security forces, and governmental departments, within its budget as well as the debts of the National Electric Power Company for refining and gas activities of JD 319,468,856 as of September 30, 2017. While the two parties have agreed that no provision would be recorded for the debts of Royal Jordanian Company, municipalities, governmental universities, and administratively and financially independent governmental institutions during the relationship period, provided that if those amounts are not collected through the judiciary, and the Company is required to write them off, the Ministry of Finance pledges to pay those debts and any related costs.
  2. To confirm the deposits balances of price differences and surplus of JD 43,488,857, and deposits for setting up alternative tanks of JD 93,500,103 as well as stamps fees and allowances according to (IPP) of JD 9,051,757 as of September 30, 2017 as a right for the Government.
  3. The two parties have not reached an agreement on the value of the strategic inventory deposits, as the Government is claiming the amount of valuation in 2008 of JD 156,787,303. Meanwhile, Jordan Petroleum Refinery Company is objecting to this amount since these quantities of inventory are deposits booked by the Company and will be refunded as quantities in case the relationship with the Government is terminated.
  4. The two parties have not reached an agreement as to which party will maintain the write-off and maintenance of gas cylinders provision balance of JD 10 million.
  5. The two parties have agreed that the provision for lawsuits and other liabilities balance of JD 6.3 million as of September 30, 2017 is a right to Jordan Petroleum Refinery Company. In this regard, if any amount for a lawsuit was won by the Company, the booked amount will be transferred to the Government. On the other hand, any judicial expense incurred by the Company during the period of its relationship with the Government will be borne by the Ministry of Finance except for the booked provision.
  6. The two parties have agreed that the other provisions balance of JD 234 thousand as of September 30, 2017 is the right of Jordan Petroleum Refinery Company.
  7. The two parties have agreed that the income tax provision as of September 30, 2017 is the right of the Government and shall be transferred to the Income and Sales Tax Department on the due date in accordance with the Income and Sales Tax Law.
  8. The two parties have agreed that the labor provisions balance (provision for work injuries compensation; provision for employees' vacation; provision for end-of-service indemnity; and provision for death, compensation, and end-of-service indemnity) as of September 30, 2017 is the right of Jordan Petroleum Refinery Company.
  9. The two parties have not reached an agreement as to which party will maintain the provision for doubtful debts balance (expected credit losses provision) of JD 10.5 million as of September 30, 2017.



10. The two parties have agreed that the provision for the legal compensation balance of JD 6.27 million as of September 30, 2017 is a right to the Jordanian Government. Meanwhile, the full amount has been paid before the end of 2017.
  11. The two parties have agreed that the penalty and delay in payments provision balance of JD 2.74 million as of September 30, 2017 is a right to the Jordanian Government. Meanwhile, the full amount has been paid before the end of 2017.
  12. The two parties have not reached an agreement as to who will maintain the provision for slow-moving and obsolete and sediments inventory balance of JD 19.9 million as of September 30, 2017.
- d. In accordance with the Council of Ministers' Decision No. (7633), taken in its meeting held on April 30, 2018, the financial relationship between the company and the government has ended and the company has been operating on a commercial basis as of May 1, 2018 (Note 3).

**31. Death, Compensation, and End-of-Service Indemnity Fund**

According to the Board of Directors' decision to merge the death, disability, and indemnity fund with the staff end-of-service indemnity into one fund, namely the (death, compensation and end-of-service indemnity fund), and according to the General Announcement No. 11/2012, issued by Jordan Petroleum Refinery Company, dated March 3, 2012, the employee shall receive, at the end of his service, 150% of their monthly gross salary based on the last salary received. However, this amount may not exceed JD 2,000 for every work year for those whose gross monthly salaries do not exceed JD 2,000. If the monthly gross salary exceeds JD 2,000, the employee shall be paid a one-month gross salary for every work year as an end-of-service compensation according to the last salary paid. Moreover, there is no shortage in the required provision balance as of December 31, 2024.

**32. Ministry of Finance and Related Parties' Balances and Transactions**

The details of balances and transactions with the Ministry of Finance and related parties are as follows:

|                                                                                         | December 31, |             |
|-----------------------------------------------------------------------------------------|--------------|-------------|
|                                                                                         | 2024         | 2023        |
|                                                                                         | JD           | JD          |
| <b><u>Balances:</u></b>                                                                 |              |             |
| Ministry of Finance - the relationship (Note 9/e)                                       | 400,996,130  | 320,091,020 |
| Ministry of Finance - derivatives pricing difference deposits and surpluses (note 18/a) | (11,046,125) | (5,681,067) |
|                                                                                         | 2024         | 2023        |
|                                                                                         | JD           | JD          |
| <b><u>Transactions</u></b>                                                              |              |             |
| Subsidy for oil derivatives charged on the Ministry of Finance (Note 24)                | 88,261,286   | 85,380,140  |
| Interest Delay Income from the Government debt                                          | 34,198,088   | 27,722,684  |
| Ministry of Finance – surplus from differences of pricing oil derivatives (Note 24)     | (5,508,990)  | (4,616,568) |

- Executive management and members of the Board of Directors' salaries and remunerations amounted to JD 1,705,035 for the year 2024 (JD 1,774,108 for the year 2023).

### 33. Risk Management

The Company adopts financial policies for managing the various risks within a specific strategy. Moreover, the Company's management controls, and monitors risks and performs the optimal strategic allocation of financial assets and financial liabilities, and the risks include managing capital risk, liquidity risk, credit risk and market risk (currency and interest rates).

#### a. Capital Risk Management

The Company manages its capital to ensure its ability to continue as a going concern and maximize the return to shareholders through achieving an optimal balance between equity and debt, noting that no change in the Company's overall policy has occurred since the prior year.

The Group's management reviews the capital structure on a annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

The table below shows the ratio of net debt to equity:

|                      | December 31,  |               |
|----------------------|---------------|---------------|
|                      | 2024          | 2023          |
|                      | JD            | JD            |
| Total Debt           | 1,132,292,387 | 1,069,908,793 |
| Total Equity         | 668,204,967   | 368,081,325   |
| Debt to Equity Ratio | 169%          | 291%          |

- The increase in the rate is the result of the company financing the government's debt due in favor of the company (the financial relationship between the company and the government) through borrowing from banks, knowing that the government has committed to paying the balance of its financial relationship with the company according to the council of ministers decision No. (7633) taken in Its session held on the 30th of April 2018 and according to the letter from the Ministry of Finance addressed to the company No. (12/1/16/2854) dated January 30, 2021, and the government is the one who bears the bank interest resulting from the company's borrowing from banks for loans related to financing its debts that are due and unpaid in favor of The company, according to the council of ministers decision No. (7633) taken in its session held on 30 April 2018.

**b. Liquidity Risk**

Liquidity risk, also known as financing risk, represents the difficulty that the Company will encounter in making available the necessary funds to fulfill its obligations. Moreover, the Company manages its liquidity risk through keeping adequate reserves, continuously monitoring the expected and actual cash flows, and matching the maturities of financial assets and financial liabilities.

The following table detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay:

|                                                                  | 1 month -<br>3 months | 3 months -<br>12 months | 1 year - 5<br>Years | More than<br>> 5 years | Total       |
|------------------------------------------------------------------|-----------------------|-------------------------|---------------------|------------------------|-------------|
| <u>December 31, 2024</u>                                         | JD                    | JD                      | JD                  | JD                     | JD          |
| Due to banks*                                                    | -                     | 765,781,773             | -                   | -                      | 765,781,773 |
| Payables and other credit balances                               | 174,072,438,          | 95,159,664              | -                   | -                      | 269,232,102 |
| Income tax provision                                             | -                     | 18,665,224              | -                   | -                      | 18,665,224  |
| Lease Liability                                                  | -                     | 2,242,705               | 40,761,411          | -                      | 43,004,116  |
| Due to death, compensation, and<br>end-of-service indemnity fund | -                     | -                       | -                   | 35,609,172             | 35,609,172  |
|                                                                  |                       |                         |                     |                        |             |
|                                                                  | 1 month -<br>3 months | 3 months -<br>12 months | 1 year - 5<br>Years | More than<br>> 5 years | Total       |
| <u>December 31, 2023</u>                                         | JD                    | JD                      | JD                  | JD                     | JD          |
| Due to banks*                                                    | -                     | 663,911,323             | -                   | -                      | 663,911,323 |
| Payables and other credit balances                               | 217,027,300           | 88,116,156              | -                   | -                      | 305,143,456 |
| Income tax provision                                             | -                     | 18,995,592              | -                   | -                      | 18,995,592  |
| Lease Liability                                                  | -                     | 2,455,304               | 41,461,022          | -                      | 43,916,326  |
| Due to death, compensation, and<br>end-of-service indemnity fund | -                     | -                       | -                   | 37,900,409             | 37,900,409  |
| End-of-service indemnity provision                               | -                     | -                       | -                   | 41,687                 | 41,687      |

- \* Noting that most of the due to banks are bank facilities (current accounts) and short-term revolving loans that renew automatically after being paid.

**c. Credit Risk**

Credit risk relates to the other party's inability to meet its contractual obligations leading to the incurrence of credit losses by the Company. Moreover, the Company adopts a policy of dealing with creditworthy parties in order to reduce the financial losses arising from failure to fulfill the commitment.

The Company's financial assets consisting mainly of receivables and other debit balances, financial assets at fair value through the consolidated comprehensive income statement and cash and it does not represent important concentrations of credit risk where the debtors are widely spread among the clients' categories and their geographic areas and most of them are from government and security agencies in addition to a strict credit control that is maintained over the credit limits granted to each customer separately and on a continuous basis, and an expected credit losses provision is taken for it, in addition to this, there are real estate guarantees provided by the partners in the subsidiaries with guarantees to transfer the profits resulting from the operations of the subsidiaries to the company and that most of the sales operations and the credit policy focus on cash sales or in exchange for bank checks with the guarantee of non-return guarantees for these checks.

All of the Company's investments are classified as financial assets at fair value through the consolidated comprehensive income.

- The risk of investing in shares is related to the change in the value of the financial instrument as a result of changes in the closing prices of those shares.

- The change in the percentage of the financial market index for traded financial assets as of the date of the consolidated financial statements by 5% increase and/or 5% decrease, and the following is the impact of the change on the company's equity:

|               | 2024      | 2023      |
|---------------|-----------|-----------|
|               | JD        | JD        |
| 5% Increase   | 177,484   | 161,807   |
| 5% (Decrease) | (177,484) | (161,807) |

#### d. Market Risk

Market risk is the loss in value resulting from the change in market prices such as interest rate, foreign exchange rates, and equity instruments prices, and consequently, the change in the fair value of the financial instruments cash flows inside and outside the consolidated statement of financial position.

#### 1. Currencies Risk

The Company's major transactions are in Jordanian Dinar and US Dollar. The following are the book values of the Company's financial assets and financial liabilities denominated in foreign currencies as of December 31:

|                         | 2024        | 2023        |
|-------------------------|-------------|-------------|
|                         | JD          | JD          |
| Assets - US Dollar      | 934,360     | 1,988,400   |
| Liabilities - US Dollar | 684,816,645 | 711,110,963 |

Currency risk is related to the changes in the exchange rates of currencies that apply to payments in foreign currencies, and that the Jordanian Dinar (the main currency of the company) is linked to the US dollar; therefore, the company's management believes that the risk of foreign currencies is immaterial.

#### 2. Interest Rates Risk

Interest rates risk is the risk of change in the value of the financial instrument due to changes in market interest rates.

Moreover, the Company continuously manages its exposure to interest rate risk and considers the various scenarios such as refinancing, renewal of the present positions, and alternative financing.

The below-mentioned sensitivity analysis is determined according to the exposure to interest rate risk related to the creditor banks as of the consolidated financial statements date, the analysis was also prepared assuming that the liability amount at the consolidated financial statements date was outstanding during the whole year. An increase or decrease of half a percentage point (0/5%) is used, which represent the evaluation of the Company's management of the potential and acceptable change at market interest rates, and it is as follows:

|                 | 2024        | 2023        |
|-----------------|-------------|-------------|
|                 | JD          | JD          |
| 0/5% Increase   | 3,828,909   | 3,319,557   |
| 0/5% (Decrease) | (3,828,909) | (3,319,557) |

### 34. Distribution of assets liabilities and operations results by sector

The information regarding the disclosed sectors of the Company is explained below in accordance with IFRS (8) where IFRS (8) requires the identification of reportable sectors on the basis of internal reports that are regularly reviewed by the main operating decision maker in the Company and are used to allocate Resources for sectors and assess their performance. The company's main activity is to engage in activities related to crude oil, oil derivatives, gas and lube-oil. The majority of the company's revenues, profits and assets relate to its operations within the Hashemite Kingdom of Jordan, and sales between segments are restricted to selling prices in normal conditions.

- The company is organized for management purposes through four main business sectors, which are as follows:
  - a) Refining: This sector imports, separates and transforms the components of imported crude oil into a group of different oil derivatives. and relies in most of its operations on a license from the American UOP company, the company also imports oil derivatives and liquefied gas to meet the increasing demand for production.
  - b) Distribution: Distribution constitutes the link between the production and refining activities within the company and imports from abroad on the one hand, and between all customers company in the different regions of the Kingdom on the other hand, as it is responsible for meeting all customers' requests for the company's products of oil derivatives and gas and lube-oil.
  - c) Manufacturing of Lube-oil: This sector includes the manufacture, production, filling, and marketing of many types of lube-oil required in the local and foreign markets.
  - d) Manufacturing and Filling of Liquefied Gas: This sector includes the production, importation and filling of liquefied gas, manufacture, repair and maintenance of gas cylinders, as it is filled in three gas filling stations belonging to the company.
- All of the Company's assets, liabilities, and operations are inside the Hashemite Kingdom of Jordan.
- The following are the Company's activities distributed according to activity type:

|                                | December 31, 2024 |                                                                    |                                             |                                        |               |
|--------------------------------|-------------------|--------------------------------------------------------------------|---------------------------------------------|----------------------------------------|---------------|
|                                | Refining Activity | Jordan Liquified Petroleum Gas Manufacturing and Filling Company** | Jordan Petroleum Products Marketing Company | Jordan Lube Oil Manufacturing Company* | Total         |
|                                | JD                | JD                                                                 | JD                                          | JD                                     | JD            |
| Profit for the year before tax | 58,875,496        | (435,532)                                                          | 27,279,111                                  | 8,917,222                              | 94,636,297    |
| Total sector's assets          | 1,196,626,857     | 197,991,562                                                        | 384,265,334                                 | 21,613,601                             | 1,800,497,354 |
| Total sector's liabilities     | 681,770,151       | 194,667,055                                                        | 248,997,673                                 | 6,857,508                              | 1,132,292,387 |
|                                | December 31, 2023 |                                                                    |                                             |                                        |               |
|                                | Refining Activity | Jordan Liquified Petroleum Gas Manufacturing and Filling Company** | Jordan Petroleum Products Marketing Company | Jordan Lube Oil Manufacturing Company* | Total         |
|                                | JD                | JD                                                                 | JD                                          | JD                                     | JD            |
| Profit for the year before tax | 57,896,191        | 2,645,705                                                          | 35,338,954                                  | 10,280,644                             | 106,161,494   |
| Total sector's assets          | 928,950,520       | 137,531,055                                                        | 353,161,000                                 | 18,347,543                             | 1,437,990,118 |
| Total sector's liabilities     | 704,881,014       | 132,004,980                                                        | 229,584,374                                 | 3,438,425                              | 1,069,908,793 |

- The following are the Company's business results analysis according to activity type (before consolidating the business results):

For the year Ended December 31, 2024

|                                                                   | Note | Refining Activity | Jordan Lube Oil<br>Manufacturing<br>Company * | Jordan Petroleum<br>Products Marketing<br>Company | Jordan Liquified<br>Petroleum Gas<br>Manufacturing and<br>Filling Company** | Total           |
|-------------------------------------------------------------------|------|-------------------|-----------------------------------------------|---------------------------------------------------|-----------------------------------------------------------------------------|-----------------|
|                                                                   |      | JD                | JD                                            | JD                                                | JD                                                                          | JD              |
| Net Sales                                                         |      | 1,092,550,372     | 25,154,779                                    | 1,081,454,553                                     | 197,584,629                                                                 | 2,396,744,333   |
| Less: Cost of sales                                               |      | (1,030,077,921)   | (13,983,914)                                  | (1,018,384,358)                                   | (185,240,832)                                                               | (2,247,687,025) |
| Gross profit from sales                                           |      | 62,472,451        | 11,170,865                                    | 63,070,195                                        | 12,343,797                                                                  | 149,057,308     |
| Add: Operating income and other                                   |      | 27,913,171        | 75,012                                        | 5,699,218                                         | 225,488                                                                     | 33,912,889      |
| Gross profit                                                      |      | 90,385,622        | 11,245,877                                    | 68,769,413                                        | 12,569,285                                                                  | 182,970,197     |
| Less: Selling and distribution expenses                           |      | (16,897,182)      | (1,634,162)                                   | (30,485,592)                                      | -                                                                           | (49,016,936)    |
| General and administrative expenses                               |      | (9,151,516)       | (483,519)                                     | (4,420,555)                                       | (2,084,030)                                                                 | (16,139,620)    |
| Bank interest and commissions                                     |      | (39,117,374)      | (120,120)                                     | (2,100,827)                                       | (10,901,727)                                                                | (52,240,048)    |
| Released from (Provision of) lawsuits                             | 18   | 1,330,000         | (23,000)                                      | 39,957                                            | (10,000)                                                                    | 1,336,957       |
| Released of expected credit losses. (provision)                   | 9/J  | 345,119           | (67,854)                                      | (1,815,160)                                       | (9,060)                                                                     | (1,546,955)     |
| (Provision) from slow-moving and obsolete inventory and sediments | 10   | (940,073)         | -                                             | -                                                 | -                                                                           | (940,073)       |
| Storage fees (provision)                                          | 18/G | (1,388,640)       | -                                             | -                                                 | -                                                                           | (1,388,640)     |
| Released from employees' vacations                                | 18   | 111,452           | -                                             | -                                                 | -                                                                           | 111,452         |
| Government's share of bank interest                               |      | 34,198,088        | -                                             | -                                                 | -                                                                           | 34,198,088      |
| Lease liabilities interest                                        | 16   | -                 | -                                             | (2,583,125)                                       | -                                                                           | (2,583,125)     |
| Amortization of intangible assets                                 | 15   | -                 | -                                             | (125,000)                                         | -                                                                           | (125,000)       |
| Profit for the Year before Income Tax                             |      | 58,875,496        | 8,917,222                                     | 27,279,111                                        | (435,532)                                                                   | 94,636,297      |
| Income tax (expense) for the year                                 | 19   | (13,363,177)      | (1,893,796)                                   | (5,710,366)                                       | (595,041)                                                                   | (21,562,380)    |
| Profit for the Year                                               |      | 45,512,319        | 7,023,426                                     | 21,568,745                                        | (1,030,573)                                                                 | 73,073,917      |

For the year Ended December 31, 2023

|                                                              | Note | Refining Activity | Jordan Lube Oil<br>Manufacturing<br>Company * | Jordan Petroleum<br>Products Marketing<br>Company | Jordan Liquified<br>Petroleum Gas<br>Manufacturing and<br>Filling Company** | Total           |
|--------------------------------------------------------------|------|-------------------|-----------------------------------------------|---------------------------------------------------|-----------------------------------------------------------------------------|-----------------|
|                                                              |      | JD                | JD                                            | JD                                                | JD                                                                          | JD              |
| Net Sales                                                    |      | 1,031,977,123     | 29,589,831                                    | 1,198,416,853                                     | 191,770,255                                                                 | 2,451,754,062   |
| Less: Cost of sales                                          |      | (969,273,434)     | (16,815,951)                                  | (1,135,448,559)                                   | (182,713,683)                                                               | (2,304,251,627) |
| Gross profit from sales                                      |      | 62,703,689        | 12,773,880                                    | 62,968,294                                        | 9,056,572                                                                   | 147,502,435     |
| Add: Operating income and other                              |      | 33,407,845        | 13,590                                        | 3,853,600                                         | 94,043                                                                      | 37,369,078      |
| Gross profit                                                 |      | 96,111,534        | 12,787,470                                    | 66,821,894                                        | 9,150,615                                                                   | 184,871,513     |
| Less: Selling and distribution expenses                      |      | (17,345,591)      | (1,833,658)                                   | (28,798,406)                                      | -                                                                           | (47,977,655)    |
| General and administrative expenses                          |      | (8,245,865)       | (480,371)                                     | (4,349,042)                                       | (2,131,663)                                                                 | (15,206,941)    |
| Bank interest and commissions                                |      | (38,030,290)      | (192,797)                                     | (1,891,850)                                       | (4,373,247)                                                                 | (44,488,184)    |
| (Provision of) released from lawsuits                        | 18   | (358,758)         | -                                             | 66,917                                            | -                                                                           | (291,841)       |
| Expected credit losses (provision)                           | 9/J  | (77,850)          | -                                             | (348,827)                                         | -                                                                           | (426,677)       |
| slow-moving and obsolete inventory and sediments (provision) | 10   | (717,556)         | -                                             | -                                                 | -                                                                           | (717,556)       |
| Storage fees (provision)                                     | 18/G | (1,262,400)       | -                                             | -                                                 | -                                                                           | (1,262,400)     |
| Released from employees' vacations                           | 18   | 100,283           | -                                             | -                                                 | -                                                                           | 100,283         |
| Government's share of bank interest                          |      | 27,722,684        | -                                             | -                                                 | -                                                                           | 27,722,684      |
| Lease liabilities interest                                   | 16   | -                 | -                                             | (2,682,178)                                       | -                                                                           | (2,682,178)     |
| Released from special tax differences                        |      | -                 | -                                             | 7,603,779                                         | -                                                                           | 7,603,779       |
| Amortization of intangible assets                            | 15   | -                 | -                                             | (1,083,333)                                       | -                                                                           | (1,083,333)     |
| Profit for the Year before Income Tax                        |      | 57,896,191        | 10,280,644                                    | 35,338,954                                        | 2,645,705                                                                   | 106,161,494     |
| Income tax (expense) for the year                            | 19   | (12,930,527)      | (2,076,129)                                   | (7,271,924)                                       | (1,279,141)                                                                 | (23,557,721)    |
| Profit for the Year                                          |      | 44,965,664        | 8,204,515                                     | 28,067,030                                        | 1,366,564                                                                   | 82,603,773      |

- \* The Jordan Lube-Oil Manufacturing Company started its commercial activities as of the first of April 2022, and the entire activity of lube-oil and the Lube-oil factory was annexed to it.
- \*\* The Jordan Liquefied Petroleum Gas Manufacturing and Filling Company has been activated as of the first of January 2023 after all the liquefied gas activities have been annexed to it (except for the gas production activity) including the three gas filling station and workshop for maintaining and rehabilitating cylinders as facilities in which it operates.

### 35. The Future Plan

Regarding the company's fourth expansion project "refinery upgrade", which is considered as one of the most important goals the company seeks to achieve, due to the fact that its completion guarantees the company's sustainability and prosperity, and as a result of the failure of the preferred joint venture (i.e. Sinopec (GPEG) of China and Itochu of Japan) to reach an agreement to resolve the differences with the American KBR company the owner of process technology, and the JV's declaration of its inability to maintain the bid price due to the significant increase in the prices of raw materials and services. Also due to JPRC inability to meet the requirements of the parties interested in the project financing process regarding project exemptions and the full repayment of the government's debt, and as a result of the political and security conditions in the world and in particular the region, the most important of which is the Israeli aggression on the Gaza Strip and the negative economic effects that accompanied it on the Middle East region, which resulted in financiers' reluctance to invest in large projects, especially in our region, the company has decided to stop negotiations with Sinopec (GPEG) and Itochu JV and to move forward with the company's fourth expansion project "refinery upgrade" with a production capacity for the project of (73) thousand barrels per stream day (instead of (120) thousand barrels per stream day), to cover all the needs of the Jordan Petroleum Products Marketing Company (a wholly-owned subsidiary company of JPRC) for finished petroleum products. The company has also added the necessary units to improve product quality to meet the latest international standards, along with the addition of a unit to convert heavy fuel oil into lighter, more valuable products. The modified configuration will reduce the total cost of the upgrade project to approximately (1.7) billion US dollars, instead of approximately (3) billion US dollars as was before. A detailed roadmap prepared by the project management consultant, Technip Energies, shall be adopted by the company which outlines the necessary steps and a timeline for project implementation, ensuring the selection of an EPCF contractor so that project implementation will start by the end of November 2025.

The company also decided to contract the American company UOP to obtain licenses for the technologies used in the fourth expansion project "refinery upgrade". UOP will provide technical and engineering services related to the implementation of "managing licensor" work and preliminary engineering designs for the new units, in addition to updating the basic engineering designs previously prepared for the units included in the company's fourth expansion project and in order to shorten the time required for project documents preparing stages. All major production units were licensed by UOP, both for the upgrade project and those currently operating in the existing refinery.

Technip Energies was contracted to prepare the terms of reference, prepare all bid documents, conduct technical and financial prequalification of the parties to be contacted, conduct a technical and financial study of the bids, select the best technically and financially feasible bid, and discuss all agreements with preferred EPCF contractor prior to signing. Whereas Technip is the entity most familiar with the details of the fourth expansion project and has full knowledge of the project requirements and preliminary engineering design documents.

The direct contract with UOP and Technip saved approximately twenty months in the upgrade documents preparation plan to the completion phases. JPRC has contacted both the International legal advisor and the environmental advisor for the project to inform them of the company's decision to implement the fourth expansion project "refinery upgrade" according to the timeline and roadmap prepared for this purpose.

With respect of the financial relationship with the government, the company is still communicating with the relevant ministries and government agencies to agree on the remaining matters related to the financial relationship between the company and the government, and to resolve all remaining outstanding issues, especially the payment of amounts due from the government. As a result of these negotiations, the Ministry of Finance allocated amounts to pay gas support in the general budget for the year 2025 in the amount of approximately JD (62) million, and paid an amount of approximately JD (47,600,000) during the year 2024 from the gas support balance due from the government. Cabinet Resolution No. (1897) was also issued in its session held on January 19, 2025, which stipulates that the Jordan Petroleum Refinery Company borrow an amount of JD (80,000,000) on behalf of the government to pay the debt owed to the company in exchange for the government issuing pledges to banks to pay the loan amounts and interest due on them. Negotiations with the government are still ongoing to determine the value of the gas activity commission, which reflects a rate of return on investment of (12%) annually, in implementation of what was stated in Cabinet Resolution No. (7633). Taken at its session held on April 30, 2018.

The Jordan Petroleum Products Marketing Company continues its path of development and expansion by opening and managing new stations. During the year 2024, the following stations were added: Jett Station / Ghor Nimrin, Al-Sheraa Station / Aqaba, Wadi Araba Development Station, Jawaher Station / Anas Al-Qudah, Al-Ajlouni Station / Al-Sarih, Al-Mamlaka Station / Al-Younis, Mahmoud Jarid Al-Adwan Station / Jordan Street, Aswar Badr Station, Faisal Al-Hayari Station, Basira Association Station, Al-Khazaleh Al-Dajniya Station, Abdullah Ghosheh Station, Al-Sharafat Station / Mafraq, Al-Majali Station / Al-Saad, Al-Shishani Station / Sweileh, Al-Zawaid Station / Jaber Road, Al-Aoun Station / Al-Jubaiha, Al-Aoun Station / Abu Alanda, Ahed Al-Adayleh Station / Karak, Martyr Muwaffaq Al-Salti Base Station / Al-Azraq, Zaid Al-Qunais Station / Mafraq, Al-Hallabat Municipality Station, Jamal Hamouda Station, Ayl Municipality Station, and Marka Station / Al-Jisr After it has been updated to service, and the electric vehicle charging station project has been launched at Al-Assaf Station/Gardens Street.

Surveillance cameras have also been installed at the gates of the transportation and maintenance departments at the Jordan Petroleum Refinery Company site. The system has been installed at various company sites, including the company's site in Aqaba, to audit and evaluate transportation trips and set performance standards for carriers and transportation operations in general. Cameras have also been installed on a mobile tanker for testing, in preparation for installing cameras on the rest of the transportation fleet, this was after obtaining approval from the Ministry of Interior and Public Security to install these cameras. It is worth noting that the company's fleet of finished petroleum derivatives has been increased.

The Renewable Energy Marketing Company was also established for the purpose of establishing electric vehicle charging stations within the company's stations and outside them. It has begun its activities, as (42) electric vehicle chargers have been installed in (14) locations.

During the year 2024, the Aqaba Warehouses Project was completed, and the construction work for the Hashemite Warehouses Project was completed. The modernization of the old stations, including (15) stations for the Royal Jordanian Air Force and the Public Security stations, was also completed.

During the year 2025, it is planned to open and manage the Al-Hizam/Al-Salman station, the Menwer Al-Wazzan station, the Zain/Ajloun station, and the Karak/Al-Hijazin station. It is also expected to start constructing the Al-Shidiya internal station, the North Development Station, the Al-Hurra/Al-Jaish station, and the Jordan Street station, and to install (19) electric vehicle chargers in (8) new locations.

It is also planned to add the compressed natural gas (CNG) activity to the company's activities during the 2025, through its transportation and distribution to factories and fuel stations, after the necessary infrastructure and equipment are in place.

By 2025, the company plans to complete the automation of inventory and e-commerce systems at all stations managed and supplied by the company. It also plans to continue installing solar-powered power generation systems at a number of stations, expand the company's fleet of finished petroleum products, and automate all of the company's financial information so that it can be displayed on a real-time screen.



It also plans to continue increasing the number of fast-charging stations for electric vehicles, both within the company's stations and outside them, by installing them at various stations and customer locations, such as malls and parking lots. The company is also currently working on automating fuel requests from stations through electronic interconnection between systems. Work is also underway to implement an energy consumption audit system using artificial intelligence, which monitors load behavior and generation sources.

Jordan Lube Oil Manufacturing Company is planning to increase its share of the local market by increasing sales of various types of lube oils and greases during 2025. The company is moving towards keeping pace with the latest technologies and globally recognized technical developments in the manufacturing, packaging, and testing of lube oils, ensuring continued excellence in producing the best and most efficient types of lube oils in the local market.

It is planned to increase the storage capacity of base oils and improvers by (300) tons during the year 2025, and it is planned to continue updating the lube oil filling lines and updating the tanks.

The company plans to maintain the international accreditation of its lube oil laboratory in accordance with the requirements of the (ISO 17025:2017) certification by expanding the laboratory's scope and equipping it with the latest equipment to keep pace with developments in the lube oil industry. Work is currently underway to increase the lube oil transport fleet and the number of distribution vehicles to ensure customer satisfaction.

During 2025, it is planned to continue renewing the (ISO 9001:2015) certification, the Jordanian Quality Mark certificates, and the Mercedes and MAN accreditation. It is also expected to continue exporting to Palestine, Iraq, Lebanon, and Chad. Work is currently underway to add new markets, especially exporting to Syria.

Jordan Liquefied Petroleum Gas Manufacturing and Filling Company, after being activated at the beginning of 2023, continues to develop and improve the performance of its various activities and reduce its costs to the minimum possible, as projects were referred to install energy generation systems using solar panels in the three gas stations. The implementation of these projects began during the year 2023, and the company completed part of these projects during the year 2024. Work will be done to complete the remaining projects during the year 2025. In order to increase the company's storage capacities to meet the increase in demand for liquefied gas and to ensure the security of the Kingdom's needs and to reduce storage costs for others and to achieve additional revenue resulting from providing storage services for others, the company awarded a tender to establish storage capacities for liquefied gas of about (10,000) tons at the company's site in Zarqa. Construction work for these tanks began during the month of October 2023, and work to complete the project is still ongoing. The company also awarded a new tender during the year 2024 to establish new storage capacities at its site in Aqaba with storage capacities of about (4,000) tons. The company is currently working on developing and expanding in bulk LPG distribution, either directly or through entering into strategic partnerships with third parties, to ensure the development and activation of this business.

36. Fair Value Hierarchy

A. Fair value of financial assets and financial liabilities measured at fair value on a continuous basis:

Some of the financial assets and financial liabilities are measured at fair value at the end of each reporting year. The following table illustrates information on how the fair value of these financial assets and financial liabilities is determined (valuation techniques and key inputs):

| Financial Assets                                             | Fair Value as at |           | Fair Value Hierarchy | Valuation Techniques and Key Inputs | Significant Unobservable Inputs | Relationship of Unobservable Inputs to Fair Value |
|--------------------------------------------------------------|------------------|-----------|----------------------|-------------------------------------|---------------------------------|---------------------------------------------------|
|                                                              | 2024             | 2023      |                      |                                     |                                 |                                                   |
| Financial assets at fair value                               | JOD              | JOD       |                      |                                     |                                 |                                                   |
| Financial assets at fair value through comprehensive income: |                  |           |                      |                                     |                                 |                                                   |
| Companies' shares                                            | 3,549,681        | 3,236,140 | Level 1              | Stated prices in financial markets  | Not applicable                  | Not applicable                                    |
| Total financial assets at fair value                         | 3,549,681        | 3,236,140 |                      |                                     |                                 |                                                   |

There were no transfers between level 1 and level 2 during the financial year.

The group's lands are measured at fair value, the group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the valuation.

The management of the subsidiary companies reports the valuation results to the board of directors of the parent company to explain the cause of change in the fair value of the lands.

B. The fair value of financial assets and financial liabilities of the Company not specified at fair value on an ongoing basis:

| Financial assets and liabilities that are not determined at fair value | December 31, 2024 |             | December 31, 2023 |             | Fair Value Level |
|------------------------------------------------------------------------|-------------------|-------------|-------------------|-------------|------------------|
|                                                                        | Book Value        | Fair Value  | Book Value        | Fair Value  |                  |
| Financial Assets                                                       | JOD               | JOD         | JOD               | JOD         |                  |
| Receivables                                                            | 233,051,884       | 234,217,143 | 171,530,556       | 172,388,209 | Second Level     |
| Total financial assets that are not determined at fair value           | 233,051,884       | 234,217,143 | 171,530,556       | 172,388,209 |                  |
| Financial Liabilities                                                  |                   |             |                   |             |                  |
| Bank's Loans                                                           | 765,781,773       | 769,610,682 | 663,911,323       | 667,230,880 | Second Level     |
| Total financial liabilities that are not determined at fair value      | 765,781,773       | 769,610,682 | 663,911,323       | 667,230,880 |                  |

- For the items listed above, the fair value of the second level financial assets and liabilities has been determined according to agreed pricing models that reflect the credit risks of the parties with which they are dealt.

### 37. Subsequent Events

- a. The Council of Ministers Decision No. (1897), issued during the session held on January 19, 2025, stipulated that the Jordan Petroleum Refinery Company shall borrow an amount of JD 80,000,000 from banks designated by the Ministry of Finance. In return, the Ministry of Finance shall issue repayment pledges to cover the loans and accrued interest to these banks upon their maturity, guaranteed by the provision allocations designated for this purpose in the general budget. The resolution also authorized the Minister of Finance to sign the repayment pledges on behalf of the government, as well as to approve and sign the loan repayment agreement to be concluded between the government and the Jordan Petroleum Refinery Company. Bids have been solicited from banks operating in the Kingdom, and work is currently underway to review and evaluate the submitted bids.
- b. Proposed dividends: the Company's Board of Directors decided in its meeting held on March 25, 2025, to recommend to General Assembly of Shareholders to distribute cash dividends of 50% of the Company's Paid-up capital.
- c. Reserves: the Company's Board of Directors decided In its meeting held on March 25, 2025, to recommend to General Assembly to allocate an amount of JD 4,000,000 to voluntary reserve, and an amount of JD 18,927,259, to the fourth expansion project reserve, and to deduct 10% from net annual profits of the activities of Jordan Petroleum Products Marketing Company and Jordan Lube Oil manufacturing Company to the statutory reserve, and to continue ceasing to deduct 10% as statutory reserve from the net annual profits of the Company's activities.