

AL AMAL FINANCIAL INVESTMENTS COMPANY

PUBLIC SHAREHOLDING COMPANY

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2024

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Al Amal Financial Investments Company
Public Shareholding Company
Amman - Jordan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Al Amal Financial Investments Company (Public Shareholding Company) and its subsidiary (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2024, and its financial performance and its 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 Group 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 consolidated 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, were of most significance in our audit of the consolidated financial statements for 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. For each matter below, our description of how our audit addressed the matter provided in that context .

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

1. Adequacy of expected credit losses provision for trade receivables and margin receivables.	
Key Audit matter	How our audit addressed the key audit matter
<p>Trade and margin receivables balance are considered significant for the Group, as they represent 12% of the Group's total assets as at 31 December 2024.</p> <p>The expected credit losses provision for trade receivables and margin receivables is set based on the Group's policy which is in line with IFRS (9).</p> <p>The risks related to the inaccuracy of the booked impairment consist of the use of incorrect information or unrealistic assumptions, these assumptions include determining the recoverability of receivables, which depends on management estimates.</p> <p>The management takes specific factors into consideration when preparing these assumptions including the aging of receivables, disputes with customers, collection patterns for previous periods and any other information available about the creditworthiness of the customers. Management uses this information to determine the ECL on customers and whether there is a need to record a provision for receivables either for a specific transaction or for the entire customer balance.</p>	<ul style="list-style-type: none"> • Audit procedures included the following: • We have read and understood the Company's policy in estimating provisions compared with the requirements of IFRS (9). • We have evaluated the Group's expected credit losses model, with a special focus on the suitability of the Company's expected credit losses model and the methodology with the requirements of IFRS (9). • We have examined a sample of trade and margin receivables individually, and we have performed the following procedures: • Evaluate the reasonableness of estimates and assumptions used by the Company's management in regard to the mechanism used for estimating the allowance expected credit losses provision. • Examine and compare the market value of customers investment portfolios compared to their book value.

<p>Our focus on this matter is as a result of the fact that this provision is based on management's estimates in this regard, and that the provision to be recorded may have a material impact on the Group's profits.</p> <p>Trade receivables balance (Note 4) amounted to JD 1,799,363 and the expected credit losses provision amounted to JD 1,790,683. Margin receivables balance (Note 5) amounted to JD 3,311,693 and the expected credit losses provision amounted to JD 1,729,763 as at 31 December 2024.</p> <p>The expected credit losses policy is presented in the material accounting policies used in the preparation of these consolidated financial statements in (Note 2-4).</p>	<ul style="list-style-type: none"> • We have tested a sample of key items from trade and margin receivables to assess their recoverability based on management's estimates. We have also checked whether these balances exceeded the due date and collection date for the customer and if any payments were received after the end of the year up to the date of completing our audit procedures.
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Other information included in the Group's 2024 annual report

Other information consists of the information included in The Group's 2024 Annual Report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2024 Annual Report 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 will not express any form of assurance 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 International Accounting Standards Board (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's 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 judgment 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 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 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 Group's 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 evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 Group 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 represent 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 consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the 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.

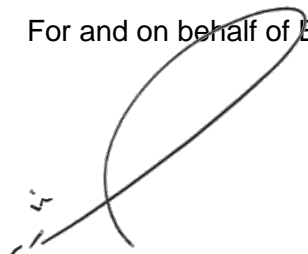
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period, and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes 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 reasonable be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Company maintains proper books of accounts which are in agreement with the consolidated financial statements.

For and on behalf of Ernst & Young – Jordan.



Osama Fayeze Shakhateh
License No. 1079

ERNST & YOUNG
Amman - Jordan

Amman – Jordan
12 March 2025

AL AMAL FINANCIAL INVESTMENTS COMPANY
PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As At 31 DECEMBER 2024

	Notes	2024	2023
		JD	JD
<u>ASSETS</u>			
Cash on hand and balances at banks	3	5,230,750	2,784,063
Trade receivables	4	8,680	178,325
Margin receivables	5	1,581,930	2,752,466
Other current assets	6	271,185	212,783
Financial assets at fair value through income	8	2,794,036	4,695,937
Financial assets at fair value through other comprehensive income	8	146,023	980,023
Payments on investment account	8	-	466,800
Investment in an associate	9	971,120	-
Investment properties	16	1,355,737	1,165,105
Property and equipment	7	149,137	219,409
Right of use assets	10	38,320	-
Deferred tax assets	14	456,316	468,949
Total assets		13,003,234	13,923,860
<u>LIABILITIES AND EQUITY</u>			
Liabilities			
Trade payables	11	177,277	299,363
Other current liabilities	12	152,674	144,011
Lease obligations	10	35,467	-
Income tax provision	14	1,670	36,397
Total liabilities		367,088	479,771
Equity			
Paid-in capital	1	15,000,000	15,000,000
Statutory reserve	13	1,999,287	1,999,287
Fair value reserve	8	(441,101)	(423,402)
Accumulated losses		(3,922,040)	(3,131,796)
Net equity		12,636,146	13,444,089
Total liabilities and equity		13,003,234	13,923,860

The accompanying notes from 1 to 26 are part of these consolidated financial statements and should be read with them

AL AMAL FINANCIAL INVESTMENTS COMPANY
PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	<u>Notes</u>	<u>2024</u> JD	<u>2023</u> JD
Revenues			
Brokerage commissions		27,368	50,357
Margin finance interest revenue		407,199	442,231
Interest income		202,925	90,356
Dividends revenue		238,734	188,376
Recovery of impairment loss on investment properties	16	-	9,282
Recovery of provision for expected credit losses	4,5	696,356	148,367
Gains of financial assets at fair value through income	8	76,220	347,435
Other revenues		5,375	986
Total revenues		<u>1,654,177</u>	<u>1,277,390</u>
Expenses			
Salaries, wages and benefits		(147,964)	(183,293)
Stock exchange, center and commission fees		(37,112)	(35,094)
Bank fees and commissions		(10,534)	(5,338)
Group's share from associate's results	9	(311,981)	-
General and administrative expenses	17	(641,978)	(511,472)
Lease obligations-finance cost	10	(2,094)	-
Impairment loss on investment properties	16	(63,411)	-
Provision for expected credit losses	4,5,6	(1,043,362)	(279,302)
Losses of financial assets at fair value through income	8	(152,668)	(28,570)
Total expenses		<u>(2,411,104)</u>	<u>(1,043,069)</u>
(Loss) profit for the year before income tax		(756,927)	234,321
Income tax expense	14	(33,317)	(12,960)
(Loss) profit for the year		<u>(790,244)</u>	<u>221,361</u>
		<u>Fils /JD</u>	<u>Fils /JD</u>
Basic and diluted earnings per share from (loss) profit for the year	23	<u>(0/053)</u>	<u>0/015</u>

The accompanying notes from 1 to 26 are part of these consolidated financial statements and should be read with them

AL AMAL FINANCIAL INVESTMENTS COMPANY
PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	<u>2024</u>	<u>2023</u>
	JD	JD
(Loss) profit for the year	(790,244)	221,361
Add: Other comprehensive income items that will not be reclassified to statement of income in subsequent periods		
(Loss) gain on revaluation of financial assets at fair value through other comprehensive income	<u>(17,699)</u>	<u>118,728</u>
Total comprehensive income for the year	<u><u>(807,943)</u></u>	<u><u>340,089</u></u>

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AL AMAL FINANCIAL INVESTMENTS COMPANY
PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Paid-in capital	Statutory reserve	Fair value reserve	Accumulated losses	Net Equity
	JD	JD	JD	JD	JD
2024 -					
Balance as at 1 January 2024	15,000,000	1,999,287	(423,402)	(3,131,796)	13,444,089
Total comprehensive income for the year	-	-	(17,699)	(790,244)	(807,943)
Balance as at 31 December 2024	<u>15,000,000</u>	<u>1,999,287</u>	<u>(441,101)</u>	<u>(3,922,040)</u>	<u>12,636,146</u>
2023 -					
Balance as at 1 January 2023	15,000,000	1,975,855	(494,957)	(3,376,898)	13,104,000
Total comprehensive income for the year	-	-	118,728	221,361	340,089
Gains from the sale of financial assets through other comprehensive income items	-	-	(47,173)	47,173	-
Transfer to statutory reserve	-	23,432	-	(23,432)	-
Balance as at 31 December 2023	<u>15,000,000</u>	<u>1,999,287</u>	<u>(423,402)</u>	<u>(3,131,796)</u>	<u>13,444,089</u>

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AL AMAL FINANCIAL INVESTMENTS COMPANY
PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 JD	2023 JD
<u>Operating Activities</u>			
(Loss) profit for the year before income tax		(756,927)	234,321
Adjustments for -			
Provision for expected credit losses, net	4,5,6	347,006	130,935
Impairment loss (recovery) on investment properties	16	63,411	(9,282)
Depreciation	7,16	82,336	69,447
Depreciation of right of use assets	10	23,722	-
Bank fees and commissions		10,534	5,338
Lease obligations-finance cost	10	2,094	-
Losses (gains) of financial assets at fair value through income		76,448	(318,865)
Dividends revenue		(238,734)	(188,376)
Margin finance interest revenue		(407,199)	(442,231)
Interest Income		(202,925)	(90,356)
Group's share from associate's results	9	311,981	-
Working capital changes -			
Change in customers' cash accounts		62,978	74,598
Margin receivables		711,346	498,885
Trade receivables		45,235	75,703
Other current assets		(84,034)	(45,605)
Trade payables		(122,086)	(39,891)
Other current liabilities		8,663	(3,191)
Income tax paid	14	(55,411)	(10,626)
Net cash flows used in operating activities		(121,562)	(59,196)
<u>Investing Activities</u>			
Purchases of property and equipment	7	(3,881)	(99,267)
Margin finance interest revenue received		407,199	442,231
Interest income received		202,925	90,356
Dividends received		238,734	188,376
Proceeds from sale of financial assets at fair value through income		2,099,079	458,388
Proceeds from sale of investments at fair value through other comprehensive income		-	580,386
Payments on the investment account		-	(466,800)
Purchases of financial assets at fair value through of other comprehensive income		-	(207,267)
Purchases of financial assets at fair value through income		(273,626)	(1,600,543)
Net cash flows from (used in) investing activities		2,670,430	(614,140)
<u>Financing Activities</u>			
Bank fees and commissions paid		(10,534)	(5,338)
Payments of lease obligations	10	(28,669)	-
Net cash flows used in financing activities		(39,203)	(5,338)
Net increase (decrease) in cash and cash equivalent		2,509,665	(678,674)
Cash and cash equivalent at the beginning of the year		2,521,888	3,200,562
Cash and cash equivalent at the end of the year	3	5,031,553	2,521,888

The accompanying notes from 1 to 26 are part of these consolidated financial statements and should be read with them

(1) General

Al Amal Financial Investments Company (the "Company") is a Jordanian Public Shareholding Company registered on 17 October 2005 under commercial registration number (370) after the change of its legal form from a Limited Liability Company to a Public Shareholding Company. The Company's paid-in capital is JD 15,000,000 divided into 15,000,000 shares with a par value of JD 1 per share.

The main activity of the Company is to perform commission brokerage business, dealing with securities for its own account, providing financial consulting, leasing and mortgage of movable and immovable assets for the purposes of achieving the Company's objectives, borrowing from banks, buying, renting, pledging and importing any of movable and immovable assets or any rights or privileges deemed necessary by the Company or suitable for their purposes, including land, building, machinery, means of transport or goods and to establish, assess, act and make changes when necessary or appropriate for the purposes and objectives of the Company.

The consolidated financial statements were approved by the Board of Directors on 4 March 2025.

The Company's headquarter is in Amman - Housing Bank Complex, Queen Noor Street.

(2) Accounting Policies

(2-1) Basis of Preparation of the Consolidated Financial Statements

The Group's financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income and financial assets at fair value through income that have been measured at fair value on the date of the consolidated financial statements.

The consolidated financial statements are presented in Jordanian Dinar, which represents the functional currency of the Group.

The Group presents the items of the consolidated statement of financial position in order of liquidity based on the Group's intention and its expected ability to recover/settle the majority of its assets/liabilities. The details of the analysis of the distribution of assets and liabilities according to the expected recovery/settlement within 12 months after the financial statements date (current) or more than 12 months after the financial statements date (non-current) are disclosed in note (24).

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(2-2) Basis of Consolidation of the Consolidated Financial Statements

The consolidated financial statements comprise the financial statements of Al Amal Financial Investment Company (the "Company") and the following subsidiary (collectively referred to as the "Group") as at 31 December 2024:

	<u>Ownership Interest</u>	<u>Country of Incorporation</u>
Ishraqa Al Amal Real Estate Investments Company*	100%	Jordan

*Ishraqa Al Amal Real Estate Investments Company (Private Shareholding Company) was established in Jordan on 16 May 2024 with an authorized paid in capital of JD 2,000,000. The subsidiary is fully owned by Al Amal Financial Investment Company.

The main objectives of the subsidiary are buying and selling private real estate, owning, and establishing residential and commercial projects and managing real estate. The Board of Directors decided at its meeting on 29 December 2024, to liquidate the company as a discretionary liquidation in accordance with the decision of the Securities and Exchange Commission. Liquidation procedures will begin starting from January 2025. This decision had no impact on the consolidated financial statements, as the company had not engaged in any activities up until the consolidated financial statements date.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group owns less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

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31 DECEMBER 2024

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and profits and loss relating to transactions between members of the Group and its subsidiaries are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognizes the assets (including goodwill) and liabilities of the subsidiary, recognizes any surplus or deficit in profit or loss and recognizes the fair value of any investment retained.

(2-3) Changes in accounting policies

The accounting policies used in the preparation of the consolidated financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2023 except for the adoption of new amendments effective as of 1 January 2024 shown below:

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

The amendments in IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.

The amendments had no material impact on the Group's consolidated financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a "right to defer settlement",
- That a right to defer must exist at the end of the reporting period,
- That classification is unaffected by the likelihood that an entity will exercise its deferral right,
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

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In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no material impact on the Group's consolidated financial statements.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments":

These amendments clarified the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments.

Thus, the amendments had no material impact on the Group's consolidated financial statements.

(2-4) Material Accounting Policies Information

Trade Receivables and Margin Receivables -

Trade and margin receivables are stated at original invoice amount less an allowance for any expected credit losses. The expected credit losses are calculated using the simplified method in accordance to IFRS 9 and used for the financial assets.

Property and Equipment -

Property and equipment are stated at cost less accumulated depreciation. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of income.

Property and equipment are depreciated using the straight-line method according to the estimated useful life of assets as follows:

	<u>Annual depreciation rate</u>
Furniture and fixture	10%
Tools and equipment	15%
Decorations	20%
Computer software	25%

When the recoverable amounts of any property and equipment is less than its net book value, its value is reduced to the recoverable amount and the lowest value is recorded in the consolidated statement of income.

The useful life of the property and equipment is reviewed at the end of each year, if the expected useful life differs from the previously established estimates, the change in estimate is recorded and accounted for on prospective basis.

Projects in progress -

Projects in progress are stated at cost less impairment of value, if any. Cost includes the cost of construction, equipments and other direct costs. Projects in progress are not depreciated until they are completed or substantially completed and become ready for use after which they are transferred to property and equipment or investment properties.

Lease contracts-

The Group evaluates contracts at inception to determine whether the contract is or contains a lease. That is, if the contract transfers the right of control to use the asset for a period of time in exchange for payments.

The Group applies a standardized approach to recognition and measurement in respect of all lease contracts, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities for lease payments and right-of-use assets representing the right to use the leased assets.

Rights of use Assets-

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease obligations.

The cost of right-of-use assets includes the amount of lease obligations recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. These right of use assets are subject to impairment testing.

Lease obligations-

At the commencement date of the lease, the Group recognizes lease obligations measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease obligations is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Accounts payable and Accruals -

The liabilities for future reimbursable amounts are recognized for goods and services received whether or not claimed by the supplier.

Provisions -

Provisions are recognized when the Group has a present obligation (legal or constructive) arising from a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Income tax -

Tax expense represents the incurred taxes.

Accrued tax expense calculation is based on taxable profits, which may differ from accounting profits published in the consolidated financial statements. Accounting profits may include non-taxable profits or expenses which may not be tax deductible in the current but in subsequent financial years.

Deferred taxes are the taxes expected to be paid or recovered as a result of temporary differences between the carrying amounts of assets or liabilities in the financial statements and the amounts used to calculate taxable profit. Deferred taxes are calculated using the liability method and are measured at the tax rates that are expected to apply to the year when the tax liability is settled, or the tax asset is realized.

Revenue Recognition -

The Group conducts brokerage activities and financial services, where the revenue is realized at the date of trading, which reflects the required revenue recognition criteria in accordance with IFRS (15).

Interest income is recognized using the effective interest method.

Other revenues are recognized on an accrual basis.

Financial assets at fair value through the statement of other comprehensive income -

These financial assets represent Investments in equity instruments for the purpose of long-term retention.

These financial assets are initially recognized at fair value plus attributable transaction costs and subsequently measured at fair value. The change in fair value of those assets is presented in the statement of comprehensive income within equity, including the change in fair value resulting from the foreign exchange differences of non-monetary assets. In case those assets – or part of them – were sold, the resultant gain or loss is recorded in the statement of comprehensive income within equity and the fair value reserve for the sold financial assets is directly transferred to the retained earnings and not through the consolidated statement of income.

These financial assets are no longer subject to impairment testing except for classifying debt instruments as financial assets at fair value through other comprehensive income and the impairment loss is measured according to expected credit loss.

Dividends are recognized in the statement of income.

Financial assets at fair value through income -

These assets represent investments in equity instruments for the purpose of profiting from price changes in those stocks.

These assets are recognized upon purchase at fair value in addition to acquisition costs and subsequently re-valued at fair value.

Financial assets at fair value through income are recorded in the consolidated statement of financial position at fair value. The change at fair value is recognized in the consolidated statement of income.

Dividend income from equity instruments at fair value through statement of income is recognized as revenue when the right to payment is established.

Impairment of financial assets -

An overview of expected credit losses

The adoption of IFRS (9) has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing IAS (39)'s incurred loss approach with a forward-looking expected credit losses (ECL) approach as of 1 January 2018.

Calculation of expected credit losses

The Group has applied the simplified approach of the standard for recording expected credit losses on all financial assets exposed to credit risk and calculating the expected credit loss over the maturity period of these assets. The Group prepared a study based on historical experience of credit loss, taking into consideration future factors of debtors and the economic environment.

The financial assets of the Group consist of balances and deposits with banks with a credit rating listed within an investment rating (good and very good) classified by accredited investment risk rating agencies, and accordingly, the balances and deposits with banks are considered to have low credit risks. Thus, credit losses for these accounts are measured every 12 months or the maturity date, whichever is earlier. In addition to customers' receivables, which are classified through the Group's internal classification system, where credit losses are calculated for good receivables every 12 months and for doubtful receivables over the maturity period of these receivables.

Impairment of non-financial assets -

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Foreign Currency -

Transactions in currencies other than JOD (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions.

Monetary financial assets and liabilities denominated in foreign currencies are retranslated at the rates prevailing at that date of the consolidated statement of financial position and declared by the Central Bank of Jordan.

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Gains or losses that resulted from the retranslation of the foreign currencies are recognized in the consolidated statement of income.

Exchange differences that resulted from the retranslation of the non-monetary assets and liabilities (such as shares) are recorded as a change of the fair value.

Cash and Cash Equivalent –

Cash and cash equivalent represent cash on hand and balances at banks and short-term deposits that are due within a three-month period or less in which it does not include the risk of change in value. If the maturity period exceeds three months, they are classified as short-term investments.

For the purpose of the statement of cash flows, the cash and cash equivalent include cash on hand and balances at banks and short-term deposits with a maturity date of three months or less, after deducting customer balances and restricted balances, if any.

Restricted cash from grants is retained only for the purposes for which it is intended and is used solely in accordance with the terms of the agreements.

Offsetting –

Offsetting between financial assets and financial liabilities and presenting the net amount on the statement of financial position is performed only when there are legally-enforceable rights to offset, the settlement is on a net basis, or the realization of the assets and satisfaction of the liabilities is simultaneous.

Investments properties –

Investments properties are measured at cost after deducting the accumulated depreciation (except for lands). Losses arising from changes in the fair values of investments properties are included in the statement of income in the period in which they arise. Operating revenues or expenses for these investments are recorded in the statement of income.

Fair value measurement -

The Group measures financial instruments like financial assets at fair value through other comprehensive income at the date of the consolidated financial statements. Fair value represents the price received in exchange for financial assets sold, or price paid to settle a sale between market participants at the measurement date.

The fair value is measured based on the assumption that the sale or purchase transaction of financial assets is facilitated through an active market for financial assets and liabilities respectively. In case there is no active market, a market best fit for financial assets and liabilities is used instead. The Group needs to acquire opportunities to access the active market or the best fit market.

The Group measures the fair value of financial assets and liabilities using the pricing assumptions used by market participants to price financial assets and liabilities, assuming that market participants behave according to their economic interests.

The fair value measurement of non-financial assets considers the ability of market participants to utilize the assets efficiently in order to generate economic benefits, or to sell them to other participants who will utilize them in the best way possible.

The Group uses valuation techniques that are appropriate and commensurate with the circumstances and provides sufficient information for fair value measurement. Also, it illustrates clearly the use of inputs that are directly observable and minimizes the use of inputs that are not directly observed.

The Group uses the following valuation methods and alternatives in measuring and recording the fair value of financial instruments:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Group determines whether transfers have accrued between levels in the hierarchy by reassessing categorization (based on the lowest level input that significant to the fair value measurement as a whole) at the end of each reporting period.

For the disclosure of fair value, the Group classifies assets and liabilities based on their nature, their risk, and the level of fair value measurement.

Current vs Non-current

The Group presents assets and liabilities in the financial statements based on current/non-current classification. An asset is classified as current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle.
- held primarily for the purpose of trading.
- expected to be realized within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Other assets classified as non-current asset.

A liability is current when:

- it is expected to be settled in the normal operating cycle.
- it is held primarily for the purpose of trading.
- it is due to be settled within twelve months after the reporting period; or
- that there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Other liabilities classified as non-current liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(2-5) Use of Estimates

The preparation of the consolidated financial statements and the application of the accounting policies require management of the Group to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

Management believes that the assessments adopted in the consolidated financial statements are reasonable, the main estimates were as follows:

- **Expected credit loss/ provision for impairment of trade receivables:**

The Group's management is required to determine the expected credit loss for all accounts receivable through establishing significant decisions to estimate future cash flow amounts and duration, in addition to any substantial increase in the credit risk of financial assets after initial recognition. Furthermore, taking into consideration information for future measurement of expected credit losses. The Group also follows the policies and methodology of applying IFRS (9).

- **Income tax provision:**

Income tax expense for the year is calculated in accordance with the applicable laws, regulations and accounting standards, in addition to calculating the required deferred tax assets, liabilities and income tax provision.

- **Useful life of property and equipment and investment properties:**

Management periodically reassesses the useful lives of property, equipment, and investment properties for the purpose of calculating depreciation based on the general use of these assets. Management reviews the salvage value and useful lives on an annual basis and the prospective depreciation expense is amended in the case that the management believes that the useful lives differ from past assessments.

- **Lawsuit provision:**

A provision on lawsuits against the Group is recorded based on a legal assessment by the Group's lawyer, for which contingent risks are determined, and the assessments are reviewed periodically.

- **Estimates related to the application of IFRS (16):**

The application of IFRS (16) requires the Group to make judgments and estimates that affect the measurement of right-of-use assets and liabilities. In determining the lease term, the Group consider all facts and circumstances that create an economic incentive to exercise renewal options. Assessing whether a contract includes a lease also requires judgment. Estimates are required to determine the appropriate discount rate used to measure lease liability.

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- Fair value of investment properties:

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value or cash-generating unit's (CGU) less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

(3) Cash on hand and balances at banks

	<u>2024</u>	<u>2023</u>
	JD	JD
Bank balances – Current accounts	90,553	271,888
Bank balances – Customers' accounts	199,197	262,175
Bank balances – Deposits*	<u>4,941,000</u>	<u>2,250,000</u>
	<u>5,230,750</u>	<u>2,784,063</u>

- * This account represents deposits at Jordan Commercial Bank and Housing Bank for Trade and Finance in Jordanian dinars which the Group holds on a monthly basis depending on the Group's needs. The annual interest rate on these deposits was 5.06% for the year ended 31 December 2024 (31 December 2023: 4.75%).

The Cash and cash equivalent as at 31 December 2024 and 2023 shown in statement of cash flows represents cash on hand and at banks balance after deducting customers' accounts balance as follows:

	<u>2024</u>	<u>2023</u>
	JD	JD
Cash and cash equivalent at the end of the year	5,230,750	2,784,063
Bank balances – Customers' accounts	<u>(199,197)</u>	<u>(262,175)</u>
Net cash and cash equivalent in the statement of cash flows	<u>5,031,553</u>	<u>2,521,888</u>

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(4) Trade receivables

	<u>2024</u>	<u>2023</u>
	JD	JD
Trade and brokerage receivables	1,799,363	2,498,233
Less: provision for expected credit losses *	<u>(1,790,683)</u>	<u>(2,319,908)</u>
	<u>8,680</u>	<u>178,325</u>

* Set out below is the movement in the provision for expected credit losses:

	<u>2024</u>	<u>2023</u>
	JD	JD
Balance at 1 January	2,319,908	2,354,149
Additions during the year	36,110	41,457
Recoveries during the year	(173,926)	(75,274)
Amounts written off	<u>(391,409)</u>	<u>(424)</u>
Balance at 31 December	<u>1,790,683</u>	<u>2,319,908</u>

Trade receivables aging is as follows:

	<u>1 – 30 days</u>	<u>31 – 90</u>	<u>91 - 360</u>	<u>More than</u>	<u>Total</u>
	JD	days	days	361 days	JD
31 December 2024	-	-	-	8,680	8,680
31 December 2023	9,767	-	-	168,558	178,325

The Group's management expects to collect the outstanding receivables from customers, as the customers portfolios serves as collateral for these receivables in case of non-collection.

(5) Margin receivables

This item represents margin receivables, where the Group has provided facilities to margin clients up to 50% initial margin of the market value of the securities at the purchase date, provided that this percentage does not fall below 20% (maintenance margin), which is the minimum contribution of the client to the market value of the securities in their account according to the margin financing instructions for the year 2021 issued by the Securities and Exchange Commission. Additionally, the balance of margin receivables is subject to an interest rate ranging between 8% and 14% calculated on a daily basis.

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	2024	2023
	JD	JD
Margin receivables	1,729,763	2,449,984
Due from related parties (Note 15)	1,581,930	1,573,772
	3,311,693	4,023,756
Less: provision for expected credit losses*	(1,729,763)	(1,271,290)
	<u>1,581,930</u>	<u>2,752,466</u>

* Set out below is the movement in the provision for expected credit losses related to margin receivables:

	2024	2023
	JD	JD
Balance at 1 January	1,271,290	1,106,550
Additions during the year	981,620	237,833
Recoveries during the year	(522,430)	(73,093)
Amounts written-off	(717)	-
Balance at 31 December	<u>1,729,763</u>	<u>1,271,290</u>

The customers' investment portfolios are considered as collateral against the receivable balances in case of non-collection.

(6) Other current assets

	2024	2023
	JD	JD
Bank guarantees deposits (Note 18)	122,300	83,000
Prepaid expenses	65,653	56,437
Other receivables	59,174	32,953
Brokerage guarantee fund deposit *	25,000	25,000
Trading settlement	13,084	19,217
Income tax receivables	33,024	17,594
	318,235	234,201
Less: provision for expected credit losses against other current assets **	(47,050)	(21,418)
	<u>271,185</u>	<u>212,783</u>

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- * This account represents the value of the cash contribution paid by the Group as a financial broker in the Amman Stock Exchange to the settlement guarantee fund in accordance with the Fund's bylaws for the year 2004, which is issued based on the provisions of Article (90) of the securities Law No. (76) of 2002 which aims to:
- a. Cover the cash deficit of the fund's buyer member for securities.
 - b. Cover the deficit in the balance of securities that appears to the member of the seller fund as a result of the trade securities in the market.

The Fund shall at the end of every three months, recalculate the cash contribution amount for each Broker in accordance with the Fund's bylaws, whereby the difference between the Fund and the Broker (if applicable) shall be settled by either increasing, decreasing, or maintaining the Fund's balance as unchanged.

- ** Set out below is the movement in the provision for expected credit losses related to the other assets:

	<u>2024</u>	<u>2023</u>
	JD	JD
Balance at 1 January	21,418	21,406
Additions during the year	<u>25,632</u>	<u>12</u>
Balance at 31 December	<u><u>47,050</u></u>	<u><u>21,418</u></u>

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(7) Property and equipment

	Furniture and fixtures	Tools and equipment	Decorations	Computer software	Projects in progress	Total
	JD	JD	JD	JD	JD	JD
2024-						
Cost						
Balance at 1 January 2024	26,425	83,573	70,410	213,243	-	393,651
Additions	-	2,381	-	1,500	-	3,881
Balance at 31 December 2024	26,425	85,954	70,410	214,743	-	397,532
Accumulated Depreciation						
Balance at 1 January 2024	8,571	30,444	38,893	96,334	-	174,242
Depreciation for the year	2,581	12,472	13,203	45,897	-	74,153
Balance at 31 December 2024	11,152	42,916	52,096	142,231	-	248,395
Net book value as at 31 December 2024	<u>15,273</u>	<u>43,038</u>	<u>18,314</u>	<u>72,512</u>	<u>-</u>	<u>149,137</u>
2023-						
Cost						
Balance at 1 January 2023	26,425	57,897	70,410	127,302	12,350	294,384
Transfers	-	-	-	12,350	(12,350)	-
Additions	-	25,676	-	73,591	-	99,267
Balance at 31 December 2023	26,425	83,573	70,410	213,243	-	393,651
Accumulated Depreciation						
Balance at 1 January 2023	6,054	19,060	24,811	63,042	-	112,967
Depreciation for the year	2,517	11,384	14,082	33,292	-	61,275
Balance at 31 December 2023	8,571	30,444	38,893	96,334	-	174,242
Net book value as at 31 December 2023	<u>17,854</u>	<u>53,129</u>	<u>31,517</u>	<u>116,909</u>	<u>-</u>	<u>219,409</u>

(8) Investments in financial assets

This account represents the Group's investments in financial assets, either for the purpose of benefiting from the price changes of these investments, and thus they are classified as financial assets at fair value through income or for the purpose of long-term retention and not for the purposes of trading, and therefore they are classified as financial assets at fair value through other comprehensive income. The details of these investments according to their classification are as follows:

Financial assets at fair value through income

	<u>2024</u>	<u>2023</u>
	JD	JD
Investment in Jordan Ahli Bank (Quoted)	1,860,614	1,856,431
Investment in Bank al Etihad (Quoted)	613,847	653,716
Investment in Capital Bank of Jordan (Quoted)	302,952	684,828
Jordan Phosphate Mines Company (Quoted)	10,823	21,701
United Cable Industries Company (Quoted)	5,800	-
Investment in SPDR S&P 500 Trust ETF (Quoted)	-	1,349,880
Jordan Telecommunications Company (Quoted)	-	129,381
	<u>2,794,036</u>	<u>4,695,937</u>

The realized gains resulting from the sale of financial assets at fair value through income amounted to JD 76,220 during the year 2024, while the unrealized losses from changes in fair value of financial assets through Income amounted to JD 152,668. The realized gains resulting from financial assets at fair value through Income amounted to JD 83,656 during the year 2023, while the unrealized gains from changes in fair value of financial assets amounted to JD 235,209.

Financial assets at fair value through other comprehensive income

	<u>2024</u>	<u>2023</u>
	JD	JD
Investment in Med Gulf for Insurance Company (Quoted)	146,023	163,722
Investment in Credit Card Services Company PSC (Unquoted)	-	816,301
	<u>146,023</u>	<u>980,023</u>

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The details of the movement on the fair value reserve are as follows:

	Balance as of 1 January 2024 JD	Change in fair value JD	Transferred to accumulated losses JD	Balance as of 31 December 2024 JD
Investment in Med Gulf for Insurance Company	<u>(423,402)</u>	<u>(17,699)</u>	<u>-</u>	<u>(441,101)</u>

Payments on the investment account

This item represents advance payments for investment purposes in the Credit Card Services Company PSC according to the Board of Directors' decision dated 27 December 2023, approving the purchase of additional 466,800 shares in the Company's capital at a price of JD 1 per share. The purchase of the shares was completed during the period ended on 31 March 2024, and accordingly, the Group's investment was transferred as an investment in an associate Company (Note 9), as the Group's ownership percentage became 19.34%, and accordingly, Al Amal Company had a significant influence on the decisions of the Credit Card Services Company PSC.

(9) Investment in an associate

This item represents the value of the Group's investment in the Credit Card Services Company PSC, at 19.34% of its capital, amounting to JD 5,000,000 as of 31 December 2024, and the investment in an associate appears according to the equity method in the consolidated financial statements.

The Group's investment in the Credit Card Services Company PSC has been reclassified from financial assets at fair value through other comprehensive income to investments in an associate due to an increase in the percentage of the Group's voting rights in the Credit Card Services Company PJSC from 11% to 19% during the year after completing the purchase of 466,800 shares (Note 8). As a result, the Group had a significant influence on the decisions related to the financial and operational policies of the Credit Card Services Company PSC.

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* Set out below is the movement in the investment in an associate during the year:

	31 December 2024 JD	31 December 2023 JD
Balance at 1 January	-	-
Additions during the year	1,283,101	-
Group's share from the associate's results during the year	(311,981)	-
Balance at 31 December	<u>971,120</u>	<u>-</u>

The following table illustrates the summary of assets and liabilities of the associate:

	2024 JD
Non-current assets	6,742,982
Current assets	6,425,998
Current liabilities	(12,184,597)
Net equity	<u>984,383</u>
Ownership Percentage	<u>19.34%</u>

Set out below is a summary of the revenues and expenses of the associate:

	2024 JD
Net commissions and fees revenues	1,494,486
Net interest expenses	(798,380)
Rent revenues	99,075
Provision for expected credit losses, net	(10,428)
Salaries, wages and benefits	(1,630,667)
General and administrative expenses	(773,414)
Depreciation and amortization	(669,322)
Written-off debts, net	6,992
Gain from sale of assets	7,243
Loss for the year before tax	<u>(2,274,415)</u>
Income tax surplus for the year	661,279
Loss for the year	<u>(1,613,136)</u>
Ownership Percentage	<u>19.34%</u>
Group's share from associate's results	<u>(311,981)</u>

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(10) Lease contracts

The Group has office lease contracts where the interest on the lease is calculated based on the average borrowing interest rate which is equal to 7%.

The table below summarizes the carrying amounts of right-of-use assets and lease obligations recognized and the movement during the year:

	Right of use assets	Lease obligations
	JD	JD
Balance as at 1 January	-	-
Additions	62,042	62,042
Depreciation	(23,722)	-
Finance cost	-	2,094
Payments	-	(28,669)
Balance as at 31 December 2024	<u>38,320</u>	<u>35,467</u>

Set out below are the details of lease contracts as at 31 December 2024:

	31 December 2024	
Short-term	Long-term	Total
<u>25,227</u>	<u>10,240</u>	<u>35,467</u>

(11) Trade payables

	2024	2023
	JD	JD
Trade payables	164,970	295,945
Due to related parties (Note 15)	12,307	3,418
	<u>177,277</u>	<u>299,363</u>

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(12) Other current liabilities

	<u>2024</u>	<u>2023</u>
	JD	JD
Shareholders' dividends deposits	109,008	120,305
Accrued expenses	28,308	10,220
Ministry of Finance deposits	8,468	6,096
Underwriting refundable deposits for capital increase	3,561	4,061
Outstanding Checks	3,329	3,329
	<u>152,674</u>	<u>144,011</u>

(13) Statutory reserve

This item represents the transfers from the annual profits at a rate of 10% of the profit before income tax according to Jordanian Companies Law. The Group can stop the annual transfer to the statutory reserve when its balance reaches 25% of the Group's capital and it is non-distributable to shareholders.

(14) Income tax

The Group calculated the Income tax provision and deferred tax effect for the years ending as at 31 December 2024 and 2023 in accordance to the Income Tax Law No. (34) for the year 2014 and its related amendments for the year 2018 at an income tax rate of 24% and 4% national contribution.

- Income tax expense:

	<u>2024</u>	<u>2023</u>
	JD	JD
Income tax incurred on current year profits	20,684	47,023
Effect of deferred tax assets for the year	12,633	(34,063)
	<u>33,317</u>	<u>12,960</u>

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- Income tax provision

The movement on the income tax provision is as follows:

	2024	2023
	JD	JD
Balance at 1 January	36,397	-
Income tax paid	(55,411)	(10,626)
Income tax incurred on current year profits	20,684	47,023
Balance at 31 December	<u>1,670</u>	<u>36,397</u>

The reconciliation between accounting profit and taxable profit is as follows:

	2024	2023
	JD	JD
Accounting (loss) profit	(756,927)	234,321
Net provisions	347,006	130,935
Gains from revaluation of financial assets	-	(263,779)
Losses from revaluation of financial assets	152,668	28,570
Company's share from associate's results	311,981	-
Impairment (loss) recovery on investment properties	63,411	(9,282)
Lease obligations-finance cost	2,094	-
Less: realized gains from sale of financial assets	-	47,173
Less: subsidiary's net profit	(46,362)	-
Total taxable income	<u>73,871</u>	<u>167,938</u>
Income tax expense	20,684	47,023
Impact of deferred tax assets	<u>12,633</u>	<u>(34,063)</u>
Income tax in the income statement after deferred tax assets impact	<u>33,317</u>	<u>12,960</u>
Effective tax rate	-	5.5%
Statutory tax rate	28%	28%

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- The movement on the deferred tax assets is as follows:

	2024	2023
	JD	JD
Balance as at 1 January *	468,949	434,886
(Used) additions during the year	(12,633)	34,063
Balance as at 31 December	<u>456,316</u>	<u>468,949</u>

- * Deferred tax assets are calculated at a rate of 28% on the provision for credit losses according to management's estimate of the expected limit at which there will be taxable profits available to offset these assets.

- **Tax Status for the Group**

The Group reached a final settlement with the Income and Sales Tax Department until the year 2020.

The Group has submitted tax returns for the years 2021, 2022 and 2023. However, they have not been reviewed by the Income Tax Department.

(15) Transactions with related parties

Related parties represent major shareholders, directors and key management personnel of the Group, and other related parties and entities controlled by major shareholders. pricing policies and terms of the transactions with related parties are approved by the board of directors.

Set out below is a summary of balances with related parties included in the statement of financial position:

	2024	2023
	JD	JD
Margin Receivables- Major shareholders of the Group, directors and other related parties (Note 5)	<u>1,581,930</u>	<u>1,573,772</u>
Trade Payables- Major shareholders of the Group, directors and other related parties (Note 11)	<u>12,307</u>	<u>3,418</u>

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Set out below is a summary of transactions with related parties included in the statement of income:

Total trading volume and commission for related parties dealt with during the year:

	<u>2024</u>	<u>2023</u>
	JD	JD
Total trading volume - Major shareholders of the Group	2,752,363	4,318,354
Total commission - Major shareholders of the Group	11,633	17,878
Margin finance interest income- Major shareholders of the Group	247,006	170,864

During the year, the Group recorded the following benefits and allowances for the members of the Board of Directors:

	<u>2024</u>	<u>2023</u>
	JD	JD
Transportation allowance for members of the Board of Directors (Note 17)	<u>210,000</u>	<u>171,710</u>

During the year, the Group recorded the following salaries for the members of the executive management:

	<u>2024</u>	<u>2023</u>
	JD	JD
Executive Management salaries and remuneration	<u>80,222</u>	<u>108,230</u>

(16) Investment properties

During the year 2021, the Group reached a settlement with one of its customers to settle their outstanding liability of JD 1,333,181 in exchange for receiving buildings and lands as part of this settlement, after evaluating those investments at their fair value on that date. Additionally, during the year 2024, the Group reached a settlement with one of its customers to settle their outstanding liability of JD 277,720 in exchange for acquiring land valued at JD 262,226, after evaluating those investments at their fair value at that date.

These properties classified as investments properties, as the Group intends to retain these properties to generate cash flows for the Group or to benefit from capital appreciation, or both. The Group estimated the fair value of real estate investments by engaging an independent real estate expert who assessed the fair value of the real estate investments as of 31 December 2024 at an amount of JD 1,466,759 using the comparable price method (2023: JD 1,293,758).

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	Buildings	Land	Total
	JD	JD	JD
2024-			
Cost			
Balance at 1 January 2024	272,395	911,096	1,183,491
Additions	-	262,226	262,226
Balance at 31 December 2024	272,395	1,173,322	1,445,717
Accumulated Depreciation and impairment			
Balance at 1 January 2024	18,386	-	18,386
Depreciation for the year	8,183	-	8,183
Impairment of investment properties	19,090	44,321	63,411
Balance at 31 December 2024	45,659	44,321	89,980
Net book value as at 31 December 2024	226,736	1,129,001	1,355,737
2023-			
Cost			
Balance at 1 January 2023	272,395	911,096	1,183,491
Balance at 31 December 2023	272,395	911,096	1,183,491
Accumulated Depreciation and impairment			
Balance at 1 January 2023	19,496	-	19,496
Depreciation for the year	8,172	-	8,172
Impairment recovery of investment properties	(9,282)	-	(9,282)
Balance at 31 December 2023	18,386	-	18,386
Net book value as at 31 December 2023	254,009	911,096	1,165,105

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(17) General and administrative expenses

	<u>2024</u>	<u>2023</u>
	JD	JD
BOD transportation (Note 15)	210,000	171,710
Professional and consulting fees	157,895	129,901
Depreciation (Note 7,10,16)	106,058	69,447
Rent	21,420	46,217
Computer hardware and software maintenance	77,445	30,688
Miscellaneous and other expenses	14,332	20,913
Electricity, water, and telephone	11,771	12,485
Health insurance	9,497	12,470
Cleaning fees	10,030	10,079
Licenses and subscriptions fees	13,042	3,689
Stationery and supplies	2,624	1,802
Hospitality	6,478	1,676
Maintenance	528	395
Other	858	-
	<u>641,978</u>	<u>511,472</u>

(18) Contingent liabilities

The Group at the date of the consolidated financial statements has liabilities that may arise, which include:

	<u>2024</u>	<u>2023</u>
	JD	JD
Bank guarantees	<u>902,000</u>	<u>640,000</u>
Bank guarantees deposits (Note 6)	<u>122,300</u>	<u>83,000</u>

Litigations raised against the Group by others:

The Group is a defendant in several lawsuits as of 31 December 2024 amounting to JD 415,357 (2023: JD 9,000). The Group's management has analysed the risks related to these lawsuits and their likelihood of occurrence. Accordingly, the Group records the necessary provisions.

(19) Fair value of financial instruments

Fair value of financial assets for the Group and determined by the fair value continuously

Some of the Group's financial assets are valued at fair value at the end of each financial period, and the following table shows information on how to determine the fair value of these financial assets (valuation methods and inputs used).

Level 1: The market prices announced in the active markets of the same financial instruments.

Level 2: Valuation methods based on inputs that affect the fair value and can be observed directly or indirectly in the market.

Level 3: Valuation techniques that are based on inputs that affect the fair value and are not directly or indirectly observable in the market.

	Fair Value		Fair Value Hierarchy
	31 December 2024	31 December 2023	
	JD	JD	
Financial Assets			
Financial assets measured at fair value:			
Financial assets at fair value through other comprehensive income	146,023	163,722	Level 1
Financial assets at fair value through other comprehensive income	-	816,301	Level 3
Financial assets at fair value through income	2,794,036	4,695,937	Level 1
Total Financial Assets at Fair Value	2,940,059	5,675,960	

The fair value of the investments properties has been disclosed, calculated using methods falling under Level 3 (Note 16).

(20) Risk Management

The Group's management manages risks through a comprehensive policy through which measurement and continuous monitoring are determined, taking into account risk limits and other controls. This risk management process is of utmost importance to the Group in order to ensure the Group's lasting profitability. All personnel in the Group are responsible for the risks related to their tasks.

The Group's management reviews and agrees policies for managing each of these risks, which are summarized below:

Interest-rate Risk

Interest-rate risks are the risks that result from fluctuations in fair value or future cash flows of financial instruments caused by changes in the interest rates.

The Group is exposed to interest-rate risks on its assets and liabilities that carry interest such as deposits at banks and margin receivables.

The sensitivity of the statement of income is the effect of the possible changes in interest rates on a Group's profit for one year, and it is calculated on financial assets and liabilities that carry a variable interest rate as at 31 December 2024.

The following table demonstrates the sensitivity of the statement of comprehensive income to reasonably possible changes in interest rates as 31 December 2024 and 2023, with all other variables held constant.

	Change in interest rate	Effect on profit for the year
	Basis points	JD
2024- Jordanian Dinar	100	65,229
2023- Jordanian Dinar	100	50,025

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group believes that it is not exposed to a large degree of credit risk, as it sets a credit limit for clients of margin trading accounts to not exceeding JD 1,000,000 per account, and this is monitored constantly. The maintenance margin for these accounts is more than 20%, which is the minimum maintenance margin as per Jordan Securities Commission instructions. Additionally, the customers' investment portfolios are considered as collateral against the receivable balances. The Group also maintains balances and deposits with leading banking institutions.

Currency Risk

Currency risk All of the Group's transactions are in Jordanian Dinar and therefore there is no effect on the currency risk on the balance sheet.

Risk of changes in share prices

The Group is exposed to the risks of the change in share prices on the financial assets at fair value through statement of income and other comprehensive income. The Group manages these risks by analysing the value exposed to losses and diversifying investment portfolios.

The following table summarizes the impact of increase/ decrease in the securities closing price by 5% over the profit of the year and shareholders' equity before income tax:

	Effect of the change on the income for the year	Effect on equity
	JD	JD
2024-		
Amman Stock Exchange	139,702	147,003
2023-		
Amman Stock Exchange/ U.S Market	234,797	242,983

If there is negative change the effect equals the change above with changing the sign.

Liquidity Risk

Liquidity risk is represented by the Group's inability to provide the financing necessary to fulfil its obligations on its due dates, and the management of liquidity risk requires maintaining adequate cash and the availability of financing through credit ceilings. To prevent these risks, the management will diversify funding sources, manage assets and liabilities, align their deadlines and maintain an adequate balance of cash and cash equivalent and the availability of appropriate financing.

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The table below summarizes the distribution of liabilities (undiscounted) based on the remaining contractual maturity at the date of the consolidated financial statements:

	Less than one year JD	More than one year JD	Total JD
2024-			
Liabilities -			
Trade payables	177,277	-	177,277
Other current liabilities	152,674	-	152,674
Lease obligations	32,640	5,120	37,760
Total Liabilities	362,591	5,120	367,711
2023-			
Liabilities -			
Trade payables	299,363	-	299,363
Other current liabilities	144,011	-	144,011
Total Liabilities	443,374	-	443,374

(21) Segment Information

	Financial Brokerage Sector JD	Financial Investments Sector JD	Total JD
31 December 2024 -			
Segment net revenues	1,339,223	314,954	1,654,177
Segment net expenses	(1,946,455)	(464,649)	(2,411,104)
Segment loss before tax	(607,232)	(149,695)	(756,927)
Segment assets	9,092,055	3,911,179	13,003,234
Segment liabilities	367,088	-	367,088
31 December 2023 -			
Segment net revenues	741,579	535,811	1,277,390
Segment net expenses	(1,014,499)	(28,570)	(1,043,069)
Segment (loss) profit before tax	(272,920)	507,241	234,321
Segment assets	7,781,100	6,142,760	13,923,860
Segment liabilities	479,771	-	479,771

(22) Capital Management

The main objective in relation to the Group's capital management is to ensure that appropriate capital ratios are maintained in a manner that supports the Group's activity and maximizes equity.

The Group manages the capital structure and makes the necessary adjustments to it in light of changes in working conditions. The Group has not made any changes to the objectives, policies and procedures related to capital structure during the current year and the previous year.

The items included in the capital structure are paid in capital, statutory reserve, fair value reserve and accumulated losses amounting to JD 12,636,146 as at 31 December 2024 compared to JD 13,444,089 as at 31 December 2023.

(23) Basic and Diluted Earnings per share from (loss) profit for the year

	<u>2024</u>	<u>2023</u>
(Loss) profit for the year after tax (JD)	(790,244)	221,361
Weighted average number of shares (shares)	<u>15,000,000</u>	<u>15,000,000</u>
Basic and diluted earnings per share from (loss) profit for the year (Fils / JD)	<u>(0/053)</u>	<u>0/015</u>

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(24) Analysis of Maturities of Assets and Liabilities

	Up to one year	More than one year	Total
	JD	JD	JD
2024 -			
<u>Assets</u>			
Cash on hand and balances at banks	5,230,750	-	5,230,750
Trade receivables	-	8,680	8,680
Margin receivables	-	1,581,930	1,581,930
Other current assets	271,185	-	271,185
Financial assets at fair value through income	2,794,036	-	2,794,036
Financial assets at fair value through other comprehensive income	-	146,023	146,023
Investments in associate	-	971,120	971,120
Investment properties	-	1,355,737	1,355,737
Property and equipment	-	149,137	149,137
Rights of use assets	-	38,320	38,320
Deferred tax assets	-	456,316	456,316
Total Assets	8,295,971	4,707,263	13,003,234
<u>Liabilities</u>			
Trade payables	177,277	-	177,277
Other current liabilities	28,308	124,366	152,674
Lease obligations	25,227	10,240	35,467
Income tax provision	1,670	-	1,670
Total Liabilities	232,482	134,606	367,088
Net	8,063,489	4,572,657	12,636,146

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	Up to one year	More than one year	Total
	JD	JD	JD
2023 -			
<u>Assets</u>			
Cash on hand and balances at banks	2,784,063	-	2,784,063
Trade receivables	-	178,325	178,325
Margin receivables	-	2,752,466	2,752,466
Other current assets	212,783	-	212,783
Financial assets at fair value through income	4,695,937	-	4,695,937
Financial assets at fair value through other comprehensive income	-	980,023	980,023
Payments on the investment account	-	466,800	466,800
Investment properties	-	1,165,105	1,165,105
Property and equipment	-	219,409	219,409
Rights of use assets	-	-	-
Deferred tax assets	-	468,949	468,949
Total Assets	7,692,783	6,231,077	13,923,860
<u>Liabilities</u>			
Trade payables	299,363	-	299,363
Other current liabilities	10,220	133,791	144,011
Lease obligations	-	-	-
Income tax provision	36,397	-	36,397
Total Liabilities	345,980	133,791	479,771
Net	7,346,803	6,097,286	13,444,089

(25) Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective:

**Amendments to the Classification and Measurement of Financial Instruments—
Amendments to IFRS 9 and IFRS 7**

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only.

The Group is currently assessing the adjustments on the consolidated financial statements and related disclosures.

Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Group's consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

This standard will result in new presentation of the income statement with some new required totals, in addition to the disclosure of management-defined performance measures.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

The standard is not expected to have a material impact on the Group's consolidated financial statements.

(26) Comparative Figures

Some comparative figures for the year 2023 have been reclassified to align with the presentation of the consolidated financial statements for the year 2024. The reclassification had no impact on the profit and equity for the year 2023.