

**AFAQ ENERGY COMPANY
(LIMITED PUBLIC SHAREHOLDING)
AMMAN - JORDAN**

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

AFAQ ENERGY COMPANY
(LIMITED PUBLIC SHAREHOLDING)
AMMAN - JORDAN

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

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INDEPENDENT AUDITOR'S REPORT

31 December 2024

**Messrs. Afaq Energy Company
(Limited Public Shareholding)
Amman - Jordan**

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of Afaq Energy Company and its subsidiaries (the Group), which comprise:

- The consolidated statement of financial position as at 31 December 2024.
- The consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, and consolidated statement of cash flows for the year then ended; and
- Notes to the consolidated financial statements, including a summary of material accounting policies information.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph below, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS accounting standards as issued by the International Accounting Standards Board (IASB).

Basis for Qualified Opinion

The Group has not calculated the expected credit loss provision for trade receivables and related party receivables in accordance with International Financial Reporting Standard (IFRS) 9 "*Financial Instruments*". As a result, we were unable to determine the potential financial impact on the consolidated financial statements for the year ended 31 December 2024.

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' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with this code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

31 December 2024

Messrs. Afaq Energy Company
(Limited Public Shareholding)
Amman - Jordan

Other Matter

The consolidated financial statements for the year ended 31 December 2023, were audited by another auditor, who issued a qualified opinion, stating that the Group did not calculate expected credit losses on amounts due from related parties in accordance with the requirements of International Financial Reporting Standard (IFRS) 9 - "Financial Instruments".

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report for the year 2024 but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information - Which has not been sent to us until the date of our report. -, we are required to report that fact.

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 of the current period. 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. In addition to the matter described in the *Basis for Qualified Opinion* section, we have determined the matters described below to be the key audit matters to be communicated in our report:

1 Recognition Of Revenues from The Sale of Petroleum Derivatives

Key Audit Matter

The Group's recognized revenues in 2024 amounted to approximately JOD 1.018 billion, including revenues from the sale of petroleum products to fuel stations totaling JD 973,852,319, which represents 96% of total revenues. Fuel prices are determined by the Government of the Hashemite Kingdom of Jordan in accordance with the distribution agreement signed between the Group and the Ministry of Energy and Mineral Resources. Failure to recognize revenues in the correct period, based on the prices set by the Government, could have a material impact on the Group's operating results.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

31 December 2024

Messrs. Afaq Energy Company
(Limited Public Shareholding)
Amman - Jordan

Key Audit Matters - Continued

Related Disclosures

Refer to note [18] of the accompanying financial statements.

Audit Response

Our audit procedures included obtaining an understanding of the significant revenue processes, identifying relevant controls, evaluating their design, assessing whether they were properly implemented, and testing their operating effectiveness. We also performed analytical procedures using both financial and non-financial data, including comparing monthly selling prices recorded in the accounting records with the prices announced by the Ministry of Energy and Mineral Resources, and evaluating the appropriateness of the Group's revenue recognition accounting policies.

2 Land, property and equipment

Key Audit Matter

The net book value of land, property, and equipment amounted to JD 285,469,821 as at 31 December 2024, representing 45% of total assets. The Group periodically reassesses the useful lives of property and equipment for the purpose of calculating annual depreciation, based on their overall condition and estimated remaining useful lives.

Related Disclosures

Refer to note [6] of the accompanying financial statements.

Audit Response

The audit procedures included verifying the existence and completeness of assets, reviewing asset purchases and disposals during the year, and assessing the accuracy of depreciation expense calculations and the reasonableness of the estimated useful lives of the assets. The rights and obligations related to land and vehicle licenses were also verified through an ownership investigation report covering the Group's land and vehicle licenses.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

31 December 2024

Messrs. Afaq Energy Company
(Limited Public Shareholding)
Amman - Jordan

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

31 December 2024

Messrs. Afaq Energy Company
(Limited Public Shareholding)
Amman - Jordan

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements - Continued

- 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 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 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.
- Obtaining sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain ultimately responsible for the 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 provided those in charge of the governance with a statement that we have complied with relevant ethical requirements regarding independence and informed them of all relationships and other matters that may reasonably be thought to affect our independence, in addition to preventive procedures, if any.

From the matters communicated with those in charge of governance, we determined if any of those matters that were of most significance in the audit of the 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 reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

31 December 2024

Messrs. Afaq Energy Company
(Limited Public Shareholding)
Amman - Jordan

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements - Continued

- 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 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 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.
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From the matters communicated with those in charge of governance, we determined if any of those matters that were of most significance in the audit of the 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 reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
31 December 2024**Messrs. Afaq Energy Company**
(Limited Public Shareholding)
Amman - Jordan**Report on Other Legal and Regulatory Requirements**

The Group maintains proper accounting records, and the audited financial statements are in agreement therewith. We recommend the General Committee approve them, taking into account the matter described in the Basis for Qualified Opinion paragraph above

Samman & Co.

**Ahmad Ramahi**
License No. 868**6 April 2024**
Amman - Jordan

Afaq Energy Company
(Limited Public Shareholding)
Amman - Jordan

Consolidated Statement of financial position
As at 31 December 2024

	Note	2024 JD	2023 JD
Assets			
Non-current assets			
Land, property and equipment	(6)	285,469,821	289,905,680
Projects under construction	(7)	7,134,086	3,667,704
Intangible assets - fuel distribution license	(8)	1,041,667	1,166,667
Financial assets at fair value through other comprehensive income		200,000	210,000
Right-of-use assets	(9)	22,334,950	19,782,841
		<u>316,180,524</u>	<u>314,732,892</u>
Current assets			
Inventory	(10)	59,957,203	55,032,110
Trade receivables and cheques under collection	(11)	83,973,783	90,500,157
Due from related parties	(20)	148,608,702	127,581,303
Financial assets at fair value through other profit or loss		-	26,250
Other receivables	(12)	13,848,743	4,903,865
Cash and cash equivalents	(13)	11,880,908	14,505,323
		<u>318,269,339</u>	<u>292,549,008</u>
Total assets		<u><u>634,449,863</u></u>	<u><u>607,281,900</u></u>



Afaq Energy Company
(Limited Public Shareholding)
Amman - Jordan

Consolidated Statement of financial position - Continued
As at 31 December 2024

	Note	2024 JD	2023 JD
<u>Shareholders' equity and liabilities</u>			
<u>Shareholders' equity</u>	(14)		
Capital		110,000,000	110,000,000
Statutory reserve		25,070,185	27,261,210
Retained earnings		38,737,910	29,585,444
Issued capital and reserves attributable to owners of the parent		173,808,095	166,846,654
Non-controlling interest		4,327,875	4,162,766
Total equity		178,135,970	171,009,420
<u>Liabilities</u>			
<u>Non-current liabilities</u>			
Loans	(15)	31,756,986	23,151,679
Lease liabilities	(9)	20,698,692	17,956,917
		52,455,678	41,108,596
<u>Current liabilities</u>			
Due to banks	(16)	22,033,459	23,789,412
Loans	(15)	88,897,739	54,986,212
Due to related parties	(20)	-	621,896
Post-dated cheques		110,230,307	42,538,403
Government deposits		66,852,546	181,071,661
Income and Sales Tax Department deposits			
Trade payables		101,806,453	75,601,833
Other payables	(17)	8,167,261	9,853,170
Lease liabilities	(9)	1,853,447	1,958,681
Income tax provision	(21)	4,017,003	4,742,616
		403,858,215	395,163,884
Total liabilities		456,313,893	436,272,480
Total shareholders' equity and liabilities		634,449,863	607,281,900

The consolidated financial statements on pages [1] to [29] were approved and authorized for issue by the Board of Directors on 6 April 2025 and were signed on its behalf by:

Dr. Ramez Antoine Khoury
Board Member and Deputy General Manager



Afaq Energy Company
(Limited Public Shareholding)
Amman - Jordan

Consolidated Statement of profit or loss and other comprehensive income
For the year ended 31 December 2024

	<u>Note</u>	<u>2024</u>	<u>2023</u>
		JD	JD
Revenue	(18)	1,018,709,080	1,106,703,996
Cost of revenue		<u>(970,307,327)</u>	<u>(1,048,574,565)</u>
Gross profit		48,401,753	58,129,431
Administrative expenses	(19)	(12,156,523)	(12,069,114)
Other revenues and expenses		<u>2,487,827</u>	<u>1,487,744</u>
Operating profit		38,733,057	47,548,061
Finance costs		<u>(16,135,356)</u>	<u>(19,061,634)</u>
Profit for the year before income tax		22,597,701	28,486,427
Income tax expense	(21)	<u>(4,605,462)</u>	<u>(5,910,206)</u>
Profit for the year		17,992,239	22,576,221
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income		<u><u>17,992,239</u></u>	<u><u>22,576,221</u></u>
Profit for the year and comprehensive income attributable to:			
Owners of the parent		17,759,548	22,381,647
Non-controlling interest		<u>232,691</u>	<u>194,574</u>
		<u><u>17,992,239</u></u>	<u><u>22,576,221</u></u>
Basic and diluted earnings per share of profit for the year and comprehensive income - Dinars/Share	(22)	0.161	0.203

Afaq Energy Company
(Limited Public Shareholding)
Amman - Jordan

Consolidated Statement of changes in shareholders equity
For the year ended 31 December 2024

	Capital JD	Statutory reserve JD	Retained earnings JD	Equity attributable to shareholders of the parent company JD	Non-controlling interest JD	Total JD
<u>2024</u>						
At 1 January	110,000,000	27,261,210	29,585,444	166,846,654	4,162,766	171,009,420
Adjustments	-	(4,427,783)	4,629,676	201,893	(67,582)	134,311
Comprehensive Income	-	-	17,759,548	17,759,548	232,691	17,992,239
Statutory reserve	-	2,236,758	(2,236,758)	-	-	-
Dividends - Note (14)	-	-	(11,000,000)	(11,000,000)	-	(11,000,000)
At 31 December	110,000,000	25,070,185	38,737,910	173,808,095	4,327,875	178,135,970
<u>2023</u>						
At 1 January	110,000,000	24,412,567	37,552,440	171,965,007	3,968,192	175,933,199
Comprehensive Income	-	-	22,381,647	22,381,647	194,574	22,576,221
Statutory reserve	-	2,848,643	(2,848,643)	-	-	-
Dividends - Note (14)	-	-	(27,500,000)	(27,500,000)	-	(27,500,000)
At 31 December	110,000,000	27,261,210	29,585,444	166,846,654	4,162,766	171,009,420

Afaq Energy Company
(Limited Public Shareholding)
Amman - Jordan

Consolidated Statement of cash flows
For the year ended 31 December 2024

	Note	2024 JD	2023 JD
Operating activities			
Profit for the year before income tax		22,597,701	28,486,427
<i>Adjustments for:</i>			
Depreciation and amortization		12,621,837	13,122,518
Finance costs		14,601,925	17,692,811
Lease financing costs	(9)	1,533,431	1,368,823
Gains from sale of property and equipment		(129,884)	(60,728)
Loss on sale of financial assets at fair value through profit or loss		18,051	-
Adjustments		1,339,353	-
		52,582,414	60,609,851
Trade receivables and cheques under collection		6,526,374	11,219,878
Inventory		(4,925,093)	(494,392)
Other receivables		(8,944,878)	(13,607)
Due from related parties		(21,027,399)	(44,657)
Due to related parties		(621,896)	(272,663)
Post-dated cheques		67,691,904	26,908,797
Government deposits		(114,219,115)	102,704,863
Income and Sales Tax Department deposits		26,204,620	(41,625,670)
Trade payables		(1,685,909)	(751,076)
Other payables		1,581,022	158,241,324
Cash flows from operating activities		1,581,022	158,241,324
Income tax paid	(21)	(5,331,075)	(6,809,911)
Net cash flows (used in) from operating activities		(3,750,053)	151,431,413
Investing activities			
Purchase of land, property, equipment and projects under construction	(6,7)	(11,703,423)	(10,861,506)
Proceeds from sale of property and equipment		1,056,821	66,472
Proceeds from sale of financial assets at fair value through profit or loss and other comprehensive income		18,199	-
Net cash flows used in investing activities		(10,628,403)	(10,795,034)
Financing activities			
Dividends paid		(11,000,000)	(27,500,000)
Loans	(15)	42,516,834	(48,482,100)
Due to banks	(16)	(1,755,953)	(46,236,470)
Lease liabilities paid	(9)	(3,404,915)	(2,939,432)
Finance costs paid		(14,601,925)	(17,692,811)
Net cash flows from (used in) financing activities		11,754,041	(142,850,813)
Net change in cash and cash equivalent during the year		(2,624,415)	(2,214,434)
Cash and cash equivalent at beginning of year		14,505,323	16,719,757
Cash and cash equivalent at end of year	(13)	11,880,908	14,505,323

Afaq Energy Company
(Limited Public Shareholding)
Amman - Jordan

Notes forming part of the consolidated financial statements
For the year ended 31 December 2024

1) **General**

Afaq Energy Company (the "Group") was established on 8 August 2008, as Limited Public Shareholding and is registered in the Public Shareholding Companies Registry under No. (456). The Group's primary activity is investing in and participating in companies operating across various sectors of the energy industry. The Group is headquartered in Amman, Jordan. The following are the names of the members of the Board of Directors:

<u>Name</u>	<u>Position</u>
Ziad Khalaf Mohammed Al-Manaseer	Chairman of the Board of Directors
Yasser Salem Hussein Al-Manaseer	Vice Chairman of the Board of Directors
Manaseer Group for Industrial & Commercial Investments, represented by His Excellency Mr. Ahmed Qasim Theeb Al-Hanandeh	Board Member
Saad Musa Faiq Al-Dajani	Board Member
Ramez Antoine Ibrahim Khoury	Board Member

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries.

2) **Basis of preparation**

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out in note (4) to the financial statements. The policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements are presented in Jordanian Dinars ("JD"), which is also the Group's functional currency. Amounts are rounded to the nearest JD.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards, and Interpretations (collectively IFRSs) as adopted by the Jordanian laws.

The preparation of the consolidated financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires the Group's management to exercise judgment in applying the Group's accounting policies. The critical accounting estimates and judgments used in the preparation of the financial statements have been disclosed in note (3) to the consolidated financial statements.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit or loss, as described in the relevant accounting policies.

Notes forming part of the consolidated financial statements (Continued)
For the year ended 31 December 2024

Changes in accounting policies

a) New standards, interpretations and amendments adopted from 1 January 2024:

- Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1); and
- Non-current Liabilities with Covenants (Amendments to IAS 1).

Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7)

On 25 May 2023, the IASB issued Supplier Finance Arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The amendments also provide guidance on the characteristics of supplier finance arrangements.

These amendments had no effect on the consolidated financial statements.

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

On 22 September 2022, the IASB issued amendments to IFRS 16 - Lease Liability in a Sale and Leaseback. Prior to the Amendments, IFRS 16 did not contain specific measurement requirements for lease liabilities that may contain variable lease payments arising in a sale and leaseback transaction. In applying the subsequent measurement requirements of lease liabilities to a sale and leaseback transaction, the Amendments require a seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

These amendments had no effect on the consolidated financial statements.

Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (Amendments to IAS 1).

The IASB issued amendments to IAS 1 in January 2020 Classification of Liabilities as Current or Non-current and subsequently, in October 2022 Non-current Liabilities with Covenants. The amendments clarify the following:

- An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period.
- If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
- The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.
- In the case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

These amendments have no effect on the measurement of any items in the consolidated financial statements.

Notes forming part of the consolidated financial statements (Continued)
For the year ended 31 December 2024

b) New standards, interpretations and amendments not yet effective:

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2025:

- Lack of Exchangeability (Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates);

The following amendments are effective for the period beginning 1 January 2026:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7);

The following standards are effective for the annual reporting period beginning 1 January 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures.

The Group is assessing the impact of these new accounting standards and amendments. The Group does not expect that the standards and amendments issued by IASB but not yet effective to have a material impact on the financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

The Group does not expect to be eligible to apply IFRS 19.

3) **Critical accounting estimates and judgments**

The Group makes certain estimates and assumptions regarding the future. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The following are some significant accounting estimates adopted in the preparation of the consolidated financial statements:

Property, plant and equipment

The useful life of property and equipment are periodically re-estimated for the purposes of calculating annual depreciation depending on their general condition and estimates of their expected useful life in the future.

Income tax

The Group is subject to income tax and significant judgment is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Group recognizes tax liabilities based on estimates of whether additional taxes and interest will be due.

Notes forming part of the consolidated financial statements (Continued)
For the year ended 31 December 2024

Fair Value Measurement

A number of assets and liabilities included in the Group's financial statements require measurement at, and/or disclosure of fair value

The fair value measurement of the Group's financial and non-financial assets and liabilities utilizes market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorized into different levels based on how observable the inputs used in the valuation technique utilized are (the "fair value hierarchy"):

- *Level 1: Quoted prices in active markets for identical items (unadjusted).*
- *Level 2: observable direct or indirect inputs other than Level 1 inputs.*
- *Level 3: Unobservable inputs (i.e. not derived from market data).*

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The fair value measurement of financial assets classified as fair value through other comprehensive income and fair value through profit or loss is based on Level 1 inputs.

4) Accounting Policies

Basis of consolidation

Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present:

- power over the investee, exposure to variable returns from the investee,
- the ability of the investor to use its power to affect those variable returns, and
- Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the company considers all relevant facts and circumstances, including:

- The size of the company's voting rights relative to both the size and dispersion of other parties who hold voting rights
- Substantive potential voting rights held by the company and by other parties
- Other contractual arrangements
- *Historic* patterns in voting attendance

The consolidated financial statements present the results of the company and its subsidiaries (the Group) as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

Notes forming part of the consolidated financial statements (Continued)
For the year ended 31 December 2024

The subsidiaries included in the consolidated financial statements are as follows:

<u>Company Name</u>	<u>Country of establishment</u>	<u>Main activity</u>	<u>Ownership percentage</u>
Jordan Modern Oil and Fuel and Services Company		Fuel marketing	100
Jordan Modern Company for Import and Export	Jordan	Mineral oil marketing	100
Jordan Modern for Food Trading Company		Trading	100
Aqaba Chemical Storage Company		Customer Services	55

Revenue

Sales Revenue

Revenue from the sales of goods is recognized when the Group has transferred the significant risks and rewards of ownership to the buyer, and it is probable that the Group will receive the previously agreed upon payment. in accordance with International Financial Reporting Standard No. (15) These laws are provided when the goods are delivered to the buyer.

Rent Revenue

Rent revenue is recognized over time based on the proportion of the elapsed period relative to the total lease term.

Foreign currency

Transactions entered into by the Group in a currency other than the currency of the primary economic environment in which it operates (function currency - JD) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognized immediately in statement profit or loss. Non-monetary assets and liabilities recognized at cost are translated at rates ruling at the date of transaction, where non-monetary items recognized at fair value translated at the rates used at valuation date, valuation result in profit or loss; recognized as part of the intended fair value.

Financial assets

Financial assets are classified at initial recognition in one of the following categories:

- Amortized cost.
- Fair value through profit or loss.
- Fair value through other comprehensive income.

Financial asset measured at amortized cost

A financial asset is measured at amortized cost according to the business model for managing financial asset and the contractual cash flow characteristics of financial assets, if it meets both of the following conditions:

1. It's held within a business model whose objective is to hold assets for collection of future cash flows.
2. It arises from its contractual terms cause, on specified dates, cash flows that are solely payments of principal and interest on the principal amount.

The assets will be measured later with the amortized cost using effective interest method, the amortized cost will be reduced by the impairment losses, interest revenue is recognized profit and loss of foreign currency exchange difference and impairment in statement of profit or loss, profit and loss from the disposal of financial assets appears in statement of profit or loss.

Notes forming part of the consolidated financial statements (Continued)
For the year ended 31 December 2024

Financial assets at amortized cost include items of trade and other receivables, as well as cash and cash equivalents, as shown in the statement of financial position, Cash comprises cash on hand, deposit under collection and other short-term investments, current accounts and short-term deposits at banks with a maturity date of three months or less.

Financial Assets through profit or loss

The Group measures All financial assets not classified as measured at amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss. These assets are initially recognized at fair value. These assets subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial Assets through other comprehensive income

The Group has elected to classify investments in listed and unlisted companies that are not recognized as subsidiaries, associates or jointly controlled companies at fair value through other comprehensive income (this classification is irrevocable) and not through profit or loss. This classification is the most representative of the business model of these assets.

These assets are measured at fair value through other comprehensive income if it meets both of the following conditions:

1. It's held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and,
2. Its contractual terms cause, on specified dates, cash flows that are solely payments of principal and interest.

These assets are initially recognized at fair value and any transaction costs directly attributable to their acquisition or issue. These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Financial liabilities

The Group classifies its financial liabilities depending on the purpose for which the liability was acquired. The Group has not classified any financial liabilities at fair value through profit or loss. The accounting policy for financial liabilities is as follows:

Loans and Due to Bank

Loans and bank facilities are Initially recognized at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortized cost using the effective interest rate method. Whereas the interest expense during the repayment period is at a fixed rate on the balance of the liabilities recognized in the statement of financial position. Finance cost in this context includes initial transaction costs, premium and any interest payable while the liability is outstanding.

Trade and other payables

Trades and other payables initially recognized in the fair value and listed later in the impairment value using effective interest rate.

Notes forming part of the consolidated financial statements (Continued)
For the year ended 31 December 2024

Capital

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

Lease contracts

All lease contracts have been accounted for by recognizing the right to use an asset and the obligation of a lease contract except for the following:

- Lease contracts in which the underlying asset has a low value.
- Short-term leases (less than 12 months).

When applying IFRS (16), the Group recognizes the right to use the assets and liabilities of lease contracts as follows:

Lease liability:

The Group measures the lease commitment at the present value of the contractual payments due to the lessor during the lease period (estimated at five years) using the interest rate implied in the lease if this can be easily determined, and if that rate cannot be easily determined as in the Group, the Group uses the additional borrowing rate (%7) on the commencement date of the lease, the Group's additional borrowing rate is the rate at which a similar borrowing can be obtained from an independent creditor under comparable terms and conditions.

Right of use asset:

The Group makes the initial measurement of the right to use the asset with the value of the lease obligation minus any incentives received, in addition to the following:

- Any lease payments made on or before the commencement date of the lease.
- Any initial direct costs incurred.
- The value of any provision recognized when it is contractually required by the Group to dismantle, remove or return the leased asset to its original condition.

Upon the subsequent measurement of the lease obligation, the lease obligation is increased as a result of the interest charged at a fixed rate on the outstanding balance, and the lease obligation is reduced by the lease payments paid. The right to use the asset is amortized on a straight-line basis over the remaining contractual period or the remaining productive life of the asset if it is shorter than the lease term (this rarely happens).

Externally acquired intangible assets

Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives. The significant intangible assets recognized by the Group and their useful lives are as follows:

<u>Intangible Asset</u>	<u>Useful life</u>
Fuel distribution license	5

Intangible assets that have an indefinite life and are acquired separately are stated at cost less accumulated impairment losses, if any.

Dividends

Dividends are recognised when they become legally payable. In the case of final dividends, this is when approved by the shareholders at the AGM.

Notes forming part of the consolidated financial statements (Continued)
For the year ended 31 December 2024

Land, property and equipment

Items of land, property and equipment are initially recognized at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future unavoidable costs such as dismantling and removing items. The corresponding liability is recognized within provisions.

Projects under construction are not depreciated until they are fully completed and ready to use. Depreciation is provided on all other items of property and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

<u>Asset</u>	<u>Depreciation %</u>
Buildings	2
Vehicles and tankers	15
Tools and equipment	10-15
Devices and control systems	10-33
Furniture and decorations	10
Billboards	10-15

Items of land, property and equipment are derecognized upon disposal or when the items are permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is included in profit or loss in the period in which the asset is derecognized.

Inventory

Inventories are initially recognized at cost, and subsequently at the lower of cost and net realizable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. First in first out is used to determine the cost.

Provisions

Provisions are recognized when the Group has a present obligation (legal or contractual) resulting from past events, 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.

The amount recognized 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 risk and uncertainties surrounding the obligation.

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

5) Financial instruments - risk management

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Market risks
- Liquidity risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group objectives, policies, and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

Notes forming part of the consolidated financial statements (Continued)
For the year ended 31 December 2024

(i) *Principal financial instruments*

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Related parties
- Financial assets at fair value through other comprehensive income and through profit or loss
- Cash and cash equivalents
- Trade receivables, cheques under collection, and other receivables
- Trade payables, post-dated cheques, and other payables
- Loans and due to banks

(ii) *Financial instruments by category*

	2024	2023
	JD	JD
<u>Financial assets at amortized cost</u>		
Trade receivables and cheques under collection	83,973,783	90,500,157
Other receivables	1,850,773	2,594,426
Due from related parties	148,608,702	127,581,303
Cash and cash equivalents	11,880,908	14,505,323
	<u>246,314,166</u>	<u>235,181,209</u>
<u>Financial assets at fair value</u>		
Financial assets at fair value through other comprehensive income and through profit or loss	200,000	236,250
Total financial assets	<u>246,514,166</u>	<u>235,417,459</u>
<u>Financial liabilities at amortized cost</u>		
Loans and due to banks	142,688,184	101,927,303
Due to related parties	-	621,896
Trade payables and post-dated cheques	212,036,760	118,140,236
Other payables	462,805	1,403,699
Total financial liabilities	<u>355,187,749</u>	<u>222,093,134</u>

(iii) *Financial instruments not measured at fair value*

A financial instrument not measured at fair value includes cash and cash equivalents, trade and other receivables and trade and other payables and loans and bank facilities and related parties. The carrying value of financial instruments listed above is approximately equal to their fair values.

Notes forming part of the consolidated financial statements (Continued)
For the year ended 31 December 2024

General objectives, policies, and processes

The management has overall responsibility for the determination of the risk management objectives and policies, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies. The overall objective is to set policies that seek to reduce risks as much as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risks

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is not significantly exposed to this type of risk, as government receivables represent 28% of total trade receivables. With respect to other receivables, the Group's primary operations rely heavily on cash sales, and its credit policy allows for one-month deferred payments. If a customer fails to settle the outstanding balance within 30 days, their withdrawals for the following month are suspended.

for banks and financial institutions, the Group deals with banks with an acceptable credit rating. Credit risk also arises from cash and cash equivalents, deposits with banks and financial assets. The Group deals with banks with a suitable credit rating.

Market risks

Market risk arises from the Group use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk), or other market factors (other price risk).

Fair value or interest rate risk

Financial instruments and loans with variable interest rates expose the Group to interest rate risk affecting future cash flows. The Group is exposed to such risks due to its use of financial instruments with variable interest rates and does not currently have a policy in place to mitigate this exposure. The maximum exposure to interest rate risk from loans and overdrafts was zero JD in 2024, compared to JD 12,208 in 2023.

Currency risks

Currency risk arises when the Group enters financial transactions in currencies other than its functional currency. The Group is not exposed to this type of risk, as it does not engage in foreign currency transactions in the course of its activities. Although the prices of the products it sells are linked to the U.S. dollar, the Group conducts its operations in local currency.

Other market price risks

The Group holds some strategic equity investments in other companies where those complement the Group's operations. The directors believe that the exposure to market price risk from this activity is acceptable in the Group's circumstances.

Liquidity risks

Liquidity risk arises from the Group management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The management's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

Notes forming part of the consolidated financial statements (Continued)
For the year ended 31 December 2024

	Up to 3 months JD	From 3 to 12 months JD	From 1 to 2 years JD	From 2 to 5 years JD	More than 5 years JD
At 31 December 2024					
Loans and due to banks	114,593,455	5,253,000	5,253,000	5,253,000	18,220,975
Post-dated cheques	15,000,000	45,000,000	50,230,307	-	-
Government deposits	66,852,546	-	-	-	-
Trade and other payables	109,963,716	-	-	-	-
	<u>306,409,717</u>	<u>50,253,000</u>	<u>55,483,307</u>	<u>5,253,000</u>	<u>18,220,975</u>
At 31 December 2023					
Loans and due to banks	80,734,309	6,333,500	6,333,500	6,333,500	22,108,093
Post-dated cheques	15,000,000	27,538,403	-	-	-
Government deposits	43,457,199	137,614,462	-	-	-
Trade and other payables	85,455,003	-	-	-	-
	<u>224,646,511</u>	<u>171,486,365</u>	<u>6,333,500</u>	<u>6,333,500</u>	<u>22,108,093</u>

Capital management

The Group monitors "adjusted capital" which comprises all components of equity (capital, Partner contribution, statutory reserve, and retained earnings).

The Group's objective when monitoring capital is to:

- Safeguard the entity's ability to continue as a going concern to be able to achieve returns for partners and benefits to customers.
- Achieve appropriate returns for partners within product pricing in proportion with risk levels.

The Group manages its capital structure and adjust its components in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain a balanced capital structure, the Group may adjust the amount of return capital to shareholders, paid up capital increase, or sell assets to reduce debt.

The debt ratio to adjusted capital at 31 December is as follows:

	2024 JD	2023 JD
Loans and due to banks	142,688,184	101,927,303
Lease liabilities	22,552,139	19,915,598
Less: cash and its equivalent	<u>(11,880,908)</u>	<u>(14,505,323)</u>
Net debt	<u>153,359,415</u>	<u>107,337,578</u>
Total owners equity	<u>178,135,970</u>	<u>171,009,420</u>
Debt ratio	86%	63%

Notes forming part of the consolidated financial statements (Continued)
For the year ended 31 December 2024

6) Land, property, and equipment

	Lands	Buildings	Vehicles and tankers	Tools and equipment	Devices and control systems	Furniture and decorations	Billboards	Total
	JD	JD	JD	JD	JD	JD	JD	JD
<u>Cost</u>								
At 1 January 2023	134,935,743	154,161,541	30,872,443	40,240,777	10,550,542	2,009,053	1,714,238	374,484,337
Additions	38,643	396,023	2,312,461	2,031,786	664,791	111,715	84,390	5,639,809
Transferred from projects under construction	-	5,268,762	-	52,390	-	-	-	5,321,152
Disposals	-	-	(164,449)	-	-	-	-	(164,449)
At 31 December 2023	134,974,386	159,826,326	33,020,455	42,324,953	11,215,333	2,120,768	1,798,628	385,280,849
Additions	-	425,558	2,858,946	1,669,717	425,077	96,718	304,061	5,780,077
Transferred from projects under construction	-	2,456,964	-	-	-	-	-	2,456,964
Disposals	(926,231)	-	(396,618)	-	-	-	-	(1,322,849)
At 31 December 2024	134,048,155	162,708,848	35,482,783	43,994,670	11,640,410	2,217,486	2,102,689	392,195,041
<u>Accumulated depreciation</u>								
At 1 January 2023	-	27,932,911	24,439,373	21,250,206	8,349,516	1,820,272	1,356,649	85,148,927
Depreciation	-	3,799,627	2,721,386	3,009,628	646,418	131,897	75,991	10,384,947
Disposals	-	-	(158,705)	-	-	-	-	(158,705)
At 31 December 2023	-	31,732,538	27,002,054	24,259,834	8,995,934	1,952,169	1,432,640	95,375,169
Depreciation	-	3,944,263	2,789,279	3,082,580	518,957	122,922	82,920	10,540,921
Adjustments	-	1,205,042	-	-	-	-	-	1,205,042
Disposals	-	-	(395,912)	-	-	-	-	(395,912)
At 31 December 2024	-	36,881,843	29,395,421	27,342,414	9,514,891	2,075,091	1,515,560	106,725,220
<u>Net Book Value</u>								
At 1 January 2023	134,935,743	126,228,630	6,433,070	18,990,571	2,201,026	188,781	357,589	289,335,410
At 31 December 2023	134,974,386	128,093,788	6,018,401	18,065,119	2,219,399	168,599	365,988	289,905,680
At 31 December 2024	134,048,155	125,827,005	6,087,362	16,652,256	2,125,519	142,395	587,129	285,469,821

The Group's lands and buildings are mortgaged to banks in exchange for loans and banks facilities, as shown in Notes No. (15) and (16) to the consolidated financial statements.

Notes forming part of the consolidated financial statements (Continued)
For the year ended 31 December 2024

7) Projects under construction

	Expected completion date	Estimated cost of completion	2024	2023
		JD	JD	JD
Gas project CNG	February 2026	16,470,300	3,203,966	1,838,344
Al-Hussainiya station project - Ibrahim Al-Jazzy	January 2026	2,000,000	1,248,561	400,204
Sino Trik gas project	September 2025	1,500,000	869,062	-
Al-Dhulayl station project - Farouk Shalif	July 2025	1,000,000	627,097	-
Medina street station project	June 2025	500,000	313,162	-
Ma'an 3 station project - Al-Jazeera Plateaus	July 2025	250,000	196,506	-
Solar power generation project - Lumi	September 2025	200,000	169,622	4,866
Other gas stations project	March 2026	1,000,000	154,978	21,472
LNG project	June 2025	300,000	86,354	81,171
Birin station project - Magda Al-Attar and Al-Omari	September 2025	250,000	82,972	-
Irbid station project, Petra Street - Rajoub	August 2025	250,000	80,871	80,871
Al Sharif Fuel station project	September 2025	100,000	55,674	25,205
ABCCO tanks expansion project	January 2026	29,500	29,500	29,500
King Hussein Complex station project	June 2025	250,000	15,761	15,611
Ramtha 2 station project	October 2024	-	-	707,350
Zarqa - Karamah station project	October 2024	-	-	252,542
Sahab industrial station project	August 2024	-	-	137,592
Karak - Mazar station project	October 2024	-	-	62,976
Abdoun 2 Fuel station project	November 2024	-	-	10,000
			<u>7,134,086</u>	<u>3,667,704</u>

The following is the movement on the projects under construction:

	2024	2023
	JD	JD
At 1 January	3,667,704	5,017,158
Additions	5,923,346	3,971,698
Transferred to property and equipment	(2,456,964)	(5,321,152)
At 31 December	<u>7,134,086</u>	<u>3,667,704</u>

Notes forming part of the consolidated financial statements (Continued)
For the year ended 31 December 2024

8) Intangible asset - Fuel distribution licence

On 20 November 2012, the Group signed a 10-year petroleum derivatives distribution license agreement with the Ministry of Energy and Mineral Resources, granting it a 33% market share, with a total value of JD 30 million. This intangible asset is amortized over the 10-year duration of the license, beginning from the commencement of actual operations under the agreement in May 2013. The following is a breakdown of these intangible assets:

	Fuel distribution licence JD
Cost	
At 1 January 2023	30,000,000
Additions	1,250,000
At 31 December 2023	31,250,000
At 31 December 2024	<u>31,250,000</u>
Accumulated amortization	
At 1 January 2023	29,012,596
Amortization	1,070,737
At 31 December 2023	30,083,333
Amortization	125,000
At 31 December 2024	<u>30,208,333</u>
<u>Net Book Value</u>	
At 1 January 2023	987,404
At 31 December 2023	1,166,667
At 31 December 2024	<u>1,041,667</u>

Notes forming part of the consolidated financial statements (Continued)
For the year ended 31 December 2024

9) Lease Contract

	2024	2023
	JD	JD
<u>Right-of-use assets</u>		
At 1 January	19,782,841	18,932,205
Additions	4,508,025	2,517,470
Amortization	(1,955,916)	(1,666,834)
At 31 December	22,334,950	19,782,841
<u>Lease liabilities</u>		
At 1 January	19,915,598	18,968,737
Additions	4,508,025	2,517,470
Finance cost	1,533,431	1,368,823
Rent payments	(3,404,915)	(2,939,432)
At 31 December	22,552,139	19,915,598

The following table shows the contractual maturities that represent the undiscounted contractual cash flows of the lease liabilities:

	2024	2023
	JD	JD
Short term	1,853,447	1,958,681
Long term	20,698,692	17,956,917
	22,552,139	19,915,598

10) Inventory

	2024	2023
	JD	JD
Fuel	51,520,537	46,441,282
Oils	2,180,664	2,355,625
Spare parts and supplies	4,330,118	4,543,729
Food supplies	1,925,884	1,691,474
	59,957,203	55,032,110

Notes forming part of the consolidated financial statements (Continued)
For the year ended 31 December 2024

11) Trade receivables and cheques under collection:

	2024	2023
	JD	JD
Customer receivables	80,441,476	86,672,784
Cheques under collection	10,144,572	10,348,192
Rent receivables	1,062,472	1,153,918
	<u>91,648,520</u>	<u>98,174,894</u>
Less: Provision for expected credit losses	<u>(7,674,737)</u>	<u>(7,674,737)</u>
Net trade receivables	<u>83,973,783</u>	<u>90,500,157</u>

The carrying values of trade and other receivables approximates their fair value. The Group does not hold any collateral or guarantees as security against these receivables. The ageing analysis of trade receivables is as follows:

	2024	2023
	JD	JD
Un-accrued	48,649,850	44,485,925
From 1 to 30 days	21,685,862	29,323,876
From 31 to 90 days	6,873,403	10,947,690
From 91 to 120 days	3,379,529	6,302,349
More than 120 days	11,059,876	7,115,054
	<u>91,648,520</u>	<u>98,174,894</u>

12) Other receivables

	2024	2023
	JD	JD
Refundable deposits	1,777,832	2,535,701
Employee advance	72,941	58,725
Total financial assets classified at amortized cost, excluding cash and cash equivalents	<u>1,850,773</u>	<u>2,594,426</u>
Advance to suppliers	11,022,018	1,355,642
Prepaid expenses	780,300	833,292
Income tax deposits	43,790	38,426
Other	151,862	82,079
	<u>13,848,743</u>	<u>4,903,865</u>

Notes forming part of the consolidated financial statements (Continued)
For the year ended 31 December 2024

13) Cash and cash equivalents

	2024	2023
	JD	JD
Cash on hand	1,262,727	1,132,896
Cheques with maturities with less than month	8,854,345	8,850,169
Cash at banks	1,763,836	4,522,258
	<u>11,880,908</u>	<u>14,505,323</u>

14) Shareholders' equity

Capital

The capital is JD 110 million divided into 110 million shares where the value is one JD per share.

Statutory reserve

According to the Jordanian companies' law, all companies must deduct 10% annually from income before tax and other reserves. This deduction continues until it reaches the Group's capital.

Retained earnings

This item contains only profits, losses and dividends.

The Group has decided to distribute dividends amounting to 11 million Jordanian dinars, equivalent to 0.10 Jordanian dinars per share as of 31 December 2024 (compared to 27.5 million Jordanian dinars, or 0.25 Jordanian dinars per share, in 2023).

15) Loans

	2024		2023	
	Ceiling	Installment	Short term	Long term
	JD	JD	JD	JD
Bank Al Etihad	65,000,000	-	38,806,921	-
Arab Jordan Investment Bank	16,300,000	16,300,000	16,300,000	-
Bank of Jordan	24,000,000	1,250,000	5,000,000	8,784,414
Jordan Capital Bank	5,050,000	210,000	2,858,231	2,530,000
Housing Bank	27,000,000	-	22,608,587	-
Arab Bank	17,000,000	277,000	3,324,000	11,183,000
German Export Bank Loan	16,470,300	1,069,500	-	9,259,572
		<u>19,106,500</u>	<u>88,897,739</u>	<u>31,756,986</u>
				<u>54,986,212</u>
				<u>23,151,679</u>

These loans are secured by a first-degree mortgage on the Group's land and buildings, in addition to a personal guarantee from the Chairman of the Board of Directors. Interest rates range from 7.5% to 12%.

Notes forming part of the consolidated financial statements (Continued)
For the year ended 31 December 2024

16) Due to banks

The following represents the utilized balances of the credit facilities:

	Ceiling	2024	2023
	JD	JD	JD
Arab Jordan Investment Bank	14,700,000	13,010,169	14,458,360
Housing Bank	6,000,000	4,839,326	4,757,219
Arab Bank	3,900,000	2,732,573	2,351,710
Jordan Capital Bank	1,000,000	1,010,226	1,223,187
Bank Al Etihad	1,000,000	441,165	998,936
		<u>22,033,459</u>	<u>23,789,412</u>

These facilities are secured by a first-degree mortgage on the Group's land and buildings, along with a personal guarantee from the Chairman of the Board. Interest rates range from 9.875% to 11.375%.

17) Other payables

	2024	2023
	JD	JD
Accrued expenses	462,805	1,403,699
Total financial liabilities classified at amortized cost excluding loans and due to banks	462,805	1,403,699
Advance from customers	7,113,263	7,884,482
Social security deposits	247,560	252,973
Income and Sales Tax Department deposits	121,840	312,016
Other	221,793	-
	<u>8,167,261</u>	<u>9,853,170</u>

18) Revenue

	2024	2023
	JD	JD
Fuel and oil sales revenue	973,852,319	1,052,357,077
Fuel transportation revenues	23,776,149	30,447,260
Selling food supplies	17,212,690	19,702,376
Rental revenue	3,867,922	4,197,283
	<u>1,018,709,080</u>	<u>1,106,703,996</u>

Notes forming part of the consolidated financial statements (Continued)
For the year ended 31 December 2024

19) Administrative expenses

	2024	2023
	JD	JD
Salaries and wages	3,218,308	3,153,242
Fees, licenses, stamps and subscriptions	1,496,833	1,637,360
Expenses charged by group management	1,203,091	1,584,084
Advertising	1,480,582	1,318,699
Depreciation	1,845,912	1,167,765
Professional fees	666,762	509,101
Electricity, water and communications	444,733	476,391
Car expenses	329,950	331,354
Insurance	306,071	235,742
Non-deductible tax	246,643	553,371
Maintenance	146,239	377,827
Tools and consumables	89,124	52,288
Training, travel and accommodation	38,307	30,852
Rewards	33,000	33,000
Certificates	31,142	19,799
Donations	30,370	12,462
Legal cases	28,009	99,684
Rent	5,844	71,044
Other	515,603	405,049
	<u>12,156,523</u>	<u>12,069,114</u>

Notes forming part of the consolidated financial statements (Continued)
For the year ended 31 December 2024

20) Related parties

Related parties represent the major shareholders and senior management employees of the Group and companies in which they are major shareholders. The transactions with related parties, as presented in the statement of financial position, statement of profit or loss, and other comprehensive income, are as follows:"

	2024 JD	2023 JD
<u>Due from related parties</u>		
Al-Manaseer Group for Industrial and Commercial Investment Company - Parent	30,693,652	25,846,915
<u>Sister Companies</u>		
Manaseer Industrial Complex	63,715,451	51,740,042
Advance Company for Shipping Services	21,606,768	21,438,502
Al-Adyat Al-Sareeah for Equipment Trade	20,013,209	15,645,870
Developed Crushers Company	11,675,091	11,338,143
Magnisia Jordan Limited Public Shareholding	1,841,143	1,841,143
Jordan Modern Ready Mix Concrete Company	756,732	1,320,202
Jordan Modern High Technology Company	628,672	745,510
Vision for Maintenance Spare Parts	583,666	583,666
Al-Bunyan for Cement and Concrete Products Manufacturing Company	422,847	428,507
Al-Adiyat Agricultural Company	225,038	225,038
Al-Manaseer for Trading Services	221,676	221,676
Leading Mining Company	213,712	213,712
United Iron & Steel Manufacturing Co PLC	168,597	-
Modern Majal for Steel Scrap	91,211	91,211
Jana for Mining Company	57,709	75,655
Jordan Modern for Chemical Industries Company	2,000	2,000
Jordan Modern food and Industries Company	1,500	765
Al-Theqa for concrete industrial Company	693	-
Jordan Modern Advanced Chemical Industries Company	227	22,802
Modern Company for Mining	-	116,796
Al-Manaseer Charity	-	2,083
Other	24,874	16,831
	<u>152,944,468</u>	<u>131,917,069</u>
Less: Provision for expected credit losses	<u>(4,335,766)</u>	<u>(4,335,766)</u>
	<u>148,608,702</u>	<u>127,581,303</u>
<u>Due to to related parties - subsidiaries</u>		
Partners' Accounts Receivable - Subsidiary	-	621,896

Notes forming part of the consolidated financial statements (Continued)
For the year ended 31 December 2024

The related party transactions presented in the statement of profit or loss and other comprehensive income are as follows:

	2024	2023
	JD	JD
Oil and fuel sales	13,094,454	13,785,567
Expenses charged by group management	1,203,091	1,584,084

Senior management personnel are individuals with the authority and responsibility to plan, direct, and control the Group's activities. Salaries and benefits for senior management amounted to JD 144,746 in 2024 and JD 127,593 in 2023.

21) Income tax provision

The following are the income tax provision movements:

	2024	2023
	JD	JD
At 1 January	4,742,616	5,642,321
Income tax expense for the year	4,605,462	5,910,206
Paid during the year	(5,331,075)	(6,809,911)
At 31 December	4,017,003	4,742,616

Below income tax reconciliation with accounting profit:

	2024	2023
	JD	JD
Accounting profit	22,597,701	28,486,427
Add: non-taxable expenses	246,654	-
Subtract: tax-exempt income	-	(237,813)
Taxable profit	22,844,355	28,248,614
Income tax expense for the year	4,369,988	5,618,514
National contribution	235,474	291,692
Income tax expense	4,605,462	5,910,206

Afaq Energy PLC (Parent Company):

The Company's income tax has been settled with the Income and Sales Tax Department up to the end of 2022. The income tax return for the year 2023 has been submitted but has not yet been audited by the Income and Sales Tax Department.

Modern Jordanian Oil and Fuel Services Co. Ltd. (Subsidiary):

The Company's income tax has been settled with the Income and Sales Tax Department up to the end of 2022. The income tax return for the year 2023 has been submitted but has not yet been audited by the Income and Sales Tax Department.

Notes forming part of the consolidated financial statements (Continued)
For the year ended 31 December 2024

Regarding the Company's branch in the Aqaba Special Economic Zone, a final tax settlement has been obtained from the Income Tax Department up to the end of 2020. Income tax returns for the years 2021 through 2023 have been submitted but have not yet been audited by the Income and Sales Tax Department.

Jordan Modern for Food Trading Company LLC (Subsidiary):

The Company's income tax has been settled with the Income and Sales Tax Department up to the end of 2021. Income tax returns for the years 2022 and 2023 have been submitted but have not yet been audited by the Income and Sales Tax Department.

Modern Jordanian Import and Export Company LLC (Subsidiary):

The Company's income tax has been settled with the Income and Sales Tax Department up to the end of 2019. Income tax returns for the years 2020 through 2023 have been submitted but have not yet been audited by the Income and Sales Tax Department.

Aqaba Chemical Storage Company LLC (Subsidiary):

The Company's income tax matters have been finalized with the Income and Sales Tax Department up to the end of 2023.

22) Basic and diluted earnings per share of profit for the year and comprehensive income - Dinars/Share

	2024	2023
	JD	JD
Profit for the year and comprehensive income - JD	17,759,548	22,381,647
Weighted average number of shares - share	110,000,000	110,000,000
Basic and diluted earnings per share of profit for the year and comprehensive income - Dinars/Share	0.161	0.203

23) Contingent liabilities

As of the financial position date, the Group has potential liabilities as follows:

	2024	2023
	JD	JD
Guarantees and credits	144,746	6,600,667
Legal cases*	8,895,931	224,867
	<u>9,040,677</u>	<u>6,825,534</u>

In the opinion of management and the Group's legal advisor, the Group's legal position in these cases is strong, and there is no need to recognize any provisions.

24) Comparative figures

Certain figures in the financial statements for the year ended 31 December 2023, have been reclassified and restated to align with the presentation adopted in the financial statements for the year ended 31 December 2024. These reclassifications had no impact on the statement of profit or loss, other comprehensive income, or the statement of changes in equity for the year ended 31 December 2023.

Notes forming part of the consolidated financial statements (Continued)
For the year ended 31 December 2024

25) **Segment reporting**

The Group is structured for management purposes such that its segments are measured based on reports utilized by the Group's CEO and chief decision-maker. The Group operates through its main business segments: fuels and oils, import and export, food supplies, and fuel storage. The revenues, profits, assets, and liabilities by business segment are as follows:

	Afaq JD	Fuels & oils JD	Fuel storage JD	Import & export JD	Food supplies JD	Total JD
At 31 December 2024						
Revenue	-	990,149,589	2,182,723	9,164,078	17,212,690	1,018,709,080
Cost of revenue	-	(944,963,532)	(870,700)	(8,224,671)	(16,248,424)	(970,307,327)
Gross profit	-	45,186,057	1,312,023	939,407	964,266	48,401,753
Administrative expenses	(329,805)	(9,645,369)	(734,483)	(56,921)	(1,389,945)	(12,156,523)
Other revenues and expenses	-	1,398,200	-	285	1,089,342	2,487,827
Operating profit	(329,805)	36,938,888	577,540	882,771	663,663	38,733,057
Finance costs	-	(16,135,356)	-	-	-	(16,135,356)
Profit for the year before income tax	(329,805)	20,803,532	577,540	882,771	663,663	22,597,701
Income tax expense	-	(4,285,296)	(60,448)	(120,349)	(139,369)	(4,605,462)
Profit for the year	(329,805)	16,518,236	517,092	762,422	524,294	17,992,239
At 31 December 2023						
Revenue	-	1,076,103,278	2,162,589	8,735,753	19,702,376	1,106,703,996
Cost of revenue	-	(1,021,179,239)	(933,685)	(7,772,884)	(18,688,757)	(1,048,574,565)
Gross profit	-	54,924,039	1,228,904	962,869	1,013,619	58,129,431
Administrative expenses	(336,102)	(9,521,444)	(773,761)	(139,593)	(1,302,781)	(12,073,681)
Other revenues and expenses	-	460,652	-	800	1,026,292	1,487,744
Operating profit	(336,102)	45,863,247	455,143	824,076	737,130	47,543,494
Finance costs	-	(19,057,067)	-	-	-	(19,057,067)
Profit for the year before income tax	(336,102)	26,806,180	455,143	824,076	737,130	28,486,427
Income tax expense	-	(5,612,244)	(22,758)	(120,407)	(154,797)	(5,910,206)
Profit for the year	(336,102)	21,193,936	432,385	703,669	582,333	22,576,221

Afaq Energy Company
(Limited Public Shareholding)
Amman - Jordan

Notes forming part of the consolidated financial statements (Continued)

For the year ended 31 December 2024

	Afaq	Fuels & oils	Fuel storage	Import & export	Food supplies	Disposals	Total
	JD	JD	JD	JD	JD	JD	JD
<u>Assets and liabilities</u>							
<u>At 31 December 2024</u>							
Assets	174,004,059	570,232,698	7,455,960	15,286,381	5,263,475	(137,792,710)	634,449,863
Liabilities	205,973	454,297,731	493,426	4,744,803	1,638,448	(5,066,488)	456,313,893
<u>Assets and liabilities</u>							
<u>At 31 December 2023</u>							
Assets	169,473,677	537,798,589	7,471,745	14,874,895	5,219,948	(127,556,954)	607,281,900
Liabilities	2,622,731	427,613,294	1,347,619	5,095,732	2,118,215	(2,525,111)	436,272,480