

Jordan International Investment Company
(Public Shareholding Limited Company)
Amman – The Hashemite Kingdom of Jordan
Consolidated Financial Statements and
Independent Auditor's Report
For the year ended in December 31, 2025

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Independent Auditor's Report

To, The Shareholders
Jordan International Investment Company
(Public Shareholding Limited Company)
Amman - the Hashemite Kingdom of Jordan

Opinion

We have audited the accompanying consolidated statement of financial position of **Jordan International Investment Company ("the Company")** as of December 31, 2025 and the related consolidated statements of profit or loss and other comprehensive income, changes in shareholders' equity, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes from 1 to 22.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position as of December 31, 2025 and its financial performance, changes in shareholders' equity, and cash flows for the year then ended in accordance with International Financial Reporting Standards.

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 Financial Statements' section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other relevant independence requirements in addition to our audit-related responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

The key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and were not for the purpose of expressing a separate opinion on these matters.

Key Audit Matter	Scope of Audit to Address Key Audit Matter
<p>Assessment of Investment properties: The investment properties represent 76% of the total assets of the company as of December 31, 2025. Investment properties are measured at cost less accumulated impairment. The carrying amount shown in the financial statement as of December 31, 2025, was 7,243,977 Jordanian Dinars. The company is required to determine the fair value for disclosure purposes and to assess whether there is any impairment. The fair value of investment properties is determined as of each reporting date by external appraisers. Our focus was on the valuation process, which requires a specific methodology for determining the valuation approach used and the significant estimates considered. Therefore, it was considered a key audit matter. The accounting policy for real estate investments is presented in Note 5 - Significant Accounting Policies</p>	<p>Below are the key audit procedures we performed for this matter: One of the most important audit procedures we performed was evaluating the internal control procedure used by the company on the following matters: Design & implement of effective control procedures for the valuation of investment properties. Evaluating the efficiency, independence, skill, and capabilities of the external appraisers. Reviewing the engagement letter with the external appraiser to determine if the scope was sufficient for audit purposes. Reviewing property deeds to confirm ownership of these investment properties and their full registration in the company's records. Reviewing the amounts disclosed in the financial statements against the estimates. Reviewing the disclosures in the financial statements related to this matter and assessing their compliance with International Financial Reporting Standards requirements</p>

Responsibilities of Management and those charged with Governance

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). Management is also responsible for the design and implementation of internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with Governance are responsible for overseeing the financial reporting process in the company

The Auditor's Responsibility for Auditing the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 it is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements 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 financial statements. As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit and we must also:

Identifying and assessing the risks of material misstatement in the financial statements, whether due to fraud or error, and designing and implementing audit procedures to address those risks, and obtaining sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk from error because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal controls.

- Obtaining an understanding of relevant internal control systems for auditing purposes, in order to design appropriate audit procedures under the circumstances, not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of the accounting policies used, the reasonableness of accounting estimates, and related disclosures made by management.
- Drawing conclusions on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether there is a material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude there is a material uncertainty, we are required to draw attention in our report to the related disclosures in the financial statements, and if those disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of our report. However, future events or conditions may lead the company to cease operations based on the going concern assumption.
- Evaluating the overall presentation, structure, and content of the financial statements, including disclosures, to ensure that the financial statements present transactions and events in a manner that achieves a fair presentation.
- We inform governance personnel – among other matters – about the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control systems identified during the audit.

Independent Auditor's Report (continued)

The Auditor's Responsibility for Auditing the Consolidated Financial Statements (Continued)

We also provide governance personnel with a statement that we have complied with relevant ethical requirements regarding independence, and disclose to them all relationships and other matters that may reasonably be thought to affect our independence, and provide related safeguards if required.

Among the matters communicated to governance personnel, we identify those matters that were of most significance in the audit of the financial statements of the current year and consider them key audit matters. We explain these matters in our report unless laws and regulations prohibit public disclosure or, in extremely rare circumstances, we determine that it is not appropriate to disclose them in our report due to the negative consequences of disclosure that would outweigh, on a reasonable basis, the public interest in that disclosure.

Report on Legal and Regulatory Requirements

Jordan International Investment Company maintains organized accounting records as of December 31, 2025, and these records agree in all material respects with the accompanying consolidated financial statements. We recommend the General Assembly to approve them

The partner in charge of the audit resulting in this auditor's report was Hasan Amin Othman; license number 674.

Date: 25 February, 2026

Amman - Jordan



Jordan International Investment Company
(Public Shareholding Limited Company)
Consolidated statement of financial position
For the year ended in December 31, 2025
(Jordanian Dinars)

	<u>Note</u>	<u>2025</u>	<u>2024</u>
<u>Assets</u>			
Non-current assets:			
Property and equipment, net	6	23,136	24,712
Investment properties, net	7	7,243,977	7,278,361
Intangible assets		250	250
Financial assets at fair value through other comprehensive income	8	86,473	118,267
Deferred tax assets	16	111,714	111,529
Total non-current assets		7,465,550	7,533,119
Current assets:			
Account receivables, net	9	6,537	10,164
Financial assets at fair value through profit or loss	10	1,224,499	953,300
Other receivables, net	11	57,134	40,775
Cash and cash equivalents	12	799,348	812,140
Total current assets		2,087,518	1,816,379
Total assets		9,553,068	9,349,498
<u>Shareholders' equity and liabilities</u>			
Shareholders' equity			
Paid in capital	13	10,000,000	10,000,000
Statutory reserve		72,175	55,628
Special reserve		2,225	2,225
Fair value reserve		(155)	(30,916)
Accumulated losses		(541,526)	(690,183)
Total shareholders' equity		9,532,719	9,336,754
Liabilities:			
Current liabilities:			
Other payables	14	18,858	11,624
Provision for income tax	15	1,491	1,120
Total current liabilities		20,349	12,744
Total shareholders' equity and liabilities		9,553,068	9,349,498

The accompanying notes from 1 to 22 are an integral part of these consolidated financial statements

Jordan International Investment Company
(Public Shareholding Limited Company)
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended in December 31, 2025
(Jordanian Dinars)

	<u>Note</u>	<u>2025</u>	<u>2024</u>
<u>Revenues</u>			
Gains on sale of financial assets at fair value through profit or loss		247,486	36,895
Dividend income from financial assets at fair value through profit or loss		34,812	33,225
Fair value (losses) / gains on financial assets at fair value through profit or loss		(882)	4,053
Rental income		10,675	8,900
Gain on sale of investment properties		14,338	71,765
Interest income from banks		47,813	47,699
Other income		10,865	3,814
Total revenue		365,107	206,351
General and administrative expenses	18	(183,896)	(116,844)
Depreciation of property, plant and equipment and investment properties		(15,738)	(15,304)
Profit before income tax		165,473	74,203
Income tax expense		(454)	(1,324)
Tax saving – subsidiary		185	-
Net profit for the year		165,204	72,879
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss statements:			
Change in fair value reserve for financial assets through other comprehensive income		30,761	(3,731)
Total comprehensive income for the year.		195,965	69,148

The accompanying notes from 1 to 22 are an integral part of these consolidated financial statement

Jordan International Investment Company
(Public Shareholding Limited Company)
Consolidated Statement of Changes in Shareholders' Equity
For the year ended in December 31, 2025
(Jordanian Dinars)

	Paid in Capital	Statutory Reserve	Special Reserve	Fair Value Reserve	Accumulated losses	Total
<u>2024</u>						
Balance as at 1 January 2024	10,000,000	50,015	2,225	(27,185)	(761,523)	9,263,532
Net income for the year	-	-	-	-	72,879	72,879
Transfer to Statutory Reserve	-	7,420	-	-	(7,420)	-
Change in fair value reserve	-	-	-	(3,731)	-	(3,731)
Prior years adjustments	-	(1,807)	-	-	5,881	4,074
Balance as of December 31, 2024	10,000,000	55,628	2,225	(30,916)	(690,183)	9,336,754
<u>2025</u>						
Balance as at 1 January 2025	10,000,000	55,628	2,225	(30,916)	(690,183)	9,336,754
Net income for the year	-	-	-	-	165,204	165,204
Transfer to Statutory Reserve	-	16,547	-	-	(16,547)	-
Change in fair value reserve	-	-	-	30,761	-	30,761
Balance as of December 31, 2025	10,000,000	72,175	2,225	(155)	(541,526)	9,532,719

The accompanying notes from 1 to 22 are an integral part of these consolidated financial statements

Jordan International Investment Company
(Public Shareholding Limited Company)
Consolidated Statement of Cash Flows
For the year ended in December 31, 2025
(Jordanian Dinars)

	2025	2024
Cash Flows from Operating Activities:		
Net Profit for the year before tax	165,473	74,203
Adjustments to reconcile net income for the year before income tax to net cash flows used in operating activities:		
Depreciations	15,738	15,304
Interest income	(47,813)	(47,699)
Earning /Loss of valuation of financial assets at fair value through profit of loss	-	(4,053)
Gain on sale of investment properties	(14,338)	(71,765)
	119,060	(104,130)
Changes in working capital items:		
Account receivables and other receivables	(12,732)	1,743
Other payables	7,234	(6,195)
Income tax paid	(83)	(5,388)
Net cash flows provided by / (used in) operating activities	113,479	(113,970)
Cash Flows from Investing Activities		
Purchase of property and equipment	(440)	-
Purchase of Intangible Assets	-	(250)
Interest income received	47,813	47,699
Proceeds from Sale of Investment Property	35,000	175,001
Change in financial assets at fair value through profit or loss	62,555	-
Change in financial assets at fair value through other comprehensive income	(271,199)	-
Cash flow (used in) /provided by investing activities	(126,271)	221,138
Net cash used provided during the year	(12,792)	107,168
Cash and Cash equivalents at the beginning of the year	812,140	704,972
Cash and Cash equivalents at the end of the year	799,348	812,140

The accompanying notes from 1 to 22 are an integral part of these consolidated financial statements

Jordan International Investment Company
(Public Shareholding Limited Company)
Notes to the Consolidated Financial Statements
For the year ended in December 31, 2025

1- Legal Status and Activities

Jordan International Investment Company (the “Company”) is a Public Shareholding Limited Company that operates under Commercial Registration No. (412) Issued in Amman on July 13, 2006.

The main activity of the company is represented in the purchase of lands and the establishment of industrial projects, craft and residential cities, tourist hotels, residential buildings, import and export, and commercial agencies.

The company is wholly owned by Jordan International Insurance Company - a public shareholding limited company.

2- Basis of Preparation:

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and other relevant standards and pronouncements.

The consolidated financial statements are presented in Jordanian Dinar (JOD), which is the Company’s functional currency. All amounts in the consolidated financial statements are expressed in Jordanian Dinar.

The preparation of the consolidated financial statements in conformity with IFRSs requires the use of certain significant accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The significant judgments and estimates applied in the preparation of these consolidated financial statements are disclosed in a separate section below.

Basis of Preparation of the Consolidated Financial Statements

The consolidated financial information comprises the financial statements of the Company and its subsidiaries over which it has control. Control is achieved when the Company has the ability to govern the financial and operating policies of the subsidiaries so as to obtain benefits from their activities. Intercompany transactions, balances, income, and expenses between the Company and its subsidiaries are eliminated.

The results of subsidiaries are consolidated in the consolidated statement of profit or loss from the date of acquisition, being the date on which control is effectively transferred to the Company. The results of subsidiaries disposed of are included in the consolidated statement of profit or loss up to the date of disposal, being the date on which the Company loses control of the subsidiaries.

Control is achieved when the Company:

- Has power over the investee.
- Is exposed, or has rights, to variable returns from its involvement with the investee.
- Has the ability to use its power to affect its returns from the investee.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control referred to above.

When the Company holds less than a majority of the voting rights in an investee, it still has control when the voting rights are sufficient to give the Company the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether it has sufficient voting rights in an investee to give it control.

Such facts and circumstances include:

- The size of the Company’s holding of voting rights relative to the size and dispersion of holdings of other vote holders.
- Potential voting rights held by the Company, other vote holders, or other parties.
- Rights arising from other contractual arrangements.
- Any additional facts and circumstances that indicate whether the Company has, or does not have, the current ability to direct the relevant activities at the time decisions need to be made, including voting patterns at previous shareholders’ meetings.

When the Company loses control of a subsidiary, it:

- Derecognizes the assets of the subsidiary (including goodwill) and its liabilities.
- Derecognizes the carrying amount of any non-controlling interest.
- Derecognizes the cumulative translation differences recorded in consolidated equity.
- Derecognizes the fair value of the consideration received.

Jordan International Investment Company
(Public Shareholding Limited Company)
Notes to the Consolidated Financial Statements
For the year ended in December 31, 2025
(Jordanian Dinars)

2-Basis of Preparation(continued):

Basis of preparation of the consolidated financial statements (continued)

- Derecognizes the fair value of any retained investment.
- Recognizes any resulting gain or loss in the consolidated statement of profit or loss.
- Reclassifies amounts previously recognized in consolidated other comprehensive income to the consolidated statement of profit or loss or retained earnings, as appropriate.

The financial information of subsidiaries is prepared for the same reporting period as the Company, using the same accounting policies adopted by the Company. Where subsidiaries follow accounting policies different from those of the Company, appropriate adjustments are made to their financial statements to bring them in line with the Company's accounting policies.

Non-controlling interests represent the portion of equity in subsidiaries not attributable, directly or indirectly, to the Company.

As at 31 December 2025, the Company has the following direct subsidiary:

<u>Company Name</u>	<u>Nature of Business</u>	<u>Ownership %</u>	<u>Share Capital</u>	<u>Year of Incorporation</u>
Tilal Salem Real Estate Industrial Company	Investment properties	%99.999	<u>150,000</u>	2008

<u>Company Name</u>	<u>Total Assets</u>	<u>Total Liabilities</u>	<u>Total Revenue</u>	<u>Total Expenses</u>
Tilal Salem Real Estate Industrial Company	<u>288,705</u>	<u>47,983</u>	<u>2,761</u>	<u>(600)</u>

3- Application of New and Amended International Financial Reporting Standards

New and amended accounting standards effective for the current year

- Amendments to IAS 21 – Lack of Exchangeability of Currency
- Amendments to the Sustainability Accounting Standards Board standards to enhance their international applicability

The Company has not early adopted the following new and amended standards that have been issued but are not yet effective. Management is in the process of assessing the impact of these new requirements.

Issued standards not yet effective

• Amendments effective for periods beginning on 1 January 2026:

- Amendments to IFRS 9 “Financial Instruments” and IFRS 7 “Financial Instruments: Disclosures”
- Annual Improvements to IFRS Accounting Standards – Volume 11

• Amendments effective for periods beginning on 1 January 2027:

- IFRS 18 – Presentation and Disclosure in Financial Statements
- IFRS 19 – Disclosures for Subsidiaries without Public Accountability

Management expects to adopt these new standards, interpretations, and amendments in the period of initial application. Management also expects that the adoption of these new standards, interpretations, and amendments will not have a material impact on the financial statements upon initial application, except for IFRS 18, which relates to the reclassification and restructuring of the presentation of financial statements.

Jordan International Investment Company
(Public Shareholding Limited Company)
Notes to the Consolidated Financial Statements
For the year ended in December 31, 2025

4- Significant Accounting Estimates and Assumptions

Preparing the consolidated financial statements requires the use of judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities, as well as the accompanying disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require adjustments to the carrying amounts of assets and liabilities in future periods.

The following are the key assumptions regarding the future and other principal sources of estimation uncertainty as of the date of the consolidated financial statements, which represent significant risks that could lead to material adjustments to the carrying amounts of assets and liabilities in the next financial year. The company bases its assumptions and estimates on available standards when preparing the financial statements, and these assumptions, estimates, and future developments may change due to market changes and conditions beyond the company's control. Any changes in these assumptions will be disclosed when they occur.

Going Concern Principle:

The company's management has conducted an assessment of the company's ability to continue its operations, which showed that the company has the necessary resources to continue its operations in the foreseeable future. Additionally, the company's management does not have any uncertainty that could cast significant doubt on the company's ability to continue. Therefore, the condensed interim financial statements have been prepared on a going concern basis.

Determining the Discount Rate for Present Value Calculation:

The discount rate represents an assessment of the current market risks on the company, taking into account the duration of the agreement and the individual risks of the related assets. The calculation of the discount rate is based on the surrounding circumstances of the company.

Estimated useful life for property and equipment:

The cost of property and equipment are depreciated over the expected services period which is estimated based on the estimated usage, obsolescence due to technology advancements and considerations of residual value of the assets. The Company's management did not estimate any residual value for its assets due to immateriality.

Provision for expected credit losses:

The Provision for expected Credit Losses is determined by referring to a range of factors to ensure that the receivables are not overstated due to the possibility of non-collection. This includes the quality and ages of the receivables, ongoing credit evaluations of customers' financial conditions, and any required collateral from customers under certain circumstances

Fair value measurement:

Fair value is the value that would be received upon selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The fair value measurement is based on the assumption that the assets or liabilities will be sold:

- In the principal market for the assets or liabilities, or
- In the most advantageous market for the assets or liabilities in the absence of a principal market.

The principal or most advantageous markets should be accessible to the entity.

4- Significant Accounting Estimates and Assumptions (Continued)

Fair value measurement (Continued):

The fair value measurement is made using the assumptions that market participants would use when pricing the assets or liabilities, assuming that market participants act in their economic best interest. Fair value measurement of non-financial assets considers the market participants' ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant.

The company uses valuation methods that are appropriate for the circumstances and the availability of sufficient data to measure fair value, maximizing the use of observable inputs and minimizing the use of unobservable inputs. All assets and liabilities measured at fair value are classified or disclosed in the financial statements based on a hierarchy of the fair value levels mentioned below and based on significant inputs for the entire fair value measurement:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques using significant observable inputs directly or indirectly.
- Level 3: Valuation techniques using significant unobservable inputs.

The fair value measurement of financial assets available for sale and non-recurring fair value measurements, such as assets held for distribution in a discontinued operation, are assessed periodically.

For disclosure of fair value, the company has identified categories of assets and liabilities based on the nature and characteristics of the asset or liability, and the level of fair value hierarchy as described above.

5- Significant accounting policies

Property and equipment

A- Recognition and Measurement:

Property, plant, and equipment are presented at cost less accumulated depreciation and any accumulated impairment losses, if any. The cost of acquiring assets includes all costs directly related to the acquisition transaction. The cost of assets manufactured includes the cost of materials, direct labor, and all direct costs that make the assets ready for their intended use. Also added are the costs of dismantling, installing, and transporting the assets and the costs of preparing the site where they will be placed, in addition to borrowing costs allocated to assets eligible for capitalization.

Purchased software that is an integral part of the related hardware functions is also capitalized as part of that hardware. If a significant part of one of the components of an asset within the property, plant, and equipment has a different productive life from that asset, it is considered as a separate item of property, plant, and equipment.

Any revenues or losses incurred as a result of the disposal of an item of property, plant, and equipment are recognized in profit or loss and other comprehensive income. The cost of replacing any part of an item of property, plant, and equipment and any subsequent expenditure is capitalized in the book value when it results in an increase in future productive benefits to the company and the cost can be reliably measured. The book value of the asset replaced is written off. Routine maintenance expenses of property, plant, and equipment are recognized in the profit or loss statement

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5- Significant accounting policies (Continued):

Property and equipment (Continued):

B- Subsequent Capital Expenditures:

The cost of replacing a part of an item of property, plant, and equipment, and any other subsequent capital expenditures, is capitalized in the book value of the item if:

- It is likely that future economic benefits will flow to the company from that added part, expense, or expenditure.
- The cost can be reliably measured. The book value of the asset that has been replaced is written off.

C- Depreciation

Depreciation is calculated on the basis of the cost of the assets minus the remaining value of the assets after the end of their useful life (salvage value) using the straight-line method over the useful life of the assets and by adopting the following percentages and number of years:

Furniture and decoration	10%	Buildings	2%
vehicles	15%	Equipment and tools	10% -5%
		Water/Well	2%

The residual values (residual value), remaining useful lives, and depreciation methods are reviewed on the date of issuance of the financial report and are amended in, if necessary.

Financial Instruments

Classification and Measurement:

The classification of financial assets is based on the company's business model for managing its financial assets and the contractual cash flow characteristics, the company classifies its financial assets as follows:

- Financial assets measured at amortized cost.
- Financial assets measured at fair value through profit or loss.
- Financial assets measured at fair value through other comprehensive income.

Gains or losses on financial assets measured at fair value are recognized either through profit or loss and other comprehensive income. Loans and receivables held for contractual cash flow collections expected to result in cash flows representing repayment of the principal amount and interest only are measured at amortized cost.

Initial Measurement:

Financial assets are initially measured at their fair value, plus transaction costs in the case of financial assets not measured at fair value through profit or loss. Transaction costs related to financial assets measured at fair value through profit or loss are recognized at fair value through profit or loss and other comprehensive income.

Financial assets that include listed derivatives are fully recognized when determining whether their cash flows meet the requirements of representing only the repayment of the principal amount and interest.

Subsequent Measurement:

Debt Instruments:

The company recognizes three categories for subsequent measurement of its debt instruments.

• Amortized Cost:

Financial assets acquired to collect contractual cash flows that represent solely payments of principal and interest are measured at amortized cost. The gains or losses arising from the investment in debt instruments subsequently measured at amortized cost and not part of a risk-hedging instrument in the statement of comprehensive income are recognized within finance income using the effective interest rate method.

Jordan International Investment Company
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Notes to the Consolidated Financial Statements
For the year ended in December 31, 2025

5- Significant Accounting Policies (continued):

Financial Instruments(continued):

• **Fair Value through Profit or Loss:**

Financial assets that do not meet the criteria for subsequent measurement at amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss. Also, the gains and losses arising from the investment in debt instruments subsequently measured at fair value through profit or loss and not part of a risk-hedging instrument are recognized and shown net in the statement of comprehensive income in the period in which they arise.

• **Fair Value through Other Comprehensive Income:**

Financial assets acquired to collect contractual cash flows and held for sale, where the cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Changes in the carrying amount of these assets are recognized through other comprehensive income, except for impairment losses, commission income, and foreign exchange gains and losses, which are recognized in the statement of comprehensive income. Upon derecognition of the financial asset, any previously recognized cumulative gains or losses within other comprehensive income are reclassified from equity to the statement of comprehensive income and recognized within other gains/ (losses). Commission income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are included in other income/expenses.

Investments Properties

Investments properties are initially recognized at cost, less accumulated depreciation (excluding land). These investments are depreciated over their useful life at a rate of 2% annually, with any impairment in their value recognized in the statement of comprehensive income. Operating revenues or expenses related to these investment properties are recorded in the statement of comprehensive income. The fair value of real estate investments is disclosed in the financial statement notes and is assessed by independent property appraisers based on market prices.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks, and deposits held at banks (within 3 months).

Statutory Reserve

In accordance with the company's articles of association and company law requirements, the company is required to allocate 10% of the net profit before tax to a statutory reserve until this reserve reaches 25% of the company's capital. This reserve is not available for distribution.

Voluntary Reserve

In accordance with a decision of the Company's Board of Directors, the Company shall appropriate 20% of net profit before tax to a voluntary reserve. This reserve is available for distribution.

Revenue Recognition

The company recognizes revenue from contracts with customers based on a five-step model as outlined in International Financial Reporting Standard (IFRS) 15 - Revenue from Contracts with Customers. The steps are as follows:

- **Step 1:** Identify the Contract(s) with the Customer.
- **Step 2:** Identify the Performance Obligations in the Contract.
- **Step 3:** Determine the Transaction Price, which includes fixed or variable considerations.
- **Step 4:** Allocate the Transaction Price to the Performance Obligations in the Contract.
- **Step 5:** Recognize Revenue when (or as) the Entity Satisfies a Performance Obligation.

According to IFRS 15, revenue is recognized by the entity when a performance obligation is satisfied. This occurs when control of the goods or services, which are subject to a specific performance obligation, is

transferred to the customer.

Jordan International Investment Company
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Notes to the Consolidated Financial Statements
For the year ended in December 31, 2025

5- Significant Accounting Policies (continued):

Administrative and General Expenses

These are expenses related to administration, which are not directly related to the main operational activities or sales and marketing functions. These costs are allocated between the cost of revenues and administrative and general expenses, if necessary, in a systematic manner.

Provision for Income Tax

The company makes a provision for income tax in accordance with Income Tax Law No. (34) of 2014, and in accordance with International Accounting Standard (IAS) 12. This standard dictates the recording of deferred tax arising from the differences between the accounting and tax values of assets and liabilities.

The provision for income taxes is calculated based on taxable profits, which may differ from the profits reported in the interim financial statements (unaudited) because reported profits include non-taxable revenues or non-deductible expenses in the current financial period but rather in future years, or accepted tax-deductible accumulated losses or items not subject to or acceptable for tax deduction purposes.

Provisions

Provisions are recognized when the company has obligations, whether legal or constructive, as a result of past events, and it is probable that settlement of these obligations will be required and a reliable estimate of the amount can be made. The amount recognized as a provision is the best estimate of the current obligations required to settle at the end of the reporting period, taking into account risks and uncertainties surrounding these obligations.

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6-Property and equipment

	Buildings	Tools and equipment	Furniture and decoration	Vehicles	Water well	Total
<u>Cost</u>						
Balance as of December 31, 2024	28,710	43,477	7,776	396	7,064	87,423
Additions	-	440	-	-	-	440
Balance as of December 31, 2025	28,710	43,917	7,776	396	7,064	87,863
<u>Accumulated depreciation</u>						
Balance as of December 31, 2024	(10,087)	(37,394)	(7,775)	(395)	(7,060)	(62,711)
Charge of the year	(574)	(1,442)	-	-	-	(2,016)
Balance as of December 31, 2025	(10,661)	(38,836)	(7,775)	(395)	(7,060)	(64,727)
Net book value:						
As of December 31, 2025	18,049	5,081	1	1	4	23,136
As of December 31, 2024	18,623	6,083	1	1	4	24,712

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7- Investment Properties

	<u>Land</u>	<u>Buildings</u>	<u>Apartments</u>	<u>Wadi Saqra office</u>	<u>Total</u>
<u>Cost</u>					
Balance as of December 31, 2024	6,830,254	467,119	120,697	88,433	7,506,503
Disposals	<u>(20,662)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,662)</u>
Balance as of December 31, 2025	<u>6,809,592</u>	<u>467,119</u>	<u>120,697</u>	<u>88,433</u>	<u>7,485,841</u>
<u>Accumulated depreciation</u>					
Balance as of December 31, 2024	-	(162,054)	(42,211)	(23,877)	(228,142)
Charge of the year	<u>-</u>	<u>(9,537)</u>	<u>(2,416)</u>	<u>(1,769)</u>	<u>(13,722)</u>
Balance as of December 31, 2025	<u>-</u>	<u>(171,591)</u>	<u>(44,627)</u>	<u>(25,646)</u>	<u>(241,864)</u>
<u>Net book value:</u>					
As of December 31, 2025	<u>6,809,592</u>	<u>295,528</u>	<u>76,070</u>	<u>62,787</u>	<u>7,243,977</u>
As of December 31, 2024	<u>6,830,254</u>	<u>305,065</u>	<u>78,486</u>	<u>64,556</u>	<u>7,278,361</u>

- The fair value of investment properties was estimated by real estate expert 8,243,648 Jordanian dinars as of December 31, 2025 (8,180,951 dinars as of December 31, 2024).

8- Financial Assets at Fair Value through Other Comprehensive Income

	<u>2025</u>	<u>2024</u>
Shares listed on the Amman Stock Exchange	86,473	118,267
Shares listed and not Traded on Amman Stock Exchange *	-	-
	<u>86,473</u>	<u>118,267</u>

* These shares have been revalued according to the latest available published price, which represents fair value based on management estimates.

9- Account Receivables

	<u>2025</u>	<u>2024</u>
Account Receivables	69,288	72,915
Provision for expected credit losses	<u>(62,751)</u>	<u>(62,751)</u>
	<u>6,537</u>	<u>10,164</u>

The movement in the provision for expected credit losses is as follows:

	<u>2025</u>	<u>2024</u>
The balance at the beginning of the year	62,751	62,751
Provided during the year	-	-
Balance at the end the year	<u>62,751</u>	<u>62,751</u>

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9- Account Receivables (Continued)

The company applies the simplified approach under IFRS No. (9) Whereby the company measures the provision for credit losses for trade receivables at an amount equal to lifetime expected credit losses. The expected credit losses for trade receivables are estimated using a provisioning matrix based on the debtor's previous defaults and an analysis of its current financial position and its adjustment according to specific factors for the debtors and the general economic conditions of the industrial sector in which the debtors operate and an estimate of both the movement of current or expected conditions as at the date of preparing the consolidated financial statements.

The Company writes off any trade receivable if there is information indicating that the debtor is in acute financial hardship from which there is no realistic prospect of recovery, for example when the debtor is placed in liquidation or is subject to bankruptcy proceedings.

10- Financial Assets at Fair Value Through Profit or Loss

	2025	2024
Shares listed on Amman Stock Exchange	<u>1,224,499</u>	<u>953,300</u>

11- Other Account Receivables

	2025	2024
Income tax and national contribution receivables	40,012	27,460
Prepaid expenses	6,188	4,513
Guarantee deposits	1,800	1,800
Employee advances	468	2,029
Social security contributions receivable	1,322	356
Others	7,314	4,587
Refundable deposits	30	30
	<u>57,134</u>	<u>40,775</u>

12- Cash and Cash Equivalents

	2025	2024
Cash at banks	33,348	43,040
Bank deposits	766,000	766,000
Checks under collection (with a maturity of one to three months)	-	3,100
	<u>799,348</u>	<u>812,140</u>

13- Paid in Capital

The authorized and fully paid-up capital of the company is 10,000,000 Jordanian dinars consisting of 10,000,000 shares of 1 Jordanian dinar each.

14- Other Payables

	2025	2024
Legal Provision	5,449	5,449
Accrued revenue	5,925	4,450
Deposits and accrued expenses	1,239	1,138
Others	6,244	587
	<u>18,857</u>	<u>11,624</u>

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15- Provision for Income Tax

A- Summary of reconciliation accounting profit to tax profit:

	2025	2024
Accounting profit	165,473	74,203
Tax adjustments	(163,312)	(71,953)
Adjusted profit/ (loss)	2,161	2,250
Income tax of the year 20%	432	450
National Contribution Account 1%	22	23
Total income tax and national contribution	454	473

a- Summary of the movement of the tax provision during the year:

	2025	2024
Balance at the beginning of the year	1,120	872
Provided during the year	454	473
Paid during the year	(83)	(225)
Balance at the end of the year	1,491	1,120

B- Tax Status:

The tax status of the company and its subsidiary (Tilal Salem Industrial Real Estate Company) has been terminated and settled until the end of the fiscal year 2023.

16-Deferred tax assets

	Balance at the beginning of the year	Amounts released	Amounts added	Balance at the end of the year	Deferred tax	
					2025	2024
Provision for expected credit losses	62,751	-	-	62,751	13,178	13,178
Provision for impairment of investment properties	6,126	-	-	6,126	1,286	1,286
Impairment of the change in financial assets at fair value through profit or loss	448,820	-	882	449,702	93,597	93,412
Impairment in the value of financial assets at fair value through other comprehensive income	11,941	-	-	11,941	2,508	2,508
Legal provision	5,449	-	-	5,449	1,145	1,145
	531,087	-	882	535,969	111,714	111,529

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16- Deferred tax assets (continued)

Summary of movement on deferred tax assets during the year:

	2025	2024
Balance at the beginning of the year	111,529	112,380
Added during the year	185	-
Released during the year	-	(851)
Balance at the end of the year	111,714	111,529

The company calculated deferred tax assets at a rate of 21% as of December 31, 2023 and 2024, according to Income Tax Law No. (38) Of 2018, and in the opinion of the tax advisor, the company will be able to benefit from deferred tax assets in the future.

17- Earnings per Share for the Net Income Of the year

Earnings p

er share is calculated year by dividing the net income /(loss) for the year by the weighted average number of shares during the year, the details of which are as follows:

	2025	2024
Net income for the year	165,204	72,879
Weighted average number of shares	10,000,000	10,000,000
Earnings Per share of net income for the year	0.016	0.007

18-General and administrative expenses

	2025	2024
Employee salaries and benefits	64,071	44,035
Board members' travel expenses	33,000	5,000
Tax and property taxes	19,261	-
Consulting fees	10,996	8,320
Subscriptions	10,300	10,300
Company's social security contribution	6,230	3,893
Workers' wages	7,089	6,372
Professional fees	6,895	8,780
Government fees	4,298	4,152
Land sale fees and commissions	4,200	-
Health insurance	2,858	1,132
Rent	2,000	-
Maintenance	1,124	8,893
Other expenses	11,574	15,967
	183,896	116,844

19-Contingent liabilities

The Company has the following contingent liabilities:

	2025	2024
Bank guarantee	6,000	30,000

20- Lawsuits

There is a case brought by the Jordan International Investment Company against others amount of 33,454 Jordanian dinars, and according to the opinion of the company's lawyer, it is still pending with the court.

21- Financial Instruments – Risk Management

Fair Value:

Is the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transactions. As the Company's financial instruments are compiled under the historical cost method, differences can arise between the book amounts and the fair value estimates. Management believes that fair values of the Company's financial assets and liabilities are not materially different from their carrying values.

Credit Risk:

Is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. There is no major risk on the Company regarding credit risk. Account receivable are received on an ongoing bases their aging is analyzed and provisions are made for any doubtful receivables. Account receivable are stated net of credit losses. The company maintains cash with local bank with credit rating.

Currency Risk:

Is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's transactions are predominantly in Jordanian Dinars, and United States Dollars.

The Jordanian Dinar is connected with the United States Dollar therefore the currency risk is being well managed by the Company.

Liquidity Risk:

Is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value The Company's management monitors liquidity requirements on a regular basis and ensures that sufficient funds are available to meet any future commitments.

22- Approval of the Financial Statements

These financial statements were approved by the Company's Board of directors on 25 February, 2026.