

**UNITED IRON AND STEEL MANUFACTURING
COMPANY**
(PUBLIC SHAREHOLDING COMPANY)

**FINANCIAL STATEMENTS AND CERTIFIED
PUBLIC ACCOUNTANT'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2024**

UNITED IRON AND STEEL MANUFACTURING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

**FINANCIAL STATEMENTS AND INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S
REPORT
FOR THE YEAR ENDED DECEMBER 31, 2024**

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CERTIFIED PUBLIC ACCOUNTANT'S REPORT

To the Shareholders of
United Iron and Steel Manufacturing Company
(Public Shareholding Company)

Report on Auditing the Financial Statements

Opinion

We have audited the accompanying financial statements of United Iron and Steel Manufacturing Company (P.L.C.), which comprise the statement of financial position as of December 31, 2024, and the related statements of comprehensive income, statement of shareholders' equity and statement of cash flows, for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the statement of financial position of United Iron and Steel Manufacturing Company. (P.L.C.) as of December 31, 2024, and its financial performance and cash flows for the year then ended are in accordance with International Financial Reporting Standards.

Basis for Opinion

We conduct our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in Auditor's Responsibilities for the Audit of the Financial Statements. We are independent of the Company in accordance with the International Standard Board Code of Ethics for professional accountants ("the code") and we have fulfilled our other ethical responsibilities in accordance with the code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis for our audit opinion.

Attention

We draw attention to clarification No. (13) regarding the financial statements, as the Company's losses exceeded its capital, which requires the application of Article (75) of the Companies Law, which relates to the liquidation of the Company, unless the General Assembly decides in an unusual meeting to increase its capital to address the situation of losses or extinguish them, provided that the total remaining losses do not exceed half of the Company's capital in both cases.

Key Audit Matters

Key audit matters, according to our professional judgment, are matters that had significant importance in our auditing procedures that we performed to the financial statement. The basic auditing matters have been addressed in our auditing workflow to financial statements as we do not express separate opinions.

<p>Key Audit Matters</p> <p>Inventory In accordance with International Financial Reporting Standards, the Company must ascertain that the value of inventory is reported based on the lower cost or net realizable value and determining the impairment of inventory (if any), and ascertaining that there is no slow-moving inventory that influences the net realizable value.</p>	<p>The Following is a Description of our Auditing Procedures</p> <p>Inventory The auditing procedures included the procedures of inspecting and ascertaining the existence of inventory that has been recorded in the Company's books in the warehouses and ascertaining that the existing inventory in the warehouses which belongs to the Company has been recorded up until the date of preparation of the financial statements and that the Company asserts that the recorded inventory is recorded based on the lower of cost or net realizable value considering that the cost of finished goods and goods in the process is determined based on the weighted-average, which include the cost of materials, labor, and a percentage of indirect industrial expenses, in which the raw materials and spare parts are reported based on the cost which is also determined based on the Weighted-average.</p>
<p>Property and Equipment In accordance with International Financial Reporting Standards, the Company has to review the useful life and method of depreciation and perform a test of impairment for the value of the property and equipment in the financial position and when any events or changes in circumstances indicate that this value is not recoverable impairment losses are recognized as a result of the impairment policy. The management estimates impairment of property and equipment by using assumptions and estimates (if any), and due to its significance, it is considered an important audit risk.</p>	<p>Property and Equipment The audit procedures included examining the control procedures used in the verification of existence and completeness, reviewing the purchase of assets and selling them during the year and ensuring the calculation of depreciation expense, matching the inventory in terms of presence and ensuring that the property and equipment are productive and there is no decrease in the value they appear in. Management, taking into consideration the available external information about the risk of impairment of property and equipment, and we have also focused on the adequacy of the Company's disclosures about property and equipment.</p>

Other Information

Management is responsible for other information, which includes other information reported in the annual report, but not included in the financial statements and our audit report on them.

Our opinion does not include this other information, and we do not express any assertion over it.

Regarding our audit on financial statements of United Iron and Steel Manufacturing Company for the year ended December 31, 2024, we are required to review this other information. During this review, we consider the compatibility of this information with their financial statements or with the knowledge that we gained through audit procedure or seems to contain significant errors. If we detected based on our audit, the existence of significant errors in the information, we are required to report this fact. Regarding this, we have nothing to report.

Management and Individuals Responsible for Governance about the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and such internal control, management is determined to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 the management either intends to liquidate the Company or to cease operations or have no realistic alternative but to do so.

Individuals responsible for governance are responsible for supervising the preparation of financial statements.

Certified Public Accountant Responsibility

Our objective is to obtain reasonable assurance about whether the financial statements are free from material misstatement 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 International Standards on Auditing 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 based on these financial statements.

As part of an audit in accordance with the International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence 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 financial statements or, if such disclosures 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 financial statements, including the disclosures, and assess whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with the audit committee 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.

legal requirements report

United Iron and Steel Manufacturing Company maintains proper books of accounts and the accompanying financial statements and the financial statements for the year ended December 31, 2024, contained in the report of the Board of Directors in accordance with the proper books of accounts after taking into consideration what is contained in the paragraph to draw attention.

Modern Accountants

Sinan Ghosheh
License No.(580)

Modern Accountants



A member of
Nexia
International

المحاسبون العصريون

Amman-Jordan
April 10, 2025

UNITED IRON AND STEEL MANUFACTURING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024
(EXPRESSED IN JORDANIAN DINARS)

	Note	2024	2023
ASSETS			
Non-Current Assets			
Property and Equipment	4	10,637,435	11,008,601
Tax Assets		1,295,644	1,295,644
Total Non-Current Assets		11,933,079	12,304,245
Current Assets			
Prepaid Expenses and Other Receivables	5	1,433,332	1,469,035
Inventory and Spare Parts	6	1,505,118	1,530,726
Due from Related Parties	7	8,415,837	14,263,202
Accounts Receivable and Checks Under Collection	8	84,026	1,162,223
Cash and Cash Equivalents	9	10,359	19,880
Total Current Assets		11,448,672	18,445,066
TOTAL ASSETS		23,381,751	30,749,311
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' Equity			
Share Capital	1	1,000,000	1,000,000
Statutory Reserve	10	46,645	46,645
(Accumulated Losses) / Retained Earnings	13	(1,933,053)	195,126
Total Shareholders' Equity		(886,408)	1,241,771
Non-Current Liabilities			
Long Term Loans	11	13,131,533	18,031,358
Total Non-Current Liabilities		13,131,533	18,031,358
Current Liabilities			
Accrued Expenses and Other Payables	12	2,263,011	2,163,537
Due to Related Parties	7	1,876,882	3,420,419
Accounts Payable and Deferred Checks		2,096,908	2,204,702
Current Portion of Long-term Loans	11	4,899,825	3,687,524
Total Current Liabilities		11,136,626	11,476,182
Total Liabilities		24,268,159	29,507,540
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		23,381,751	30,749,311

The accompanying notes are an integral part of these financial statements

UNITED IRON AND STEEL MANUFACTURING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024
(EXPRESSED IN JORDANIAN DINAR)

	Note	2024	2023
Sales		-	240,041
Cost of Sales		-	(246,766)
Gross Loss		-	(6,725)
General and Administrative Expenses	14	(217,174)	(314,357)
Expected Credit Losses Reversal		103,348	136,951
Financial Expenses	16	(2,248,634)	-
Profit from Renting the Iron Factory-Net	17	37,688	101,232
Other Revenues and Expenses		196,593	129,091
(Loss) / Profit for the Year Before Tax		(2,128,179)	46,192
Deferred Tax Assets Amortized		-	(9,238)
(Loss) / Profit for the Year		(2,128,179)	36,954
Other Comprehensive Income:			
Total Comprehensive Income		(2,128,179)	36,954
(Loss) / Profit Per Share:			
(Loss) / Profit Per Share JOD / Share		(2,1)	0,04
Weighted Average of Outstanding Shares		1,000,000	1,000,000

The accompanying notes are an integral part of these financial statements

UNITED IRON AND STEEL MANUFACTURING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

STATEMENT OF SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024
(EXPRESSED IN JORDANIAN DINAR)

	Share Capital	Statutory Reserve	(Accumulated Losses) / Retained Earnings	Total
Balance at January 1, 2023	32,165,176	2,298,385	(33,258,744)	1,204,817
Amortization of accumulated losses	(31,165,176)	(2,256,359)	33,421,535	-
Comprehensive income for the year	-	-	36,954	36,954
Transfer to statutory reserve	-	4,619	(4,619)	-
Balance at December 31, 2023	1,000,000	46,645	195,126	1,241,771
Comprehensive income for the year	-	-	(2,128,179)	(2,128,179)
Balance at December 31, 2024	1,000,000	46,645	(1,933,053)	(886,408)

The accompanying notes are an integral part of these financial statements

UNITED IRON AND STEEL MANUFACTURING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024
(EXPRESSED IN JORDANIAN DINAR)

	2024	2023
Operating Activities		
(Loss) / Profit for the Year Before Tax	(2,128,179)	46,192
Adjustments for (Loss) / Profit for the Year Before Tax:		
Financial Expenses	2,248,634	-
Depreciation	412,312	463,768
Expected Credit Losses Reversal	(103,348)	(136,357)
Changes in Operating Assets and Liabilities :		
Accounts Receivables and Checks Under Collection	1,181,545	40,055
Due from Related Parties	5,847,365	(2,082,756)
Inventory and Spare Parts	25,608	176,557
Prepaid Expenses and Other Receivables	35,703	(442,084)
Accounts Payable and Deferred Checks	(107,794)	(67,639)
Due to Related Parties	(1,543,537)	53,271
Accrued Expenses and Other Payables	99,474	98,831
Net Cash Used in Operating Activities	5,967,783	(1,850,162)
Investing Activities		
Purchase of Property and Equipment	(41,146)	-
Net Cash Available from Investing Activities	(41,146)	-
Financing Activities		
Loans	(3,687,524)	1,862,920
Paid Financial Expenses	(2,248,634)	-
Net Cash Available from Financing Activities	(5,936,158)	1,862,920
Net Change in Cash and Cash Equivalents	(9,521)	12,758
Cash and Cash Equivalents, January 1	19,880	7,122
Cash and Cash Equivalents, December 31	10,359	19,880
Non-Cash Items:		
Accumulated Losses Written Off from the Capital Account	-	31,165,176
Accumulated Losses Written Off from the Statutory Reserve Account	-	2,256,359

The accompanying notes are an integral part of these financial statements

UNITED IRON AND STEEL MANUFACTURING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(EXPRESSED IN JORDANIAN DINAR)

1. ORGANIZATION AND ACTIVITY

United Iron and Steel Manufacturing Company is a Public Shareholding Company (the "Company") registered as Public Shareholding Company on September 30, 2007, under No. (445). It is the direct result of converting the Company's legal status from a limited liability Company to a Public Shareholding Company, and it was registered as a limited liability Company under No. (2852) on June 27, 1992, the Company's authorized and paid-up capital is JOD 32,165,176 divided into 32,165,176 shares each for JOD 1.

In its unusual meeting held on February 8, 2021, the Company decided to rescind all re-registration operations by the unusual general assembly seen on March 27, 2017, April 26, 2018, June 12, 2018, and June 28, 2019, to restructure the Company's capital from reducing accumulated losses and statutory reserve.

The Company decided in its unusual meeting held on February 8, 2021 to write off an amount of 2,256,359 JOD from the accumulated losses as of December 31, 2019 in the balance of the mandatory reserve account so that its balance after write-off becomes zero. It was also approved to reduce the Company's capital by an amount of 31,165,176 JOD from the accumulated losses as of December 31, 2019, so that the accumulated losses become 67,950 JOD. All procedures were completed with the Companies Control Department on March 7, 2023.

The main activity of the Company is the production of iron and steel of all kinds and shapes.

The Company's headquarter is located in Amman.

2. New and Amended International Financial Reporting Standards

The following new and amended standards and interpretations have not yet become effective

It is valid for annual periods beginning on or after

Non-Fungibility of Exchange Rates (Amendments to IAS (21))

January 1, 2025

Presentation and Disclosure in Financial Statements (Amendments to IFRS (18))

January 1, 2027

Investments in Associates and Joint Ventures (Amendments to IAS (28) and IFRS (10))

The implementation has been postponed indefinitely.

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

**UNITED IRON AND STEEL MANUFACTURING COMPANY
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**NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2024
(EXPRESSED IN JORDANIAN DINAR)**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Preparation of Financial Statements

The accompanying financial statements have been prepared in accordance with the International Financial Reporting Standards.

The Basics of Preparation

These financial statements were presented in Jordanian Dinar as the majority of transactions of The Company recorded the Jordanian Dinar.

The financial statements have been prepared on a historical cost basis, except the financial instruments and investments in the real state which are stated at fair value. The following is a summary of significant accounting policies applied by the Company.

Reclassifications

If the business model under which the Company holds financial assets changes. The financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in the business model that results in reclassifying the Company's financial assets. During the current financial year and previous accounting period, there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made

Impairment

IFRS 9 replaces the "incurred loss" model in IAS 39 with an expected credit loss model (ECLs). The Company recognizes loss allowance for expected credit losses on the following financial instruments that are not measured at FVTPL

- Cash and bank balances;
- Trade and other receivables;
- Due from a related party.

Except purchased or originated credit-impaired (POCI) financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12 Month ECL, i.e. lifetime ECL that results from those default events on the financial instrument that are possible within 12 months after the reporting date (referred to as stage1); or
- Full lifetime ECL, i.e. Lifetime ECL that results from all possible default events over the life of the financial instruments, (referred to as stage 2 and stage3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

UNITED IRON AND STEEL MANUFACTURING COMPANY
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NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2024
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The Company has selected to measure a loss allowances of cash and bank balances. Trade and other receivables, and due from a related party at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flow to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of multiple future economic scenarios. Discounted at the asset's EIR

Loss allowance for financial investments measured at amortized costs is deducted from the gross carrying amount of assets. For debt securities, an FVTOCI, the loss allowance is recognized in the OCI, instead of reducing the carrying amount of the asset.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue costs or effort. This includes both quantitative and qualitative including forward-looking information.

For certain categories of financial assets, assets that are assessed not to be impaired individually are. In addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's experience of collecting payments, an increase in the number of delayed payments in the portfolio, as well as observable changes in national or local economic conditions that correlate with default on receivables.

Impairment losses related to cash and bank balances, trade and other receivables and due from a related party, are presented separately in the statement of income and other comprehensive income. The Company considers debt security to have low credit risk when its credit risk rating is equivalent to the globally accepted definition of the grade of the investment

Measurement of ECL

The Company employs statistical models for ECL calculations. ECLs are a probability-weighted estimate of credit losses. For measuring ECL under IFRS 9, the key input would be the term structure of the following variables.

- Probability of Default (PD);
- Loss Given Default (LGD); and
- Exposure at Default (ED).

These parameters will be derived from our internally developed statistical models and other historical data. They will be adjusted to reflect forward-looking information.

Credit-Impaired Financial Assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred. Credit-impaired financial assets are referred to as stage 3 assets. At each reporting date, the Company assesses whether financial assets are carried at amortized costs and debt securities at FVTOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

**UNITED IRON AND STEEL MANUFACTURING COMPANY
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**NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2024
(EXPRESSED IN JORDANIAN DINAR)**

Derecognition of Financial Assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost or measured at FVTPL, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

On derecognition of a financial asset that is classified as FVTOCI, the cumulative gain or loss previously accumulated in the cumulative changes in fair value of securities reserve is not reclassified to profit or loss but is reclassified to retained earnings.

Presentation of allowance for ECL is presented in the financial information

Loss allowances for ECL are presented in the financial information as follows:

- For financial assets measured at amortized cost (loans and advances, cash and bank balances): as a deduction from the gross carrying amount of the assets
- For debt instruments measured at FVTOCI, no loss allowance is recognized in the statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the revaluation reserve and recognized in other comprehensive income.

Revenue Recognition

IFRS 15 "Revenue from contracts with customers" outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found across several standards and interpretations within IFRSs. It establishes a new five-step model that will apply to revenue arising from contracts with customers.

Step 1: Identify the Contract with the Customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for each of those rights and obligations.

Step 2: Identify the Performance Obligations in the Contract: A performance obligation in a contract is a promise to transfer a good or service to the customer

Step 3: Determine the Transaction Price: Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring the goods and services to a customer, excluding the amount collected on behalf of third parties.

Step 4: Allocate the Transaction Price to the Performance Obligations in the Contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that reflects the consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

UNITED IRON AND STEEL MANUFACTURING COMPANY
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NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2024
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Step 5: Recognize Revenues as and When the Entity Satisfies the Performance Obligation

The Company recognizes revenue over time if any one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced, or
- The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance obligation completed to date.
- The Company allocates the transaction price to the performance obligations in a contract based on the input method which requires the revenue recognition on the basis of the Company efforts or inputs to the satisfaction of the performance obligations. The Company estimates the total costs to complete the projects to determine the amount of revenue to be recognized.
- When the Company satisfies a performance obligation by delivering the promised goods and services, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from the customer exceeds the amount of revenue recognized this gives rise to a contract liability.
- Revenue is measured at the fair value of the consideration received or receivable, taking into consideration the contractually agreed terms of payment. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as a principal or agent and has concluded that it is acting as a principal in all of its revenue arrangements.
- Revenue is recognized in the financial statements to the extent that it is probable that the economic benefits will flow to the Company and the revenue and costs, if and when applicable, can be measured reliably.

Critical Accounting Judgments and Key Sources of Estimation Uncertainty

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

In preparing these financial statements, the significant judgments made by management in applying the Company accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements.

Critical Judgments in Applying the Company's Accounting Policies in Respect of IFRS 9

Business Model Assessment:

Classification and measurement of financial assets depend on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how Company's financial assets were managed together to achieve a particular business objective. This assessment includes judgments reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is a part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Significant Increase of Credit Risk

ECLs are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into consideration both qualitative and quantitative reasonable and supportable forward-looking information.

UNITED IRON AND STEEL MANUFACTURING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2024
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Establishing pool of Assets with Similar Credit Risk Characteristics

When ECLs are measured on a collective basis, the financial instruments are grouped based on shared risk characteristics (e.g, instrument type, credit risk grade, collateral type, date of initial recognition, remaining term to maturity, industry, geographic location of the borrower, etc.). The Company monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is necessary to ensure that if credit risk characteristics change, the assets are re-segmented appropriately. Such re-segmentation may lead to the creation of new portfolios or the transfer of assets into an existing portfolio that better reflects the similar credit risk characteristics of that Company of assets. Re-segmentation of portfolios and movement between portfolios is more common when there is a significant increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECLs but the amount of the ECLs changes because the credit risk of the portfolios differ.

• **Models and Assumptions Used**

The Company uses various models and assumptions in measuring the fair value of financial assets as well as in estimating ECL. Judgment is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

Key Sources of Estimation Uncertainty in Respect Of IFRS 9

The following are key estimations that the management has used in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

Establishing the number and relative weightings of forward-looking scenarios for each type of product/market determining the forward-looking information relevant to each scenario. When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

• **Probability of Default**

PD is a key input in measuring ECL. It represents an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

• **Loss Given to Default**

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into consideration cash flows from collateral and integral credit enhancements.

Sales

Sales are realized when the goods are delivered and the invoice is issued, and they are shown net of trade discount or quantity discount.

UNITED IRON AND STEEL MANUFACTURING COMPANY
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NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2024
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Expenses

Selling and marketing expenses are mainly comprised of costs incurred from the distribution and sale of the Company's products. All other expenses are classified as general and administrative expenses.

General and administrative expenses include both direct and indirect costs not specifically part of production costs as required under generally accepted accounting principles. Allocations between general and administrative expenses and the cost of sales are made consistently when required.

Cash and Cash Equivalents

Cash and cash equivalent include cash, demand deposits, and highly liquid investments with original maturities of three months or less.

Accounts Receivable

Accounts receivable are stated at the original invoice amount less a provision for any uncollectable amounts. An estimate for impairment of account receivable is made when there is subjective evidence that the collection of the full amount is no longer probable.

Accounts Payable and Accrued

Accounts payable are stated at the obligation amounts for received services and goods, whether billed by the suppliers or not.

Inventory

Inventories are valued at cost or net realizable value, whichever is lower, which includes the cost of purchase, costs of conversion and other costs expended to bring it to warehouses, and the cost is determined based on the weighted average method.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis except for power plant and equipment and machinery (melting furnace) depreciation is calculated on a production capacity basis, the depreciation percentage for the assets is as follows:

	<u>Annual Depreciation Rate</u>
Buildings and Constructions	4%-10%
Equipment and Machinery	10%
Electrical Interconnection Station	4%-10%
Electrical Transfer Station	4%-15%
Power Planet	10%
Vehicles	15%
Furniture and Office Equipment	10%-20%
Tools	10%-20%

Useful lives and the depreciation method are reviewed periodically to ensure that the method and depreciation period appropriate with the expected economic benefits of property and equipment.

An impairment test is performed to the value of the property and equipment that appears in the Statement of financial position when any events or changes in circumstances shows that this value is non-recoverable.

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At any subsequent exclusion of property and equipment, the value of gains or losses resulting recognized. Which represents the difference between the net proceeds of exclusion and the value of the property and equipment that appears in the statement of financial position, gross profit and loss.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of a past event, the Company will probably be required to settle the obligation, and a reliable estimate can be made regarding the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into consideration the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flow estimated to settle the present obligation.

Segment report

Business sector represents a collection of assets and operations engaged together in providing products or services subject to risks and returns that are different from those of other business sectors, which are measured according to the reports that are used by the executive director and the main decision-makers in the Company.

A geographical segment is associated with providing products in a particular economic environment subject to risks and returns that are differed from those for sectors to work in the economic environment.

Offsetting

Financial assets and financial liabilities are offset, and the net amount is reflected in the statement of financial position only when there are legal rights to offset the recognized amounts, and when intends to settle them on a net basis, or when assets are realized and liabilities settled simultaneously.

Income Tax

The Company is subject to the Income Tax Law for the year and its subsequent amendments and the regulations issued by the Income Tax Department in the Hashemite Kingdom of Jordan and provided on the accrual basis. Income Tax is computed based on adjusted net income. According to International Accounting Standard number (12), the Company may have deferred tax assets resulting from the differences between the accounting value and tax value of the assets and liabilities related to the provisions, these assets are not shown in the financial statements since it's immaterial.

Foreign Currency Translation

Foreign currency transactions are translated into Jordanian Dinars at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the financial position are translated at the exchange rates prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are be included in the comprehensive income statement.

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4 . PROPERTY & EQUIPMENT

2024	Lands *	Buildings and Constructions	Equipment and Machinery	Power Planet	Electrical Transfer Station	Electrical Interconnection Station	Vehicles	Furniture and Office Equipment	Tools	Total
Cost :										
Balance at January 1	1,261,871	12,773,046	14,444,623	5,005,374	558,710	1,149,579	1,023,718	694,049	705,657	37,616,627
Additions	-	-	41,146	-	-	-	-	-	-	41,146
Disposal	-	-	-	-	-	-	-	-	-	-
Balance at December 31	1,261,871	12,773,046	14,485,769	5,005,374	558,710	1,149,579	1,023,718	694,049	705,657	37,657,773
Depreciation:										
Balance at January 1	-	8,027,604	11,358,023	3,761,959	536,727	568,995	1,008,623	682,738	663,357	26,608,026
Depreciation	-	33,264	329,122	-	-	22,991	3,900	5,771	17,264	412,312
Disposal	-	-	-	-	-	-	-	-	-	-
Balance at December 31	-	8,060,868	11,687,145	3,761,959	536,727	591,986	1,012,523	688,509	680,621	27,020,338
Net book value December 31	1,261,871	4,712,178	2,798,624	1,243,415	21,983	557,593	11,195	5,540	25,036	10,637,435

* The Company's land and the buildings built on it are mortgaged in favor of the Arab Bank as a first-class mortgage in return for the banking facilities granted by that bank. There is also a reservation on the Company's lands in favor of the Income and Sales Tax Department and the Jordanian Customs.

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2023	Lands *	Buildings and Constructions	Equipment and Machinery	Power Plant	Electrical Transfer Station	Electrical Interconnection Station	Vehicles	Furniture and Office Equipment	Tools	Total
Cost :										
Balance at January 1	1,261,871	14,178,890	13,038,779	5,005,374	558,710	1,149,579	1,023,718	694,049	705,657	37,616,627
Additions	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	-
Transfer	-	(1,405,844)	1,405,844	-	-	-	-	-	-	-
Balance at December 31	1,261,871	12,773,046	14,444,623	5,005,374	558,710	1,149,579	1,023,718	694,049	705,657	37,616,627
Depreciation:										
Balance at January 1	-	8,682,551	10,397,990	3,662,111	536,132	546,003	998,376	676,500	644,595	26,144,258
Depreciation	-	161,364	143,722	99,848	595	22,992	10,247	6,238	18,762	463,768
Disposal	-	-	-	-	-	-	-	-	-	-
	-	(816,311)	816,311	-	-	-	-	-	-	-
Balance at December 31	-	8,027,604	11,358,023	3,761,959	536,727	568,995	1,008,623	682,738	663,357	26,608,026
Net book value December 31	1,261,871	4,745,442	3,086,600	1,243,415	21,983	580,584	15,095	11,311	42,300	11,008,601

* The Company's land and the buildings built on it are mortgaged in favor of the Arab Bank as a first-class mortgage in return for the banking facilities granted by that bank. There is also a reservation on the Company's lands in favor of the Income and Sales Tax Department and the Jordanian Customs.

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5. PREPAID EXPENSES AND OTHER RECEIVABLES

	2024	2023
Refundable Insurance	747,042	747,042
Income Tax Deposits	14,899	7,630
Bank Guarantee	-	500,000
Employees Receivables	33,022	33,407
Customer advance payments	427,027	-
Prepaid Expenses	211,342	180,956
	<u>1,433,332</u>	<u>1,469,035</u>

6. INVENTORY AND SPARE PARTS

	2024	2023
Spare Parts	1,002,042	1,018,389
Added Material	469,057	478,318
Fuel And Oil	34,019	34,019
	<u>1,505,118</u>	<u>1,530,726</u>

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7.RELATED PARTY TRANSACTIONS

The significant transactions and related amounts are as follows:-

	2024	2023
Sales	-	-
Spare Parts Sales	-	-
Bank Interest and Commissions Charged to the Parent Company (Note - 15)	-	2,104,463

Due from related parties at December 31 conations as the following:

	Relationship	2024	2023
Al-Manaseer Group for Trading and Manufacturing Investment	Parent company	8,323,832	13,847,729
Jordan Modern for Cargo Clearance	Sister	30,053	30,053
Excellence Mining	Sister	-	244,977
Jordan Magnesia Company	Sister	20,562	20,562
Al Bunyan for Real Estate Development	Sister	15,864	15,864
Developed Crushers	Sister	-	104,017
Modern Field Iron Scrap Company	Sister	25,526	-
		<u>8,415,837</u>	<u>14,263,202</u>

Due to related parties at December 31 contains the following:

	Relationship	2024	2023
Al-Majal Modern for Scrap	contributor	495,023	495,023
Mr. Alexi Latcheko	Sister	-	47,938
Manaseer for Trade Services	Sister	34,983	34,983
Jordan Modern Company for Ready Mix Concrete	Sister	666,072	666,072
AL-Adyat Al Sareeah for Equipment Trade	Sister	216,821	197,661
Developed Crushers	Sister	68,013	-
Al Manaseer for Logistics Services	Sister	63,833	63,833
Jordan Modern High Technology	Sister	67,030	62,726
Mediterranean and Gulf Insuracce	Sister	-	314,318
Manaseer Industrial Complex	Sister	-	1,441,418
Al-Bunyan for Cement and Concrete Products Manufacturing	Sister	73,324	73,324
Advanced Transportation and Shipping Services	Sister	19,610	19,547
Jordan Modern Oil and Fuel Services	Sister	168,597	-
Profits Stock Imad Mohamed Fathy	Sister	3,576	3,576
		<u>1,876,882</u>	<u>3,420,419</u>

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8. ACCOUNTS RECEIVABLE AND CHECKS UNDER COLLECTION

	2024	2023
Trade Receivables	3,174,248	4,336,852
Checks Under Collection	35,241	54,182
Expected Credit Losses	(3,125,463)	(3,228,811)
	<u>84,026</u>	<u>1,162,223</u>

9. CASH AND CASH EQUIVALENT

Cash and cash equivalent include cash and demand deposits which can be liquidated in three months or less.

	2024	2023
Checks and Cash on Hands	6,995	16,516
Cash at Banks	3,364	3,364
	<u>10,359</u>	<u>19,880</u>

10. STATUTORY RESERVE

In accordance with the Companies Law in the Hashemite Kingdom of Jordan and the Company's Articles of Association, the Company has established a statutory reserve by the appropriation of 10% of net income until the reserve equals 25% of the capital. However, the Company may, with the approval of the General Assembly, continue this deduction until this reserve is equal to the subscribed capital of the Company in full. This reserve is not available for dividend distribution. The General Assembly is entitled to decide, in its unusual meeting, to amortize its losses by the accumulated statutory reserve if all other reserves pay off, to rebuild it again in accordance with the law.

11. LOANS

Long -Term Loans

Jordan Kuwait Bank

The Company obtained a reducing loan from the Jordan Kuwait Bank in the amount of 8,240,000 at an interest rate of 10% and a grace period of 12 months, and it is paid according to 12 monthly instalments, the first of which is due on February 2, 2020, and the last instalment on December 3, 2021, with the guarantee of Mr. Ziad Khalaf Al-Manaseer.

During the year 2020, the Company paid 3,266,186 JOD from the parent Company, Manaseer Group for Industrial and Commercial Investments.

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ABC Bank Loan

In 2013, the Company obtained a revolving loan from the Arab Banking Corporation, amounting to 3,000,000 JOD, at an interest rate of 7%. It also obtained a revolving loan ceiling of 2,000,000 JOD and a current debit ceiling of 500,000 JOD.

The Company has rescheduled the loans, closed the overdraft ceiling and merged the renewable loan facilities into the form of a diminishing loan to be paid in 9 monthly instalments, the value of each instalment is 550,000 JOD, to be paid as of April 30, 2019, at an annual interest rate of 9.5% and the guarantee of the Manaseer Group for Industrial and Commercial Investments and the guarantee of the person of Mr. Ziad Khalaf Al-Manaseer, and mortgaging 2,830,000 shares of the Manaseer Industrial and Commercial Investments Group Company in Afaq Energy Compant (P.L.C) for the benefit of the Arab Banking Corporation, in addition to depositing commercial checks to the order of the bank in the amount of 4,130,000 JOD issued by Mr. Ziad Khalaf Al-Manaseer.

Housing Bank

During 2019, the Company transferred the current debit balance to a declining loan account with an interest rate of 8.5%, to be paid in 60 instalments, with a value of 83,000 JOD for each instalment, so that the maturity of the first instalment is on November 12, 2020. The loan is guaranteed by Mr. Ziad Khalaf Al-Manaseer and Manaseer Group for Industrial and Commercial Investments LLC (the parent company).

Arab Bank

This item represents the value of the bank facilities granted to the Company by the arab limited bank under the sponsorship of the Mr. ziad khalaf muhammad Al-Manaseer and the mortgage of factory land and the buildings, which is represented in acurent debtor in JOD, with a ceiling of 3,000,000 JOD, and an annual interest rat of 8.75% on the current debtor of the JOD.

During the year 2020, the bank facilities agreement was amended according to 43 consecutive monthly installments , the value of each payment being 80,000 JOD, with the exception of the last payment that includes the debit balance starting from the date of january 30, 2021, and at interest of 7% annually .

The Balance of Long-Term Loans as at December 31 is as Follows :

	2024	2023
Loans	13,131,533	18,031,358
Less: Current Portion	4,899,825	3,687,524
Long- Term Loan	18,031,358	21,718,882

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12. ACCRUED EXPENSES AND OTHER PAYABLES

	2024	2023
Accrued Expenses	1,450,154	1,429,345
Social Security Deposit	546,726	541,404
Employees Income Tax Deposit	7,856	7,856
Sales Tax Deposits	257,703	184,233
Employees Payables	572	699
	<u>2,263,011</u>	<u>2,163,537</u>

13. Accumulated Losses

The Company's losses exceed its capital. Pursuant to the provisions of Article (75) of Companies Law No. 22 of 1997 and its amendments, the Company must be liquidated, unless the general assembly decides in an unusual meeting to increase its capital to address the losses or extinguish them in accordance with approved international accounting and auditing standards, provided that the total remaining losses do not exceed half of the Company's capital in either case.

14. GENERAL AND ADMINISTRATIVE EXPENSES

	2024	2023
Salaries and Wages	112,798	123,108
Professional Fees, Consulting and Research	17,763	7,789
Governmental Fees and Subscriptions	52,027	113,397
Audit Fees	10,000	7,500
Maintenance	4,533	8,608
Electricity, Water and Fuel	42	4,009
Travel and Transportation	1,005	934
Vehicles Expenses	8,331	7,080
Telephone and Post	7,686	40,415
Others	2,989	1,517
	<u>217,174</u>	<u>314,357</u>

15. INCOME TAX

The Company's income tax has been settled with the Income and Sales Tax Department until the end of the year 2022. As for the year 2023, the self-assessment statement has been submitted, and the Company's accounting records have not been reviewed by the department until the date of these financial statements.

16. FINANCIAL EXPENSES

	2024	2023
Bank Interest and Commissions	2,248,634	2,104,463
Descend: Bank Interest and Commissions Charged to Manaseer Group for Industrial And Commercial Investments LLC (The Parent Company)	-	(2,104,463)
	<u>2,248,634</u>	<u>-</u>

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17. PROFITS FROM RENTING THE IRON FACTORY-NET

	2024	2023
Net Rental Income	450,000	565,000
Descend: Depreciation	412,312	463,768
	37,688	101,232

On November 24, 2020, United Company for Iron and Steel Industry signed a lease contract according to which its factory was leased to Arkan Iron and Steel Company for a renewable two-year period and an annual rent of 120,000 JOD in the event that the rolling mill is operating, and in the event that the rolling and smelting furnaces are in operation, the annual rent becomes its value 600,000 JOD.

18. LEGAL STATUS

Legal Cases by the Company

There are legal cases are filed by the Company that amounted to 1,855,004 JOD as of December 31, 2024.

Legal Cases Against the Company

There are legal cases against the Company that amounted to 200,634 JOD as of December 31, 2024.

19. FINANCIAL INSTRUMENTS

Management of Share Capital Risks

The Company manages its capital to make sure that the Company will continue when it takes the highest return by the best limit for debts and shareholders' equity balances. The Company's strategy doesn't change since 2023.

Structuring of the Company's capital includes debts, which includes the disclosed borrowings in notes No.11, the shareholders' equity in the Company which includes share capital, reserves, and accumulated losses as listed in the changes in the shareholders' equity statement.

Debt-to-Equity Ratio

The Board of Directors is reviewing the share capital structure periodically. As a part of this review, Board of Directors consider the cost of share capital and the risks that are related to each faction from the capital and debt factions. The Company's capital structure includes debts from borrowing. The Company doesn't determine the highest limit of the typical debt rate and it doesn't expect an increase in the debt-to-equity ratio by issuing a new debt during 2025.

	2024	2023
Debts	18,031,358	21,718,882
Shareholders' Equity	886,408	1,241,771
Debt/ Shareholderse' Equity Rate	20%	17%

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Management of the Financial Risks

The Company's activities may exposed primarily to the following financial risks:

Management of the Foreign Currencies Risks

The Company may exposed to significant risks related to the foreign currencies changing, especially concerning the procurement of iron in euros (EUR). Effective management of this exposure is essential.

Management of the Interest Price Risks

Risk related to interest rate results mainly from borrowing money at varying interest rates and short term deposits at fixed interest rates.

Sensitivity of the statement of comprehensive income is the impact of the assumed changes possible prices of interest on the profit of the Company for one year and it is calculated based on the financial liabilities which carry variable interest rates at the end of the year.

The following table shows the sensitivity of the statement of comprehensive income for possible changes and reasonable interest rates as of December 31, with all other effective variables constant:

<u>Currency</u>	<u>Interest Rate Increase</u>	<u>The Impact on Profit for the Year</u>	
JOD	Percentage Points	2024	2023
	100	- 180,313	- 217,189
<u>Currency</u>	<u>Interest Rate Decrease</u>	<u>The Impact on Profit for the Year</u>	
JOD	Percentage Points	2024	2023
	100	+ 180,313	+ 217,189

Credit Risk Management

The credit risks represent in one part of the financial instruments contracts has not obligated to pay the contractual obligations and cause of that the Company is exposing financial losses. However, there are no contracts with any other parts so the Company doesn't expose to different types of the credit risks. The significant credit exposed for any parts or group of parts that have a similar specification has been disclosed in note No.(7). The Company classified the parts which have similar specifications as related parties. Except for the amounts which are related to the cash. Credit risks that are resulting from the cash are specific because the parts that are dealing with it are local banks that have good reputations and have been controlled by control parties.

The amounts had listed in the financial statements data represents the highest credit risk exposure to the trade accounts receivable and the cash and cash equivalent.

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Management of Liquidity Risks

Board of Directors is responsible for the management of liquidity risks to manage the cash requirements, short, medium and long term liquidity. The Company managed the liquidity risks by controlling the future cash flow that was evaluated permanently and correspond to the due dates of assets and liabilities.

The table has been prepared on the non-deducted cash flows to the financial liabilities basis according to the early due dates that may be required from the Company to pay or receive.

The table below contains cash flows for major amounts and interests.

2024	<u>Interest Rate</u>	<u>Year or Less</u>	<u>More than Year</u>	<u>Total</u>
Instruments Without Interest		6,236,801	-	6,236,801
Instruments with Interest	7% - 10%	4,899,825	13,131,533	18,031,358
Total		11,136,626	13,131,533	24,268,159

2023				
Instruments Without Interest		7,788,658	-	7,788,658
Instruments with Interest	7% - 10%	3,687,524	18,031,358	21,718,882
Total		11,479,182	18,031,358	29,507,540

20. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors of the Company on April 10, 2025 and they were approved for publication. These financial statements require the approval of the General Assembly of Shareholders.

21. COMPARATIVE FIGURES

Certain figures for 2023 have been reclassified to conform to the presentation figures for the year 2024.